

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to Thursday's trading action at Dalal Street, dated 16th January 2020.

This Thursday morning, optimism is back amidst formal signing of the phase one of U.S.-China trade agreement.

The big question: Is it still time to shop for shares at Dalal Street??

Well, our **call of the day** suggests **make hay while the sun shines**. We say so because optimism is in the air as Trump administration contends that, no matter how narrow the interim trade agreement might be, it represents a significant breakthrough.

White House economic adviser Larry Kudlow said negotiations on a Phase 2 deal will begin as soon as the Phase 1 was signed. Meanwhile, according to a report—China has pledged to increase purchases of US manufactured products, agricultural goods, energy and services as part of the deal,

So, amidst this backdrop, the preferred theme of the day would be to buy the momentum.

Bottom-line: Traders should look for momentum buying while perma-bulls should look only buying on any corrective declines as the street could get sceptical and may reboot worries amidst higher than expected NPA numbers in the recent Q3 bank results and most importantly, rising consumer inflation numbers.

Meanwhile, our **chart of the day** suggests establishing long positions in stocks like **PVR, HDFC and JSW STEEL** with interweek perspective.

The landscape for benchmarks Nifty & Sensex continues to be in 'super bullish' mode. Fresh uncharted territory likely to be the preferred theme. Nifty's immediate goalpost is at 12411 mark and then all eyes will be 12501 milestone.

Technically speaking, the biggest intraday support to watch would be at 12271 mark. Lighten leveraged positions only on any close below Nifty 12271 mark.

Option data suggests:

- Nifty's Max Call OI: 12500, 12400.
- Nifty's Max Put OI: 12000, 12200.

The other catalysts commanding attention are

1. Oil prices are seen depressed.
2. U.S-Iran tensions appear to fizzle out with totality.
3. FIIs camps were net buyers in Wednesday's trade to the tune of Rs. 279.53 Cr.
4. Spectacular rally being witnessed at worldwide stock markets; especially as Dow Jones hits its psychological milestone — 29,000. A Federal Reserve that has provided a low-interest rate environment and liquidity for money markets creates a bias to the upside for Wall Street.

SGX Nifty:(-14, 12346)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12343	12275	12421	12212	11619	12291-12411	Buy between 12291-12315 zone. Targets at 12400-12421/12501. Stop 12131.
Bank Nifty	31825	31212	32613	32069	30029	31651-32615	Buy at CMP. Targets at 32613/33333. Stop 31212.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JSWSTEEL	282.50	273	289	270	256	Positive	Buy at CMP. Targets 289/301. Stop 272.60.
PVR	1930	1901	2000	1866	1714	Positive	Buy between 1911-1921 zone. Targets 2000/2101. Stop 1871.
TATA MOTORS	200.35	194	211	185	162	Positive	Buy at CMP. Targets 211/225. Stop 191.

All About Option Trades:

Option Trade: BUY NIFTY 23rd JANUARY CE Strike Price 12500 at CMP 22.75. Profit: Unlimited. Maximum Loss: Rs 1,706.25/-. Stop: Exit Call Option if Nifty moves below 12311. (Nifty January Futures CMP 12378.05)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
RITES	313	258	325	295	244	Positive	Buy at CMP. Targets 325/350. Stop 258.
BALRAMPUR CHINI	188.80	163	200	182	151	Positive	Buy at CMP. Targets 200/225. Stop 161.
-	-	-	-	-	-	-	-

Mehta Group

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