

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to Monday's trading action at Dalal Street, dated 2nd December 2019.

In early action, SGX Nifty is seen trending lower, down around 45 points at around 12056 mark. You can blame the negative sentiments to two catalysts:

1. India's economy is now at its slowest pace in over six years as the data released by the government shows that GDP grew 4.5% in the second quarter of FY20, marking the slowest expansion in 26 quarters.
2. Concerns over the delayed US-China trade deal. Well, the clock is ticking as there is hardly any time left for an agreement to be signed, while the next round of tariffs are supposed to kick in on December 15.

The big question: Will the bear come knocking?

Well, the collapsing GDP numbers were mostly in line with expectations but a U.S trade deal with China needs to be signed before the Dec. 15 deadline for a new round of import U.S. tariffs on Chinese goods. And as long as U.S-China trade deal is on the front pages, expect volatility, volatility and volatility.

Meanwhile, traders may also seek to reduce exposures in equities after Friday's data showed that FII's sold shares worth Rs. 1892.21 crores in the Indian Equity Market.

Adding to those fears is Trump's support for legislation backing pro-democracy protesters in Hong Kong.

That brings us to our **call of the day** which suggests volatility will be hallmark in near term.

Also commanding attention would be:

1. November Auto sales data.
2. RBI's three-day Monetary Policy Committee meeting that begins on December 3 and the interest rate decision will be announced on December 5.

Technically, expect corrections in Nifty towards 11927 mark. Only below 11801 mark, expect bears to have the ball.

We suspect, corrective declines to be the preferred theme at Dalal Street and not any major sell-off. As Peter Lynch once said, "Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves."

Before we end, please note Ujjivan Small Finance Bank IPO to open today. This would be 12th company launching main board IPO in the current financial year 2019-20. The issue will close on December 4.

SGX Nifty:(+17, 11855)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12056	12001	12132	11965	11435	12011-12221	Sell between 12091-12105 zone. Targets at 12001/11921 -11951 zone. Stop 12179.
Bank Nifty	31946	30851	32351	31085	29331	31415-32351	Buy between 31475-31601 zone. Targets at 32157/32751. Stop 31001.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
CANARABANK	227	219	234	214	240	Negative	Sell at CMP. Targets 219/207.50. Stop 237.75.
ESCORTS	637	607.50	651	653	617	Negative	Sell between 645-651 zone. Targets at 607.50/585. Stop 671.
YESBANK	68.30	64	79	67	131	Positive	Buy at CMP. Targets at 79/91. Stop 59.50.

All About Option Trades:

Option Trade: BUY NIFTY 05th DECEMBER PE Strike Price 12000 at CMP 39.15. Profit: Unlimited. Maximum Loss: Rs. 2,936.25/-. Stop: Exit Put Option if Nifty moves above 12221. (Nifty December Futures CMP 12099.85)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MAX FINANCIAL (MFSL)	504.90	481	535	480	424	Positive	Buy at CMP. Targets 535/571. Stop 481.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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