

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 8th January 2020.

In early action, SGX Nifty is seen simply tanking — around 190 points down on reports of an Iran missile attack. Dow futures fall more than 400 points.

Iranian state TV says attack is revenge for killing of Gen. Qassem Soleimani

The attacks — and the near certainty of U.S. retaliation — raise the possibility of oil supply disruptions, as well as the possibility of violence spreading around the already tumultuous region.

Crude oil prices have surged and U.S. stock market futures tumbled after Iran fired multiple missiles at air bases in Iraq housing U.S. troops, raising fears of a wider Middle East conflict.

At the time of writing, U.S. officials confirmed missile strikes at two bases in Iraq, but there was no immediate word on damage or casualties.

Investors are seen hitting panic-button as the wheels are simply seen falling off the cart. This is definitely a wake-up call to perma-bulls camp.

That brings us to our **call of the day** which suggests Dalal Street likely to remain volatile in near term amidst expectations for intensifying Middle-East conflict.

Honestly speaking, Middle-East unrest indicates worries over the threat to the world's oil supply. Well, this could have adverse effects and create havoc on our fiscal deficit targets. That's because, 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.

The street is already worried amidst weak domestic macro data with higher fiscal deficit and lower core sector growth numbers. 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.

So, any negative geopolitical headline surprises from the Middle East could immediately derail the confidence of perma-bulls confidence.

Bottom-line: So, keep a close eye on Strait of Hormuz — the world's biggest oil chokepoint. Caution warranted, and below Nifty 11832 there will be risk to both bullish traders as well to long-term investors.

Technically speaking, the biggest intraday support to watch would be at 11832-11845 zone.

Option data suggests:

- Nifty's Max Call OI: 12500, 12300.
- Nifty's Max Put OI: 12000, 11500.

***Outlook for Wednesday:** Keep a close eye on Strait of Hormuz — the world's biggest oil chokepoint.*

SGX Nifty:(-164, 11957)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12053	11971	12295	12131	11595	11801-11957	Buy only on sharp declines between 11832-11850 zone. Targets at 12103/12163. Stop 11701
Bank Nifty	31339	30801	32251	31962	29953	29900-31400	Sell between 31350-31500 zone. Targets at 30317/29751. Stop 31717

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
DIVISLABS	1844	1807	1871	1830	1677	Positive	Buy between 1811-1825 zone. Targets 1871/1921. Stop 1775.
RAMCOCEM	789	761	824	764	761	Positive	Buy between 772-777 zone. Targets 824/845. Stop 759.
TATASTEEL	476	461	483	451	441	Negative	Sell between 480-483 zone. Targets 461/453. Stop 495.

All About Option Trades:

Option Trade: BUY NIFTY 16th JANUARY PE Strike Price 11800 at CMP 27.60. Profit: Unlimited. Maximum Loss: Rs. 2,070/-. Stop: Exit Put Option if Nifty moves above 12200. (Nifty January Futures CMP 12106.70)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
RITES	305.10	249	321	284	241	Positive	Buy between 291-293 zone. Targets 321/350. Stop 249.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102