

# 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 19th February 2020.

Sentiments continue to be in doldrums at Dalal Street as Nifty braces for a volatile session after slipping for last 4-days in a row.

Blame the negativity to the viral outbreak in China. The street fears that coronavirus would dent global growth, as the disease could disrupt manufacturing supply chains and have broad implications for the global economy and financial markets. Overnight, the maker of iPhones (Apple Inc.) said it will fall short of its revenue forecasts in the fiscal second quarter because of production problems in China.

At the time of writing, more than 1875 people have died from the new virus in China with the number of confirmed cases now at over 73439 worldwide. Looks like, the situation in China is getting worse each passing day.

### At backdrop are also negative catalysts like:

- India's economic growth concerns are fueling negativity after Moody's slashed its 2020 growth projection for India to 5.4% from 6.6% forecast earlier.
- The recent data released on the retail and wholesale inflation for January remained elevated, which should keep the bulls at the back foot, primarily as higher inflation means no rate cut from RBI.
- The contractions in monthly IIP figures continue to portray a gloomy growth picture.
- The Supreme Court's AGR order and its impact on telecom and banking stocks continued weighing on the sentiment negatively.
- Tuesday's trading action also suggests that both the foreign institutional investors (FIIs) and domestic institutional investors (DIIs) had sold shares worth Rs 74.39 crores & 309.43 crore respectively in the Indian Equity market.

The technical landscape of Nifty too continues to be negative as the benchmark has formed 4- long bearish candles on the daily charts — indicating negative bias. The downside risk could be at 11857 mark.

Please note, technically, the trend will reverse to bullish only on any close above 12127 mark.

### Option data suggests:

- Nifty's Max Call OI: 12200, 12300.
- Nifty's Max Put OI: 12000, 11800.

But our **call of the day** is for the brave contra bull as suggests establishing long positions on any sharp declines amidst oversold conditions on benchmark Nifty.

Our **chart of the day** suggests establishing long positions in stocks like **INDIGO, BAJAJ FINANCE & APOLLO HOSPITALS** with inter-week perspective. These are 3 momentum stocks that are likely to zoom with interweek perspective.

Before we end, please note that Yes Bank to be dropped from Nifty 50 from 27 March; Shree Cement to move in.

## SGX Nifty (-55, 12019)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11993	11907	12127	12056	11678	11957-12127	Buy between 11901-11925 zone. Targets at 12127/12257/12431. Stop 11801.
Bank Nifty	30563	30151	31351	30862	30151	30295-31121	Buy between 30391-30425 zone. Targets at 31001/31649/32613. Stop 29111.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBLFOODS	1832	1801	1867	1843	1436	Positive	Buy at CMP. Targets 1867/1911. Stop 1799.
TITAN	1311	1297	1345	1240	1191	Positive	Buy at CMP. Targets 1345/1390. Stop 1295.
INDIGO	1471.05	1447	1541	1434	1533	Positive	Buy at CMP. Targets 1501/1587. Stop 1419.

### All About Option Trades:

**Option Trade:** BUY NIFTY 05th MARCH CE Strike Price 12000 at CMP 132. Profit: Unlimited. Maximum Loss: Rs.9,900/-. Stop: Exit Call Option if Nifty moves below 11923 (Nifty February Futures CMP 12006.10)

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

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BLUE STAR	834.50	778	901	825	780	Positive	Buy at CMP. Targets 901/1051. Stop 776.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

## Mehta Group

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