

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 4th March 2020.

This morning, SGX Nifty is seen vacillating wildly after the Federal Reserve lowered its benchmark interest rate by 0.5% point — primarily to combat coronavirus slowdown. It was the biggest rate cut since fall 2008 and the first emergency rate move since the global financial crisis.

FOMC members wrote in a statement Tuesday that "The fundamentals of the U.S. economy remain strong."

But despite this ammunition, overnight the Dow Jones fell hard. Blame it to the press conference of Federal Reserve Chairman Jerome Powell where he said, "we have seen a broader spread of the virus ... and so we saw a risk to the outlook for the economy and chose to act."

Well, Powell's statement clearly indicates that a rate cut or a fiscal stimulus cannot do much in the event of a recession due to an epidemic. The street probably expects more measures. Perhaps the street is disappointed with the fact that the Group of Seven (G-7) countries' have still not acted and clearly failed to identify specific actions to deal with the outbreak.

That brings us to our **call of the day** which suggests that the need of the hour is a permanent cure of coronavirus.

At the time of writing, amidst the novel coronavirus there are 92123 cases. 3,128 deaths.

Bottom-line: A rate cut is definitely not the "bullish button" for the bullish camp at Dalal Street during the pandemic period. But a permanent cure of coronavirus will obviously take Nifty above 12341 mark.

Our **chart of the day** which suggests a volatile trading session at Dalal Street quite likely as traders still 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.

Also, please that the number of new cases in China continues to slow, while the virus spreads across Europe and other parts of the world. On this backdrop, investors need to spy with one big eye on the news report surrounding COVID-19 at home. And if there are no much significant flash news then the gyan mantra for perma-bulls is to buy at the mentioned support levels as there may be some specific buying opportunities emerging from all the panic.

The other positive catalyst continues to be fall in Crude oil prices, now at 47\$ 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. For the day Nifty's support lies at 11,111 mark. Please note, confirmation of strength only above Nifty 11589 mark.

Option data suggests:

- Nifty's Max Call OI: 11800, 11700.
- Nifty's Max Put OI: 11000, 11300.

SGX Nifty: (-80, 11228)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11303	11133	11457	11879	11688	11901-11501	Buy between 11111-11151 zone. Targets at 11433/11567/11895. Stop 10871
Bank Nifty	29177	28685	29701	30559	30188	28651-29375	Buy only above 29337. Targets at 30121/31001. Stop 28311.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BAJAJ FINSERV	8964	8657	9251	9487	8445	Negative	Sell between 9125-9150 zone. Targets 8657/7871. Stop 9411.
BANKBARODA	72.90	67.50	77.50	84	102	Negative	Sell between 73-75 zone. Targets 67.50/63/49. Stop 78.45.
MUTHOOT FINANCE	866	839	911	830	682	Positive	Buy between 839-845 zone. Targets 911/951. Stop 807.

All About Option Trades:

Option Trade: BUY NIFTY 12th MARCH CE Strike Price 11400 at CMP 146.50. Profit: Unlimited. Maximum Loss: Rs. 10987.50/-. Stop: Exit Call Option if Nifty moves below 11176. (Nifty March Futures CMP 11294.75)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ALEMBIC PHARMA (APLL)	661.20	529	685	645	548	Positive	Buy at CMP. Targets 685/800. Stop 529.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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