

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: Foreign Reserves (USD) (Apr), Leading Index, Leading Index (MoM) (Mar), Coincident Indicator (MoM) (Mar)
 China: PPI (YoY) (Apr), CPI (YoY) (Apr), CPI (MoM) (Apr)
 India: Industrial Production (YoY) (Mar), Cumulative Industrial Production (Mar), Manufacturing Output (MoM) (Mar), CPI (YoY) (Apr)
 USA: Real Earnings (MoM) (Apr), CPI Index, s.a (Apr), CPI, n.s.a (MoM) (Apr), Core CPI Index (Apr), CPI (YoY) (Apr), Core CPI (MoM) (Apr), CPI Index, n.s.a. (Apr), Core CPI (YoY) (Apr), CPI (MoM) (Apr), Redbook (YoY), Redbook (MoM)

Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 12th May 2020.

Judging by early action at SGX Nifty, it appears there will be a sense of discomfort amongst bullish investors' camp in today's trade.

Blame it to COVID-19 crisis which is not out of woods yet.

Confirmed coronavirus cases in India go past 67,152; death toll at 2206. At current trajectory, India's cases count likely to reach 100,000 in next 7 days. Maharashtra is the most-affected state with 22,171 cases and 583 deaths.

Maharashtra chief minister Uddhav Thackeray has strongly sought extension of lockdown saying it's impossible to contain spread of the virus with continuation of the lockdown restrictions.

Globally too, there are renewed fears of second wave of COVID-19. New clusters in South Korea, Germany and China show the continued risk of reopening.

That brings us to our **call of the day** which suggests panic at Dalal Street will stop only if the viral spread begins to slow and the economy opens up. Please note, only when the spread stops, the ultimate economic impact of the virus can be ascertained.

Well, until the demand returns to pre-virus levels, it will be unwise to swim on long side at Dalal Street.

Bottom-line: The "epic battle" between Bulls and Bears to continue. Coronavirus is the wild card.

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

- 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 on April 30 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.
- March IIP and April CPI numbers will be out today. Both the data to trickle in is likely to have an impact on market's trajectory over the next few sessions.
- Union minister Nitin Gadkari has said that he expects the Centre to unveil a financial package in two-three days, observing that the economic situation "was very bad" despite the three-month moratorium on loan repayments announced by the RBI.
- Q4 corporate earning to trickle in: Tuesday: HAVELLS, BANDHAN BANK, BLUE STAR.

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.

Option data for 28th May suggests:

Nifty's Max Call OI: 9,500 (This 9,500 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).

Coronavirus Update:

- More than 41, 00,000 COVID-19 cases around the world with 2, 82,000 dead.
- The US cases are at 13, 70,000 mark. New York State alone has more cases than any other country. The US also has the most coronavirus-related deaths in the world. US coronavirus deaths pass 80,653.

Outlook for Tuesday: Caution to prevail.

SGX Nifty: (-59, 9156)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9239	9111	9427	9213	11129	9121-9357	Sell between 9321-9357 zone. Targets at 9111/8989/8501. Stop 9507.
Bank Nifty	18950	18311	20301	19850	28036	17100-19501	Sell between 19451-19551 zone. Targets at 18311/16116/14251. Stop 21101.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HDFCLIFE	525	501	533	490	551	Positive	Buy between 515-520 zone. Targets 533/551. Stop 495.
BPCL	315	299	323	350	427	Negative	Sell between 321-323 zone. Targets 299/271. Stop 345.
RBLBANK	117.10	111	129	120	304	Negative	Sell between 121-123 zone. Targets 111/101. Stop 131.

All About Option Trades:

Option Trade: BUY NIFTY 14th MAY PE Strike Price 9200 at CMP 115.15. Profit: Unlimited. Maximum Loss: Rs. 8636.25/-. Stop: Exit Put Option if Nifty moves above 9325. (Nifty May Futures CMP 9225.15)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	17379.95	15001	18951	17365	21000	Negative	Sell at CMP. Targets 15001/13001. Stop 19001.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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