

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: All Industries Activity Index (MoM), BoJ Interest Rate Decision
China: PBoC Loan Prime Rate
KRW: PPI (MoM) (Feb), PPI (YoY) (Feb)

Good Morning & Welcome to Thursday's trading action at Dalal Street dated 19th March 2020.

Our **call of the day** suggests traders and investors will have to brace for another volatile trading day.

Well, this volatile theme is on backdrop of street getting worried that the coronavirus outbreak could disrupt life worldwide for an extended period and the negative takeaway is that economies across globe will be dragged into recession. Right now, everything seems very doom and gloom, like we're never going to come up from this COVID-19.

Digging deeper, Dalal Street's deepest fear too is COVID-19.

The big questions of the day: Will investors' confidence take longer to recover??

Honestly speaking, the financial impact of the Covid-19 virus has infected virtually all leading stocks at Dalal Street too.

The reality is that our economy is already in a downtrend and the coronavirus is seen infecting it each passing day. Digging deeper, Coronavirus is a humanitarian and societal crisis of unprecedented speed and scale. What's unknown with this novel virus is how long and far and deep that transmission will go into any society, how it might still mutate and how disastrous it will be.

In the scenario deteriorates, the global economy could probably move from a recession and into a depression!!!

Please note, time span is the key differentiation between a recession and a depression. A recession is typically declared when economic activities decline for two consecutive quarters, while a depression means the downturn has lasted a much longer time—usually years—with much deeper impact.

There have been 33 recessions since 1854, according to the National Bureau of Economic Research, but only one depression—the Great Depression that lasted from 1929 to 1938.

At times like these, it makes all the sense to protect the portfolio. **Remember, cash is a position. Even traders need to wait it out and most importantly, wait for a follow-through day to start getting back into equities — gradually.** Do note that every downturn eventually ends, and life goes on.

Amidst this backdrop, any upswings for the day unlikely to last. It is scary to buy during a bear/panic market like this one. It is also unclear how far we are from the bottom.

Technically, Nifty's biggest support now seen at 7,751. Please note, confirmation of strength only above Nifty 9,077 mark. Intraday hurdles seen at 8777.

Option data for 26th March suggests:

- Nifty's Max Call OI: 9000, 8500.
- Nifty's Max Put OI: 8500, 9000.

Now before we get into detail, here are the things you need to know before the opening bell:

- Reports of coronavirus worries continue to ratchet higher. Total latest worldwide count is 203040 infected cases with 8210 deaths. At the time of writing, the total number of confirmed coronavirus cases in India jumped to 151 with Maharashtra topping the list with 42 now.
- Crude-oil prices slumped below \$23 a barrel Wednesday, the lowest since 2002 and a move that marks a near 60% decline from their early January peak.
- Olympics are ... still on. Japanese Prime Minister Shinzo Abe says he "secured support" from G7 leaders to hold the Tokyo 2020 Olympics Games which would provide "proof that the world has contained coronavirus"
- In yesterday's trade, SBI Cards shares were depressed, as the stock price slumped 6% to close at Rs. 689.
- FII's were net sellers in yesterday's trade to the tune of Rs. 5085.35 Cr.

Outlook for Thursday: Sell on strength.

SGX Nifty: (-96, 8354)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8469	8311	8777	10925	11608	8111-8777	Sell between 8551-8621 zone. Targets at 8351/8011/7751. Stop 8911.
Bank Nifty	20580	19700	22001	27847	29937	19700-22001	Sell between 21551-22001 zone. Targets at 20001/17911/14471. Stop 24301.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
AUROPHARMA	364	340	387	486	528	Negative	Sell between 369-375 zone. Targets 340/301. Stop 389.
BRITANNIA	2502	2410	2691	2960	2948	Negative	Sell between 2565-2575 zone. Targets 2410/2101. Stop 2871.
PIDILITE	1496	1365	1551	1570	1371	Negative	Sell at CMP. Targets 1365/1207. Stop 1569.

All About Option Trades:

Option Trade: BUY NIFTY 26th MARCH PE Strike Price 8100 at CMP 281.65. Profit: Unlimited. Maximum Loss: Rs. 21,123.75/-. Stop: Exit Put Option if Nifty moves above 8600. (Nifty March Futures CMP 8433.70)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	18643	17151	19737	21526	21513	Negative	Sell at CMP. Targets 17151/15001. Stop 19921.
RELIANCE INDUSTRIES	969	942.50	1027	1282	1369	Negative	Sell between 991-1001 zone. Targets 942.50/907. Stop 1073.
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Mehta Group

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