

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Singapore: Retail Sales (YoY) (Jan), Retail Sales (MoM) (Jan)

India: CPI (YoY) (Feb), Cumulative Industrial Production (Jan), Industrial Production (YoY) (Jan), Manufacturing Output (MoM) (Jan)

USA: Continuing Jobless Claims, Core PPI (MoM) (Feb), Core PPI (YoY) (Feb), Initial Jobless Claims, Jobless Claims 4-Week Avg., PPI (YoY) (Feb), PPI (MoM) (Feb)

Europe: Deposit Facility Rate (Mar), ECB Marginal Lending Facility, ECB Monetary Policy Statement, ECB Interest Rate Decision (Mar)

## Good Morning & Welcome to Thursday's trading action at Dalal Street dated 12th March 2020.

Judging by early action at SGX Nifty, it appears that Dalal Street is set for free fall on Coronavirus led fears. Fueling negativity is the sharp fall at Wall Street in overnight trade as hopes fade for U.S. fiscal stimulus response to coronavirus.

That brings us to our **call of the day** says which suggests traders and investors to maintain cautious approach as it's still not the right time to venture out and buy stocks. We strongly recommend keeping powder dry — as the sentiments are quite fragile at the moment. Volatility also seen reign supreme on Dalal Street.

Well, here are 7-rules during market panics.

1. Cash is a Position
2. The Market Can Always Go Lower
3. Don't Fight the Trend
4. Avoid What You Don't Know
5. The Pundits Are Reactive
6. The Rules Change.
7. Don't Get Greedy

Technically, Nifty's biggest support is seen at 10,301. Below 10,301, Nifty could swiftly move to psychological 10,000 mark and then aggressive targets seen at 8900-9150 zone.

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

### Option data suggests:

- Nifty's Max Call OI: 11000, 10900.
- 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 121545 infected cases with 4380 deaths. The U.S. has 1,040 cases of the virus and deaths have climbed to 32. In India, at least 60 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. 20831 crore in March so far. FIIs were net sellers in yesterday's trade to the tune of Rs. 3,515 crore.

## Outlook for Thursday: Nifty could slip below 10,300 mark.

**Long story short:** The need of the hour is a permanent cure of coronavirus. Our chart of the day suggests selling stocks on any early strength like ESCORTS, IDFC FIRST BANK, ASHOK LEYLAND and BANK OF BARODA with inter-month perspective.

## SGX Nifty: (-211, 10238)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	10458	10301	11721	11613	11673	10000-10701	Sell between 10527-10551 zone. Targets at 10291/9951. Stop 10771.
Bank Nifty	26440	25100	27201	30021	30158	25100-26501	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
ASHOK LEYLAND	68.65	65	71.05	78	78	Negative	Sell between 70-71.05 zone. Targets 65/56. Stop 73.45.
ESCORTS	748	727.50	763	845	622	Negative	Sell between 756-763 zone. Targets 727.50/709. Stop 793.
BOSCH	12408.35	12000	12711	13657	14951	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 89.35. Profit: Unlimited. Maximum Loss: Rs. 6,701.25/-. Stop: Exit Put Option if Nifty moves above 10565. (Nifty March Futures CMP 10450.75)

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BANKBARODA	66.60	61	49	79	101	Negative	Sell between 68-69 zone. Targets 61/49. Stop 75.75.
PAGE INDUSTRIES	21000	20000	24301	22565	21562	Negative	Sell at CMP. Targets 20000/17151. Stop 24401.
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## Mehta Group

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