

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## Economic Calendar:

Great Britain: Halifax House Price Index (YoY), Halifax House Price Index (MoM) (Apr)

Euro: Sentix Investor Confidence (May)

USA: 3-Month Bill Auction, 6-Month Bill Auction, U.S. President Biden Speaks

## Good Morning Early Readers!

### Here are other key things to know before today's market opens:

- Our **chart of the day** is bullish on stocks like DR REDDYS LAB, TATA POWER and MOTHERSON SUMI with an interweek perspective.
- Our **call of the day** suggests that Dalal Street is likely to consolidate its last four days of gains as the street is still immersed in the coronavirus situation of the country. Investors will be spying with one big eye on the economic implications of the outlook for the virus.

Rating agency Crisil has said that India's GDP growth rate could drop to single digits or around 8.2 percent in 2021-22 (April-March) if the second wave of the COVID-19 pandemic reaches a peak number of cases by June-end.

Meanwhile, the low interest rate backdrop will encourage investors to continue favoring equities relative to bonds because of the prospect of relatively higher returns. Well, that should limit any downside and most importantly help to push stock prices higher. Overnight, the Dow Jones Industrial Average hit 35000 milestone, a new record high on hopes that interest rates would remain lower for longer.

Amidst this backdrop, cautious optimism and buying only on any early dips should be the preferred strategy for the day.

- The technical landscape will continue to be in a bullish mode as long as Nifty holds above its key support at 14416 mark. Intraday support for Nifty seen at 14757 mark. Please note, Nifty's 200 DMA at 13163 mark. The price action for Nifty for this week is suggesting that we are likely to see a 14851- 15057 range for the day with positive bias.
- The options data for May Series suggests Nifty is likely to be in a broader trading range of 14500-15200 as maximum Call OI is at 15000 followed by 15500 strike price. Maximum Put open interest stands at 14000 levels followed by 14500 levels. Call writing was seen at 15700 and then at 15400 strike price, while there was meaningful Put writing at 14000 and then at 15000 strike prices.
- Punjab National Bank (PNB) on Monday said its board has approved raising equity capital from qualified institutional investors to enhance its capital base. For the Qualified Institutional Placement (QIP) purposes, the bank has fixed the floor price at Rs 35.51 per equity share.
- **Q4 earnings to trickle in today:** SIEMENS, ALEMBIC, BASF INDIA, GODREJ CONSUMER PRODUCTS, GRANULES INDIA.
- Chambal Fertilisers and Chemicals reported sharply higher profit at Rs 447.89 crore in Q4FY21 against Rs 197.55 crore in Q4FY20, revenue fell to Rs 1,640.76 crore from Rs 1,969.09 crore YoY.
- Oil prices rose and gasoline jumped as Colonial Pipeline, the operator of a major pipeline system that transports fuel across the East Coast, shut down operations because of a ransomware attack.
- Surging commodity prices could renew concerns about rising inflation.
- As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 583.69 crores in the Indian Equity Market while DIIs on the other hand sold shares worth Rs. 476.26 crores in the Indian Equity market.
- **Stock banned in F&O segment:** NATIONALUM, PNB, SUNTV.

## All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	14942	14841	15057	14614	13182	14857-14957	Buy between 14827-14851 zone. Targets at 15057 mark and then at 15297-15432 zone with strict stop at 14611.
Bank Nifty	33142	32001	34287	32349	28774	32301-34287	Buy between 32501-32751 zone. Targets at 34287/34905 and then aggressive targets at 37709 mark with stop at 31711.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
DRREDDY'S LAB	5328	5241	5501	5042	4800	Positive	Buy at CMP. Targets 5501/5751. Stop 5179.
HINDALCO	426	403	431	366	246	Positive	Buy between 415-421 zone. Targets 431/451. Stop 401.
VEDL	294	283	301	244	160	Positive	Buy at CMP. Targets 301/311. Stop 279.

## All About Option Trades:

**Option Call:** SELL NIFTY 12th MAY PE Strike Price 15000 at CMP 111. Maximum Profit: Rs. 8,325/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 14851. (NIFTY MAY Futures CMP 14992).

## All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
SUNPHARMA	698.20	665	731	648	561	Positive	Buy at CMP. Targets 731/801. Stop 665.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

## Mehta Group

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