

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Britain: U.K. Construction Output (YoY) (Jan), Construction Output (MoM) (Jan), GDP (MoM) Index of Services, Industrial Production (MoM) (Jan), Industrial Production (YoY) (Jan) Manufacturing Production (MoM) (Jan), Manufacturing Production (YoY) (Jan) - Trade Balance (Jan), Trade Balance Non-EU (Jan)

USA: Core CPI (YoY) (Feb), Core CPI (MoM) (Feb), Core CPI Index (Feb) CPI (MoM) (Feb), CPI (YoY) (Feb), Crude Oil Inventories, EIA Refinery Crude Runs (WoW), Crude Oil Imports, Cushing Crude Oil Inventories Distillate Fuel Production, EIA Weekly Distillates Stocks, Gasoline Production, Heating Oil Stockpiles, EIA Weekly Refinery Utilization Rates (WoW), Gasoline Inventories.

Japan: BSI Large Manufacturing Conditions (Q1), Foreign Bonds Buying, Foreign Investments in Japanese Stocks, PPI (MoM) (Feb), PPI (YoY) (Feb)

## Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 11th March 2020.

Early action at SGX Nifty is indicating a downbeat start for our stock markets. This negative backdrop is despite the fact that:

- Crude-Oil prices have tumbled to \$33 per barrel
- Hopes for fiscal stimulus measures from Washington aimed at helping alleviate the economic impact of the COVID-19 epidemic.

In latest statement, President Donald Trump said in a White House news conference that he would seek payroll tax relief and other measures to help businesses deal with the coronavirus outbreak.

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.

## So the big question: Buy the stock market panic?

Well, our **call of the day** says — history tells us that Dalal Street bounces back from panic and mini panics. That said, we still suggest keeping powder dry — as the sentiment is quite fragile at the moment. The line in the sand is at Nifty 10,301. Below 10,301, Nifty could swiftly move to psychological 10,000 mark and then aggressive targets at 9000-9250 zone.

The gyan mantra is, 'The trend is your friend' and at the moment the most recent trend is down.

Please note, confirmation of strength only above Nifty 10721 mark on closing basis.

## Option data suggests:

- Nifty's Max Call OI: 11000, 11200.
- Nifty's Max Put OI: 10000, 10400.

Now before we get into detail, here are the things you need to know before the opening bell:

- Reports of coronavirus worries continue to ratchet higher. Total latest worldwide count is 116003 infected cases with 4089 deaths. In India, at least 50 confirmed cases of COVID-19 have been reported in India till yesterday.
- Nifty is at 15-month low. Blame it to the potential impact of the virus outbreak on the global economy bringing back the ghosts of recession fears.
- The 10-year U.S Treasury note yield has slumped to 0.60% — 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.
- FPIs turn net sellers; pull out Rs. 17,316 crore in March so far. FIIs were net sellers in Monday's trade to the tune of Rs. 6,595.56 crore.

## Outlook for Wednesday: Volatility will reign supreme on Dalal Street.

Our **chart of the day** suggests that stocks like IDFC FIRST BANK, ASHOK LEYLAND, BOSCH and BANK OF BARODA on sell side with inter-month perspective.

## SGX Nifty: (-15, 10500)

## All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	10451	10301	11721	11691	11679	10000-10701	Sell between 10577-10601 zone. Targets at 10291/9951. Stop 10771.
Bank Nifty	26463	25862	27201	30021	30158	27375-28001	Sell between 27000-27251 zone. Targets at 26001/25251. Stop 28411.

## All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ASIANPAINTS	1867	1837	1917	1852	1652	Positive	Buy between 1831-1851 zone. Targets 1917/1951. Stop 1811.
ASHOK LEYLAND	68.85	65	71.05	78	78	Negative	Sell between 70-71.05 zone. Targets 65/56. Stop 73.45.
BOSCH	12201	12000	12711	13742	14976	Negative	Sell at CMP. Targets 11111/8500. Stop 13699.

## All About Option Trades:

**Option Trade:** BUY NIFTY 19th MARCH PE Strike Price 10000 at CMP 60. Profit: Unlimited. Maximum Loss: Rs. 4,500/- . Stop: Exit Put Option if Nifty moves above 10675. (Nifty March Futures CMP 10447)

## All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BANKBARODA	69	65	75.05	80	101	Negative	Sell between 71-73 zone. Targets 65/49. Stop 81.75.
PAGE INDUSTRIES	21588.25	20000	24301	22696	21568	Negative	Sell at CMP. Targets 20000/17151. Stop 24401.
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## Mehta Group

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