

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning & Welcome to Thursday's trading action at Dalal Street dated 27th February 2020.

Early action at SGX Nifty is indicating that Dalal Street will attempt to make comeback from the recent 'Coronavirus Selloff'. Well, the bulls' camp would be pleased to see the respite from the selling stampede that had sent Nifty lower and most importantly — towards its Union Budget day low of 11613 mark.

The positive catalyst: Rising global stock markets on backdrop of bargain hunting and some serious short covering.

The big question: Will Nifty hold on to gains?

Honestly speaking, the technical are aggressively bearish at the moment as Nifty has slipped below its 200-day moving average, placed at 11,685. Wednesday's trading action also suggests that the foreign institutional investors (FIIs) had sold shares worth Rs 3336.60 crores in the Indian Equity market.

Having said that, for the day, we expect some upside move in stocks as risk-on trading mood likely to be the preferred theme for the day. Technically speaking, Nifty faces major hurdles at 11867 and then major hurdles at 12011 mark. Please note, confirmation of strength only above Nifty 12011 mark.

Our **chart of the day** suggests establishing long positions in State Bank Of India (SBI) with interweek perspective. Technically, SBI is seen breaking above a higher consolidation zone on the daily charts. Immediate targets seen at 333 and aggressive targets seen at 351 mark.

Option data suggests:

- Nifty's Max Call OI: 12000, 11900.
- Nifty's Max Put OI: 11600, 11500.

Meanwhile, 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. Well, well, well if the data suggests weaker-than-expected Q3FY20 GDP then that could further dampen the investor confidence...

Bottom-line: Dalal Street will struggle for traction as coronavirus will dominate investor concerns. Aggressive long positions only above Nifty 12011 mark.

Outlook for Thursday: Volatility will be hallmark of today's trade amidst February series expiry but we suspect Nifty will aim to snap its 4-day losing streak.

SGX Nifty: (-09, 11718)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11679	11613	11867s	11999	11686	11601-11851	Sell between 11801-11851 zone. Targets at 11614/11457. Stop 12027.
Bank Nifty	30307	29701	30901	30787	30178	29701-30785	Sell between 30501-30751 zone. Targets at 30131/29613/28821. Stop 31086.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
SBIN	327	317	333	318	317	Positive	Buy between 319-323 zone. Targets 333/361. Stop 307
BANKBARODA	80.20	75	83	87	103	Negative	Sell at CMP. Targets 75/63. Stop 85.
PNB	49.15	47.5	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 CE Strike Price 30200 at CMP 272.90. Profit: Unlimited. Maximum Loss: Rs. 5,458/-. Stop: Exit Call Option if Bank Nifty moves below 30001 (Bank Nifty March Futures CMP 30315.50)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
POLYCAB	1139	899	1201	1048	777	Positive	Buy at CMP. Targets 1201/1501. Stop 899.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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