

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: BoJ Summary of Opinions

Good Morning & Welcome to Monday's trading action at Dalal Street dated 11th May 2020.

The good news as we start trading this week is that Nasdaq has turned green for the year 2020.

The big question: Now, how long will it take for Nifty to also go green for the year?

Honestly speaking, all depends on the action the government is going to take on May 17th — the last day of the phase 3 of the lockdown.

The street will anxiously hope for some easing of restrictions. However, sharp rising COVID-19 cases threaten an extension of lockdown with stricter measures. At the time of writing, the negative takeaway is that the number is doubling every 10 days and most importantly, we are still struggling to flatten the curve — even with the lockdown.

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

The said choppiness is quite obvious as **government will attempt to open economy for livelihood while at the same time they have to keep the disease outbreak maintained.**

Long story short: We are now approaching a crossroad in the COVID-19 era. The two catalysts livelihood and life have to be tracked minutely.

Until clarity emerges 'Cash is king' — 'Cash Flow is Queen'.

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

- Wall Street gained on Friday's trade despite the U.S April nonfarm payrolls report were the worst on record. We believe world over — the economic reality is much worse than the U.S jobs numbers suggest.
- Commanding attention in today's trade would be the MSCI index. The street suspects, momentum stocks like Tata Consumer, Indraprastha Gas, Biocon, Muthooth Finance are the probable stocks that can be included in the index while Bharat Forge and Tata Power may be excluded.
- Reliance Industries has fixed May 14 as the record date for determining shareholders eligible to apply for its upcoming rights issue. Reliance Industries had earlier announced fund raising of Rs 53,125 crore by way of a 1:15 rights issue, the first such issue in nearly three decades, as it steps up efforts to pare debt. One share will be offered for every 15 shares held at Rs 1,257. The rights issue opening and closing dates will be informed separately.
- Q4 corporate earning to trickle in:
- Monday: WOCKHARDT, PIRAMAL ENTERPRISES (PEL), GODREJ PROPERTIES, SONATA SOFTWARE.
- Tuesday: HAVELLS, BANDHAN BANK, BLUE STAR.

The technical landscape of Nifty continues to be negative. Nifty's biggest support seen at 8989. Bulls' life will get better only if Nifty moves above 9621 mark.

Option data for 28th May suggests:

- Nifty's Max Call OI: 10,000 (This 10,000 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).

Our **chart of the day** is quite bearish on stocks like HDFC, PNB, DLF & RBL BANK with interweek perspective. However we are positive on HDFC LIFE with interweek perspective.

SGX Nifty (+51, 9307)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9252	9111	9427	9192	11140	9189-9427	Sell between 9301-9351 zone. Targets at 9111/8989/8501. Stop 9651.
Bank Nifty	19353	18200	20301	19856	28093	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
HDFCLIFE	520	501	533	487	551	Positive	Buy between 515-520 zone. Targets 533/551. Stop 495.
HDFC	1690	1647	1765	1680	2131	Negative	Sell between 1725-1731 zone. Targets 1647/1569. Stop 1827.
RBLBANK	119.35	113	129	120	307	Negative	Sell between 123-125 zone. Targets 111/101. Stop 131.

All About Option Trades:

Option Trade: BUY NIFTY 14th MAY CE Strike Price 9300 at CMP 120.90. Profit: Unlimited. Maximum Loss: Rs. 9067.50/-. Stop: Exit Call Option if Nifty moves below 9175. (Nifty May Futures CMP 9236.65)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	16924	15001	18951	17333	21017	Negative	Sell at CMP. Targets 15001/13001. Stop 19001.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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