

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Economic Calendar:

Japan:	Capital Spending (YoY) (Q1), Manufacturing PMI (May)
China:	Caixin Manufacturing PMI (May)
India:	Nikkei Markit Manufacturing PMI (May), Imports (USD) (May), Exports (USD) (May), Trade Balance (May)
Great Britain:	Nationwide HPI (MoM) (May), Nationwide HPI (YoY) (May), Manufacturing PMI (May)
Euro:	German Unemployment n.s.a. (May), German Unemployment Rate (May), German Manufacturing PMI (May), German Unemployment (May), German Unemployment Change (May), HICP ex Energy & Food (YoY) (May), Unemployment Rate (Apr), CPI, n.s.a (May), CPI (YoY) (May)
Hong Kong:	Retail Sales (YoY) (Apr)
USA:	OPEC Meeting, Manufacturing PMI (May), ISM Manufacturing New Orders Index (May), ISM Manufacturing Prices (May), ISM Manufacturing PMI (May), Construction Spending (MoM) (Apr), ISM Manufacturing Employment (May), IBD/TIPP Economic Optimism, Dallas Fed Mfg Business Index (May), 3-Month Bill Auction, 6-Month Bill Auction.

Good Morning Early Readers!

- Our **chart of the day** is bullish on stocks like VEDANTA, AXIS BANK, and JINDAL STEEL & POWER with an interweek perspective. ESCORTS appears a good buy with intermonth perspective.
- **SHOW ME THE MONEY:** JINDAL STEEL & POWER (CMP 407): Momentum Call: Buy JINDAL STEEL & POWER June Futures for 0-5 days at CMP 409 for an objective of 447. Stop 385. Alert: Oversold zone.
- Our **call of the day** suggests the benchmarks are likely to carry the positive baton from yesterday's trade.
- Technically speaking, buying on dips should be the preferred trading strategy on backdrop of recent sequence of higher high/low on the daily, weekly and monthly time frames. We expect another round of great fireworks display. All bullish eyes on Nifty's psychological 15750 mark and then aggressive bullish eyes on 16000 mark. Nifty's make-or-break supports are placed at 15157 mark. As long as Nifty's 15157 support holds, the benchmark will aim at magical the 16000 mark. Intraday support for Nifty seen at 15331 mark.
- The price action for Nifty in the near term is suggesting that we are likely to see a 15,301- 15901 range in near term with buy on dips as the preferred strategy.
- Helping sentiments are positive catalysts like:
 1. Firm global cues: The U.S. Futures are seen rising despite Memorial Day Holiday on Monday.
 2. India FY21 GDP contracts 7.3%: The 2020-21 GDP contraction is much better than the forecasts of the Reserve Bank of India and the Ministry of Statistics and Programme Implementation, both of which had expected GDP for the full year to contract by 8 percent.
 3. FIIs seen in buying spree: As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 2412.39 crores in the Indian Equity Market.
- The options data for June series suggests Nifty is likely to be in a broader trading range of 15200-15800 as maximum Call OI is at 16000 followed by 15500 strike price. Maximum Put open interest stands at 15000 levels followed by 14700 levels. Call writing was seen at 16200 and then at 16300 strike price, while there was meaningful Put writing at 15000 and then at 14800 strike prices.
- Also signaling optimism for our stock markets is the fact that the volatility index has fallen to 16.76, the lowest level seen during this calendar year — indicating positive bias in the market.
- On investors radar would be the May auto sales data to trickle in today-- 1st of June 2021. The street suspects that there will be significant decline in auto sales due to COVID-led lockdown-like restrictions in several states. Also, several companies had closed their plants for maintenance as well as lockdown, which could also hit sales.
- **Q4 earnings to trickle in today:** ITC, BALRAMPUR CHINI MILLS, GUJARAT GAS
- **Stock banned in F&O segment:** SUN TV, BANK OF BARODA, PNB.

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	15583	15331	15751	14967	13459	15457-15757	Buy on dips between 15500-15550 zone. Targets at 15751 mark and then at 16000 mark with strict stop at 15301.
Bank Nifty	35527	34801	36201	33606	29620	35001-36201	Buy at CMP. Targets at 35751 and then aggressive targets at 37709/39001 mark with stop at 34101.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ESCORTS	1169	1125	1193	1154	1264	Positive	Buy at CMP. Targets 1193/1237. Stop 1121.
MC-DOWELL	615	597	621	565	559	Positive	Buy between 597-603 zone. Targets 621/645. Stop 581.
VEDL	274	263	297	274	171	Positive	Buy at CMP. Targets 297/311. Stop 261.

All About Option Trades:

Option Call: SELL NIFTY 03rd JUNE PE Strike Price 15600 at CMP 118. Maximum Profit: Rs. 8,850/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15430. (NIFTY JUNE Futures CMP 15571.05).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HCLTECH	945.2	857	1001	923	888	Positive	Buy at CMP. Targets 1001/1111. Stop 857.
RALLIS INDIA	313.25	257	351	305	279	Positive	Buy at CMP. Targets 351/375. Stop 257.
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