

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

- Japan: Average Cash Earnings (YoY), Household Spending (MoM) (Mar), Overtime Pay (YoY) (Mar), Household Spending (YoY) (Mar), Overall wage income of employees (Mar), Services PMI (Apr)
- Euro: German Exports (MoM) (Mar), German Trade Balance (Mar), German Imports (MoM) (Mar), German Current Account Balance n.s.a (Mar)
- USA: Average Weekly Hours (Apr), Unemployment Rate (Apr), Participation Rate (Apr), U6 Unemployment Rate (Apr), Average Hourly Earnings (YoY) (YoY) (Apr), Government Payrolls (Apr), Nonfarm Payrolls (Apr), Manufacturing Payrolls (Apr), Private Nonfarm Payrolls (Apr), Average Hourly Earnings (MoM) (Apr), Wholesale Trade Sales (MoM) (Mar), Wholesale Inventories (MoM)

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

In yesterday's trade, Dalal Street ended on a nervous note. This morning, early action at SGX Nifty is indicating a somber start for our stock markets.

That brings us to our **call of the day** which recommends investors to brace for a turbulent trading day with most of the market moves likely to be moody and most importantly — it will be difficult to explain the said move.

So, Dalal Street will continue to struggle as investors look to identify a positive catalyst to drive stocks to further gains while honestly speaking, the backdrop continues to be precarious amidst a backdrop of economic pain that lies ahead.

At times like these, it makes all the sense to protect the portfolio. Remember, cash is a position. Even trader needs to wait it out and most importantly, wait for a follow-through day to start getting back into equities — gradually.

Also note that it is also unclear how far we are from the bottom. This ominous feeling is because of strained US-China relationship where the two countries are trapped in a blame game over the origin of the coronavirus.

Long story short: 'Cash is king' — 'Cash Flow is Queen'.

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

- The technical landscape continues to be negative. Nifty's biggest support seen at 8989. Below 8989, expect waterfall of selling towards 8201-8251 zone. Bulls' life will get better only if Nifty moves above 9621 mark. Selling on strength should continue to be the preferred strategy.
- Crude oil prices are seen climbing — partly supported by Saudi Arabia's decision to lift oil prices + also helping sentiments were China's appetite for the commodity picked up in April compared with prior months.
- All eyes from here on will be on Friday's U.S Jobs report. The street suspects it will be the amongst the worst ever. The unemployment rate is likely to shoot up to 15% from a only 3.5% two months ago.
- Q4 corporate earning to trickle in:
- Friday: SBI Card, Shree Cement, Adani Gas, Reliance Capital.
- Saturday: ICICI BANK.

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).

Outlook for Friday: Pessimism will prevail.

Pessimism will prevail because Dalal Street continues to be surrounded with confusing visibility on backdrop of relentless cascade of COVID-19. India has recorded nearly 53,000 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.

SGX Nifty: (+113, 9309)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9199	9111	9427	9136	11152	9001-9427	Sell between 9201-9225 zone. Targets at 9111/8989/8501. Stop 9651.
Bank Nifty	19492	18200	20301	19756	28150	17600-19901	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
BPCL	330	313	349	351	427	Negative	Sell between 335-339 zone. Targets 313/299. Stop 365.
INDIGO	915	865	989	969	1403	Negative	Sell between 925-935. Targets 865/771. Stop 1000.
ULTRATECH	3253	3199	3357	3387	4076	Negative	Sell at CMP. Targets 3199/2910. Stop 3443.

All About Option Trades:

Option Trade: BUY NIFTY 14th MAY PE Strike Price 9200 at CMP 184.40. Profit: Unlimited. Maximum Loss: Rs. 13,830/-. Stop: Exit Put Option if Nifty moves above 9329. (Nifty May Futures CMP 9204.25)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	17019.40	15001	18951	17310	21035	Negative	Sell at CMP. Targets 15001/13001. Stop 19001.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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