

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to Friday's trading action at Dalal Street dated 7th February 2020.

Judging by early action at SGX Nifty, it appears that the celebration mood will continue at Dalal Street in today's trade as well and most importantly, the positivity is despite the fact that:

- FIIs sold shares worth Rs.560.36 Crore in yesterday's trade.
- Technically, a 'Spinning Top' pattern seen on daily charts indicating a neutral bias and indecisiveness after recent uptrend.

That brings us to our **call of the day** which suggests a see-saw trading session on cards. That said, the intermonth outlook is quite positive and Nifty/Sensex could climb as adeptly as a mountain goat to their all-time-highs at 12,431/42,273 milestone.

The positive catalyst: There is also optimism on backdrop of reports of thawing U.S.-China signs. China has announced that they will cut tariffs on \$75 billion of U.S. imports by half, starting next week.

Long story short: Dalal Street gets a 'Tariff Boost' this Friday.

The other positive catalysts for the day:

- Coronavirus fears fade on reports of scientific progress towards coronavirus cure.
- Conga-line of rising global stock markets.
- RBI accommodative policy fires up sentiments. Sentiment seen improving further as RBI estimated a 6% GDP growth rate for 2020-21 while projecting a 6.2% growth rate for Q3 December 2020. RBI has revised the CPI inflation projection for Q4 March 2020 to 6.5% and 5.4-5% in the first six months of 2020-21 and 3.2% in the third quarter of 2020-21.
- Boosting sentiments are also the sluggish trend in crude oil prices.
- Also, please note that there is optimism towards the prospect of a re-election of President Donald Trump.
- Meanwhile, Trump is cleared by the Senate in his impeachment hearing.

Option data suggests:

- Nifty's Max Call OI: 12500, 12400.
- Nifty's Max Put OI: 12000, 11700.

Our chart of the day suggests establishing long positions in stocks like UBL, MCDOWELL and ADANI ENTERPRISES with inter-week perspective.

Q3 earnings to trickle in this week are:

- Friday: UPL, REPCO HOME, CONCOR, BRITANNIA, NCC, ACC, NHPC, TATASTEEL, NTPC, FDC, INDIACEM, VOLTAS, EMAMI.
- Saturday: M&M.

Outlook for Friday: A consolidation day likely.

SGX Nifty: (+13, 12142)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12138	12071	12287	12134	11662	12087-12211	Buy between 12041-12057 zone. Targets at 12211/12431. Stop 11911.
Bank Nifty	31287	30651	31751	31114	30105	30851-31595	Buy at CMP. Targets at 31501/32621. Stop 30283.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ADANI ENTERPRISES	237	231	251	225	168	Positive	Buy at CMP. Targets 251/269. Stop 219.
MC DOWELL	654	641	663	606	590	Positive	Buy at CMP. Targets 663/711. Stop 639.
UBL	1343	1311	1371	1284	1318	Positive	Buy at CMP. Targets 1371/1439. Stop 1309.

All About Option Trades:

Option Trade: BUY NIFTY 13th FEBRUARY Call Strike Price 12200 at CMP 45.05. Profit: Unlimited. Maximum Loss: Rs. 3,378.75/-. Stop: Exit Call Option if Nifty moves below 12055. (Nifty February Futures CMP 12136.35)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
RITES	315	288	351	314	254	Positive	Buy at CMP. Targets 351/401. Stop 286.
POLYPLEX	562	521	601	558	499	Positive	Buy at CMP. Targets 601/701. Stop 511.
-	-	-	-	-	-	-	-

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