

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: Economy Watchers Current Index (Mar), Foreign Bonds Buying, Foreign Investments in Japanese Stocks
Euro: German 10-Year Bund Auction
USA: Crude Oil Inventories

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 8th April 2020.

In early action, SGX Nifty is seen struggling, but our call of the day suggests that Nifty will aim for back-to-back gains as traders will primarily focus on data showing that the growth rate of the coronavirus spread is slowing.

Optimism continues to be in the air and keeping sentiments perked up are yesterday's spectacular flash rally that continues to fuel hope, optimism, and light at the end of the tunnel.

The near term technical landscapes too have shifted on buy side. Nifty biggest hurdles in near term are placed at 9038 on closing basis. Downside on Nifty likely to be limited at 8545 zone.

Our **chart of the day** suggests establishing long positions in stocks like MANAPPURAM, PIDILITE & SRF on buy side with interweek perspective.

The big question: Do Nifty's gains have much staying power??

Honestly speaking, the direction depends on three catalysts:

1. How and when the lockdown will be lifted?
2. How much uncertainty remains and most importantly, when the pandemic will subside significantly??
3. How much harm will COVID-19 inflict to the economy???

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. The Covid-19 pandemic needs to enter the 'ending phase' as soon as possible.

So, all anxious eyes will gauge the possibility of extension of lockdown. Well, lockdown can't last forever. Once the lockdown serves its immediate purpose, the most pressing challenge will be to revive the economy.

Meanwhile, there are some key positive catalysts from economic standpoint, like:

- Oil prices near 18-years low. This should help India to reduce its trade deficit.
- 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.
- 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.
- Lower global interest rates particularly in the U.S and most importantly, higher liquidity should bring more capital allocation to India.
- China's production activities to remain subdued and also long-term structural shift from China to India quite likely. Emerging markets like India may attract a large number of foreign businesses and investments.

Now, here are the things which traders need to know before markets open for trade this Wednesday morning.

- As per Tuesday's provisional Data available on the NSE, FII's bought shares worth Rs. 741.77 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 422.51 crores in the Indian Equity market.
- A report suggests that inflows worth \$7.1 billion are likely into the Indian market once the MSCI India Index is rejigged. Expectations of a rejig have risen after foreign investment limits were raised in the country.

Option data for 30th April suggests:

Nifty's Max Call OI: 9000, 8500.

Nifty's Max Put OI: 8500, 9000.

SGX Nifty: (-189, 8710)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8084	8529	8969	9019	11393	8575-8871	Sell at CMP. Targets at 8529/8001. Stop 9121.
Bank Nifty	19063	18001	20001	21404	29191	18001-20001	Sell between 19501-19751 zone. Targets at 16116/14501. Stop 22199.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MANAPPURAM	101.3	95	109	110	146	Positive	Buy between 98-100 zone. Targets 109/121. Stop 94.75.
PIDILITE	1296	1237	1387	1431	1373	Positive	Buy between 1265-1281 zone. Targets 1387/1445. Stop 1229.
PAGE INDUSTRIES	16697	15001	18166	18473	21332	Negative	Sell between 17001-17251 zone. Targets 15001/13901. Stop 18201.

All About Option Trades:

Option Trade: BUY NIFTY 16th APRIL CE Strike Price 9000 at CMP 198.15. Profit: Unlimited. Maximum Loss: Rs. 14,861.25/-. Stop: Exit Call Option if Nifty moves below 8500. (Nifty April Futures CMP 8875.85)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ASHOK LEYLAND	39.85	33.7	51.05	52	74	Negative	Sell between 42.50-45 zone. Targets 33.70/29. Stop 51.15.
PNB	30.05	25	43	36	61	Negative	Sell at CMP. Targets 25/17.50. Stop 43.
-	-	-	-	-	-	-	-

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