

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

China: GDP Growth Rate YoY Q3, Industrial Production YoY SEP, Retail Sales YoY(SEP), Unemployment Rate SEP, Fixed Asset Investment (YTD) YoY SEP, GDP Growth Rate QoQ Q3, NBS Press Conference, Industrial Capacity Utilization  
Euro: Construction Output YoY AUG  
USA: 6-Month Bill Auction, 3-Month Bill Auction

## Good Morning & Welcome to Monday's trading action at Dalal Street dated 19th October 2020.

The consensus theme at Dalal Street and at worldwide stock markets is that until November 3rd U.S Presidential elections — investors' will need to brace for volatility. And if the voting results are disputed then simply expect volatility, volatility and volatility.

That brings us to our **call of the day** which suggests for stock markets to move up, the need of the hour is more fiscal stimulus.

At the moment, the probability of another round of stimulus is a big question mark as the two parties appear far apart. But the good thing is that both agree that more stimulus assistance is the need of the hour.

So with long long-term investors' perspective — the stage is set for a 2021 stock market rally. Also, all bullish eyes will remain glued to the developments on the vaccine front. Hopefully: Biden win = roaring stock market and economy

And for day-traders or market-timers — after a positive start, the theme will revolve around Chinese 3rd quarter GDP numbers to trickle in today (19th October).

Our **chart of the day** is quite bullish on metal stocks which suggest buying **HINDALCO, TATA STEEL & JINDAL STEEL & POWER** with an interweek perspective.

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

- Technically speaking, if last week's panic selling is any indication then the benchmark Nifty will find support at 11551 mark. To move up, Nifty now needs to move past its biggest hurdles of the day at 11889 mark. Above 11889 mark, Nifty's next hurdles are at 12047 mark. Above Nifty's 12047, all-eyes will be at all-time-highs at 12431 mark. Only above 12431 mark will indicate that we are totally out of the woods.
- The Supreme Court will now hear the interest waiver on the loan moratorium period on 2nd November.
- Options data for 22nd October Series suggests Nifty is likely to be in a higher trading range as maximum Call OI is at 12000. This is followed by 12500 Strike Price. Maximum Put open interest stands at 11700 levels. Call writing was seen at 12000 followed by 11800 levels, while there was meaningful Put writing at 11600. Well, the said data indicates a higher trading range between 11600 and 12200 levels.
- Friday's provisional data suggests that both FII's and DIIs both sold shares worth Rs. 479.59 crores and Rs. 429.81 crores in the Indian Equity market.
- Auto stocks could trade subdued on reports that passenger vehicle exports from India declined 57.52% in April-September period of the current fiscal year as COVID-19 related disruptions hampered dispatches to various global markets.

## Q2 earnings to trickle in:

Monday: ACC, BRITANNIA, CENTURYTEX, RALLIS, BANK OF MAHARASHTRA

Tuesday: HINDZINC, HUL.

## Outlook for Monday: Buy on dips likely to be the theme. We like Hindalco.

## SGX Nifty: (+67, 11839)

## All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11762	11671	11889	11498	10722	11711-11889	Buy between 11705-11725 zone. Targets at 11889/12049/12431 mark with stop at 11543.
Bank Nifty	23533	22701	24201	22341	23563	23001-24201	Buy between 23151-23251 zone. Targets at 24190/25232. Stop at 22711.

## All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HINDALCO	180	173	185	172	159	Positive	Buy at CMP. Targets 185/201. Stop 171.
PIDILITE	1481	1467	1521	1456	1442	Positive	Buy at CMP. Targets 1521/1637. Stop 1421.
RELIANCE	2175	2137	2247	2236	1678	Negative	Sell between 2201-2211 zone. Targets 2137/2000. Stop 2253.

## All About Option Trades:

**Option Trade:** BUY NIFTY 22nd OCTOBER CE Strike Price 11800 at CMP 89. Profit: Unlimited. Maximum Loss: Rs. 6,675/-. Stop: Exit Call Option if Nifty moves above 11673. (Nifty October Futures CMP 11767)

## All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HCLTECH	827.15	681	911	832	610	Positive	Buy at CMP. Targets 911/1001. Stop 681.
MANAPPURAM	162.75	129	200	160	149	Positive	Buy at CMP. Targets 200/225. Stop 125.
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## Mehta Group

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