

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 22nd January 2020.

The good news this Wednesday morning for the bulls' camp is that SGX Nifty is attempting to stay above the dotted lines as concerns have eased over the respiratory virus that has killed six people and infected nearly 300 in China.

But we suspect, Dalal Street will come under pressure on any early strength as sentiments are primarily dented by:

1. International Monetary Fund (IMF) lowering India's growth forecast. IMF further said that India's domestic demand has slowed more sharply than expected amid stress in the non bank financial sector and a decline in credit growth, IMF said.
2. Reports that Auto registrations have plunged 15% in Dec 2019. With the December de-growth being the highest in current financial year, Federation of Automobile Dealers Associations (FADA) shifted its stance to "very cautious" for the near and mid-term. It looks forward to demand spurring initiatives in the Union Budget for faster revival of the much needed sustainable growth.
3. Both FIIs and DIIs were net sellers in Tuesday's trade as FII's sold shares worth Rs. 50.08 crores while DIIs too sold shares worth Rs. 307.81 crores in the Indian Equity market.
4. Global cues continues to be uninspiring.
5. Haunting investors are Q3 results of RIL, TCS, HDFC Bank and KOTAK Bank which failed to meet earnings estimates.
6. Investors are now seen getting sceptical on backdrop of deterioration in asset quality of retail focused banks. This clearly reboots worries of the health of the economy amidst higher than expected NPA numbers in the Q3 bank results and most importantly, rising consumer inflation numbers.
7. Denting sentiments were crude-oil prices which rose to their highest in more than week on supply concerns after exports from Libya were blocked after a pipeline was shut down by armed forces. And in Iraq, which is OPEC's second biggest producer, a strike at a key oil field hit output.

That brings us to our **call of the day** which suggests that Dalal Street continue to struggle with Nifty's immediate support seen at 12121 and then at psychological 12000 mark. Major hurdles will be at its all-time-high at 12431. Intraday hurdles at 12251 mark.

Option data suggests:

- Nifty's Max Call OI: 12500, 12300.
- Nifty's Max Put OI: 12000, 11500.

Q3 earnings lined up for the day:

- Wednesday: SBI LIFE, ASIANPAINTS, AXISBANK, UJJIVAN SMALL FINANCE BANK, RBLBANK, L&T, CEAT, RAYMONDS.

Outlook for Wednesday: Nifty may consolidate. Stay light.

SGX Nifty: (+4, 12195)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12170	12119	12251	12221	11636	12120-12247	Buy between 12121-12131 zone. Targets at 12298-12349. Stop 11991.
Bank Nifty	30957	30205	31451	31900	30062	30205-31351	Sell between 31251-31301 zone. Targets at 30307/30000. Stop 31912.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BANKBARODA	94.75	92.50	99	99	108	Negative	Sell between 95-97.50 zone, targeting 92.50/85. Stop 99.50.
L&T FINANCIAL	119.10	115	122	120	112	Negative	Sell between 120-122 zone, targeting 115/109.50 zone with stop above 125.45.
MOTHERSON SUMI	138.45	132	142.50	145	123	Negative	Sell between 139-141 zone, targeting 132/127.50. Stop 146.45.

All About Option Trades:

Option Trade: BUY NIFTY 30th JANUARY PE Strike Price 12100 at CMP 51.40. Profit: Unlimited. Maximum Loss: Rs. 3,855/-. Stop: Exit Put Option if Nifty moves above 12321 (Nifty January Futures CMP 12203.10)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ALEMBIC PHARMA	599.60	501	664	566	534	Positive	Buy at CMP. Targets 664/801. Stop 499.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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