

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

USA:	API Weekly Crude Oil Stock, Mortgage Market Index, MBA Purchase Index, Mortgage Refinance Index, MBA Delinquency Rates (QoQ), MBA 30-Year Mortgage Rate, Core PCE Price Index (YoY) (Nov), Continuing Jobless Claims, Jobless Claims 4-Week Avg., Initial Jobless Claims, Core PCE Price Index (MoM) (Nov), PCE price index (MoM) (Nov), PCE Price index (YoY) (Nov), Real Personal Consumption (MoM) (Nov), Personal Spending (MoM) (Nov), Personal Income (MoM) (Nov), House Price Index (Oct), House Price Index (YoY), House Price Index (MoM) (Oct), Michigan 5-Year Inflation Expectations (Dec), Michigan Current Conditions (Dec), Michigan Consumer Expectations (Dec), Michigan Consumer Sentiment (Dec), Michigan Inflation Expectations (Dec), New Home Sales (Nov), New Home Sales (MoM) (Nov), Gasoline Inventories, EIA Weekly Refinery Utilization Rates (WoW), Heating Oil Stockpiles, Gasoline Production, EIA Weekly Distillates Stocks, Distillate Fuel Production, Cushing Crude Oil Inventories, Crude Oil Imports, EIA Refinery Crude Runs (WoW), Crude Oil Inventories, Dallas Fed PCE (Nov), Natural Gas Storage
Japan:	Monetary Policy Meeting Minutes, Leading Index, Coincident Indicator (MoM) (Nov), BoJ Core CPI (YoY)
Singapore:	CPI (YoY) (Nov)
Euro:	German Import Price Index (YoY) (Nov), German Import Price Index (MoM) (Nov)

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 23rd December 2020.

The big question of the day: Will our stock markets get one last 2020 breakout on the upside?

Well, there are times when stock markets move up or down for no reason. They are chaotic

That brings us to our call of the day which suggests a degree of calm quite likely but stocks could turn chaotic if Nifty slips below the 13131 mark. Please note, Dalal Street will stabilize only if Nifty moves above the 13557 mark.

Until then, the gyan mantra for the day is to stay light and trade selectively.

The positive catalysts in favor of the bulls are:

1. The passage of the \$900 billion U.S fiscal stimulus package
2. FIIs inflows were seen resuming in yesterday's trade. As per Tuesday's provisional data available on the NSE, FII's bought shares worth Rs. 1153 cores in the Indian Equity Market. So far in December, FIIs net bought Rs. 39,563.55 crore worth of Indian equities — that's on backdrop of the highest inflow in November 2020 where FIIs net bought Rs. Rs. 65,317 crores.

While the negative sides are fears over a new Covid-19 strain in the U.K., which Prime Minister Boris Johnson said could be 70% more transmittable. More than 40 countries have now banned U.K. passenger arrivals, while Italy, South Africa and Australia have also detected the new virus strain.

Lockdowns are extremely good at destroying the economy. Luckily for India, the virus spread is slow. But if the situation aggravates then new lockdowns could be the final nail in the coffin for the bulls.

Long story short: Expect reality to eventually catch up with the stock market if the pandemic situation worsens.

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 14000 and then at 13400 strike price, while there was meaningful Put writing at 13000. Well, the said data indicates a wide trading range between 13000 and 13800 levels.
- Antony Waste Handling Cell IPO Day 2: Issue subscribed 3.85 times, retail portion booked 7.2 times
- **Stock banned in F&O segment:** CANBK, PNB, SAIL, SUNTV.

SGX Nifty: (-63, 13421)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	13466	13137	13535	13323	10885	13131-13557	Buy between 13251-13301 zone. Targets at 13537 and then aggressive targets at 13771-13801 zone with stop at 13101.
Bank Nifty	29626	28800	30001	30046	22901	29001-30001	Buy between 29100-29201 zone. Targets at 30051/30933 and then aggressive targets at 32501 zone with stop at 28571.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BHARAT FORGE	517.65	492	543	532	402	Negative	Sell between 531-537 zone. Targets 493/479. Stop 561.
CHOLAFIN	361	325	367	369	225	Negative	Sell between 365-367 zone. Targets 325/287.50. Stop 391.
HDFC	2403	2301	2457	2315	1874	Negative	Sell between 2450-2457 zone. Targets 2301/2117. Stop 2521.

All About Option Trades:

Option Trade: BUY BANKNIFTY 31st DECEMBER PE Strike Price 29500 at CMP 349. Profit: Unlimited. Maximum Loss: Rs. 10,091.25/-. Stop: Exit Put Option if Bank Nifty moves above 30190. (Bank Nifty December Futures CMP 29665).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NUCLEUS SOFTWARE	580.60	531	703	567	397	Positive	Buy only above 597. Targets 703/827. Stop 531.
NIPPON LIFE AMC	294.00	267	361	299	276	Positive	Buy only above 311. Targets 361/501. Stop 257.
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Mehta Group

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