

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

India:	Nikkei Markit Manufacturing PMI (Apr)
Euro:	German Manufacturing PMI (Apr)
Hong Kong:	GDP (QoQ), GDP (YoY)
USA:	ISM NY Business Conditions (Apr), ISM-New York Index (Apr), Durables Excluding Defense (MoM) (Mar), Factory Orders (MoM) (Mar), Factory orders ex transportation (MoM) (Mar)

Good Morning & Welcome to Monday's trading action at Dalal Street dated 4th May 2020.

This Monday morning, SGX Nifty in early action is indicating a gap-down start for our stock markets — in anticipation of a rougher day on backdrop of four negative catalysts:

- News surrounding the COVID-19 pandemic continues to be on the negative side.
- Signs of rising tensions cropping up between the US and China could possibly be the next black swan of 2020.
- Profit booking likely to be the theme after last week's gains of 7.63% on the benchmark Nifty/Sensex.
- Profit booking likely in the stock price of Reliance industries (RIL) as the firms right-issue pricing seen uninspiring.

The big question: How bad?

Honestly speaking, making short-term market prognostications is not easy. Many market participants will concur that it's a fool's errand. Perhaps it could be. But at the moment there are catalysts which are tilting in favor of negativity. This market is clearly losing momentum, and many a momentum stocks are looking overbought. There is high probability that we are likely to witness significant selloff.

The momentum indicators are still flashing red. And amid this backdrop, there is a significant and rising risk of Nifty crashing to 10,000 mark

Well, our **call of the day** suggests profit booking likely to be the theme as there seems to be disconnect between best of times (rising stock prices at Dalal Street) and the worst of times (Rise in COVID-19 cases). The Indian economy is in a free-fall as a result of the coronavirus outbreak, while Dalal Street ended April with gains of 14.62%.

Yes, the most negative catalyst surrounding our stock markets is COVID-19. We say so because COVID-19 comes without a certain end date.

We suspect, the street will not get confidence until there is a medical solutions to COVID-19.

Our **chart of the day** is quite bearish on stocks like INDIGO, SUN TV & SBI.

Technically, the most watched hurdles on Sensex/Nifty are at 34101/10101 mark respectively. Please note, confirmation of strength only above Sensex/Nifty 36001/10601 mark on closing basis.

The gyan mantra is to stay absolutely light amidst overbought technical conditions as the immediate support on Sensex and Nifty are seen only at 9221/30251 and then major supports at 28757/8989 respectively.

Now, here are key things to know before today's market open:

- In Thursday's trade, both the FIIS & DIIs camp were seen at net buyers in the Indian Equity markets to the tune of 1968.80 cr & 579.30 cr.
- Q4 earnings to trickle in:
- Monday: MARICO.
- Tuesday: ADANI PORTS, VARUN BEVERAGES, TATA COFFEE, PERSISTENT SYSTEMS, SBI LIFE INSURANCE, ASTER LIFE SCIENCES.

Outlook for Monday: The outlook going forward remains murky to dim...

SGX Nifty: (-485, 9303)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9860	9221	9889	8985	11198	9471-9701	Sell at CMP. Targets 9221/8989. Stop 10221.
Bank Nifty	21535	20800	22001	19656	28371	20200-22001	Sell at CMP. Targets 19751/18311 Stop 23501.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBILANTS FOODS	1609	1457	1657	1463	1491	Negative	Sell at CMP. Targets 1457/1335. Stop 1671.
INDIGO	995	865	1037	987	1414	Negative	Sell between 990-1001. Targets 865/771. Stop 1043.
SBIN	191	177	197.5	187	291	Negative	Sell between 191-193 zone. Targets 177/157.5. Stop 201.

All About Option Trades:

Option Trade: BUY NIFTY 07th MAY PE Strike Price 9300 at CMP 25.50. Profit: Unlimited. Maximum Loss: Rs. 1912.50/-. Stop: Exit Call Option if Nifty moves above 9401. (Nifty May Futures CMP 9830.85)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
CAN FIN HOMES	320	273	355	291	395	Positive	Buy at CMP. Targets 355/400. Stop 273.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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