

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 March 2020.

If overnight strength at Wall Street is any indication then a pause quite likely at Dalal Street after last 7-days of persistent selling.

And the good news for those who did not sell before the plunge — Dalal Street could also witness massive short covering + bargain hunting.

Digging deeper, the strength at global stock markets are pinned on hopes that the world's central banks — the Federal Reserve, People Bank Of China, Bank Of Japan and the ECB will soon take action to prevent deeper economic pain from the coronavirus.

President Donald Trump was seen pestering the Federal Reserve on Monday, saying Fed Chair Jerome Powell and his colleagues should quickly slash interest rates as the economic risk posed by the coronavirus becomes more stark.

That brings us to our **call of the day** which suggests a volatile trading session at Dalal Street quite likely as traders grapple with 'Coronavirus Uncertainty'. Having said that, traders should look to buy any intraday dips on Nifty. We say so because the fears surrounding COVID-19 and the consequent market sell-off seems to be overblown and most importantly, the **Coronavirus is really not that bad economically for India.**

So, for a perma-bull, the gyan mantra is that any fall to support levels indicates time to buy as there may be some specific buying opportunities emerging from all the panic.

The positive catalyst: Crude oil prices have dropped significantly, now at 46\$ levels. This should help India to reduce its trade deficit.

Technically, Nifty's Immediate Support Seen At 10901 Mark. The most watched support on Nifty is at 10901 mark. Only below 10901, selling stampede could knock down Nifty further to its biggest support at 10301. Please note, confirmation of strength only above Nifty 11589 mark. If the mentioned support holds on Nifty then we suspect that the fears mongering around COVID-19 will most likely fade.

Our **chart of the day** suggests establishing long positions if Nifty slips to mentioned support levels near 10901 mark. Investors could also look to accumulate stocks like SANOFI & CANFINA HOMES on buy side with inter-month perspective.

Option data suggests:

- Nifty's Max Call OI: 11500, 11600.
- Nifty's Max Put OI: 11300, 11000.

Before we end, the latest Coronavirus update: 89,780 cases. 3,057 deaths.

Outlook for Tuesday: Traders should look to buy the intraday dips.

SGX Nifty: (-14, 11114)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11133	11091	11407	11896	11687	11901-11501	Buy between 10901-10951 zone. Targets at 11433/11567/11895. Stop 10789.
Bank Nifty	28868	28501	29651	30589	30186	28751-29801	Buy at CMP. Targets at 29337/30121/31001. Stop 28111.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ICICIBANK	506	489	521	531	465	Positive	Buy at CMP. Targets 521/545. Stop 487.
SBIN	287	281	310	316	317	Positive	Buy at CMP. Targets 310/325. Stop 277.
PAGE INDUSTRIES	21644	20501	22986	23482	21561	Negative	Sell at CMP. Targets 20501/19001. Stop 23101.

All About Option Trades:

Option Trade: BUY NIFTY 05th MARCH CE Strike Price 11200 at CMP 111.15. Profit: Unlimited. Maximum Loss: Rs. 8,336.25/-. Stop: Exit Call Option if Nifty moves below 10951. (Nifty March Futures CMP 11123.70)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
APOLLO HOSPITALS	1728.55	1457	2000	1720	1444	Positive	Buy at CMP. Targets 2000/2100. Stop 1457.
ALEMBIC PHARMA (APLL)	656.25	529	685	643	548	Positive	Buy at CMP. Targets 685/800. Stop 529.
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