

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning Early Readers!

Our **call of the day** suggests that there are headwinds ahead for benchmarks Sensex and Nifty with multiple risks looming (spiking oil prices, global energy crunch and concerns of disappointing China's Q3 GDP at 4.9% YoY) — so it's as important as ever for investors to guard against complacency.

Our **chart of the day** is bullish on stocks AXIS BANK, NIPPON LIFE, ITC and HINDALCO with an interweek perspective on any corrective declines.

Earnings will take center-stage again. Q2 earnings to trickle in today: ACC, TV18BRDCST, NETWORK18, HEIDELBERG, ICICIPRULI, HUL, LTTS, NAVINFLUOR, NESTLEIND.

Technically speaking, it's likely to be all sunshine as long as Nifty stays above 18127 and Bank Nifty above the 38777 mark. This optimistic backdrop should take Nifty easily above its aggressive magical goalpost at 18750 mark and then at 19000 mark. So, the line in the sand is Nifty's 18127 support. Intraday support at 18307 mark.

The Nifty options data for October series suggests Nifty is likely to be in a trading range of 18000-19000 zone. Maximum Call OI is at 18500 followed by 19000 strike price. So, the 19000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17500 levels followed by 18000 levels. Call writing was seen at 18900 and then at 19100 strike price, while there was meaningful Put writing at 18500 and then at 18400 strike prices. The bias remains bullish as the Put Call Ratio is still trading at 1.73 mark.

Bank Nifty faces hurdles at 40001 mark. Immediate support seen at 38777/38217 mark. As long as Bank Nifty stays above 38777 mark, bulls are likely to be in control with aggressive inter-month psychological targets at 40000 and then at 41500 mark.

Stock banned in F&O segment: AMARA RAJA BATTERIES, BHEL, ESCORTS, INDIABULLS HOUSING FINANCE, VODAFONE IDEA, NALCO, and SUN TV NETWORK.

All about Nifty & Bank Nifty:

| Indices | CMP | Support | Resistance | 21 DMA | 200 DMA | Range | Preferred Trade |
|------------|-------|---------|------------|--------|---------|-------------|--|
| Nifty | 18477 | 18327 | 18789 | 17809 | 15590 | 18427-18707 | Buy between 18350-18400 zone. Stop 18101. Targets 18557/18775. Aggressive targets at 19001 mark. |
| Bank Nifty | 39685 | 38751 | 40011 | 37909 | 34742 | 39361-40000 | Buy at CMP. Stop 38759. Targets 40011/40511. Aggressive targets at 41251. |

All about stocks (F&O Trades):

| Instruments | CMP | Support | Resistance | 21 DMA | 200 DMA | Bias | Preferred Trade |
|--------------|------|---------|------------|--------|---------|----------|---|
| AXISBANK | 813 | 797 | 833 | 790 | 732 | Positive | Buy at CMP. Stop 791. Targets 833/847. Aggressive targets at 797. |
| INDUSINDBANK | 1220 | 1177 | 1251 | 1152 | 1002 | Positive | Buy at CMP. Stop 1171. Targets 1251/1277. Aggressive targets at 1307 |
| MARUTI | 7657 | 7351 | 7875 | 7270 | 7173 | Positive | Buy at CMP. Stop 7311. Targets 7875/8001. Aggressive targets at 8501. |

All About Option Trades:

Option Call: SELL NIFTY 21st OCTOBER PE Strike Price 18700 at CMP 239.40. Maximum Profit: Rs. 11,970/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 18261. (NIFTY OCTOBER Futures CMP 18487.90).

All about stocks (Medium Term Trades):

| Stocks | CMP | Support | Resistance | 21 DMA | 200 DMA | Bias | Preferred Trade |
|--------------------|------|---------|------------|--------|---------|----------|---|
| ADANI PORTS | 811 | 721 | 921 | 750 | 698 | Positive | Buy at CMP. Stop 721. Targets 921/1001. |
| SBICARD | 1141 | 1021 | 1201 | 1079 | 1013 | Positive | Buy at CMP. Stop 1021. Targets 1201/1351. |
| GALAXY SURFACTANTS | 3435 | 3293 | 3575 | 3357 | 2790 | Positive | Buy at CMP. Stop 3293. Targets 3575/3701. |

Mehta Group

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