

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning Early Readers!

As we start a new week of trading, SGX Nifty is seen trading water primarily on the backdrop of little in the way of strong bullish direction. Blame the uninspiring start to:

- A weak Friday's U.S employment report.** The job numbers were dismal as the US reported an increase of only 194,000 jobs in September, below 500,000 expected. The only silver lining is that this data may allow the Fed to delay tapering its stimulus program which this equity bull market has become increasingly reliant on.

Honestly speaking, the bad jobs data should ideally not really be comforting to the bulls as the NFP hints at an early sign of dreadful stagflation in the U.S. We suspect, the US may be headed for slowing growth but rising inflation. Please note, the ten-year U.S yield marched higher and traded above the 1.6% now, a multi-month high.

Long story short: The data suggests the U.S economy is not out of the woods yet.

- TCS** missed on all fronts but here the only silver lining is that the Management guided that the demand environment is strong and is sustainable over the medium term. We expect TCS to trade in the wide range of 3700-4200 zone in the near term.

Technically speaking, it's likely to be all sunshine as long as Nifty stays above 17637 and Bank Nifty above the 37257 mark. This optimistic backdrop should take Nifty easily above its magical goalpost at 18000 mark and then at aggressive targets at 18251 mark.

The options data for October series suggests Nifty is likely to be in a trading range of 17500-18300 zone. Maximum Call OI is at 18000 followed by 17800 strike price. So, the 18000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 17500 levels. Call writing was seen at 18200 and then at 17900 strike price, while there was meaningful Put writing at 17900 and then at 18500 strike prices.

Stock banned in F&O segment: CANARA BANK, INDIABULLS HOUSING FINANCE, IRCTC, NALCO, PUNJAB NATIONAL BANK, SAIL, and SUN TV NETWORK.

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	17895	17777	18007	17635	15474	17727-18027	Buy between 17800-17850 zone. Stop 17577. Targets 17948/18157. Aggressive targets at 18501 mark.
Bank Nifty	37775	37301	38377	37424	34521	37401-38377	Buy at CMP. Stop 38711. Targets 38377/39001. Aggressive targets at 40001.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ADANIANT	1547	1511	1577	1493	1155	Positive	Buy at CMP. Stop 1497. Targets 1577/1621. Aggressive targets at 1717.
DIXON TECHNOLOGIES	5254	5125	5507	4495	3931	Positive	Buy at CMP. Stop 4971. Targets 5507/5657. Aggressive targets at 6021.
MOTHERSUMI	237	231	245	225	214	Positive	Buy between 231-233 zone. Stop 219. Targets 245/253. Aggressive targets at 273.

All About Option Trades:

Option Call: SELL NIFTY 14th OCTOBER PE Strike Price 18000 at CMP 158. Maximum Profit: Rs. 7,900/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 17765. (NIFTY OCTOBER Futures CMP 17913).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ADANI PORTS	741	687	787	747	691	Positive	Buy at CMP. Stop 687. Targets 787/807.
SBICARD	1140	927	1201	1068	1005	Positive	Buy at CMP. Stop 927. Targets 1201/1351.
SAIL	116.90	101	140	115	103	Positive	Buy at CMP. Stop 99. Targets 139/161.

Mehta Group

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