

A magnifying glass is positioned over a stylized illustration. The illustration features a red line graph representing a stock market trend, a large yellow sun, and a grey building with horizontal lines. The background consists of green and white diagonal stripes.

**A person who keeps patience  
is sure to win in share market.**

**Good Morning & Welcome to Friday's trading session at Dalal Street dated 19th February 2021.**

**The stock market suddenly looks treacherous again!**

**Dalal Street's last 3-days fall raises a series of red flags** — it is most likely that bears will aim for their first major win of 2021.

- **Preferred trade on Nifty (15120):** Sell at CMP. Targets at 14977 and then aggressive targets at 14671 mark with stop at 15457.
- **Preferred trade on Bank Nifty (36587):** Sell at CMP. Targets at 35428/34647 and then aggressive targets at 32751-33001 zone with stop at 37901.
- **BULLISH STOCKS:** BHEL, NTPC, HERITAGE FOODS, PNB, BANK OF BARODA, CANARA BANK, NMDC, IBULLSHSGFIN, BIOCON, TATA POWER, JUBILANT FOODS, IDFC FIRST BANK, GMM PFAUDLER, PIDILITE.
- **BEARISH STOCKS:** ASHOK LEYLAND, APOLLO TYRES, AUROBINDO PHARMA, EICHER MOTORS, IGL, INDIGO, MARUTI, TORRENT PHARMA, GLENMARK, NESTLE, LARSEN, TATA MOTORS, PVR, ITC, ZEE ENTERTAINMENT, RELIANCE (RIL).
- **SHOW ME THE MONEY:** Sell EICHER MOTORS (CMP 2658): Momentum oscillators in sell mode. Downside risk seen at 2611 and then at 2351-2375 zone. Interweek Strategy: Sell between 2695-2705 zone, targeting 2611/2501 zone and then more aggressive targets located at 2351-2375 zone. Stop above 2811.

**Outlook for Friday: Caution — the buzzword.**

When we were children, flying a kite was almost a religion to us. We are sure, most of us used to thoroughly enjoy flying the new kite.

It is every Child's wish that his kites should go higher and higher. And like every other kid, we used to also feel depressed when our colorful kite used to get stuck in trees or on a wire.

The optimism kite, which was flying high on our markets till last week's trading probably now seems to have got stuck in a tree.

**Kati Patang..?**

True, like a kite stuck in a tree, our markets too cannot fly again, unless the benchmark Nifty pulls out a rabbit from its hat. Looks like to move above 15437, we will have to have some strong positive catalyst.

SGX Nifty at the time of publish is in red, signaling a weak cautious/nervous start.

**The negative catalyst:** Optimism surrounding the global economy is tempered by a rise in bond yields that makes equities look less attractive by comparison.

INDICES		
Nifty	15119	-0.59%
Bank Nifty	36587	-0.88%
Nifty Auto Index	10827	-1.36%
Nifty FMCG Index	33374	-0.43%
Nifty Infra Index	4204	0.21%
Nifty IT Index	25619	1.33%
Nifty Media Index	1692	-0.77%
Nifty Midcap Index	6927	0.28%
Nifty Metal Index	3623	1.31%
Nifty Pharma Index	12518	-0.53%
Nifty Reality Index	353	-0.52%
Nifty Smallcap Index	8054	0.96%
Sensex	51325	-0.73%
SGX Nifty	15059	-0.43%

Outlook for the Day	
	Negative bias.

Nifty Outlook	
Intraday	Negative (14875-15257)
Medium Term	Neutral (14111-15551)
Long Term	Neutral (13001-16001)

Key Levels to Watch	
Nifty Support	14957/14737
Nifty Resistance	15257/15557

Pivot Level	
Nifty	13511

Investors across globe will continue to monitor U.S. Treasury yields, which are hovering at the highest level in a year. The higher bond yields which could spoil the party at global stock markets — especially emerging stock markets like India.

Any indication of rising U.S. interest rates can be bad news for India as capital flees to U.S quite likely in search of improving returns.

The yield on the 10-year Treasury bond was holding at a one-year high of just under 1.30%.

Also, profit booking is likely to be the preferred theme amidst overbought technical conditions as Nifty is still up a whopping 102% — from March lows of 7500.

Technically speaking, negative bias to continue on Nifty which takes the benchmark above its all-time-high at 15432. Above 15432, sky is the limit.

Yep, limitless open skies above 15432.

**Long story short:** Immediate downside risk on Nifty seen at 14957 and then aggressive targets at 14731 mark. Buying advised only above 15432.

Our **chart of the day** is bearish on RIL, BHARAT FORGE & LARSEN with interweek perspective.

The options data for February Series suggests Nifty is likely to be in a broader trading range of 14500-15500 as maximum Call OI is at 16000 followed by 15500 strike price. Maximum Put open interest stands at 15000 levels followed by 14500 levels. Call writing was seen at 16000 and then at 15300 strike price, while there was meaningful Put writing at 15100.

### Now, here are other key things to know before today's market opens:

- As per the monthly traffic data released by the aviation regulator, DGCA —India's domestic air passenger traffic declined around 40% to 7.7 million in January 2021 over the year-ago period as the pandemic continues to hit air travel demand.
- President Joe Biden and Democrats in Congress have continued their push for a potential \$1.9 trillion relief package. Legislation that would include direct payments of \$1,400 to Americans - a key part of Biden's stimulus plan - and tax credits was advanced by the House Ways and Means Committee.
- World leaders are also set to jointly discuss the pandemic response at a virtual meeting of leaders from the Group of Seven industrialized nations on Friday.
- **Q3 Earnings to trickle in today:** MAHINDCIE
- NMDC's donimalai iron ore mine operations have restarted.
- Ambuja Cement reported higher profit at Rs 497.1 crore for Q4CY20 against Rs 454.9 crore in Q4CY19, while revenue increased to Rs 3,515.1 crore from Rs 3,135.9 crore YoY.
- NALCO's open its share buyback worth Rs 749.1 crore on February 25 and close on March 10.

## Technical Strategy

<b>HERITAGE FOODS</b>	300
<b>Action</b>	Buy
<b>Target</b>	337
<b>Support</b>	259/237
<b>Resistance</b>	337/383
<b>Holding Period</b>	30-45 Days.

The Heritage Foods Limited was founded by Mr. Nara Chandrababu Naidu in the year 1992, which is one of the fastest growing Public Listed Companies in India, with two business divisions - Dairy and Renewable Energy. The annual turnover of Heritage Foods crossed INR 2681 crores in the financial year 2019-20.

Currently, Heritage's milk and milk products have a market presence in Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Rajasthan, Uttarakhand & Uttar Pradesh.

In the year 1994, HFL went public!

Technically, brace yourselves for a major 'lower consolidation' rebound play on monthly charts. An impulse uptrend quite likely with positive SAR series, major confirmation above its Dec 2020 highs at 336 mark.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 301 zone. The level of Rs 301 zone is seen acting as a strong hurdle zone and any breakout from this congestion zone should be used as an opportunity to initiate aggressive long positions.

A potential entrance exists at CMP, and on dips between 265-275 zone, with immediate targets at Dec 20 high at 336 mark. Above 336 mark, major momentum buying likely which will take the stock towards its next goalpost at 380 zone. Aggressive targets seen at 425 mark.

Holding Period: 2-3 Months+. Place stop below 253.

## FII/DII & OPTIONS DATA:

- The Put-Call Open Interest Ratio was at 1.13 for Nifty.
- Stock banned in F&O segment: BHEL, VODAFONE IDEA, CANARA BANK AND SAIL
- As per yesterday's provisional data available on the NSE, Foreign institutional investors (FIIs) net bought shares worth Rs 903.07 crore, whereas domestic institutional investors (DIIs) net sold shares worth Rs 1,217.34 crore in the Indian equity market.

## GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S stocks mostly declined as as bond yields resumed their climb and earnings from retail giant Walmart disappointed.

The yield on the 10-year Treasury rose to above 1.3%, near its highest level in a year. The rise in yields has increased concerns about higher inflation and fears that rising borrowing costs could lead to a stock market pullback.

The yield on the 10-year Treasury rose to a 52-week high of 1.326% as investors continued to dump bonds amid signs of creeping inflation and the Federal Reserve's commitment to keeping short-term lending rates anchored near zero.

In the week gone by, Dow was up 0.99%, the S&P 500 was up 1.23% and the Nasdaq was up 1.73%.

## ECONOMIC CUES:

- S&P Global Ratings has said that Indian economy is on track for a recovery in the next fiscal year beginning April 1, as consistent good performance of the farm sector, flattening Covid-19 infection curve, and a pickup in government spending are all supporting the economy.
- IT sector to grow by 2% to \$194 bn, add 138,000 employees in FY21: Nasscom
- The country's exports grew by 6.16% to \$27.45 billion in January, according to data by the commerce ministry. The country's exports grew by 6.16% to \$27.45 billion in January, according to data by the commerce ministry.
- The wholesale price index (WPI)-based inflation rate rose to 2.03% in January from 1.22% in the previous month as fuel and non-food manufactured products faced price pressures.
- The street suspects there is no further room for rate cuts by the monetary policy committee of the Reserve Bank of India in the current cycle.

## What Technical Tells Us on Nifty/Sensex:

In yesterday's trade, in line with our negative bias, Dalal Street slipped further in and most importantly, for the 3rd day in a row. Investors were seen locking their profits from the recent rally driven by hopes that economies will gradually return to a pre-pandemic normal.

Weighing on sentiments were the rising bond yields — a sign of confidence in the economic outlook but also expectations of rising inflation. The biggest negative catalyst from here on could be the higher bond yields which could spoil the party at global stock markets — especially emerging stock markets like India.

Any indication of rising U.S. interest rates can be bad news for India as capital flees to U.S quite likely in search of improving returns.

Among sectors, selling seen in the Auto, Private Banks while PSU Bank index rallied nearly 6%.

Prime Minister Narendra Modi's announcement to spend around Rs 7.5 trillion to build oil and gas infrastructure in India propelled oil and gas shares. ONGC was the biggest outperformer, up around 8%. The Prime Minister said, "We are planning to spend around Rs 7.5 lakh crore (Es 7.5 trillion) in creating oil and gas infrastructure over five years,"

Meanwhile, optimism for the bulls' camp could come from Washington through trillions of dollars of more aid for the economy and encouraging company earnings that could grind stocks higher along with hopes that the coronavirus vaccine rollout will set the stage for stronger economic growth in the second half of this year.

**Bottom-line:** Investors will keep a close eye on the stimulus from the U.S, but also on the inflation on backdrop of expected economic recovery.

### The other key highlights of yesterday's trade:

- Nifty ends lower for 3rd day in a row. Bearish candles appear on daily charts.
- Only 23 of 50 Nifty stocks ended the day in the green.
- Top Index gainers: ONGC (+7.58%), GAIL (+6.99%), BPCL (+4.69%)
- Top Index losers: BAJAJ FINANCE (-2.51%), TATA MOTORS (-2.21%), M&M (-2.21%)
- Bank Nifty (-0.81%) mostly mirrored Nifty's losses of -0.58%).
- Expiry of the weekly F&O contracts also added to the volatility.

Technically speaking, the benchmark Nifty remains vulnerable to slide further. Volatility quite likely to be the theme as skeptics will argue that the world is still in chaos.

Risk-off sentiments will prevail as long as Nifty is unable to move above the 15437 mark with immediate downside risk at 14957 and then aggressive targets at 14731 mark.

### Daily chart of Nifty:



# TOP PICKS (F & O)

It's like having investment binoculars !

**The stock market suddenly looks treacherous again. Here are some stocks to sell.**

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ASHOK LEYLAND	129.45	119	107.5	133	139	Negative	The technicals are looking ugly, confirmation of weakness below 126 mark. Momentum oscillators shifting in sell mode. Key interweek support at 119. Interweek Strategy: Sell at CMP, targeting 126/119-121 zone and then at 107.50 mark with stop above 140.05.
BHARAT FORGE	633	611	576	653	667	Negative	Momentum oscillators are likely to shift in sell mode . Key hurdles at 667. Interweek Strategy: Sell at CMP, targeting 611-615 zone and then at 576 mark with stop above 655.05.
EICHER MOTORS	2650	2614	2351	2741	2821	Negative	EICHER MOTORS ended on a negative note in yesterday's trade, down 1.88%. Downside risk seen at 2611 and then at 2351-2375 zone. Interweek Strategy: Sell between 2715-2725 zone, targeting 2611/2501 zone and then more aggressive targets located at 2351-2375 zone. Stop above 2821.
LARSEN	1525	1497	1427.5	1575	1593	Negative	Overbought technical conditions prevail. Negative bias as long as 1593 resistance is held. Intraday Strategy: Sell between 1557-1563 zone, targeting 1516/1497 and then at 1427.50-1445 zone with stop above 1597.
PVR	1487	1459	1355	1519	1593	Negative	A probable intermediate Double Top pattern seen on daily charts. Momentum oscillators in sell mode. Key hurdles at 1593. Interweek Strategy: Sell at CMP, targeting 1459/1421 zone and then at 1355 mark with stop above 1541.

## Derivatives Strategies

**Future Call:** SELL RBLBANK FEBRUARY FUTURES at CMP 249.45. Targets at 245 and then at 241 zone. Stop: 254.25. Holding Period: Intraday. Analyst's Remark: Breaking Down (RBLBANK February Futures CMP 249.45)

**Option Call:** SELL NIFTY 25th February CE Strike Price 15100 at CMP 135. Maximum Profit: Rs. 10,125/-. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 15251. (NIFTY February Futures CMP 15118.85).

### Market Summary:

- Nifty February Futures ended Thursday's session at a discount of -01 vs discount of -18.
- The 25th February expiry Put-Call Open Interest Ratio was at 1.05 for Nifty whereas it was 0.80 for Bank Nifty.
- The 25th February expiry Put-Call Volume Ratio was at 0.95 for the Nifty and 0.90 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 16000 Strike Price, followed by 15500 Strike Price for 25th February Series. Short Buildup was seen at strike prices 14700-16000.
- Maximum Put Open Interest (OI) was seen at strike price 14000 followed by 15000 strike prices for 25th February series. Short covering was seen at strike prices 13900-14600.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 37000 Strike Price and Maximum Put Open Interest stands at 34000 Strike Price.
- As per Thursday's Provisional Data available on the NSE, FIIs bought shares worth Rs. 903.07 crores in the Indian Equity Market. DIIs on the other hand sold shares worth Rs. 1217.34 crores in the Indian Equity market.
- Long Buildup: ADANI PORTS, SBIN, ONGC, BANKBARODA.
- Short Buildup: ICICIBANK, MOTHERSUMI, DLF, RBLBANK, HDFCBANK.
- Short Covering: GMRINFRA, ITC, NMDC, GAIL.
- Long Unwinding: AXISBANK, L&T, RELIANCE, TATA CONSUM.
- Stocks banned in F&O segment:** BHEL, CANBANK, IDEA, SAIL.
- New in Ban: BHEL, CANBK.
- Out of Ban: PNB.

### Changes in Open Interest (OI) in yesterday's trade.

<b>Nifty Spot</b>	15208.90 (-0.68%)
<b>Bank Nifty Spot</b>	36910.95 (-0.51%)
<b>VIX</b>	21.5050 (-1.26%)
<b>Premium</b>	-18 vs +19
<b>Nifty Future OI</b>	1.09 crores (+2.17%)
<b>Bank Nifty Future OI</b>	15.38 lakhs (-9.87%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	4774.76	4932.74
<b>NSE Cash Vol. (Rs. in Cr)</b>	77039.97	76964.81
<b>NSE Derivative Vol. (Rs. in Cr)</b>	43,17,511.33	36,60,812.75

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	3,74,241	37,838.52
<b>Stock Future Volumes</b>	8,68,767	81,956.10
<b>Index Option Volumes</b>	3,99,80,339	40,22,022.75
<b>Stock Option Volumes</b>	18,56,241	1,75,693.96
<b>Total</b>	4,30,79,588	43,17,511.33

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
15900	8.25 (-20%)
16000	28.48 (-14%)
16100	3.61 (-20%)
Puts	in lakhs (% Change)
14300	4.63 (-23%)
14400	4.51 (-39%)
14500	13.07 (-20%)





**US Treasury yields are off the highs. News about fiscal stimulus is awaited. Death cross pattern emerges in Gold.**

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	46187	45311	44419	47750	50245	Negative	Gold prices seen struggling. Key support now seen at 45311. Intraday Strategy: Sell at CMP, targeting 45751/45311/44419. Strict Stop at 47911.
MCX SILVER	68700	66321	63007	70757	73501	Negative	Silver prices too slipped in yesterday's trade. The make-or-break interweek hurdles seen at 70757 mark. Strength only above 70757. Intraday Strategy: Sell at CMP, targeting 68007/66321/63007. Strict Stop at 70989.
MCX CRUDE OIL	4418	4309	4229	4501	4643	Neutral	Crude-oil prices inched up in yesterday's trading session. Overbought technical conditions prevail hence profit booking likely. Key support seen at 4229 mark. Intraday Strategy: Buy between 4309-4325 zone, targeting 4501/4643 mark. Stop at 4197.
MCX COPPER	656.60	643.00	631	667	681	Positive	Copper prices flared up in yesterday's trade. Major support seen at 621 support zone. Intraday strategy: Establish buy positions between 643-647 zone. Targets 667 and then aggressive targets at 681 zone. Stop at 629.
MCX NATURAL GAS	224.00	213.00	197.00	245.00	252.00	Positive	Natural Gas prices slipped in yesterday's trade. Hurdles now seen at 245. Supports seen at 213 mark. Intraday Strategy: Buy at CMP, targeting 233/245/252.50 mark and then aggressive targets at 269 zone. Stop at 211.
USD-INR	72.65	72.51	72.27	72.83	73.05	Negative	Selling only on any excessive strength should be the preferred strategy. Interweek Strategy: Sell between 72.85-72.91 zone, targeting 72.51 and then aggressive targets at 72.27 mark. Stop at 73.07.

**EUR/USD is rising toward 1.21 as US jobless claims disappointed with a leap to 861,000.**

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1776	1751	1711	1813	1851	Neutral	Interweek Strategy: Establish sell positions between 1789-1801 zone. Targets 1751/1711 with stop at 1817.
SILVER (\$)	27.35	25.71	24.98	30.00	32.50	Neutral	Interweek Strategy: Establish buy positions between 27.07-27.15 zone. Targets 30/32.50 with stop at 24.81.
WTI CRUDE OIL (\$ )	60.8	56.98	55.45	60	62.5	Positive	Interweek Strategy: Establish buy positions on dips between 57-58 zone. Targets 60.50/62.50 with stop at 55.97.
EUR/USD	1.2086	1.1851	1.1771	1.2223	1.2289	Neutral	Interweek Strategy: Establish short positions at CMP. Targets 1.1997/1.1851 with stop at 1.2455.
US Dollar Index	90.65	90.25	87.50	91.70	94.05	Neutral	Interweek Strategy: Establish buy positions at CMP. Targets 91.70/94.05 with stop at 89.97.
DOW JONES	31389	30659	28511	31901	32501	Neutral	Interweek Strategy: Establish long positions only on dips between 30659-30750 zone. Targets 31591/31901 and then at 32501 with stop at 29989.

Exchange	Commodity	Close	S1	S2	R1	R2	200 Day SMA	Reversal Point	Trend
MCX	ALUMINIUM	173.15	167	159	177.5	189	148	146	UP
MCX	CARDAMOM	1505	1471	1401	1609	1777	2689	1671	UP
NCDEX	CASTOR	4412	4351	3939	4755	4903	4123	3714.4	UP
NCDEX	CHANA	4645	4275	4113	4725	5001	4593	3841.7	DOWN
MCX	COPPER	655.85	643	633	661	672	521	404.37	UP
MCX	COTTON	21590	20501	19001	20501	21115	18103	14458	UP
MCX	CRUDE-OIL	4439	4389	4279	4501	4644	3067	2488.6	UP
MCX	GOLD	46206	45771	44901	48497	51901	49638	44084.1	NEGATIVE
NCDEX	GUAR GUM	6220	5997	5601	6501	6771	5895	5519.5	NEGATIVE
NCDEX	GUAR SEED	3913	3777	3501	4051	4451	3873	3672.8	UP
NCDEX	JEERA	13425	12771	12001	13929	14451	13785	13323	DOWN
MCX	LEAD	172.65	159	149	169	175	149	139.26	UP
MCX	MENTHA OIL	969	921	861	997	1051	1013	1069.95	DOWN
MCX	NATURAL GAS	224	213	201	241	265	173	147.11	UP
MCX	NICKLE	1355	1311	1246	1389	1407	1111	975.8	UP
NCDEX	RM SEED	6103	5751	5305	6251	6497	5271	3851	NEGATIVE
MCX	SILVER	68700	65911	63298	70257	73501	60058	42506.6	NEGATIVE
NCDEX	SUGAR	NA	NA	NA	NA	NA	NA	NA	NA
NCDEX	SOYA BEAN	4773	4551	4401	4795	4896	4083	3403	UP
MCX	ZINC	232.4	225	217	237.5	251	191	154.82	UP

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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No.  
• Firm interest of the stock / Instrument (s): - No.

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