

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## Economic Calendar:

Euro:	German Business Expectations (Feb), German Ifo Business Climate Index (Feb), German Current Assessment (Feb), German 12-Month Bubill Auction, German Buba Monthly Report, German 12-Month Bubill Auction, German Buba Monthly Report
Hong Kong:	CPI (YoY) (Jan)
USA:	US Leading Index (MoM) (Jan), Dallas Fed Mfg Business Index (Feb), 3-Month Bill Auction, 6-Month Bill Auction

## Good Morning & Welcome to Monday's trading session at Dalal Street dated 22nd February 2021.

The trading theme at Dalal Street is seen revolving primarily around two themes:

- Concerns over rising bond yields.
- India's active caseload of Covid-19 continues to rise.

Well, if the last 4-trading sessions are any indication then stocks at Dalal Street are seen wobbling and most importantly lost their enthusiasm to rally further. You could also blame it to extreme overbought technical conditions as S&P 500 has risen about 75% since last March. Nifty too is up a whopping 102% — from March lows of 7500.

So, investors need to spy with one big eye if yields jump further from current levels as is bound to cause unnecessary turbulence in risky assets at a time when the pandemic is still barring a return to economic normality. Yesterday, Maharashtra Chief Minister Uddhav Thackeray was seen saying that 'If the Covid-19 situation deteriorates, then we have to impose lockdown in the state'.

The main risk to bulls' success story at Dalal Street is a delay to the reopening of the economy caused by hiccups in vaccine efficacy or a renewed increase in infections.

**Bottom-line:** It's sad; COVID is still not looking a big threat to the crowd but could prove more problematic catalyst to the perma-bulls camp.

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

- Technically speaking, immediate downside risk on Nifty seen at 14897 and then aggressive targets at 14731/14621 mark. Confirmation of strength only above Nifty 15432. Above 15432, the benchmark Nifty could easily gallop to 16001 mark. For aggressive traders, the gyan mantra is to establish short positions on any excessive strength.
- The options data for February Series suggests Nifty is likely to be in a broader trading range of 14500-15500 as maximum Call OI is at 15500 followed by 15200 strike price. Maximum Put open interest stands at 15000 levels followed by 14500 levels. Call writing was seen at 15200 and then at 15000 strike price, while there was meaningful Put writing at 14800 and then at 15200 strike prices.
- On investors radar will be Foreign institutional investors (FIIs) activity at the bourses. Last week, foreign institutional investors (FIIs) bought equities worth Rs 4408.26 crore, while domestic institutional investors (DIIs) sold equities worth Rs 6,283.73 crore.
- All eyes will be on the GDP data for the third quarter which will trickle in on Friday. The street suspects that the GDP data for the third quarter to show signs of economic recovery.
- Copper prices have spiked to their highest level in nearly a decade as investors in the commodity anticipate rising demand for infrastructure and construction projects in the post-pandemic economy. On Friday, the price of copper climbed above \$4 per pound for the first time since September 2011.
- Our **chart of the day** is bearish on APOLLO TYRES, BHARAT FORGE & LARSEN with interweek perspective.
- **Stock banned in F&O segment:** BHEL, VODAFONE IDEA, CANARA BANK AND SAIL

## SGX Nifty: (+21, 15015)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	14982	14899	15231	14751	11987	14875-15107	Sell between 15100-15150 zone. Targets at 14897 and then aggressive targets at 14671 mark with stop at 15457.
Bank Nifty	35842	35428	36251	34395	25443	35428-36251	Sell at CMP. Targets at 35428/34647 and then aggressive targets at 32751-33001 zone with stop at 37901.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ASHOKLEY	123.40	119	133	127	78	Negative	Sell between 128-130 zone. Targets at 126/119/107.50. Stop at 135.05.
L&T	1509	1497	1547	1480	1055	Negative	Sell between 1527-1557 zone. Targets 1497/1427.50. Stop 1563.
TATAMOTORS	312	297.50	317.50	310	156	Negative	Sell between 317-319 zone. Targets 297.50/289. Stop 327.45.

### All About Option Trades:

**Option Call:** SELL NIFTY 25th February CE Strike Price 14900 at CMP 195. Maximum Profit: Rs. 14,625/-. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 15165. (NIFTY February Futures CMP 15006.80).

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
GRSE	198	153	243	191	193	Positive	Buy at CMP. Targets 243/300. Stop 153.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

## Mehta Group

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