

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

China:	PBoC Loan Prime Rate
Hong Kong:	CPI (YoY) (Nov)
Euro:	Business and Consumer Survey, Business Climate, Consumer Inflation Expectation, Selling Price Expectations, Services Sentiment, Industrial Sentiment, Consumer Confidence (Dec)
Great Britain:	CBI Industrial Trends Orders (Dec), CBI Distributive Trades Survey (Dec)
USA:	Chicago Fed National Activity (Nov), 3-Month Bill Auction, 6-Month Bill Auction, 20-Year Bond Auction

Good Morning & Welcome to Monday's trading action at Dalal Street dated 21st December 2020.

Fiscal stimulus package and ongoing optimism over Covid-19 vaccine progress are the two key catalysts that are likely to drive sentiments at Dalal Street.

The clock is ticking for the \$900 billion coronavirus aid bill for U.S individuals and businesses struggling from the economic fallout of pandemic lockdowns. The street suspects that Congress is on brink of deal on \$900 billion relief package.

Anyway, the positive catalyst working in favor of bulls: 'Fear of missing out + Short covering' on backdrop of the FIIs inflows which simply seem to be unstoppable. So far in December, FIIs net bought Rs. 38,734.10 crores worth of Indian equities. As per Friday's provisional data available on the NSE, FII's bought shares worth Rs. 2720.95 cores in the Indian Equity Market.

Our **chart of the day** is bullish on stocks like: INFOSYS, RELIANCE INDUSTRIES, KOTAK BANK, LUPIN, DR REDDYS LAB and HDFC LIFE.

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

- Volatility likely to be the hallmark amidst a holiday-shortened Christmas week.
- Technically, the biggest make-or-break support on Nifty seen at 13447 mark. Intraday support seen at 13611 mark. Technically speaking, chase the buying momentum as long as Nifty stays above 13447 mark. Immediate targets are at 13837 and then aggressive targets located at 14001 mark.
- The options data for December Series suggests Nifty is likely to be in a higher trading range as maximum Call OI is at 14000. Maximum Put open interest stands at 13700 levels. Call writing was seen at 13800 and then at 13900 stike price, while there was meaningful Put writing at 13500. Well, the said data indicates a higher trading range between 13500 and 14000 levels.
- Reliance Industries Ltd (RIL) and BP announced the start of production from the R Cluster, ultra-deep-water gas field in block KG D6 off the east coast of India.
- Lupin has received approval from USFDA for Colesevelam hydrochloride tablets which are used to reduce cholesterol.
- Meanwhile, we expect — IT & Software stocks likely to be in the limelight after a US court pulled up the United States Citizenship and Immigration Services (USCIS) for denying visa to an H-1B visa holder in a "capricious and arbitrary" manner. INFOSYS & HCL TECH are our preferred bets on the buy side. Amongst mid-cap stocks, we like NUCLEUS Software with an inter-month perspective.
- The Rs 300-crore initial public offering of Antony Waste Handling Cell will open for subscription on December 21 and the same will close on December 23. The price band for the issue has been fixed at Rs 313-315 per share. The IPO comprises a fresh issue of Rs 85 crore and an offer for sale of 68,24,933 equity shares by existing shareholders Leeds (Mauritius), Tonbridge (Mauritius), Cambridge (Mauritius) and Guildford (Mauritius).
- **Stock banned in F&O segment:** CANBK, PNB, SAIL, SUNTV.

SGX Nifty: (-49, 13734)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	13761	13627	13837	13268	10864	13651-13857	Buy between 13651-13675 zone. Targets at 13837 and then aggressive targets at 13911-14101 zone with stop at 13421.
Bank Nifty	30715	30201	31351	29956	22885	30451-31351	Buy at CMP. Targets at 30951/32613. Stop at 30101.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
DR REDDY'S LAB	5229	5137	5309	4940	4267	Positive	Buy between 5121-5151 zone. Targets 5309/5513. Stop 5017.
LUPIN	972	949	987	926	886	Positive	Buy at CMP. Targets 987/1021/1123. Stop 937.
RELIANCE INDUSTRIES	1992	1949	2039	1969	1973	Positive	Buy at CMP. Targets 2039/2077.50. Stop 1937.

All About Option Trades:

Option Trade: BUY BANKNIFTY 24th DECEMBER CE Strike Price 31000 at CMP 190.80. Profit: Unlimited. Maximum Loss: Rs. 4,770/-. Stop: Exit Call Option if Bank Nifty moves below 30201. (Bank Nifty December Futures CMP 30686).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NUCLEUS SOFTWARE	597.40	531	703	566	395	Positive	Buy at CMP. Targets 703/827. Stop 531.
NIPPON LIFE AMC	306.90	267	361	298	276	Positive	Buy at CMP. Targets 361/501. Stop 257.
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Mehta Group

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