

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Economic Calendar:

Great Britain: Rightmove House Price Index (MoM)
Euro: German Buba Monthly Report, Construction Output (MoM) (May)
USA: NAHB Housing Market Index (Jul), 3-Month Bill Auction, 6-Month Bill Auction

Good Morning Early Readers!

U.S. stocks fell sharply in Friday's trade as data showed a fall in consumer sentiment.

Federal Reserve Chairman Jerome Powell was seen stating that higher prices may be behind the fall in consumer sentiment.

That brings us to the biggest fear of this market: Inflation.

Our **call of the day** suggests that the street is really grasping at straws here. The U.S consumer sentiment survey might have played a small part for this early negativity at Dalal Street, but the simple fact is that when a market is this overvalued, it does not need much of a reason to go down.

Please note that Nifty and Sensex have scaled fresh all-time-highs in the week gone by, but the foreign institutional investors continue to be the in the pessimist side taking some more money off the table as they net sold Rs 2,667.16 crore of shares on weekly basis taking the total selling to Rs 6,923.61 crore in the month of July.

The big question: Major profit booking on cards?

Hopefully, an upbeat first-quarter corporate earnings result from India saves the bulls.

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

- Our **chart of the day** is bullish on stocks like MCDOWELL, CIPLA, JSW STEEL, HINDALCO and JINDAL STEEL & POWER.
- **SHOW ME THE MONEY:** Momentum Call: Buy AUROBINDO PHARMA July Futures for 0-3 days (CMP 976.50) between 953-960 zone for an objective of 991/1043. Stop 931. Alert: BREAKOUT PLAY.
- Technically speaking, only a clear breakout above the magical Nifty 16000 would be bullish as overbought technical conditions prevail. Nifty's make-or-break interweek-supports are placed at 15632 mark. As long as Nifty's 15632 support holds, the bias remains positive. If Nifty slips below the 15632 mark then its safe to assume that rising inflation risks are spoiling the party at Dalal Street.
- The options data for July series suggests Nifty is likely to be in a higher trading range of 15500-16200 as maximum Call OI is at 16000 followed by 16500 strike price. Maximum Put open interest stands at 15900 levels followed by 15800 levels. Call writing was seen at 16000 and then at 16500 strike price, while there was meaningful Put writing at 15300 and then at 15900 strike prices.
- The slight optimism for our stock markets is also on backdrop of the fact that the volatility index has dropped lower to 12 levels. Well, a lower VIX level is seen bullish for stocks.
- The yield on the 10-year U.S Treasury note settled at 1.30%, down 5.4 basis points for the week. Yields and bond prices move in opposite directions.
- Dalal Street will remain shut on Wednesday, 21st July on account of Bakri Id.
- **Stock banned in F&O segment:** IBULSHSGFIN, IDEA, NMDC, PNB, SAIL, SUNTV.
- **Q1 earnings to trickle in today:** HDFCLIFE, HCLTECH, CUB, ACC .

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	15923	15821	16027	15780	14204	15777-16077	Buy only on any early sharp declines to 15775-15800 zone. Targets at 16027/16101 mark and then at 16251 mark with strict stop at 15611.
Bank Nifty	35752	35361	36301	35175	31779	35451-36259	Buy between 35251-35351 zone. Targets at 36259 and then aggressive targets at 37709 mark with stop at 33589.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
CIPLA	977	961	999	966	843	Positive	Buy between 961-965 zone. Targets 999/1021. Stop 937.
GODREJ PROPERTIES	1578	1527	1607	1444	1295	Positive	Buy between 1537-1545 zone. Targets 1607/1657. Stop 1517.
JSWSTEEL	703	689	723	683	480	Positive	Buy at CMP. Targets 723/769. Stop 681.

All About Option Trades:

Option Call: SELL NIFTY 22nd JULY PE Strike Price 16000 at CMP 125. Maximum Profit: Rs. 9,375/-.
Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15751. (NIFTY JULY Futures CMP 15940).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUST DIAL	1073	991	1251	1029	752	Positive	Buy at CMP. Targets 1131/1251. Stop 931.
UNITED SPIRITS (MC DOWELL)	667	569	707	663	575	Positive	Buy at CMP. Targets 707/751. Stop 569.
-	-	-	-	-	-	-	-

Mehta Group

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