

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Great Britain: Public Sector Net Borrowing (Aug), BoE Gov Bailey Speaks, CBI Industrial Trends Orders (Sep)  
USA: Redbook (MoM), Redbook (YoY), Richmond Manufacturing Shipments (Sep), Richmond Manufacturing Index (Sep), Existing Home Sales (Aug), Richmond Services Index (Sep), Existing Home Sales (MoM) (Aug), Fed Chair Powell Testifies, 2-Year Note Auction  
Euro: Consumer Confidence (Sep)

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

Judging by early action at SGX Nifty, it is panning out to be another frustrating day for the bulls' camp.

That brings us to our **call of the day** which unfortunately suggests that a checkmate is right around the corner for the bulls' camp.

### Bottom-line: The need of the hour is more fiscal stimulus.

Technically speaking, Nifty's make-or-break support seen at 11181 mark. Please note, Nifty is set to stumble further below the 11181 mark.

### Bulls' will now get conviction of strength only above 11619.

Our **chart of the day** suggests that aggressive traders can look to sell INDIGO, EICHER MOTORS and HAVELLS with interweek perspective.

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

Bank Nifty tumbled 3.36% in yesterday's trade after a report said almost all Indian banks were involved in a number of suspicious transactions between 2010 and 2017. Bank Nifty is likely to underperform with aggressive downside risk seen at 19500 mark.

Public sector banks were further pressured by RBI's statement that said these banks reported frauds worth over Rs 19,964 crore in total 2,867 cases during the April-June quarter of the ongoing fiscal year.

Expect volatility to be the hallmark this week amidst September F&O expiry.

Meanwhile, options data suggests Nifty is likely to be in a trading range as maximum Call OI is at 11500. This is followed by 11600 Strike Price. Maximum Put open interest stands at 10,500 levels. Call writing was seen at 11500 followed by 11400 levels, while there was meaningful Put writing at 11,500. Well, the said data indicates a trading range between 11,000 and 11,500 levels.

Monday's provisional data suggests that, FII's sold shares worth Rs. 539.31 crores. DIIs too sold shares worth Rs. 517.95 crores in the Indian Equity market.

Negativity at our stock markets could also be blamed to Wall Street where key benchmarks are having treacherous time amidst;

- Concerns that the recent sell-off in the U.S. as a start of a bear market.
- Indecision about a fresh round of fiscal stimulus from Washington
- An increasingly heated U.S. election campaign season.
- Rising concerns about tensions between the U.S. and China.
- Uncertainties about the sluggish pace of economic recovery.
- Threats of renewed lockdowns.
- The street suspects that the interest rates which is likely to stay at zero for at least the next three years is not a positive signal for the U.S economy.
- Also please note, global stock markets primarily wobbled after it got its first chance to react to the Federal Reserve's decision and its cautious outlook on the world's top economy. Also hurting sentiments were Fed Chair Powell's statement that the economic downturn resulting from the pandemic is "the most severe in our lifetime."
- Overbought technical conditions.
- This September month, Dow is down 5.72%, the S&P500 down 7.37% and Nasdaq Composite down 9.75%. The negative takeaway is that S&P 500 is on the brink of sinking more 10% from its recent Sept. 2 record peak.

**Bottom-line:** Turmoil in all areas of politics, the economy, and the market.

## SGX Nifty: (+49, 11293)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11251	11181	11357	11460	10775	11001-11357	Sell between 11325-11357 zone. Targets at 11181/10881 with stop at 11535.
Bank Nifty	21367	20751	21951	22915	24420	20751-21575	Sell between 21551-21751 zone. Targets at 21001/19577. Stop at 22319.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HAVELLS	669	657	688	650	589	Negative	Sell between 673-677 zone. Targets 657/637.50. Stop 701.
INDIGO	1298	1207	1341	1251	1150	Negative	Sell at CMP. Targets 1207/1147. Stop 1347.
INDUSIND BANK	561	533	589	607	774	Negative	Sell between 2275-2283 zone. Targets 2221/2133. Stop 2331.

### All About Option Trades:

**Option Trade:** BUY NIFTY 24th SEPTEMBER PE Strike Price 11100 at CMP 60.25. Profit: Unlimited. Maximum Loss: Rs. 4,518.75/-. Stop: Exit Put Option if Nifty moves above 11386. (Nifty September Futures CMP 1126.10)

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

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NILKAMAL	1306	1111	1529	1299	1219	Positive	Buy at CMP. Targets 1529/1679. Stop 1111.

## Mehta Group

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