

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Great Britain: Business Investment (YoY) (Q3), Business Investment (QoQ) (Q3), Public Sector Net Cash Requirement (Nov), Public Sector Net Borrowing (Nov), GDP (YoY) (Q3), GDP (QoQ) (Q3), Current Account (Q3)

Euro: GfK German Consumer Climate (Jan)

USA: Core PCE Prices (Q3), PCE Prices (Q3), Real Consumer Spending (Q3), GDP Sales (Q3), GDP Price Index (QoQ) (Q3), GDP (QoQ) (Q3), Corporate Profits (QoQ) (Q3), Redbook (MoM), Redbook (YoY), CB Consumer Confidence (Dec), Richmond Services Index (Dec), Richmond Manufacturing Shipments (Dec), Richmond Manufacturing Index (Dec), Existing Home Sales (MoM) (Nov), Existing Home Sales (Nov)

Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 22nd December 2020.

The good news this Tuesday morning is that SGX Nifty is seen nudging higher and that brings us to our call of the day which suggests a volatile session on cards — where Nifty is likely to move up initially to its biggest hurdles at 13537 mark. Probably selling at higher levels could again bring Nifty down to its break-even levels or perhaps down to psychological 13000 mark.

The big investors for the day are likely to focus only on the emergence of a possible fast-spreading variant of the strain of coronavirus that causes COVID-19, overshadowing optimism after U.S. lawmakers agreed on a pandemic-relief deal.

News of a far more contagious strain of the coronavirus in the U.K. has prompted several European countries and Canada to halt flights and trains from U.K, creating a chaotic situation across globe ahead of Christmas.

The big question: Are investors overreacting to the negativity on backdrop of worsening virus trends?

Honestly speaking, risk assets at Dalal Street are likely to shrug-off the new concerns about the virus if Nifty is able to move above its biggest hurdles of the day placed at 13537 mark. Above 13537 mark, Nifty is most likely to stabilize.

Our **chart of the day** is bearish on stocks like: BHARAT FORGE, HDFC, TATA CONSUMER, CUMMINS INDIA, GODREJ PROPERTIES.

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.
- The options data for December Series suggests Nifty is likely to be in a broader trading range as maximum Call OI is at 14000. Maximum Put open interest stands at 13000 levels. Call writing was seen at 13800 and then at 13600 stike price, while there was meaningful Put writing at 12500. Well, the said data indicates a wide trading range between 13000 and 13800 levels.
- In yesterday's trade, the FIIs posted a sell figure for the 1st time this month. As per provisional data available on the NSE, Foreign institutional investors (FIIs) net sold shares worth Rs 323.55 crore, whereas domestic institutional investors (DIIs) net bought shares worth Rs 486.12 crore in the Indian equity market on December 21.
- Investors' wealth eroded by Rs 6.59 trillion on Monday as equities tanked after the UK reported a new strain of the COVID-19 virus.
- Maharashtra will from Tuesday put Mumbai and other major cities under curfew from 11 pm to 6 am till January 5 to counter a threat from a new strain of the coronavirus in Britain.
- **Stock banned in F&O segment:** CANBK, PNB, SAIL, SUNTV.

Outlook for Tuesday: Nifty's biggest hurdles at 13537 mark.

SGX Nifty: (+147, 13410)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	13328	13007	13537	13294	10874	13001-13557	Sell between 13401-13537 zone. Targets at 13131/13000 and then aggressive targets at 12651-12751 zone with stop at 13671.
Bank Nifty	29456	28800	30001	30028	22896	30451-31351	Sell between 29901-30251 zone. Targets at 28757/27703 and then aggressive targets at 27001-27251 zone with stop at 30801.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BHARAT FORGE	524	497	543	531	401	Negative	Sell between 533-542 zone. Targets 497/479. Stop 561.
CHOLAFIN	355	325	367	367	225	Negative	Sell between 365-367 zone. Targets 325/287.50. Stop 391.
HDFC	2415	2301	2457	2312	1873	Negative	Sell between 2450-2457 zone. Targets 2301/2117. Stop 2521.

All About Option Trades:

Option Trade: BUY BANKNIFTY 31st DECEMBER PE Strike Price 28600 at CMP 349. Profit: Unlimited. Maximum Loss: Rs. 8,725/-. Stop: Exit Put Option if Bank Nifty moves above 30090. (Bank Nifty December Futures CMP 29290)..

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NUCLEUS SOFTWARE	567.55	531	703	567	397	Positive	Buy only above 597. Targets 703/827. Stop 531.
NIPPON LIFE AMC	295.55	267	361	299	276	Positive	Buy only above 311. Targets 361/501. Stop 257.
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Mehta Group

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