

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 25th February 2020.

It is sea of red for stocks markets across globe as 'Coronavirus' continues to send shivers across financial markets.

Before we get into detail, here is **Coronavirus update:** 79339 cases, 2169 deaths. Clusters emerge in Iran, South Korea and Italy and reports suggests now has been found in more than two dozen countries

SGX Nifty too this morning is indicating a sell-off for our stock markets joining a global equity selloff, as the spread of COVID-19 beyond China raises worries of global economic growth, and most importantly, hampers the prospects for a global recovery in 2020. Well, the latest Chinese Auto sales confirms the pathetic situation where Auto sales plummeted 92% in the first two weeks of February compared to the period time last year.

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 recommends investors to stay on risk-off mode and monitor news minutely from China about the latest updates on coronavirus epidemic.

The technical landscape of Nifty is negative after Nifty ended on a negative note in last two trading sessions. Please note, technically, Nifty will resume its uptrend only on any close above 12000 mark. Alternatively if 12000 mark holds as resistance then expect Nifty to correct towards 11614 and then at 11457 mark.

Monday's trading action also suggests that the foreign institutional investors (FIIs) had sold shares worth Rs 1160.90 crores in the Indian Equity market.

Option data suggests:

- Nifty's Max Call OI: 12000, 12200.
- Nifty's Max Put OI: 11800, 11700.

Bottom-line: Worldwide investors will continue to look for "flight to safety" like, gold, U.S Treasuries and the Swiss franc. That said, we suspect that the Federal Reserve and the RBI too could cut interest rates in the coming months if the coronavirus spread accelerates and global economic growth slows.

Before we end, a list of bearish looking stocks: LARSEN, PNB, BOB, GRASIM, SUN TV, TATA MOTORS, IDFC FIRST BANK, JUST DIAL, PAGE INDUSTRIES, TATA STEEL, TATA MOTORS.

Amongst other market related news, Adani Transmission, IDBI Bank, Info Edge (India) Ltd, Larsen & Toubro Infotech and Torrent Pharmaceuticals would be added in Nifty Next 50 index.

HDFC Life Insurance, Info Edge, Bandhan Bank will be included in NSE F&O segment w.e.f February 28.

SGX Nifty: (-56, 11752)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11829	11750	11921	12032	11683	11750-11911	Sell between 11901-11929 zone. Targets at 11614/11501. Stop 12077.
Bank Nifty	30455	29701	30901	30828	30166	29701-30785	Sell at CMP. Targets at 30331/29613/28821. Stop 31086.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
AXISBANK	726	695	736	735	730	Negative	Sell between 731-736 zone. Targets 695/677. Stop 745.
GRASIM	725	707	739	770	790	Negative	Sell at CMP. Targets 707/677. Stop 751.
PNB	50.35	47.50	53.05	57	67	Negative	Sell between 51-53 zone. Targets 47.50/39. Stop 54.05.

All About Option Trades:

Option Trade: BUY NIFTY 05th MARCH PE Strike Price 11800 at CMP 114.40. Profit: Unlimited. Maximum Loss: Rs. 8,580/-. Stop: Exit Put Option if Nifty moves above 11921 (Nifty February Futures CMP 11827.55)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
POLYCAB	1088.55	899	1201	1036	772	Positive	Buy at CMP. Targets 1201/1501. Stop 899.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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