

# 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 27th January 2020.

Judging by early action at SGX Nifty, it appears that the spread of coronavirus is likely to cast a chill when Dalal Street opens for trade this Monday.

On Saturday, President Xi Jinping warned that China was facing a "grave situation" as the spread of the virus accelerates. Several Chinese cities have imposed significant travel restrictions.

That brings us to our **call of the day** which says to look out for Contagion effects as China's struggles to contain a potential viral outbreak.

Well, it looks like that the sentiments will get back to normal only if coronavirus fears ebb. At the time of the World Health Organization has not yet declared the coronavirus an international emergency.

Technically, Nifty's support seen at 12151 mark. Major hurdles will be at its all-time-high at 12431. Intraday hurdles at 12301 mark.

Keeping downside limited would be FIIs action in Friday's trade as they bought shares worth Rs. 659.11 crores. DIIs also were seen as buyers to the tune of Rs. 417.96 crores. Also, crude-oil prices tumbling to its lowest level in about eight weeks should keep downside limited at Dalal Street. At last check, oil prices were trading at \$54.20 on the New York Mercantile Exchange.

### Option data suggests:

- Nifty's Max Call OI: 12500, 12300.
- Nifty's Max Put OI: 12000, 12200.

### Meanwhile, commanding attention would be Q3 earnings to trickle in:

- Monday: DR REDDY'S LAB, INDIGO, MC-DOWELL, TORRENT PHARMA, IOB, WOCKHARDT, KTK BANK,
- Tuesday: CENTURY TEX, CENTRAL BANK, MANAPPURAM, M&M FIN, MARUTI.

### The other key catalysts for the week are:

- Dalal Street's sentiment is likely to be underpinned to some extent by hopes of more stimulus in the Union Budget to be presented on Saturday 1st Feb 2020. The street has wide expectations from the Finance Minister Nirmala Sitharaman including restructuring in Securities Transaction Tax (STT), long-term capital gain tax, distribution tax, cut in personal income tax, positive measures to industries, schemes for rural market to boost consumption, large-scale disinvestments of PSUs, steps to implement the next phase of Direct Benefit Transfer (DBT) etc.
- December Auto sales data to trickle in from 1st February 2020.
- Fed interest rate decision and its commentary to trickle in on Wednesday (29th Jan) midnight.
- Bank of England will also announce its monetary policy decision on January 30.
- United Kingdom is set to exit the European Union by January 31, 2020 deadline as British Prime Minister Boris Johnson on January 24 signed a withdrawal agreement, paving the way for United Kingdom's exit from the EU.
- Volatility will be hallmark as the street braces for F&O expiry this Thursday, 30th January 2020.
- Copper prices are seen falling and that could be first sign of a bad omen for the Global Economy reigniting recession fears.

## SGX Nifty:(-44, 12229)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12248	12159	12311	12218	11645	12171-12300	Buy between 12151-12171 zone. Targets at 12301-12349. Stop 11971.
Bank Nifty	31241	30405	31751	31726	30071	30405-31651	Sell between 31301-31551 zone. Targets at 30615/30000/28883. Stop 31997.

### All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HDFC	2451	2401	2477	2446	2177	Positive	Buy between 2425-2437 zone, targeting 2477/2521. Stop 2397.
SIEMENS	1625	1603	1651	1529	1348	Positive	Buy between 1603-1609 zone, targeting 1651/1717 zone with stop at 1579.
CANARA BANK	219	209	223	218	234	Negative	Sell between 220-223 zone, targeting 209/195. Stop 231.

### All About Option Trades:

**Option Trade:** BUY NIFTY 30th JANUARY CE Strike Price 12300 between 31-33 zone. Profit: Unlimited. Maximum Loss: Rs. 2,475/-. Stop: Exit Call Option if Nifty moves below 12151 (Nifty January Futures CMP 12271.60)

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
GRSE	207	161	250	206	155	Positive	Buy at CMP. Targets 250/275. Stop 161.
POLYPLEX	587	489	687	540	498	Positive	Buy at CMP. Targets 687/750. Stop 489.
DRREDDY'S	3034	2875	3150	2945	2742	Positive	Buy between 3001-3002 zone. Targets 3150/3330. Stop 2875.

## Mehta Group

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