

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Eur: German Retail Sales (MoM) (Feb), German Retail Sales (YoY) (Feb), German Manufacturing PMI (Mar), German 5-Year Bobl Auction
 USA: Mortgage Market Index, Mortgage Refinance Index, Manufacturing PMI (Mar) Construction Spending (MoM) (Feb), ISM Manufacturing Employment (Mar), ISM Manufacturing New Orders Index (Mar), ISM Manufacturing PMI (Mar) ISM Manufacturing Prices (Mar), Crude Oil Inventories
 Japan: Foreign Bonds Buying, Foreign Investments in Japanese Stocks, Monetary Base (YoY), 10-Year JGB Auction

Good Morning & Welcome to first trading day of Financial Year 2020-21 at Dalal Street dated 1st April 2020.

Early action at SGX Nifty is indicating that Dalal Street will struggle to keep its head above water amidst the fact that:

The sentiments are in full coronavirus panic mode and most importantly, investors are getting extremely nervous.

Well, as this global health crisis unfolds, the talk on the street is that it's just the beginning of bad things to come — Infections continue to rise, more restrictions are being put in place to slow the spread, more and more businesses are shutting down, and more people are losing their jobs... Well, what started as a medical emergency in the Chinese city of Wuhan has led to planes being grounded, Ships being quarantined and now at bay, theme parks being shut and car plants being mothballed.

That brings us to our **call of the day** which suggests that **any Investment Ideas should still be kept 'Under lock and key' for a while...**

In uncertain times like this, always remember, cash is a position. The gyan mantra for traders and investors is to 'Stay light' on leveraged positions as a full-blown crisis might be closer than you think.

We say so because the street at the moment is very sensitive to the coronavirus peak count. **All anxious eyes will continue to be on how soon the pandemic can be stopped.** So much now really depends on the containment efforts of the coronavirus. The economic fallout of the coronavirus is likely to be taxing.

Overnight World Bank has warned that the economic fallout from the coronavirus pandemic could drive an additional 11 million people into poverty in East Asia and the Pacific. Also keep in mind, Federal Reserve Chairman Ben Bernanke most recent statement on the global economy — "unusually uncertain."

Also note that — once the coronavirus pandemic is brought in total-control — especially the damage to corporate profits... the ultimate driver of stock prices. The bear's camp are quite likely to gird for discouraging results in the next few weeks as earnings reporting season begins.

COVID-19 is the 1st black swan of 2020. We suspect, The Next Big Black Swan could be the deteriorating U.S-China relationship each passing day...

Amidst this backdrop, we reiterate, Nifty is not going back to January 2020 levels in a hurry. Instead, any strength should be used as an opportunity to offload long positions as we suspect a crash will eventually gather momentum in the medium term.

Long story short: Keep Your Eyes Wide Open as long as bond yields are near record lows and Gold continues to rise.

Now, here are the things which traders need to know before markets open for trade this Wednesday morning.

- Auto sales number for March will trickle in today. Amidst COVID-19, the street suspects that the Auto sector is expected to feel the heat for a longer period. Bajaj Auto, Hero MotoCorp, Tata Motors, Maruti Suzuki, M&M, TVS Motor, Eicher Motors, etc. will declare their March sales on April 1.
- In Tuesday's trade, the FIIs were net sellers to the tune of Rs. 3044.94 Cr. The FIIs have pulled out more than Rs 65817 cr so far in March in the cash segment of Indian equity markets.
- Technically, Nifty's biggest support now seen at 7,511. Intraday support on Nifty at 8,277 mark. Please note, confirmation of strength only above Nifty 9,039 mark on closing basis. Intraday hurdles at 8,777 mark.
- Rates on small savings schemes cut by up to 1.4%. The PPF interest rate has been cut by 0.8% whereas post office time deposits have seen the sharpest cut of 1.4 per cent.

Option data for 26th March suggests:

- Nifty's Max Call OI: 9000, 8500.
- Nifty's Max Put OI: 9000, 8500.

Coronavirus Update:

- More than 787,000 COVID-19 cases around the world with 38,000 dead and 170,000 have recovered.
- The US has the most confirmed cases globally at more than 160700. More than 3,000 people have died in the US.
- Confirmed coronavirus cases in India go past 1585; death toll at 35. Kerala now has 241 positive cases and Maharashtra 302 positive cases.

Outlook for Wednesday: All eyes will be on the pandemic surge!

SGX Nifty: (-11, 8555)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8281	8241	8777	9246	11446	8275-8771	Sell between 8671-8701 zone. Targets at 8241/8111/7511. Stop 8989.
Bank Nifty	19144	17001	20001	22936	29380	17801-20001	Sell between 19601-20001 zone. Targets at 18001/16116. Stop 22199.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBILANT FOODS	1471	1351	1553	1474	1473	Positive	Buy between 1435-1441 zone. Targets 1553/1649. Stop 1337.
PIDILITE	1356	1297	1387	1471	1373	Positive	Buy at CMP. Targets 1387/1507. Stop 1237.
SRF	2783	2632	3149	3277	3154	Positive	Buy at CMP. Targets 3149/3555. Stop 2487.

All About Option Trades:

Option Trade: BUY NIFTY 09th APRIL CE Strike Price 8900 at CMP 169.60. Profit: Unlimited. Maximum Loss: Rs. 12,720/-. Stop: Exit Call Option if Nifty moves below 8500. (Nifty April Futures CMP 8620.95)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
EICHER	13095.90	12691	17711	16002	19039	Negative	Sell at CMP. Targets 12691/11501. Stop 17711.
PAGE INDUSTRIES	16963.50	15001	20501	19233	21388	Negative	Sell at CMP. Targets 15001/13700. Stop 20501.
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Mehta Group

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