

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!

Before we start; first things first. The next two big market catalysts:

1. Friday's U.S. jobs data
 2. Upcoming RBI policy meet outcome to trickle in on Friday, June 4th. Well, the monetary policy meet is likely to provide clues about the state of the economy, and the way ahead.
- Our **chart of the day** is bullish on the consensus favorites of Dalal Street — Look to buy TATA STEEL, VEDANTA and JINDAL STEEL & POWER with an interweek perspective. These metal stocks are most loved stocks on Dalal Street right now. IT stocks will also continue to thrive. HCL TECH is our preferred bet in this space. We also like Tata Power with inter-month perspective.
 - **SHOW ME THE MONEY:** JINDAL STEEL & POWER (CMP 402): Momentum Call: Buy JINDAL STEEL & POWER June Futures for 0-5 days at CMP 402 for an objective of 411/447. Stop 379. Alert: Oversold zone.
 - Our **call of the day** suggests Nifty & Sensex will thrive and most importantly, are set to scale fresh record highs on backdrop of positive catalysts like:
 - The India Meteorological Department (IMD) is expecting more rain 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.
 - Both FIIs & DIIs bought shares in yesterday's trade worth Rs. 921.10 crores and Rs.241.76 crores in the Indian Equity market.
 - Europe's and American economic recovery is gaining steam.
 - Firm global cues: S&P 500 trades near record highs.
 - Technically speaking, 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. Intraday support for Nifty seen at 15331 mark.
 - Please note, Nifty's 200DMA at 13503 mark. The price action for Nifty in the near term is suggesting that we are likely to see a 15,301-16200 range in near term with buy on dips as the preferred strategy.
 - The options data for June series suggests Nifty is likely to be in a broader trading range of 15300-16200 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 15700 and then at 16200 strike price, while there was meaningful Put writing at 16100 and then at 15200 strike prices.
 - Also signaling optimism for our stock markets is the fact that the volatility index has fallen to 16.93, the lowest level seen during this calendar year — indicating positive bias in the market.
 - Tata Power Company: Subsidiary Tata Power Solar received EPC orders for Rs 686 crore from NTPC to set up solar PV projects.
 - Oil prices traded near two-year highs on Wednesday after OPEC and its allies said they gradually would increase production in July as expected.
 - **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	15576	15331	15751	15057	13501	15407-15707	Buy at CMP. Targets at 15751 mark and then at 16000 mark with strict stop at 15301.
Bank Nifty	35374	34801	36201	33866	29751	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
JINDALSTEL	399	381	411	426	288	Positive	Buy at CMP. Targets 411/431/457. Stop 371.
TATASTEEL	1124	1083	1181	1130	654	Positive	Buy at CMP. Targets 1157/1181/1247. Stop 1079.
VEDL	275	263	297	275	172	Positive	Buy at CMP. Targets 297/311. Stop 261.

All About Option Trades:

Option Call: SELL NIFTY 10th JUNE PE Strike Price 15700 at CMP 180.55. Maximum Profit: Rs. 13,541.25/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15501. (NIFTY JUNE Futures CMP 15625.15).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HCLTECH	944	931	993	927	890	Positive	Buy at CMP. Targets 1001/1111. Stop 857.
RALLIS INDIA	311	257	351	307	279	Positive	Buy at CMP. Targets 351/375. Stop 257.
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Mehta Group

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