

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 26th February 2020.

Early action at SGX Nifty is indicating 'ominous signs' ahead for Dalal Street.

Blame it to Coronavirus where 80,238 cases are reported and 2,700 deaths. According to the World Health Organization, the clusters now emerge in 34 countries. Financial markets are seen worried as the main disturbing trend is that the number of new daily cases in China is falling off, while the number of new nations to report cases is rising.

Amidst this backdrop, overnight the 10-year U.S Treasury rate was seen on the brink of hitting its all-time low at 1.32%. Meanwhile, the 30-year Treasury note, has already hit an all-time low.

That brings us to our **call of the day** which suggests the bulls' camp who are pinning hopes on a rebound for stocks after last 3 days brutal equity selloff have to wait for a while. Agreed that gold, viewed by many investors as a safe-haven, fell more substantially in yesterday's trade, suggesting diminished fear of coronavirus— but that could be purely on backdrop of profit booking. We say so because, Oil prices are still trading lower and most importantly, negative cues from Wall Street's trading pattern is suggesting that the reality of a global virus scare is likely to be longer than hoped.

The technical landscape of Nifty continues to be negative after Nifty ended on a negative note in last three 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.

Market breadth also continues to be in favour of bears as in yesterday's trade as well about three shares declined for every two shares rising on the BSE.

Option data suggests:

- Nifty's Max Call OI: 12000, 12200.
- Nifty's Max Put OI: 11700, 11600.

Meanwhile, market participants will also be eyeing GDP estimates and infrastructure data, due to be released this Friday, 28th Feb 2020. Well, well, well if weaker-than-expected Q3FY20 GDP could further dampen the investor confidence...

Bottom-line: We strongly recommend investors to stay extremely light and remember cash is king and a position as well...

Before we end, our chart of the day. Our chart of the day suggests that STATE BANK OF INDIA (SBI) could do well on buy side despite 'ominous signs' ahead for Dalal Street.

SGX Nifty: (-114, 11688)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11798	11701	11921	12017	11684	11721-11845	Sell between 11857-11901 zone. Targets at 11614/11457. Stop 12077.
Bank Nifty	30433	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
SBIN	326.80	317	333	317	317	Positive	Buy between 319-323 zone. Targets 333/361. Stop 307
GRASIM	720.49	707	739	766	789	Negative	Sell at CMP. Targets 707/677. Stop 751.
PNB	49.90	47.	53.05	56	67	Negative	Sell between 51-53 zone. Targets 47.50/39. Stop 54.05.

All About Option Trades:

Option Trade: BUY BANK NIFTY 05th MARCH PE Strike Price 30200 at CMP 226.90. Profit: Unlimited. Maximum Loss: Rs. 4,538/-. Stop: Exit Put Option if Bank Nifty moves above 30751 (Bank Nifty February Futures CMP 30467.90)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
POLYCAB	1111.60	899	1201	1041	774	Positive	Buy at CMP. Targets 1201/1501. Stop 899.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102