

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	CPI, n.s.a (MoM) (Aug), National Core CPI (YoY) (Aug), National CPI (YoY) (Aug), CPI Tokyo Ex Food and Energy (MoM)
Euro:	German PPI (MoM) (Aug), German WPI (MoM) (Aug), German WPI (YoY) (Aug), German PPI (YoY) (Aug), Current Account n.s.a. (Jul), Current Account (Jul)
USA:	Current Account (Q2), US Leading Index (MoM) (Aug), Michigan Consumer Expectations (Sep), Michigan Current Conditions (Sep), Michigan Inflation Expectations (Sep), Michigan Consumer Sentiment (Sep), Michigan 5-Year Inflation Expectations (Sep), U.S. Baker Hughes Oil Rig Count, U.S. Baker Hughes Total Rig Count
Great Britain:	Core Retail Sales (YoY) (Aug), Retail Sales (MoM) (Aug), Core Retail Sales (MoM) (Aug), Retail Sales (YoY) (Aug)

Good Morning & Welcome to Friday's trading action at Dalal Street dated 18th September 2020.

Dalal Street primarily wobbled after it got its first chance to react to the Federal Reserve's decision and its cautious outlook on the world's top economy.

The street suspects that the interest rates which are likely to stay at zero for at least the next three years is not a positive signal for the U.S economy.

Also hurting was Fed Chair Powell's statement that the economic downturn resulting from the pandemic is "the most severe in our lifetime."

This morning, SGX Nifty is flirting with the dotted lines indicating that the street is seen digesting Fed's statement and most importantly, the fact that Fed statements were quite dovish. The Fed has signaled it plans to keep a key U.S. short-term interest rate near zero at least through the end of 2023 to help the economy recover from the coronavirus. We believe, the key positive takeaway is that the Fed has raised its estimates for 2020 GDP and lowered its forecast for unemployment to 7.6% in light of a rapid rebound in the economy.

Bottom-line: Let all the bears' echo the mantra, "Don't fight the Fed. Hopefully, we will have a positive day out..."

Now, before we get into detail, here are other key things to know before today's market open:

- Our **call of the day** suggests **volatility likely to be the hallmark of today's trade.**
- Markets are likely to trade volatile as Thursday's provisional data suggests that FII's sold shares worth Rs. 249.82 crores. DIIs too sold shares worth Rs. 1067.83 crores in the Indian Equity market.
- Technically speaking, bulls will attempt to regroup as long as Nifty is trading above 11357 mark. Nifty's immediate targets seen at 11619 mark and then aggressive inter-month targets seen 11750-12000 zone. **Please note, Nifty will stumble only below 11357 mark.**
- Meanwhile, options data suggests Nifty is likely to be in a trading range as maximum Call OI is at 12000. This is followed by 11600 Strike Price. Maximum Put open interest stands at 11,500 levels. Call writing was seen at 11500 followed by 11600 levels, while there was meaningful Put writing at 11,500. Well, the said data indicates a higher trading range between 11,300 and 11,900 levels.
- Our **chart of the day** is quite bullish on DR REDDYS LAB. We expect the stock to cross its psychological 5000 mark soon. GLAXO PHARMA also appears to have a positive inter-month perspective. Expect the stock to cross 2000 mark soon. Bullish traders can also look to trade CIPLA and SUN PHARMA on the buy side with an interweek perspective..

Outlook for Friday: Opportunity is everywhere in Pharma stocks.

SGX Nifty: (-17, 11512)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11516	11475	11617	11456	10782	11545-11687	Buy between 11455-471 zone. Targets at 11677/11795/12001 with stop at 11311.
Bank Nifty	22320	21951	23267	22958	24521	22101-23267	Buy only above 22757. Targets at 23267/23901. Stop at 21541.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BHARAT FORGE	479	463	495	487	401	Positive	Buy at CMP. Targets 495/521. Stop 461.
CIPLA	751.50	735	771	738	568	Positive	Buy at CMP. Targets 771/811. Stop 719.
SUNPHARMA	512	503	537	519	456	Positive	Buy at CMP. Targets 537/565. Stop 507.

All About Option Trades:

Option Trade: BUY NIFTY 24th SEPTEMBER CE Strike Price 11600 at CMP 76.35. Profit: Unlimited. Maximum Loss: Rs. 5,726.25/-. Stop: Exit Call Option if Nifty moves below 11451. (Nifty September Futures CMP 11527)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NILKAMAL	1331.60	1257	1441	1301	1218	Positive	Buy at CMP. Targets 1441/1679. Stop 1257.
PFIZER	4954.80	4345	5475	4820	4291	Positive	Buy between 4831-4851 zone. Targets 5475. Stop 4345.
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Mehta Group

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