

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

India:	Nikkei Services PMI (Apr)
Euro:	German Composite PMI (Apr), German Services PMI (Apr), Markit Composite PMI (Apr), Services PMI (Apr), Retail Sales (YoY) (Mar), Retail Sales (MoM) (Mar), German 5-Year Bobl Auction
Great Britain:	Construction PMI (Apr), Construction PMI (Apr)
USA:	ADP Nonfarm Employment Change (Apr), Crude Oil Imports, Cushing Crude Oil Inventories
Australia:	Exports (MoM) (Mar), Imports (MoM) (Mar), Trade Balance (Mar)
China:	Caixin Services PMI (Apr)

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 6th May 2020.

The good news this Wednesday morning is that optimism is seen growing at global stock markets primarily on backdrop of easing lockdowns. Investors are also seen dismissing reports on growing tensions between China and the U.S.

That brings us to the big question of the day: Should Dalal Street bulls take heart from the positive global cues?

Well, our **call of the day** suggests any upswings for the day unlikely to last. The sinking feeling is still there. We say so because:

- DIIs are seen running out of ammunition on D-Street. In last two trading sessions the DIIs camp were seen as net sellers in the Indian Equity markets to the tune of 2656.91 Cr. DII flows will matter the most in near term as this camp was constantly buying on the bourses. Please note, Dalal Street will have nothing to offer but blood, toil, tears and sweat if DIIs hit the exit buttons.
- Making any investment decisions is challenging as the street continues to be surrounded with confusing visibility on backdrop of relentless cascade of COVID-19. India has recorded nearly 46711 Covid-19 cases and the worst part is that the number is doubling every 12 days. The negative takeaway is that we are still struggling to flatten the curve — even with the lockdown.

Bottom-line: Who is in charge at Dalal Street? The Bulls or the bears?? — Honestly speaking, it's the coronavirus still calling the shots.

At times like these, it makes all the sense to protect the portfolio. Remember, cash is a position.

The need of the hour is a permanent cure of coronavirus. Until then, the gyan mantra is — Be safe, stay well, and keeps your mind focused in all healthy things in life.

Technically, the storm has already made a landfall at Dalal Street in last two trading sessions and the negative takeaway is that the recent powerful downtrend has wiped out all of last week's gains. The bearish 'Island Reversal' pattern suggests all is not well for the Nifty bulls with downside risk at 8989 mark.

Please note, confirmation of strength only above Nifty 9621 mark.

Option data for 28th May suggests:

- Nifty's Max Call OI: 9500 (This 9500 level will act as crucial resistance in the May series).
- Nifty's Max Put OI: 9000: (This 9000 level will act as crucial support in the May series).

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

- U.S. oil prices were rising for a fifth day. WTI oil was up 18.73% to \$24.21 a barrel. President Donald Trump tweeted Tuesday that oil prices were "moving up nicely as demand begins again!"
- Q4 earnings to trickle in: YES BANK, JM FINANCIAL, KANSAI NEROLAC PAINTS.

Outlook for Wednesday: Any early strength is a trap. Sell Something.

SGX Nifty: (-6, 9177)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9206	9111	9457	9059	11175	9171-9489	Sell between 9325-9351 zone. Targets at 9145/8989. Stop 9671.
Bank Nifty	19272	18200	20301	19668	28260	18200-19801	Sell between 19751-20000 zone. Targets at 19011/18311/16116. Stop 22501.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBILANTS FOODS	1515	1457	1591	1475	1494	Negative	Sell between 1531-1545 zone. Targets 1457/1335. Stop 1603.
INDIGO	950	865	989	982	1411	Negative	Sell between 955-959. Targets 865/771. Stop 1000.
LIC HOUSING FINANCE	257	249	271	256	397	Negative	Sell between 265-269 zone. Targets 249/225. Stop 283.

All About Option Trades:

Option Trade: BUY NIFTY 14th MAY CE Strike Price 9400 at CMP 151.70. Profit: Unlimited. Maximum Loss: Rs. 11,377.50/-. Stop: Exit Call Option if Nifty moves below 9111. (Nifty May Futures CMP 9208.60)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	17215	15001	18951	17285	21069	Negative	Sell at CMP. Targets 15001/13001. Stop 19001.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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