

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 4th February 2020.

The good news as we go into trade this Tuesday is that there no much fear.

Helping sentiments are positive global cues on backdrop of the People's Bank of China announcing that it would inject about \$173 billion into the economy to cushion the expected blow from the rapid spread of the coronavirus outbreak. This should definitely help in restoring normalcy and stabilize the Chinese economy.

The other two positive catalysts in favor of bulls camp at Dalal Street are:

1. Fiscal deficit targets that were announced in budget were largely in line with estimates.
2. Boosting sentiments are the steep fall in crude oil prices.

That brings us to **our call of the day** which suggests a **strong bounce**. Looks like the market conditions will improve before getting worse.

The technical landscape suggests that Dalal Street is seen attempting a comeback but technically Nifty will be out of woods only on any close above 11919 mark.

Until then support for Nifty lies at 11501-11525 zone.

Option data suggests:

1. Nifty's Max Call OI: 12000, 12200.
2. Nifty's Max Put OI: 12000, 11500.

Our **chart of the day** suggests establishing long positions in stocks like **BAJAJ AUTO, VOLTAS and BATA** with inter-week perspective.

Now, digging deeper with regards to Union Budget 2020, it should be noted that under tough circumstances and the given constraints, it is still a very good budget and can probably open the doors for RBI to reduce the interest rates further helping to revive the growth. RBI's meet is on 6th February

Q3 earnings to trickle in today are:

- Tuesday: TITAN, TVSMOTORS, REC, TATAGLOBAL, ADANI PORTS, PNB, BHARTI AIRTEL, EXIDE.

Outlook for Tuesday: Buy on dips mentality likely to be back.

SGX Nifty:(+19, 11726)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11708	11575	11851	12138	11656	11665-11775	Buy at CMP. Targets at 11751/11849/11929. Stop 11421.
Bank Nifty	30023	29651	30711	31203	30089	29851-30700	Buy between 29751-29901 zone. Targets at 30696/31421. Stop 29411.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BAJAJ AUTO	3285	3195	3469	3107	2975	Positive	Buy at CMP. Targets 3469/3751. Stop 3101.
REC	137.80	135	145	141	142	Positive	Buy at CMP. Targets 145/152.50. Stop 133.
TATASTEEL	436	425	451	472	436	Positive	Buy between 430-433 zone. Targets 451/477. Stop 419.

All About Option Trades:

Option Trade: BUY NIFTY 13th FEBRUARY Call Strike Price 11800 at CMP 68.10. Profit: Unlimited. Maximum Loss: Rs. 5,107.50/-. Stop: Exit Call Option if Nifty moves below 11598 (Nifty February Futures CMP 11703.15)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NAUKRI	2811.10	2675	3001	2639	2274	Positive	Buy at CMP. Targets 3001/3201. Stop 2650.
VOLTAS	690.10	661	735	695	643	Positive	Buy at CMP. Targets 735/801. Stop 661.
-	-	-	-	-	-	-	-

Mehta Group

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