

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Singapore:	GDP (YoY) (Q3), GDP (QoQ) (Q3), CPI (YoY) (Oct)
Euro:	German Composite PMI (Nov), German Services PMI (Nov), German Manufacturing PMI (Nov), Manufacturing PMI (Nov), Markit Composite PMI (Nov), Services PMI (Nov)
USA:	2-Year Note Auction, Manufacturing PMI (Nov), Markit Composite PMI (Nov), Services PMI (Nov), 3-Month Bill Auction, 6-Month Bill Auction, 10-Year Note Auction
Great Britain:	Manufacturing PMI (Nov), Composite PMI, Services PMI (Nov), 10-Year Treasury Gilt Auction, Chicago Fed National Activity (Oct)

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

Investors brace for a crucial week as it will primarily be a tug of war battle between the bulls and the bears.

To put it straight, it will be a tug of war battle between 'the optimism on the vaccination' and 'the rising COVID cases which pose a significant risk.'

If you notice, the optimism at our stock markets is primarily on news that vaccines are on the way. Pfizer and Moderna have claimed that their Covid vaccines are 95% effective and are safe enough to be injected into hundreds of millions of people.

Honestly speaking, despite these top claims, Wall Street witnessed uneasiness in last week's trade where the US indices had given mild negative close.

Please note, the situation in US and Europe is still grim so investors need to spy with one big eye on how the new President tackles the present pandemic crisis. The alarming situation is the USA has marked more than 10 million COVID-19 cases so far. At the moment, more than 54,852,503 COVID-19 cases are reported around the world with 13,25,849 dead. At least 11,367,214 coronavirus cases in US, at least 2,51,901 deaths. India's cases reach 88,46,868 death toll at 130,128. Brazil surpasses 5.8 million cases.

Well, digging deeper into the above data, the vaccines are of too little help at the moment and most importantly, too little is known about their mass effectiveness and eventual side effects. Judging by the jittery action at global stock markets in last week's trade, there is a sense of anxiety and discomfort about the current advancement of the virus, the long-term consequences of those with post-Covid conditions.

Technically too, profit booking could be at works as Nifty approaches the psychological 13000 mark. Also, a failure to scale and sustain above 13000 mark could indicate lack of confidence and that could really be a disappointing thing for the investors this week at Dalal Street.

Long story short: The narrative as of now is quite compelling on the bear side to have an edge.

But the bulls' camps have a ton of ammo too as they point to the liquidity scenario where the foreign institutional investors are deploying billions of dollars on backdrop of two key catalysts:

1. India is on a recovery path with declining COVID-19 infections.
2. Western world is seeing a strong second wave of coronavirus infections.

FII's inflow simply seems to be unstoppable. So far in the November month, FII's have net bought Rs. 45,732 crore worth of Indian equities — incidentally, the highest inflow in a month at least in the last two decades. Please note, FII's net bought Rs 1.34 lakh crore of shares in the current financial year.

Bottom-line: Expect higher bouts of volatility. Technically, Nifty's biggest hurdles are now at the psychological 13000 mark. Nifty's make-or-break support seen at 12707 mark.

SGX Nifty: (+65, 12947)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12859	12707	13007	12280	10731	12507-12970	Sell between 12900-12925 zone. Targets at 12707 and then aggressive targets at 12397-12421 zone with stop at 13101.
Bank Nifty	29236	28651	29751	26781	22947	28651-29751	Sell at CMP. Targets at 27703 /26201 and then aggressive targets at 24751-25001 zone. Stop at 30301.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
INDIGO	1680	1601	1721	1484	1154	Negative	Sell at CMP. Targets 1601/1517/1369. Stop 1751.
RELIANCE INDUSTRIES	1900	1835	1971	1993	1742	Negative	Sell between 1945-1951 zone. Targets 1835/1797. Stop 2021.
ITC	192	181	201	177	185	Positive	Buy between 187-190 zone. Targets 201/209. Stop 179.

All About Option Trades:

Option Trade: BUY NIFTY 26th NOVEMBER PE Strike Price 12700 at CMP 44.55. Profit: Unlimited. Maximum Loss: Rs. 3,341.25/-. Stop: Exit Put Option if Nifty moves above 12957. (Nifty November Futures CMP 12854).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
CHAMBAL FERTILIZER	186	133	207	171	147	Positive	Buy at CMP. Targets 207/240. Stop 133.
SBILIFE	845.50	781	901	808	803	Positive	Buy at CMP. Targets 901/921. Stop 759.
-	-	-	-	-	-	-	-

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