

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to last trading day of the week and month at Dalal Street, dated 31st January 2020.

Early action at SGX Nifty is indicating an uninspiring session. That brings us to our **call of the day** which suggests Dalal Street is likely to be dogged by:

1. Worries over the coronavirus epidemic. The death toll from the virus has risen to 170, with more than 8,200 people in China and elsewhere confirmed infected. India reported its first confirmed case of coronavirus.
2. The conga-line of falling stock markets worldwide.
3. FIIs action in Thursday's trade suggests that they sold shares worth Rs. 962.28 crores.

Amidst this backdrop, downside risk on Nifty is seen at 11832 mark.

Major hurdles will be at its all-time-high at 12431. Intraday hurdles at 12109 mark and then at 12287 mark

Option data suggests:

1. Nifty's Max Call OI: 12100, 12200.
2. Nifty's Max Put OI: 12000, 11500.

Our **chart of the day** suggests establishing short positions in stocks like HINDUSTAN UNILEVER, CANARA BANK and RBL BANK with inter-week perspective.

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

- **Friday:** VEDANTA, CASTROL, INFRADEL, VGUARD, POWER GRID, BANK OF INDIA, ARVIND, SBI, ITC, HUL.
- **Saturday:** AMARAJABAT.

The other key catalysts commanding attention are:

- Crude-oil prices continues to hover at its lowest levels in over 3 months amidst coronavirus stokes fears of weak demand.
- Helping investors would be hopes that the government will announce further measures to restore economic growth and set a clear roadmap to achieve the target of becoming a \$5 trillion economy by 2025. 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.
- 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.
- 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.

Outlook for Friday: Investors are also likely to be nervous ahead of the Union Budget on February 1.

SGX Nifty:(-09, 12030)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	12036	11929	12109	12194	11653	11929-12101	Buy only above 12109. Targets at 12177/12287-12349. Stop 11971.
Bank Nifty	30647	30000	31411	31444	30085	30005-30901	Sell between 30801-30901 zone. Targets at 30000/28883. Stop 31411.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
DIVISLABS	1959	1927	2001	1882	1694	Positive	Buy between 1927-1935 zone. Targets 2000/2050. Stop 1891.
L&T FINANCE	117	114	121	121	111	Negative	Sell at CMP. Targets 117/110. Stop 121.
RBLBANK	322.35	309	338	344	453	Negative	Sell at CMP. Targets 309/293. Stop 339.

All About Option Trades:

Option Trade: BUY NIFTY 06th FEBRUARY PE Strike Price 11900 at CMP 90.90. Profit: Unlimited. Maximum Loss: Rs. 6,817.50/-. Stop: Exit Put Option if Nifty moves above 12131 (Nifty February Futures CMP 12043.50)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
GRSE	213.45	171	250	208	157	Positive	Buy at CMP. Targets 250/275. Stop 168.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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