

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

China:	PBoC Loan Prime Rate, FDI
Euro:	German PPI (MoM) (Dec), CPI (MoM) (Dec), CPI (YoY) (Dec), CPI ex Tobacco (YoY) (Dec), Core CPI (MoM) (Dec), HICP ex Energy & Food (YoY) (Dec), HICP ex Energy and Food (MoM) (Dec), CPI ex Tobacco (MoM) (Dec), Core CPI (YoY) (Dec)
Great Britain:	Core CPI MoM (MoM) (Dec), Core PPI Output (MoM) (Dec), Core PPI Output (YoY) (Dec), PPI Input (YoY) (Dec), PPI Input (MoM) (Dec), PPI Output (YoY) (Dec), PPI Output (MoM) (Dec), Core CPI (YoY) (Dec), Core RPI (YoY) (Dec), RPI (YoY) (Dec), CPI (YoY) (Dec), RPI (MoM) (Dec), CPI (MoM) (Dec), Core RPI (MoM) (Dec), CPI, n.s.a (Dec)
USA:	MBA Mortgage Applications (WoW), MBA 30-Year Mortgage Rate, Mortgage Refinance Index, MBA Purchase Index, Mortgage Market Index, Redbook (YoY), Redbook (MoM), NAHB Housing Market Index (Jan), 20-Year Bond Auction.

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 20th January 2021.

Judging by early action at SGX Nifty, it appears that the sentiment at Dalal Street could again turn bit jittery. That's not a pretty confident picture despite the fact that the benchmarks ended yesterday's session on a high note.

Well, at the moment there are two different schools of thoughts.

The first suggests that it's unlikely to a bad day as long as the Fed keeps up with aggressive stimulus measures. The other school of thought suggests that stock prices already reflect all of the positivity and most importantly, the ambit of further stimulus from the central banks across globe cannot get bigger from here.

That brings us to our **call of the day** suggest the gyan mantra to stay afloat in a volatile market like this is to keep books light. Expect — volatility, volatility and volatility as the markets are hovering at technical overbought conditions.

That said, any corrective declines should be an opportunity to initiate long positions.

Technically speaking, Nifty finds support only at 11345 and then major supports are placed at Nifty's 21 DMA at 14111 mark. Nifty's major hurdles at 11587 mark. Please note, confirmation of strength only on any close above Nifty's all-time-high at 14653 mark. The price action for Nifty is suggesting that we are likely to see a 14075-15000 range in near term.

The positive trigger could 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 if there is any abolition of Securities Transaction Tax (STT).

All investors' eyes will be glued this Wednesday on Capitol Hill with the inauguration of Joe Biden as the 46th President of the United States. The street will spy with one eye if the speech addresses the program of the new US administration which is likely to implement over the next four years — from trade policy with China, as well as domestic policy when it comes to investment in energy, renewables and other infrastructure, where Federal spending has been rather lacking in recent years.

Honestly speaking, the backbone of this mega bull-run at stock markets across globe has been on one tailwind: Massive fiscal and monetary policy support.

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

- Overnight, Wall Street mostly traded with positive bias after Janet Yellen testified before the senate panel. Yellens' hearing to the Senate Finance Committee was on the backdrop of an American economy continuing to struggle under the burden of the Covid-19 pandemic.
- The Reserve Bank of India (RBI) on January 19 said State Bank of India (SBI), ICICI Bank and HDFC Bank will continue to be identified as Domestic Systemically Important Banks (D-SIBs) or what is commonly called as lenders that are 'too-big-to-fail'.
- Q3 Earnings to trickle in today: BAJAJ FINSERV, BAJAJ FINANCE, FEDERAL BANK, HAVELLS, HDFC AMC, HINDZINC, SYNGENE, TINPLATE.
- Indigo Paints IPO to open on Jan 20; price band fixed at Rs 1,488-1,490.
- Our chart of the day is bullish on stocks like RELIANCE INDUSTRIES, PVR & JUBILANT FOODS.

SGX Nifty: (-93, 14463)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	14521	14351	14657	14111	11370	14351-14651	Buy between 14375-14425 zone. Targets at 14657 and then aggressive targets at 14901-15001 zone with stop at 13211.
Bank Nifty	32425	31851	33001	31431	23840	31851-33001	Buy at CMP. Targets at 332625/33333 and then aggressive targets at 34251 zone with stop at 31297.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PVR	1519	1467	1569	1389	1171	Positive	Buy between 1495-1501. Targets 1569/1601. Stop 1463.
RELIANCE INDUSTRIES	2016	1941	2041	1961	1884	Positive	Buy at CMP. Targets 2041/2167. Stop 1931.
LARSEN & TOUBRO	1370	1301	1387	1315	987	Negative	Sell at CMP. Targets 1301/1247. Stop 1411.

All About Option Trades:

Option Trade: BUY NIFTY 28th January CE Strike Price 14600 at CMP 146. Profit: Unlimited. Maximum Loss: Rs. 10,950/-. Stop: Exit Call Option if Nifty moves below 14401. (Nifty January Futures CMP 14572).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
LUPIN	1089	1001	1159	1020	929	Positive	Buy at CMP. Targets 1159/1201. Stop 1001
SANOFI	8287.95	7491	9000	8230	8095	Positive	Buy at CMP. Targets 9000/9750. Stop 7491.

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