

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 Monday's trading session at Dalal Street dated 22nd February 2021.

**The warning red flag that a correction is coming is getting higher each trading day** — it is most likely that bears will aim for their first major win of 2021.

- **Preferred trade on Nifty (14982):** Sell between 15100-15150 zone. Targets at 14897 and then aggressive targets at 14671 mark with stop at 15457.
- **Preferred trade on Bank Nifty (35842):** Sell at CMP. Targets at 35428/34647 and then aggressive targets at 32751-33001 zone with stop at 37901.
- **BULLISH STOCKS:** CDSL, NTPC, JUBILANT FOODS, BPCL, PETRONET, HERITAGE FOODS, PNB, BANK OF BARODA, CANARA BANK, NMDC, IBULLSHSGFIN, 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 LARSEN (CMP 1509): Overbought technical conditions prevail. Negative bias as long as 1593 resistance is held. Intraday Strategy: Sell between 1527-1557 zone, targeting 1497 and then at 1427.50-1445 zone with stop above 1563.

## Outlook for Monday: Caution — the buzzword.

The trading theme at Dalal Street is seen revolving primarily around two themes:

- Concerns over rising bond yields.
- India's active caseload of Covid-19 continues to rise.

Well, if last 4-trading sessions are any indication then stocks at Dalal Street are seen wobbling and most importantly lost their enthusiasm to rally further. You could also blame it to extreme overbought technical conditions as S&P 500 has risen about 75% since last March. Nifty too is up a whopping 102% — from March lows of 7500.

So, investors need to spy with one big eye if yields jump further from current levels as is bound to cause unnecessary turbulence in risky assets at a time when the pandemic is still barring a return to economic normality. Yesterday, Maharashtra Chief Minister Uddhav Thackeray was seen saying that 'If the Covid-19 situation deteriorates, then we have to impose lockdown in the state'.

The main risk to bulls' success story at Dalal Street is a delay to the reopening of the economy caused by hiccups in vaccine efficacy or a renewed increase in infections.

INDICES		
Nifty	14982	-0.91%
Bank Nifty	35842	-2.04%
Nifty Auto Index	10540	-2.65%
Nifty FMCG Index	33337	-0.11%
Nifty Infra Index	4160	-1.06%
Nifty IT Index	25503	-0.45%
Nifty Media Index	1678	-0.86%
Nifty Midcap Index	6768	-2.30%
Nifty Metal Index	3552	-1.96%
Nifty Pharma Index	12347	-1.36%
Nifty Reality Index	348	-1.30%
Nifty Smallcap Index	7980	-0.92%
Sensex	50890	-0.85%
SGX Nifty	15016	0.09%

## Outlook for the Day

Sell on strength

## Nifty Outlook

Intraday	Negative (14875-15107)
Medium Term	Neutral (14111-15551)
Long Term	Neutral (13001-16001)

## Key Levels to Watch

Nifty Support	14899/14737
Nifty Resistance	15231/15437

## Pivot Level

Nifty	13511
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**Bottom-line:** It's sad; COVID is still not looking a big threat to the crowd but could prove more problematic catalyst to the perma-bulls camp.

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

- Technically speaking, at the moment, the ingredients for fresh all-time-highs is quite high and this bullish theme is quite likely as long as Nifty stays above its biggest support at the 14671 mark. **That said, confirmation of strength only above Nifty 15432. Above 15432, the benchmark Nifty could easily gallop to 16001 mark.**
- For aggressive traders however, the gyan mantra is to establish short positions on any excessive strength.
- The sequence of higher high/lows is still intact on daily and weekly time frames. However, on the daily and intraday time-frames cracks are seen appearing.
- 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 15500 followed by 15200 strike price. Maximum Put open interest stands at 15000 levels followed by 14500 levels. Call writing was seen at 15200 and then at 15000 strike price, while there was meaningful Put writing at 14800 and then at 15200 strike prices.
- On investors radar will be Foreign institutional investors (FIIs) activity at the bourses. The FIIs have so far bought for the fifth straight month and have bought equities worth Rs 23,874.67 in February till. On the contrary, domestic institutional investors (DIIs) sold equities worth 16,638.46 crore. Last week, foreign institutional investors (FIIs) bought equities worth Rs 4408.26 crore, while domestic institutional investors (DIIs) sold equities worth Rs 6,283.73 crore.
- All eyes will be on the GDP data for the third quarter which will trickle in on Friday. The street suspects that the GDP data for the third quarter to show signs of economic recovery.
- 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.
- Copper prices have spiked to their highest level in nearly a decade Friday as investors in the commodity anticipate rising demand for infrastructure and construction projects in the post-pandemic economy. On Friday, the price of copper climbed above \$4 per pound for the first time since September 2011.
- 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>	312
<b>Action</b>	Buy
<b>Target</b>	383
<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 0.86 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 118.75 crore, whereas domestic institutional investors (DIIs) net sold shares worth Rs 1,174.98 crore in the Indian equity market.
- Our **chart of the day** is bearish on APOLLO TYRES, BHARAT FORGE & LARSEN with interweek perspective.

## GLOBAL STOCK MARKETS:

Wall Street too remained sluggish and ended near the break-even on Friday as investors sold technology shares that have rallied through the pandemic and rotated into cyclical stocks set to benefit from pent-up demand once the coronavirus pandemic is subdued.

On a weekly basis, the Dow rose only 0.1% while the S&P 500 fell 0.7% and the Nasdaq slid 1.6% as big tech sold off. Here are key takeaways from the key indices in the week gone by:

- Japanese Nikkei is at a new 30-year high flirting with the 30,000 mark.
- Chinese indices are just a tad away from their 2007 peaks.
- Wall Street and European stocks have jumped nearly 80% and 50% from their March 2020 panic lows.
- Nifty is up a whopping 102% — from March lows of 7500.
- Nifty new record now is at 15431.78.
- Sensex new records at 52516.76 mark.
- Bank Nifty too at fresh all-time-high at 37708.75.
- PSU Bank index has zoomed 47 per cent,
- Nifty Mid-cap is at all-time highs at 6972.65.

## 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.

## What Technical Tells Us on Nifty/Sensex:

In Friday's trade, bears dominated as Nifty gave up psychological 15000 mark, down 0.91% at 14982. Dalal Street was painted in red for 4 straight trading sessions as none of the indices were in green in Friday's trade.

The broader markets, too, gave up their winning ways today and ended in the red. The S&P BSE MidCap index underperformed on the BSE and 1.7% down today. The SamIIcap counterpart, meanwhile, settled at 0.7% lower.

Data from euro zone showed business activity slowing in February, while German and British 10-year bond yields touched multi-month highs, driven up by bets on rising inflation.

The other key highlights of yesterday's trade:.

- Nifty gave up 15000 mark in Friday's trade.
- Only 12 of 50 Nifty stocks ended the day in the green.
- Top Index gainers: UPL (+2.56%), DRREDDY (+2.36%), INDUSINDBANK (+2.27%)
- Top Index losers: ONGC (-5.06%), TATASTEEL (-4.06%), HEROMOTOCORP (-3.75%)
- Bank Nifty 2.04% lower at 35842 mark thus underperforming benchmark Nifty in today's trade.

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 14897 and then aggressive targets at 14731/14621 mark.

### Daily chart of Nifty:



# TOP PICKS (F & O)

It's like having investment binoculars !

**Here are some stocks to sell on any early strength. Sell Bharat Forge on any early strength.**

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ASHOK LEYLAND	123.4	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 between 128-130 zone, targeting 119 zone and then at 107.50 mark with stop above 135.05.
BHARAT FORGE	603	576	519	627.5	667	Negative	Momentum oscillators in sell mode . Key hurdles at 667. Interweek Strategy: Sell between 617-623 zone, targeting 576-581 zone and then at 519 mark with stop above 643.05.
BERGER PAINTS	743	704	659	763	787	Negative	BERGER PAINTS ended on a negative note in Friday's trade, down 2%. Major downside risk seen below 737.50 mark. Interweek Strategy: Sell between 751-755 zone, targeting 703/691 zone and then more aggressive targets located at 659-665 zone. Stop above 789.
LARSEN	1509	1497	1427.5	1547	1593	Negative	Overbought technical conditions prevail. Negative bias as long as 1593 resistance is held. Intraday Strategy: Sell between 1527-1557 zone, targeting 1497 and then at 1427.50-1445 zone with stop above 1563.
TATA MOTORS	312	297.5	285	317.5	343	Negative	A probable intermediate Triple Top pattern seen on daily charts. Momentum oscillators in sell mode. Key hurdles at 343. Interweek Strategy: Sell between 317-319 zone, targeting 297.5 zone and then at 285-289 zone with stop above 327.45.

## Derivatives Strategies

**Future Call:** SELL BHARTIARTL FEBRUARY FUTURES at CMP 580. Targets at 575 and then at 568 zone. Stop: 587. Holding Period: Intraday. Analyst's Remark: Breaking Down (BHARTIARTL February Futures CMP 580)

**Option Call:** SELL NIFTY 25th February CE Strike Price 14900 at CMP 195. Maximum Profit: Rs. 14,625/-. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 15165. (NIFTY February Futures CMP 15006.80).

### Market Summary:

- Nifty February Futures ended Friday's session at a premium of +27 vs discount of -01.
- The 25th February expiry Put-Call Open Interest Ratio was at 0.86 for Nifty whereas it was 0.73 for Bank Nifty.
- The 25th February expiry Put-Call Volume Ratio was at 0.98 for the Nifty and 1.10 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 15000-15700.
- 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 15100-15600.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 37000 Strike Price and Maximum Put Open Interest stands at 35000 Strike Price.
- As per Friday's Provisional Data available on the NSE, FIIs bought shares worth Rs. 118.75 crores in the Indian Equity Market. DIIs on the other hand sold shares worth Rs. 1174.98 crores in the Indian Equity market.
- Long Buildup: UPL, TATACHEM, HUL, MUTHOOTFIN.
- Short Buildup: BHARTIARTL, GRASIM, TATAMOTORS, SBIN.
- Short Covering: RELIANCE, INDUSINDBANK, MARICO, DRREDDY.
- Long Unwinding: BHEL, ITC, ICICIBANK, CANBK, SUNPHARMA.
- Stocks banned in F&O segment:** BHEL, CANBANK, IDEA, SAIL.
- New in Ban: NIL.
- Out of Ban: NIL.

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

<b>Nifty Spot</b>	14981.75 (-0.91%)
<b>Bank Nifty Spot</b>	35841.60 (-2.04%)
<b>VIX</b>	22.25 (+3.28%)
<b>Premium</b>	+27 vs -01
<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>	5671.56	4774.76
<b>NSE Cash Vol. (Rs. in Cr)</b>	84174.35	77039.97
<b>NSE Derivative Vol. (Rs. in Cr)</b>	27,55,176.55	43,17,511.33

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	4,61,175	45,662.88
<b>Stock Future Volumes</b>	12,67,025	1,18,284.88
<b>Index Option Volumes</b>	2,35,84,565	23,46,061.61
<b>Stock Option Volumes</b>	25,71,103	2,45,167.18
<b>Total</b>	2,78,83,868	27,55,176.55

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
15000	22.42 (+136%)
15100	21.18 (+57%)
15200	34.07 (+68%)

Puts	in lakhs (% Change)
15100	10.84 (-30%)
15200	7.03 (-30%)
15300	3.66 (-27%)





**MCX Gold bulls could attempt a major rebound only if 45311 support is held.**

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	46190	45311	44419	47750	50245	Negative	The biggest support on gold seen at 45311. Confirmation of strength only above 47750 zone. Intraday Strategy: Sell at CMP, targeting 45751/45311/44419. Strict Stop at 47911.
MCX SILVER	68971	66321	63007	70757	73501	Negative	Silver prices inched up in Friday'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	4313	4229	4011	4501	4643	Neutral	Crude-oil prices drifted lower in Friday's trading session. Overbought technical conditions still prevail hence profit booking likely. Key support seen at 4229 mark. Intraday Strategy: Buy between 4229-4251 zone, targeting 4501/4643 mark. Stop at 4017.
MCX COPPER	690.05	677.00	653	701	728	Positive	Copper prices flared up in Friday's trade. Major support seen at 653 support zone. Intraday strategy: Establish buy positions between 677-681 zone. Targets 701 and then aggressive targets at 727.50 zone. Stop at 647.
MCX NATURAL GAS	222.40	213.00	197.00	245.00	252.00	Positive	Natural Gas prices were seen drifting lower in Friday's. 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.

### Gold needs to move above \$1813 mark for additional recovery!

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1783	1751	1711	1813	1851	Neutral	Interweek Strategy: Establish sell positions between 1789-1801 zone. Targets 1751/1711 with stop at 1817.
SILVER (\$)	27.37	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 (\$)	59.01	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	1.1220	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	90.34	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	31494	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	170.05	163	159	177.5	189	148	146	UP
MCX	CARDAMOM	1505	1471	1401	1609	1777	2689	1671	UP
NCDEX	CASTOR	4418	4351	3939	4755	4903	4123	3714.4	UP
NCDEX	CHANA	4686	4275	4113	4725	5001	4593	3841.7	DOWN
MCX	COPPER	692	657	625	701	717	521	404.37	UP
MCX	COTTON	21560	20501	19001	20501	21115	18103	14458	UP
MCX	CRUDE-OIL	4309	4211	4037	4501	4644	3067	2488.6	UP
MCX	GOLD	46197	45771	44901	48497	51901	49638	44084.1	NEGATIVE
NCDEX	GUAR GUM	6190	5997	5601	6501	6771	5895	5519.5	NEGATIVE
NCDEX	GUAR SEED	3892	3777	3501	4051	4451	3873	3672.8	UP
NCDEX	JEERA	13625	12771	12001	13929	14451	13785	13323	DOWN
MCX	LEAD	178	167.5	159	183	201	151	139.26	UP
MCX	MENTHA OIL	963	921	861	997	1051	1013	1069.95	DOWN
MCX	NATURAL GAS	222	211	191	251	289	173	177	UP
MCX	NICKLE	1416	1357	1301	1437	1477	1133	975.8	UP
NCDEX	RM SEED	6308	6091	5751	6501	6789	5373	3851	UP
MCX	SILVER	69012	66320	63298	70869	73501	61411	42506.6	NEGATIVE
NCDEX	SUGAR	NA	NA	NA	NA	NA	NA	NA	NA
NCDEX	SOYA BEAN	4870	4551	4401	5001	5291	4134	3403	UP
MCX	ZINC	234	223	213	241	257.5	195	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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