

# MEHTA'S MORNING BELL



Here is what You may be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Japan: Coincident Indicator (MoM) (Feb), Leading Index (MoM) (Feb), Leading Index, Core Machinery Orders (YoY) (Feb), Core Machinery Orders (MoM) (Feb)  
Euro: German Industrial Production (MoM) (Feb)

**Good Morning & Welcome to Monday's trading action at Dalal Street dated 7th April 2020.**

**This morning, optimism is in the air!!**

Dalal Street likely to start the week above the dotted lines joining the strength in global stock markets after Trump administration signals that coronavirus outbreak may be stabilizing.

So, the theme of the day is primarily revolves on hopes that the pandemic is stabilizing.

### Some key positive catalysts from economic standpoint, like:

1. Oil prices at 18-years low. This should help India to reduce its trade deficit.
2. RBI's whopping 75 basis points cut in the repo rate, bringing it down to 4.4%, its lowest ever should boost optimism as credit flow likely to begin. We suspect, the rates drop further to 3.50% by June-August 2020.
3. Finance minister Nirmala Sitharaman had rolled out a ₹1.7 trillion relief package. To jumpstart the economy, the Indian Government is likely to come out with more fiscal stimulus.
4. Lower global interest rates particularly in the U.S and most importantly, higher liquidity should bring more capital allocation to India.
5. China's production activities to remain subdued and also long-term structural shift from China quite likely. Emerging markets like India may attract a large number of foreign businesses and investments.

But, our **call of the day** suggests that risk will return on any strength at Dalal Street as fears of going into phase 3 transmission of COVID-19 looms.

India is currently in the 'acceleration phase' and investors will pray that the current rate of infections and social distancing is maintained and India stays in the 'steady phase' of the Covid-19 pandemic. Most importantly, the Covid-19 pandemic enters the 'ending phase' as soon as possible. Once the lockdown serves its immediate purpose, the most pressing challenge will be to revive the economy.

Technically, Nifty's biggest support now seen at 7,511. Intraday support on Nifty at 8,001 mark. Please note, confirmation of strength only above Nifty 9,111 mark on closing basis. Intraday hurdles at 8,439 mark.

### Coronavirus Update:

- More than 10,27,000 COVID-19 cases around the world with 69,000 dead and 170,000 have recovered.
- The US has the most confirmed cases globally at more than 312245. More than 8,503 people have died in the US.
- Confirmed coronavirus cases in India go past 4067; death toll at 109. Maharashtra is the most-affected state with 490 cases and 24 deaths

**Outlook for Tuesday: Sell on any early strength.**

## SGX Nifty: (+5, 8340)

### All about Nifty & Bank Nifty:

| Indices    | CMP   | Support | Resistance | 21 DMA | 200 DMA | Range       | Preferred Trade  |
|------------|-------|---------|------------|--------|---------|-------------|--|
| Nifty      | 8084  | 8001    | 8439       | 9136   | 11408   | 8275-8771   | Sell between 8301-8351 zone. Targets at 8001/7511. Stop 8789.      |
| Bank Nifty | 17249 | 16001   | 18001      | 21860  | 29249   | 16001-18001 | Sell between 18000-18201 zone. Targets at 16116/14501. Stop 20000. |

### All about stocks (F&O Trades):

| Instruments     | CMP   | Support | Resistance | 21 DMA | 200 DMA | Bias     | Preferred Trade   |
|-----------------|-------|---------|------------|--------|---------|----------|---|
| APOLLOHOSP      | 1185  | 1119    | 1291       | 1361   | 1459    | Positive | Buy at CMP. Targets 1291/1401. Stop 1115.                       |
| ESCORTS         | 592   | 527     | 667        | 671    | 624     | Negative | Sell between 615-621 zone. Targets 527/397. Stop 672.           |
| PAGE INDUSTRIES | 16503 | 15001   | 18166      | 18728  | 21349   | Negative | Sell between 17001-17251 zone. Targets 15001/13901. Stop 18201. |

### All About Option Trades:

**Option Trade:** BUY NIFTY 09th APRIL PE Strike Price 7800 at CMP 118. Profit: Unlimited. Maximum Loss: Rs. 8,850/-. Stop: Exit Put Option if Nifty moves above 8200. (Nifty April Futures CMP 8084.50)

### All about stocks (Medium Term Trades):

| Stocks        | CMP   | Support | Resistance | 21 DMA | 200 DMA | Bias     | Preferred Trade   |
|---------------|-------|---------|------------|--------|---------|----------|---|
| ASHOK LEYLAND | 38.15 | 33.7    | 51.05      | 54     | 74      | Negative | Sell between 42.50-45 zone. Targets 33.70/29. Stop 51.15. |
| PNB           | 29.65 | 25      | 43         | 36     | 61      | Negative | Sell at CMP. Targets 25/17.50. Stop 43.                   |
| -             | -     | -       | -          | -      | -       | -        | -   |

## Mehta Group

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