

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	Foreign Bonds Buying, Foreign Investments in Japanese Stocks
Euro:	GfK German Consumer Climate (Nov)
Hong Kong:	CPI (YoY) (Sep)
Great Britain:	CBI Industrial Trends Orders (Oct), 30-Year Treasury Gilt Auction, Steel Production (Metric Ton)
USA:	Jobless Claims 4-Week Avg., Initial Jobless Claims, Continuing Jobless Claims, Existing Home Sales (Sep), Existing Home Sales (MoM) (Sep), US Leading Index (MoM) (Sep), Natural Gas Storage, KC Fed Composite Index (Oct), KC Fed Manufacturing Index (Oct), 8-Week Bill Auction, 4-Week Bill Auction, 5-Year TIPS Auction

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

Attention will be back on Nifty's psychological 12000 mark as investors continue to watch progress on a pre-election U.S stimulus deal.

Also grabbing investors' attention are:

1. Rising coronavirus cases in the U.S and in the European region.
2. A busy Q2 earnings day: Asian Paints, Bajaj Auto, Bharti Infratel, HDFC Asset Management Company, SBI Cards, Hexaware Technologies, Indian Bank, Biocon, Alembic Pharmaceuticals, Coforge, Crompton Greaves Consumer Electricals, L&T Finance, Mphasis, Pricol, Sterlite Technologies, Subros, Tube Investments.

Technically speaking, if Nifty powers higher above the psychological 12000 mark (more precisely above the 12049 mark), then it will be all roses for our stock markets. Aggressive targets could be at Nifty's all-time-high at 12431 mark.

So, until Nifty is unable to reclaim its biggest hurdles at the 12049 mark— Volatility will be the hallmark. On the downside, expect a waterfall of selling below Nifty's make-or-break support at 11771 mark.

Options data for 29th October Series suggests Nifty is likely to be in a higher trading range as maximum Call OI is at 12500. This is followed by 12000 Strike Price. Maximum Put open interest stands at 11000 levels. Call writing was seen at 12200 followed by 12400 levels, while there was meaningful Put writing at 12000. Well, the said data indicates a higher trading range between 11700 and 12200 levels.

We expect Bank Nifty to be a star outperformer. Bank Nifty is likely to hit the psychological 26000 mark with an interweek perspective. Cement stocks will continue to be limelight after ACC Q2 results beat street estimates. The management of ACC had given a strong business outlook for the cement industry. Yesterday, ULTRATECH reported a 113% jump in its net profit at Rs 1,234 crore for the September quarter. In cement space, we also like RAMCO CEMENT.

Well, looking at cement firms Q2, it appears a V-shape Indian economy recovery.

Bottom-line: Earnings and pandemic themes will continue to be replaced by 'fiscal stimulus'.

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

- Econovirus-hit economy, Earlier, finance minister Nirmala Sitharaman's had stated that the government hasn't closed option for anothmic Affairs Secretary Tarun Bajaj said yesterday that the government is open to further stimulus measures to boost the coronaer stimulus to perk up demand.
- Wednesday's provisional data suggests that FIIs net bought shares worth Rs 2108.48 crore, whereas DIIs net sold shares worth Rs 1,633.53 crore in the Indian equity market.
- The Supreme Court will now hear the interest waiver on the loan moratorium period on 2nd November.

Outlook for Thursday: Nifty will aim to reclaim the 12000 mark.

SGX Nifty: (+11, 11928)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11938	11771	12049	11566	10717	11821-12001	Buy at CMP. Targets at 12049 /12431 mark with stop at 11747.
Bank Nifty	24635	24201	25232	22698	23446	24375-25232	Buy at CMP. Targets at 25232 /26269. Stop at 23489.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BALKRISHNA INDUSTRIES	1389	1341	1411	1402	1155	Positive	Buy between 1360-1370 zone. Targets 1411/1449. Stop 1339.
RAMCO CEMENT	795	781	819	753	678	Positive	Buy between 787-793 zone. Targets 819/885. Stop 763.
TATASTEEL	404	391	413	373	364	Positive	Buy between 391-395 zone. Targets 413/421. Stop 379.

All About Option Trades:

Option Trade: BUY NIFTY 29th OCTOBER CE Strike Price 12100 at CMP 56. Profit: Unlimited. Maximum Loss: Rs. 4,200/-. Stop: Exit Call Option if Nifty below 11821. (Nifty October Futures CMP 11929.40)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MANAPPURAM	167.20	129	200	160	149	Positive	Buy at CMP. Targets 200/225. Stop 125.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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