

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to Monday's trading action at Dalal Street dated 24th February 2020.

Well, Dalal Street had ended on a somber note in Thursday's trade. And this morning, early action at SGX Nifty is indicating some nervousness for our stock markets.

Blame it to reports of coronavirus worries ratcheting higher.

That brings us to the big question of day: Will coronavirus become a black-swan type event?

Honestly speaking, the spread of the virus inside and outside of China was seen as key catalyst unsettling investors at Dalal Street too.

Digging deeper, recession fears have again resurfaced on global stock markets amidst reports of jitters that supply chains and economies could suffer from the spread of the infectious illness that originated in Wuhan, China, known as COVID-19.

In last week's trade, Wall Street ended on a nervous note after its bonds — like the 10-year Treasury note and the 30-year Treasury bond plunged to its lowest rate on record. Well, this scenario of fleeing to U.S. government bonds happens mostly when investors anticipate sell-off in riskier assets like Equities.

Traders from here on need to spy with one big eye on the direction of U.S bond yields. Also please note, if gold prices flare up further then it's time to sell equities portfolio first and ask questions later...

We continue to be in the hopeful camp and expect the coronavirus will be contained in coming weeks and that Chinese authorities will roll out a plan to cushion the blow. That said, as per Oxford Economics estimates, in case of the worst-case scenario and the coronavirus outbreak turns into a global pandemic, then it could cut \$1.1 trillion from the global economy in 2020.

Amidst this backdrop, our **call of the day** strongly recommend investors to stay slightly on risk-off mode and monitor news minutely from China about the latest updates on coronavirus epidemic.

The technical landscape of Nifty shifts to neutral after Nifty ended on a negative note in last week's trade. Please note, technically, Nifty will resume its uptrend only on any close above 12157 mark. Above Nifty's 12157, the next goalpost is seen at 12431 mark.

Alternatively if 12157 mark holds as resistance then expect Nifty to correct towards 11857 mark.

Option data suggests:

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

Meanwhile, commanding attention would be US President Donald Trump's visit this week to India. Trump will travel to Ahmedabad, Agra and New Delhi over February 24 and 25th. US President Donald Trump has said the two countries could make a 'tremendous' trade deal. This may build some positive market expectations.

Market participants will also be eyeing GDP estimates and infrastructure data, due to be released this Friday, 28th Feb 2020. GDP growth is likely to show a marginal improvement to 4.6% from 4.5% in the previous quarter.

FII's action at domestic bourses will be keenly watched. FIIs had bought shares worth Rs. 1495.25 crores in last Thursday's trade. If FII buying continues then downside at Dalal Street is expected to be limited during the week.

SGX Nifty: (-23, 12005)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12081	12001	12157	12052	11682	12001-12157	Buy between 12001-12011 zone. Targets at 12157/12431. Stop 11851.
Bank Nifty	30943	30351	31501	30866	30162	30595-31221	Buy at CMP. Targets at 31101/31649/32613. Stop 29911.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
APOLLO HOSPITALS	1801	1747	1821	1695	1426	Positive	Buy between 1777-1783 zone. Targets 1821/1945. Stop 1737.
ICICI BANK	547	537	555	535	461	Positive	Buy between 537-542 zone. Targets 555/581. Stop 529.
TATAMOTORS	158.50	153	163	173	158	Negative	Sell between 159-161 zone. Targets 153/142.50. Stop 167.05.

All About Option Trades:

Option Trade: BUY NIFTY 05th MARCH PE Strike Price 12100 at CMP 117.10. Profit: Unlimited. Maximum Loss: Rs. 8,782.50/- . Stop: Exit Put Option if Nifty moves below 12201 (Nifty February Futures CMP 12079)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
POLYCAB	1138	899	1201	1032	770	Positive	Buy at CMP. Targets 1201/1501. Stop 899.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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