

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 5th February 2020.

Judging by early action at SGX Nifty, it appears Dalal Street will trade with positive bias in today's trade and most importantly for the third day in a row.

That's in line with our **call of the day** which suggests optimism in stocks likely to remain resilient and the positive takeaway from last two sessions is that bulls will aim to reclaim psychological 12000 mark.

Helping sentiments at Dalal Street are:

- Optimism at bulls' camp as Nifty recoups Budget Day losses as bulls have again turned the table in their favor.
- Positive global cues on backdrop of reports that China's central bank is putting \$57 billion in funds into its markets. The measure is on top of an advance announcement from Monday that the government would put \$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.
- China's National Health Commission has confirmed 427 deaths linked to the coronavirus, as well as more than 20,000 cases nationwide. But the positive takeaway is that the spread of the virus outside China's boundaries has slowed from late last week.
- Fiscal deficit targets that were announced in budget were largely in line with estimates.
- Boosting sentiments are the steep fall in crude oil prices.
- There is optimism towards the prospect of a re-election of President Donald Trump. Meanwhile, Trump is likely to be cleared by the Senate on Wednesday in his impeachment hearing.

The technical landscape is quite positive amidst a long white candle on the daily charts suggesting strength in the up-move. Technically, Nifty will eye 12000 mark in today's trade and will be completely out of woods on any close above 12127 mark.

Above 12127, Nifty's next goal post will be at its all-time-high at 12431 mark. Downside for the day likely to be limited at 11877—11771 zone.

Option data suggests:

1. Nifty's Max Call OI: 12500, 12200.
2. Nifty's Max Put OI: 12000, 11500.

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

Now, with the Budget out of the way, the next watched out event for equities and bond markets would be the MPC meet outcome on 6th February.

Q3 earnings to trickle in today are:

- Wednesday: ENGINEERS INDIA, MAX FINANCIAL, BERGER PAINTS, IBULHSGFIN, DLF, ADANI ENT, APOLLO TYRES, CADILA, DIVIS LABS, AJANTA PHARM, BOSCH, NIIT, CIPLA, ANDHRA BANK.

SGX Nifty: (+12, 11985)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11980	11847	12117	12134	11657	11921-12101	Buy at CMP. Targets at 12127 /12431. Stop 11721.
Bank Nifty	30687	29921	31351	31169	30094	30451-31275	Buy at CMP. Targets at 31001 /31421. Stop 29911.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BATA	1866	1819	1901	1801	1562	Positive	Buy at CMP. Targets 1901/1961. Stop 1811.
TATASTEEL	452	441	463	471	435	Positive	Buy between 441-443 zone. Targets 463/477. Stop 427.
UJJIVAN	384	373	389	353	313	Positive	Buy at CMP. Targets 389/405. Stop 371.

All About Option Trades:

Option Trade: BUY NIFTY 13th FEBRUARY Call Strike Price 12100 at CMP 40.10. Profit: Unlimited. Maximum Loss: Rs. 3,007.50/-. Stop: Exit Call Option if Nifty moves below 11851 (Nifty February Futures CMP 11964.25)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
RITES	314.70	288	351	314	253	Positive	Buy at CMP. Targets 351/401. Stop 286.
VOLTAS	700.15	688	751	698	643	Positive	Buy at CMP. Targets 751/801. Stop 686.
-	-	-	-	-	-	-	-

Mehta Group

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