

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning & Welcome to Monday's trading action at Dalal Street, dated 6th January 2020

Early action at SGX Nifty is indicating caution for our stock markets. Blame it to rising oil prices amidst escalating tensions in the Middle East.

Well, the death of General Qasem Soleimani — Iran's most powerful military commander in a U.S. airstrike has sent bullish sentiments at Dalal Street reeling.

The big question: Will bullish bets at Dalal Street feel the impact of rising oil prices immediately?.

Our **call of the day** suggests that bullish momentum at Dalal Street may come to a halt amidst rising Middle East tensions. Oil prices have jumped and now at eight-month high.

Honestly speaking, this could have adverse effects on our fiscal deficit targets. Please note, India is 85% dependent on imports to meet its oil requirements and any flare up in oil prices will have a direct bearing on Indian economy. Digging deeper, India imports more than two-thirds of its oil needs from Middle East especially Iraq and Saudi Arabia.

If oil prices flare up then Indian economy will clearly struggle to recover from its six-year low growth rate of 4.5% amidst risk to inflation and deficit targets.

Technically speaking, lighten leveraged long positions below Nifty's biggest support at 12117 mark.

Bottom-line: Caution warranted and below Nifty 12117 there will be risk to both bullish traders as well to long-term investors.

Here are other catalysts commanding attention at Dalal Street in near term:

1. Oil, gold, U.S. Treasury's notch gains as Iran vows revenge for killing of military commander.
2. Wall Street and global stock markets seen tanking in Friday's trade.
3. FIIs were net buyers in Friday's trade as they bought shares worth Rs. 1263.05 crores.
4. All anxious eyes will be on India's Industrial Production numbers slated for release on Friday 10th January 2020.
5. Also on 10th January, Infosys will official set ablaze the ceremonial starter's pistol for Q3 earning season of FY 19-20.

Option data suggests:

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

SGX Nifty:(-11, 12238)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12227	12101	12345	12131	11587	12121-12251	Buy between 12117-12151 zone. Targets at 12345/12501. Stop 12071.
Bank Nifty	32069	31751	32651	31995	29921	31751-32200	Sell at CMP. Targets at 31571/30996. Stop 32717

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BIOCON	301	291	305	292	263	Positive	Buy at CMP. Targets 307.50/321. Stop 289.
AXISBANK	743	729	755	741	735	Negative	Sell between 747-753 zone. Targets 729/711. Stop 769.
BAJAJ FINANCE	4193	4137	4243	4123	3459	Negative	Sell between 4209-4215 zone. Targets 4137/4039. Stop 4301.

All About Option Trades:

Option Trade: BUY NIFTY 09th JANUARY PE Strike Price 12100 at CMP 23.55. Profit: Unlimited. Maximum Loss: Rs. 1,766.25/-. Stop: Exit Put Option if Nifty moves below 12321. (Nifty January Futures CMP 12256.45)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
AIA ENGINEERING	1649	1489	1865	1634	1701	Positive	Buy between 169-172 zone-. Targets 1865/2000. Stop 1489.
RITES	309	249	321	285	240	Positive	Buy at CMP. Targets 321/350. Stop 249.
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Mehta Group

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