

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning & Welcome to Monday's trading action at Dalal Street dated 18th January 2021.

Well, it is always sensible to watch market moves through a magnifying lens.

We say so because the benchmarks had fallen sharply in Friday's trade and most importantly ended on a down note. This Monday morning, the street is again seen taking the negative baton from Friday's trade.

Blame the part of negativity to a weak closing at Wall Street in Friday's trade as aggressive traders resorted to 'sell the news' after the President-elect Joe Biden announced a \$1.9 trillion COVID-19 relief plan.

So, the covid-19 relief plan has not surprised stock markets. This sparks concerns that the market could have got overheated. The street worries over the potential for tax increases in the future could limit upside on stock markets across globe. Also reports suggest that the Second "Pandemic" is Worse than 2020.

Amidst this backdrop, there is an apprehension that stock markets across the globe are fundamentally divorced from the real economy.

Long story short: First signs of risk seen at Dalal Street.

Technically speaking, the benchmark Nifty is seen reaching an overbought inflexion point. The line in the sand on Nifty now is at its 21 DMA at 14,049 mark.

The street needs to spy with one big eye if liquidity can extrapolate optimism in Monday's trade — which takes Nifty above its all-time high at 14654 mark. Alternatively, if Nifty's key support at 14049 breaks on the downside then it's safe to assume that Dalal Street's recent rise is just similar to building a skyscraper on top of quicksand.

The gyan mantra is to stay nimble as in near term volatility will reign supreme. Hence, the gyan mantra is to focus mostly on the long term. That brings us to our chart of the day suggests stocks for buy-and-hold investors. Amongst stocks looking attractive with medium to long term perspective are: LUPIN & BHARTI AIRTEL. These large-cap momentum stocks should be able to fetch 10-15% returns even from current levels. Investors can consider buying these shares at current price and also adding on any corrective declines.

Now, here are other key things to know before today's market opens.

o **Q3 Earnings to trickle in today:** INDIABULLS REAL ESTATE, MINDTREE, RALLIS INDIA.

- The options data for January Series suggests Nifty is likely to be in a broader trading range as maximum Call OI is at 15000. Maximum Put open interest stands at 14000 levels. Call writing was seen at 14600 and then at 14600 strike price, while there was meaningful Put writing at 14200. Well, the said data indicates a wide trading range between 14200 and 14800 levels.
- As per Friday's provisional data available on the NSE, FII's bought shares worth Rs. 976.06 crores in the Indian Equity Market.
- Indian Railway Finance Corporation, the dedicated market borrowing arm of the Indian Railways, will open its Rs 4,633 crore IPO for subscription on January 18 and the same will close on January 20.

Now before end, commanding attention will also be the upcoming Union Budget 2021 to be presented on 1st Feb 2021. Expect, Nifty & Sensex to simply zoom above their psychological 15,000 and 50,000 mark respectively if there is any abolition of Securities Transaction Tax (STT).

Fingers crossed.

SGX Nifty: (-46, 14413)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	14434	14031	14657	14049	11310	14277-14551	Sell at CMP. Targets 14257/14031/13751 with stop at 13777.
Bank Nifty	32247	30501	32613	31303	23705	33501-32751	Sell at CMP. Targets at 31301/30501/28977. Stop at 33331.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
LARSEN	1354	1247	1405	1308	981	Negative	Sell at CMP, targeting 1301 and then at 1247-1255 zone with stop above 1409.
INDIGO	1631	1441	1727	1675	1239	Negative	Sell between 1641-1651 zone, targeting 1603/1560 and then at 1441-1475 zone with stop above 1691.
RBL BANK	254	227.50	273	241	178	Negative	Sell at CMP, targeting 243 and then at 227.50/201 zone with stop above 266.

All About Option Trades:

Option Call: BUY LUPIN 28th January CE Strike Price 1110 at CMP 34.10. Profit: Unlimited. Maximum Loss: Rs. 28,985/-. Stop: Exit Call Option if LUPIN moves below 1067. (LUPIN January Futures CMP 1097.65).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PIRAMAL ENTERPRISES (PEL)	1625	1467	2001	1469	1277	Positive	Buy at CMP, targeting 1725 and then aggressive targets at 2000 mark. Stop at 1371.
BHARTI AIRTEL	603	537	651	531	513	Positive	Buy between 570-591 zone, targeting 613/651 and then aggressive 6-months targets at 701 mark. Stop below 517

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