

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## Economic Calendar:

Japan:	Leading Index (MoM) (Apr), Coincident Indicator (MoM) (Apr)
Euro:	German Factory Orders (MoM) (Apr)
Great Britain:	Halifax House Price Index (MoM) (May), Halifax House Price Index (YoY)
Hong Kong:	Foreign Reserves (USD) (May)
Singapore:	Foreign Reserves USD (MoM) (May)
USA:	CB Employment Trends Index (May), 6-Month Bill Auction, 3-Month Bill Auction
China:	Exports (YoY) (May), FX Reserves (USD) (May), Trade Balance (USD) (May), Imports (YoY) (May)

## Good Morning Early Readers!

- Our **call of the day** says, 'Will Nifty hit 16000 mark?' is less interesting of a question than, 'what momentum stocks to buy?'
- Investors looking at what to own from here, then that's in line with our chart of the day which is bullish on the consensus favorites of Dalal Street — TATA MOTORS, VEDANTA, HEROMOTO CORP and DELTA CORPORATION with an interweek perspective.
- **SHOW ME THE MONEY:** Momentum Call: Buy HEROMOTO CORP June Futures for 0-3 days at CMP 3058 for an objective of 3201. Stop 2979. Alert: Breakout Play.
- All anxious eyes will be on the monsoon updates as IMD and Skymet have predicted a normal monsoon this year as well. 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.
- Technically speaking, 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 15151 mark. Intraday support for Nifty seen at 15331 mark.
- The options data for May Series suggests Nifty is likely to be in a broader trading range of 15300-16000 as maximum Call OI is at 16000 followed by 15700 strike price. Maximum Put open interest stands at 15500 levels followed by 15000 levels. Call writing was seen at 16000 and then at 15700 strike price, while there was meaningful Put writing at 15500 and then at 15300 strike prices.
- IndiGo Q4 loss widens to Rs 1,147 cr as higher fuel costs, virus hit business.
- **Q4 earnings to trickle in today:** UNION BANK OF INDIA, MRF.
- **Stock banned in F&O segment:** IBULHSGFIN, PNB, SAIL, SUNTV.

The positive catalysts for the day:

1. Dramatic fall in virus cases will act as the biggest positive catalyst: India reported 114,460 new Covid-19 cases, 189,232 discharges, and 2,677 deaths in the last 24 hours, informed the Union Health Ministry on Sunday. This is the lowest number of cases reported in the last two months.
2. Friday's U.S Labor Department report on new payrolls was below the 671,000 expected. Expect, buying spree to continue at Dalal Street as 559,000 new jobs as per non-farm payroll data are definitely not enough to spur the Federal Reserve to begin to talk about tapering back its bond purchases. A weaker-than-expected jobs growth eased concerns about the economy running too hot and causing an early tightening of monetary policy.
3. Europe's and American economic recovery is gaining steam.
4. Firm global cues: S&P 500 trades near record highs.
5. Also signaling optimism for our stock markets is the fact that the volatility index fell to 16.42, flirting with the lowest level of 15.75 seen during this calendar year. VIX is at 17-month low.
6. FIIs seen in buying spree: As per Friday's Provisional Data available on the NSE, FIIs bought shares worth Rs. 1499.37 crores in the Indian Equity Market. FIIs bought shares worth Rs. 5462.20 crores for the week ended. Digging deeper, the FIIs camp have been net buyers from the second half of May onwards on backdrop of receding COVID risk.
7. The yield on the 10-year U.S Treasury note edged lower on Friday to about 1.55%.

**Long story short:** Nifty Can Keep Going Strong. So Can Momentum Stocks like TATA MOTORS, VEDANTA, HEROMOTO CORP.

## All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	15670	15557	15807	15164	13546	15557-15857	Buy between 15600-15650 zone. Targets at 15751 mark and then at 16000 mark with strict stop at 15311.
Bank Nifty	35291	34801	36201	34147	29886	34761-36201	Buy at CMP. Targets at 35811 and then aggressive targets at 37709/39001 mark with stop at 33311.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
GRASIM	1503	1421	1495	1422	1047	Positive	Buy between 1477-1493 zone. Targets 1527/1701. Stop 1421.
HEROMOTO CORP	3048	2943	3143	2920	3097	Positive	Buy at CMP. Targets 3143/3287. Stop 2937.
MFSL	958	927	1001	918	730	Positive	Buy at CMP. Targets 1001/1027.50. Stop 903.

## All About Option Trades:

**Option Call:** SELL NIFTY 10th JUNE PE Strike Price 15700 at CMP 109. Maximum Profit: Rs. 8,175/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15575. (NIFTY JUNE Futures CMP 15699).

## All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
UNITED SPIRITS (MC DOWELL)	629.35	569	70	582	560	Positive	Buy at CMP. Targets 707/750. Stop 569.
TATAPOWER	108.15	89	127.5	106	79	Positive	Buy at CMP. Targets 127.5/150. Stop 89.
SBI LIFE	993	871	1051	978	876	Positive	Buy at CMP. Targets 1051/1251. Stop 871.

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