

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	Foreign Bonds Buying, Foreign Investments in Japanese Stocks, M3 Money Supply (Apr), M2 Money Stock(YoY), 30-Year JGB Auction, Machine Tool Orders (YoY)
Euro:	German WPI (YoY) (Apr), German WPI (MoM) (Apr), German HICP (MoM) (Apr), German CPI (MoM) (Apr), German CPI (YoY) (Apr), German HICP (YoY) (Apr)
India:	WPI Fuel (YoY) (Apr), WPI Inflation (YoY) (Apr), WPI Manufacturing Inflation (YoY) (Apr), WPI Food (YoY) (Apr)
USA:	Continuing Jobless Claims, Jobless Claims 4-Week Avg, Initial Jobless Claims, Import Price Index (MoM) (Apr) Export Price Index (MoM) (Apr), Natural Gas Storage, 4-Week Bill Auction, 8-Week Bill Auction

Good Morning & Welcome to Thursday's trading action at Dalal Street dated 14th May 2020.

Judging by early action at SGX Nifty, it appears investors are not super-euphoric and instead most sentiment gauges are indicating that investors are closer to despair..

That brings us to our **call of the day** which suggests investors who are looking forward to a full-fledged recovery should not ignore the drop off right in front of them.

Agreed in a recession type scenario, monetary policy does not work, but fiscal policy works. So, the stimulus package is very significant.

Having said that, please note — the Rs 20-lakh cr economic stimulus package comprising of around 10% of India's grade domestic product (GDP) package will not reduce the rate of infections. 'Bazookas' cannot stop coronavirus becoming a financial crisis. The demand needs to return to pre-virus levels. The only way to truly protect the economy is to contain the new coronavirus cases or develop a vaccine or other effective treatments. Till the pandemic is eradicated, the problem is worse than we think.

Overnight, Federal Reserve Chairman Jerome Powell has warned that further economic stimulus will be needed. What's depressing is that Powell offered an uncertain near-term outlook of the U.S economy.

Amidst this backdrop, makes sense to join the chorus of skeptics on Dalal Street who are pointing to the risk of opening the economic valves too quickly could backfire, especially if it results in a new virus spread and stricter lockdowns.

Long story short: Cash is where even perma-bulls should remain for the foreseeable future.

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

- I-T return filing: FM Nirmala Sitharaman extends due date to November 30.
- Q4 corporate earning to trickle in:
- Thursday: TV TODAY, MANAPPURAM, OFSS, TATA CONSUMER, BIOCON.
- As per yesterday's provisional data available on the NSE, Foreign institutional investors (FIIs) sold shares worth Rs 283.43 crore while and domestic institutional investors (DIIs) bought shares worth Rs 232.65 crore in the Indian equity market on May 13.
- Stocks banned in F&O segment for today: VODAFONE IDEA and BHEL.

Technically speaking, Nifty was unable to sustain yesterday's opening gains and that's an ominous sign. So, Bulls' life will get better only if Nifty moves above 9587 mark. Nifty's biggest support seen only at 8989. Also note that the 'Bearish Island Reversal' that was witnessed on May 4 is still intact.

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).

Outlook for Thursday: Gap-down start.

SGX Nifty: (-136, 9263)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9384	9157	9587	9247	11105	8989-9457	Sell between 9425-9457 zone. Targets at 9157/8989. Stop 9609.
Bank Nifty	19635	18311	20301	19833	27922	18400-20501	Sell between 20000-20411 zone. Targets at 18287/16116/14251. Stop 21967.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
APOLLO HOSPITAL	1285	1208	1339	1357	1458	Negative	Sell between 1301-1311 zone. Targets 1208/1191. Stop 1363.
ICICIBANK	338	307.50	351	344	451	Negative	Sell between 339-343 zone. Targets 307.50/268. Stop 361.
INDIGO	1004	865	1060	966	1395	Negative	Sell at CMP. Targets 865/771. Stop 1067.

All About Option Trades:

Option Trade: BUY NIFTY 21st MAY PE Strike Price 9100 at CMP 100.40. Profit: Unlimited. Maximum Loss: Rs. 7,530/-. Stop: Exit Put Option if Nifty moves above 9567. (Nifty May Futures CMP 9393.55)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	17497.85	15001	18951	17365	21000	Negative	Sell at CMP. Targets 15001/13001. Stop 19001.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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