

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Europe: German Current Account Balance n.s.a (Jan), German Exports (MoM) (Jan)
German Imports (MoM) (Jan), German Industrial Production (MoM) (Jan),
German Trade Balance (Jan)

Good Morning & Welcome to Monday's trading action at Dalal Street dated 9th March 2020.

Early action at SGX Nifty is indicating a downbeat start for our stock markets.

Well, that's despite the fact that Crude-Oil prices have tumbled in Friday's trade to \$41.61 per barrel after OPEC and its allies could not come to an agreement on cutting production — an indication that the current oversupply in the market will persist. Also note that the cartel is not scheduled to meet again until June 2020.

Hopefully, amidst falling oil-backdrop, the street expects the Reserve Bank of India (RBI) may deliver a surprise rate cut this week. Also on backdrop of interest rate cut from the Chinese Central bank and the Federal Reserve, the RBI may also act by pump-in liquidity and also could cut interest rates.

Hold on to your horses...As here are other catalysts you need to know before the opening bell:

- Reports of coronavirus worries continue to ratchet higher. Total latest worldwide count is 105946 infected cases with 3569 deaths. In India, at least 39 confirmed cases of COVID-19 have been reported in India till Sunday.
- In a notification, SBI said it will be issued 245-crore shares at a price of Rs 10 each for Rs 2,450 crore in Yes Bank. These shares will translate into a 49 per cent stake into the reconstructed bank. The statement further added that SBI shall not reduce its holding below 26% before the completion of three years from the date of infusion of capital. Rana Kapoor, Yes Bank founder, arrested, accused of money laundering. All anxious eyes will be on the share price of Yes Bank that crashed 56% on March 6 and also on SBI (which fell 6%).
- FPIs turn net sellers; pull out Rs. 13,157 crore in March so far. FIIs were net sellers in Friday's trade to the tune of Rs. 3,594.84 crore.
- Friday's jobs data indicate that the U.S. economy added 273,000 jobs in February. The data however was compiled before the coronavirus contagion spread world-wide.
- The 10-year U.S Treasury note yield has slumped to 0.767% — an indication that 'All is not Well'. Please note, bond yields tend to fall in times of uncertainty as investors usually scramble for safety. Bonds are also a traditional hedge to stock investments. Yields and bond prices move opposite to each other.

Our **call of the day** suggests a negative session on cards as the Yes Bank crisis and the coronavirus outbreak have cast a shadow and the street fears things could get much worse. The gyan mantra is, 'The trend is your friend' and at the moment the most recent trend is down.

Technically, Nifty's immediate intraday support seen at 10,801. Below /10801, selling stampede could knock down Nifty further to its biggest support at 10301 mark. Please note, confirmation of strength only above Nifty 11357 mark on closing basis.

Option data for 12th March suggests:

- Nifty's Max Call OI: 11500, 11300.
- Nifty's Max Put OI: 10900, 10500.

Outlook for Monday: Volatility will reign supreme on Dalal Street.

SGX Nifty: (-425, 10830)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	10989	10501	11300	11771	11686	10752-11100	Sell between 11025-11075 zone. Targets at 10801/10501/10301. Stop 10401.
Bank Nifty	27801	27251	28415	30252	30180	27375-28001	Sell between 28000-28501 zone. Targets at 26561/25251. Stop 29111.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ASIANPAINTS	1877	1837	1917	1851	1650	Positive	Buy between 1831-1851 zone. Targets 1917/1951. Stop 1811.
IDFCFIRSTB	36.25	32.5	39.25	39	42	Negative	Sell at CMP. Targets 32.50/27.50. Stop 39.75.
ZEEL	221	199	233s	242	304	Negative	Sell at CMP. Targets 199/187.50. Stop 245.45.

All About Option Trades:

Option Trade: BUY NIFTY 12th MARCH PE Strike Price 10800 at CMP 96.30. Profit: Unlimited. Maximum Loss: Rs. 7,222.5/-. Stop: Exit Put Option if Nifty moves above 11075. (Nifty March Futures CMP 10939.90)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BANKBARODA	71.75	67.50	83	81.48	102	Negative	Sell at CMP. Targets 67.50/60/47.50. Stop 83.
PAGE INDUSTRIES	22131	20000	25101	22813	21572	Negative	Sell at CMP. Targets 20000/17151. Stop 25101.
-	-	-	-	-	-	-	-

Mehta Group

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