

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: GDP Capital Expenditure (QoQ) (Q1), GDP External Demand (QoQ) (Q1), GDP (QoQ) (Q1), GDP Private Consumption (QoQ) (Q1), GDP (YoY) (Q1), GDP Price Index (YoY), Tertiary Industry Activity Index (MoM)

Singapore: Trade Balance, Non-Oil Exports (YoY) (Apr), Non-Oil Exports (MoM) (Apr)

China: House Prices (YoY) (Apr)

Good Morning & Welcome to Monday's trading action at Dalal Street dated 18th May 2020.

The good news this Monday morning is that Reliance Jio has bagged its 4th big investment in 4 weeks: General Atlantic to invest Rs 6,600 crore in RIL digital unit. Please note, Jio Platforms has raised Rs 67,195 crore from technology investor powerhouses such as Facebook, Silver Lake Partners, Vista Equity Partners and General Atlantic in less than four weeks.

The stock price of Reliance Industries will commanding attention as its rights issue of Rs 53,125 crore will open on May 20. The said right issue is the biggest ever by an Indian entity and the first by RIL in nearly three decades. The closing date for issue will be June 3. The street will spy with one big eye if Reliance's rights offer sails through — especially the retail investors' response would be keenly assessed amidst the pessimism surrounding Daal Street.

Now, before we start a new trading day, here are key things to know:

- Extension of lockdown: The centre extended the ongoing nationwide lockdown till May 31. The government has allowed considerable relaxations in this round of lockdown- Inter-state movement of vehicles, buses have been allowed with states being given the final power to decide on relaxations in Red, Orange and Green zones. Air travel, metro services, hotels, restaurants, malls, gyms, cinema halls, schools and colleges are to remain suspended during lockdown 4.0.
- Meanwhile, keeping upside capped at stock markets will be the rising crude-oil prices which now again seen flirting with the \$30 barrel amidst supporting catalysts like gradual opening of global economies, lower inventories and reduced production capacities in the US, and ahead of further capacity cut from Saudi Arabia.
- Wall Street in Friday's trade moved from steep losses to end in green, despite news reports that the Trump administration will block shipments of semiconductors to China's Huawei Technologies, stoking fears of renewed trade tensions.
- Important Q4 earnings to trickle in: Monday: BHARTIARTL, TORTNPOWER.
- As per Friday's provisional data available on the NSE, Foreign institutional investors (FIIs) sold shares worth Rs 2388.04 crore while and domestic institutional investors (DIIs) bought shares worth Rs 1225.53 crore in the Indian equity market on May 15.

Technically speaking, Nifty ended on a negative note in Friday's trade. Nifty's biggest support now seen only at 8989. Also note that the 'Bearish Island Reversal' that was witnessed on May 4 is still intact. So, bears are likely to dominate trading screens until Nifty stays below its key hurdles at 9587 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).

Outlook for Monday: Upside likely to be capped...

SGX Nifty (-30, 9078)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9143	8989	9381	9264	11081	8989-9289	Sell between 9250-9275 zone. Targets at 8989/8751. Stop 9609.
Bank Nifty	18834	18100	20001	19802	27810	18100-19650	Sell between 19501-19751 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
ICICIBANK	322.7	307.50	339	343	450	Negative	Sell between 333-337 zone. Targets 307.50/268. Stop 361.
INDUSIND BANK	419	413	447	435	1165	Negative	Sell between 435-445 zone. Targets 413/377. Stop 461.
LUPIN	842	807.50	869	838	738	Negative	Sell between 845-849 zone. Targets 807.5/753. Stop 873.

All About Option Trades:

Option Trade: BUY NIFTY 21st MAY PE Strike Price 9000 at CMP 110.80. Profit: Unlimited. Maximum Loss: Rs. 8,310/-. Stop: Exit Put Option if Nifty moves above 9375. (Nifty May Futures CMP 9137.10)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
UNITED SPIRITS (MC-DOWELL)	541	471	581	522	595	Positive	Buy at CMP. Targets 581/651. Stop 471.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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