

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 29th January 2020.

In early action, SGX Nifty is lot calmer — thanks to Chinese virus fears that seem to have abated a bit.

That brings us to our **call of the day** which suggests sentiments will get back to normal as coronavirus fears have ebbed. It's time for traders not to get caught in two minds and instead start piling back into equity markets.

Digging deeper, it appears that investor fears about the coronavirus are overblown.

Meanwhile, Dalal Street's sentiment is also 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. Please note, our stock markets will be open for normal trading on Saturday, 1 February, when the Union Budget will be presented by Finance Minister Nirmala Sitharaman.

Also, crude-oil prices tumbling to its lowest level in about 3 months should keep downside limited at Dalal Street. At last check, oil prices were trading at \$53.70 on the New York Mercantile Exchange.

Technically, Nifty's support seen at 12001-12041 zone. Major hurdles will be at its all-time-high at 12431. Intraday hurdles at 12177 mark and then at 12287 mark.

Option data suggests:

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

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

- Wednesday:** TATA POWER, ESCORTS, BAJAJ FINANCE, CHOLAMANDALAM FINANCE, BAJAJ FINSERV, NIIT TECHNOLOGIES, GODREJ CONSUMER, PIDILITE, JUBLFOODS, IDFC FIRST BANK, JUBILANT FOODS WORKS.

Our **chart of the day** suggests establishing long positions in stocks like DIVIS LAB, BPCL and GRSE with inter-month perspective.

The other key catalysts for the day are:

- FII's action in Tuesday's trade suggests that they sold shares worth Rs. 1357.56 crores.
- Crude-oil prices fall to their lowest levels in over 3 months amidst coronavirus stokes fears of weak demand.
- 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. The central bank is expected to leave interest rates steady in its first meeting of 2020.
- 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.

SGX Nifty: (+25, 12093)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12056	12021	12175	12202	11649	12021-12177	Buy at CMP. Targets at 12177 /12287-12349. Stop 11971.
Bank Nifty	30761	30065	31351	31651	30074	30550-31301	Buy at CMP. Targets at 31373 /31805/28883. Stop 30111.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BANKBARODA	92.35	85.65	96.5	98	107	Negative	Sell at CMP. Targets 85.65/81. Stop 97.05.
JINDALSTEL	178.70	167.50	181	176	141	Negative	Sell at CMP. Targets 167.50/161. Stop 186.
CANARA BANK	210	201	215	217	234	Negative	Sell between 213-215 zone, targeting 201/195. Stop 221.

All About Option Trades:

Option Trade: BUY NIFTY 30th JANUARY CE Strike Price 12100 at CMP 40.65. Profit: Unlimited. Maximum Loss: Rs. 3,048.75/- . Stop: Exit Call Option if Nifty moves below 11995 (Nifty January Futures CMP 12068.00)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
VOLTAS	716	669	750	686	641	Positive	Buy at CMP. Targets 750/800. Stop 669.
GRSE	210	161	250	207	156	Positive	Buy at CMP. Targets 250/275. Stop 161.
-	-	-	-	-	-	-	-

Mehta Group

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