

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## Good Morning & Welcome to Tuesday's trading action at Dalal Street, dated 3rd December 2019.

Early action at SGX Nifty is indicating that dark clouds are looming over at Dalal Street. Dwindraft on cards. The devil is in the following negative catalysts:

1. President Donald Trump's decision that he was bringing back tariffs on Brazilian and Argentina steel.
2. Trump's latest move clearly indicates that the U.S. and China are having troubling finalizing a so-called phase one trade deal.
3. Negative global cues.
4. Investors may also seek to reduce risk after Friday's data showed that FII's sold shares worth Rs. 1892 crores. In yesterday's trade too FIIs sold worth Rs. 1731 Cr.
5. Collapsing GDP data at home.
6. Weak November Auto sales data.

These uncertain backdrops bring us to our **call of the day** which suggests Bears are most likely to come to life at Dalal Street and confirmation of negative bias if Nifty closes below its make-or-break intraday support at 12001 mark. It appears that Nifty may slip towards 11927 mark quickly and then all anxious eyes on the medium term support at 11801 mark.

A U.S trade deal with China is the need of the hour as the deal needs to be signed before the Dec. 15 deadline. Please note, as long as the U.S-China trade deal is on the front pages, expect volatility, volatility and volatility.

Meanwhile, commanding attention would be:

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

The street largely expects the Reserve Bank of India (RBI) to cut the repo rate by another 25 bps and continue with its accommodative stance. That's on backdrop of RBI already slashing interest rates by 135 basis points this year to the lowest since 2009, with more easing to come.

Our **chart of the day** suggests establishing short positions in stocks like VEDANTA, CANARA BANK & EICHER MOTORS with interweek perspective.

## SGX Nifty:(-14, 12078)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12048	12001	12132	11971	11442	11927-12105	Sell between 12091-12105 zone. Targets at 12001/11921-11951 zone. Stop 12179.
Bank Nifty	31871	30851	32351	31164	29353	31251-32001	Sell below 31701. Targets at 31471/31055/30501. Stop 32337.

### All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
CENTURY TEXTILE	472	453	483	432	817	Positive	Buy on dips between 455-461 zone. Targets 483/521. Stop 439.
KOTAKBANK	1631	1608	1683	1601	1459	Positive	Buy on dips between 1608-1615 zone. Targets 1683/1711. Stop 1591.
PIDILITE	1325	1291	1361	1329	1264	Positive	Buy on dips between 1301-1311 zone. Targets 1361/1387. Stop 1287.

### All About Option Trades:

**Option Trade:** BUY NIFTY 05th DECEMBER PE Strike Price 12000 at CMP 35.20. Profit: Unlimited. Maximum Loss: Rs. 2,640/-. Stop: Exit Put Option if Nifty moves above 11975. (Nifty December Futures CMP 12091.45)

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MAX FINANCIAL (MFSL)	506	481	535	480	424	Positive	Buy at CMP. Targets 535/571. Stop 481.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

## Mehta Group

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