

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

India:	WPI Food (YoY) (Mar), WPI Fuel (YoY) (Mar), WPI Inflation (YoY) (Mar), WPI Manufacturing Inflation (YoY) (Mar), Trade Balance
USA:	Core Retail Sales (MoM) (Mar), Retail Control (MoM) (Mar), Retail Sales (YoY) (Mar), Retail Sales (MoM) (Mar), Retail Sales Ex Gas/Autos (MoM) (Mar), Capacity Utilization Rate (Mar), Industrial Production (YoY) (Mar) Industrial Production (MoM) (Mar), Manufacturing Production (MoM) (Mar), Crude Oil Inventories, US Foreign Buying, T-bonds (Feb), Overall Net Capital Flow (Feb), TIC Net Long-Term Transactions (Feb), TIC Net Long-Term Transactions including Swaps (Feb)
Japan:	Foreign Bonds Buying, Foreign Investments in Japanese Stocks
China:	House Prices (YoY) (Mar)

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 15th April 2020.

Prime Minister Narendra Modi has extended the national lockdown to May 3, 2020.

Despite this backdrop, SGX Nifty is seen zooming.

The big question: Should you — Chase the rally??

Honestly speaking, Dalal Street's immediate trend primarily depends on:

- How long the shutdown will continue?
- Can the shutdown save the Indian economy and save lives?

Until we have answers to the above two questions, it will be unwise to swim against the tide. It is a fact that the economy cannot fully reopen until the pandemic is wrestled under control.

So, in the near term — the key catalyst commanding attention would be the flattening the curve of new coronavirus cases.

Long story short: The need of the hour is a therapy or a vaccine for COVID-19.

Media reports do suggest that the cure is 'right around the corner'!! But please note, the testing timeline for a vaccine (any vaccine, for safety reasons etc.) is 18 months or so. Well that means is that — if you started the vaccine timeline clock on Jan. 1 2020 then you would be looking at a vaccine ready and approved for general use by June of 2021.

So, until 2021 — investors will need to brace for volatility, volatility and volatility. The benchmark Nifty is likely witness waves of flare-ups, and then consolidation, followed by flare-ups and equally sharp down moves.

From a chartist standpoint, the technical landscape for swing traders has improved considerably indicating the worst is behind us. Technically, Nifty may inch up towards its biggest hurdles at 9389 but we suspect — the bears are likely to come back with vengeance as the recent rise in Nifty from March 23 lows (7515 mark) has been too far and most importantly — too fast. Yes, it is still not appropriate for long term investors who see this strength as light at the end of the tunnel — Probably it could be an oncoming train.

We suspect, a retest of the downside will be the most preferred theme as companies will be forced to downgrade or suspend their outlooks, The IMF too projects India's growth rate at 1.9% in 2020.

That brings us to our **call of the day** which suggests that **the "epic battle" between Bulls and Bears to continue. Coronavirus is the wild card.**

Bottom-line: Establish long positions only if you sense that coronavirus is losing.

Our **chart of the day** suggests establishing long positions in stocks like ASIAN PAINTS, BERGER PAINTS & BHARTI AIRTEL on buy side with interweek perspective.

SGX Nifty: (+201, 9212)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8994	8865	9389	8740	11352	8861-9389	Sell between 9251-9301 zone. Targets at 8845/8711/8175. Stop 9501.
Bank Nifty	19488	18001	21001	20226	29028	18001-20001	Buy between 18701-19001 zone. Targets at 20745/21827/22405. Stop 17001.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ASIANPAINTS	1681	1629	1731	1652	1679	Positive	Buy at CMP. Targets 1731/1797. Stop 1589s.
PIDILITE	1378	1327	1411	1389	1375	Positive	Buy at CMP. Targets 1411/1507. Stop 1269.
VOLTAS	505	481	561	530	647	Positive	Buy between 493-500 zone. Targets 561/583. Stop 473.

All About Option Trades:

Option Trade: BUY NIFTY 23rd APRIL PE Strike Price 8700 at CMP 181.95. Profit: Unlimited. Maximum Loss: Rs.13,646.25/-. Stop: Exit Put Option if Nifty moves above 9450. (Nifty April Futures CMP 9011.10)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
APOLLO HOSPITALS	1300	1081	1501	1277	1457	Positive	Buy at CMP. Targets 1501/1745. Stop 1081.
DIVISLABS	2341	1811	2501	1975	1791	Positive	Sell at CMP. Targets 2501/3001. Stop 1811.
-	-	-	-	-	-	-	-

Mehta Group

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