

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)
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), Manufacturing PMI (May), HICP ex Energy & Food (YoY) (May), Unemployment Rate (Apr), HICP ex Energy and Food (MoM) (May), Core CPI (YoY) (May), CPI (MoM), Core CPI (MoM)
Hong Kong:	Retail Sales (YoY) (Apr), CPI, n.s.a (May), CPI (YoY) (May)
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), 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 DIVIS LAB, UPL, HCL TECH and JINDAL STEEL & POWER with an interweek perspective. IT stocks will continue to thrive. HCL TECH is our preferred bet in this space.

SHOW ME THE MONEY: JINDAL STEEL & POWER (CMP 398): Momentum Call: Buy JINDAL STEEL & POWER June Futures for 0-5 days above 409 for an objective of 447/475. Stop 385. Alert: Oversold zone.

Our **call of the day** suggests a boisterous day of gains for Nifty on backdrop of reports that the India Meteorological Department (IMD) is expecting more rains in the monsoon months of June-September than its previous estimate in April. Most importantly, the Central India, which constitutes core rainfed agricultural region, to see 6% increase.

Also helping sentiments are positive catalysts like: Firm global cues as investors express optimism about the revival of the U.S. and global economy.

Bottom-line: Nifty will thrive. Eye of the storm only below 15151 mark.

- 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- 156200 range in near term with buy on dips as the preferred strategy.
- Also signaling optimism for our stock markets is the fact that the volatility index has fallen to 18.25, the lowest level seen during this calendar year — indicating positive bias in the market.
- ITC Q4 consolidated net profit falls 3%, declares final dividend of Rs 5.75
- **Q4 earnings to trickle in today:** PVR, MUTHOOTFIN, MOTHERSUMI.
- **Stock banned in F&O segment:** SAIL, BANK OF BARODA, SUN TV.

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	15575	15331	15751	15012	13480	15407-15707	Buy at CMP. Targets at 15751 mark and then at 16000 mark with strict stop at 15301.
Bank Nifty	35337	34801	36201	33728	29685	34801-36201	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
DIVISLABS	4220	4081	4289	4077	3529	Positive	Buy at CMP. Targets 4289/4501. Stop 4033.
MC-DOWELL	615	597	621	570	559	Positive	Buy between 597-603 zone. Targets 621/645. Stop 581.
UPL	816	787	833	736	541	Positive	Buy at CMP. Targets 833/897. Stop 777.

All About Option Trades:

Option Call: SELL NIFTY 10th JUNE PE Strike Price 15600 at CMP 146. Maximum Profit: Rs. 10,950/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15501. (NIFTY JUNE Futures CMP 15623.40).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HCLTECH	951	857	1001	925	889	Positive	Buy at CMP. Targets 1001/1111. Stop 857.
RALLIS INDIA	311	257	351	306	279	Positive	Buy at CMP. Targets 351/375. Stop 257.
-	-	-	-	-	-	-	-

Mehta Group

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