

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Euro: German PPI (YoY) (Mar), German PPI (MoM) (Mar)  
Hong Kong: Unemployment Rate (Mar)

## Good Morning & Welcome to Monday's trading action at Dalal Street dated 20th April 2020.

Well, at the moment — the technical are aggressive bullish. On the short term charts, 'Nifty Has Higher High Pattern'.

Digging deeper, the benchmark has rebounded 22% since the 24 March lows and has logged second-straight week of back-to-back gains.

## Interestingly, the gains at Dalal Street came despite:

1. FIIs selling — the FIIs sold shares worth Rs. 4,197.42 crores in last week's trade.
2. TCS posted lackluster Q4; Misses estimates. Profit inched lower to Rs 8,049 crore.
3. The International Monetary Fund (IMF) has sharply cut its India growth forecast to 1.9% for FY21 from 5.8% projected in January 2020. It has also predicted a 3% contraction in global GDP (Gross Domestic Product) for 2020, warning that the COVID-19 outbreak has plunged the global economy into its worst recession since the Great Depression in the 1930s.
4. In the U.S, more than 22 million Americans have lost their jobs over the past month, and is likely lift the unemployment rate to around 15% from 3.5% in February.

The most negative takeaway is that COVID-19 comes without a certain end date. **Well, the street will not get confidence until there is a medical solutions to COVID-19.**

That said, there are some key positive catalysts from economic standpoint, like:

1. Oil prices at 20-years low. This should help India to reduce its trade deficit.
2. RBI a whopping 75 basis points cut in the repo rate, bringing it down to 4.4%, its lowest ever should boost optimism as credit flow likely to begin. We suspect, the rates drop further to 3.50% by June-August 2020.
3. Finance minister Nirmala Sitharaman had rolled out a ₹1.7 trillion relief package. Finance Minister Nirmala Sitharaman on Friday reiterated India would soon announce fresh relief measures and economic stimulus. However, she did not provide any timeline for the same.
4. Lower global interest rates particularly in the U.S and most importantly, higher liquidity should bring more capital allocation to India.
5. China's production activities to remain subdued and also long-term structural shift from China quite likely. Emerging markets like India may attract a large number of foreign businesses and investments.
6. All bullish eyes will be on the agriculture-related and 'essential' factories and businesses that are set to resume operations from April 20 after the government decided to relax lockdown in the less-affected areas. If India is successful in reopening the economic engines without any health hazards, it will act as key positive catalyst and add to bullish sentiments at Dalal Street.

The art of being wise is in knowing what to look and what to overlook. That brings us to the technical levels of Nifty — Nifty's make-or-break support seen at 9075. Only below 9075, expect waterfall of selling which could take Nifty down to 8511.

So, Dalal Street bullish life will get better if Nifty stays above 9075 mark. And please note, optimism will simply bloom if Nifty moves past 9389.

The gyan mantra is to stay stock specific. Our chart of the day suggests establishing long positions in stocks like JUBILANT FOODS, JINDAL STEEL & POWER and BATA INDIA. Smart investors will be also looking to buy Bank Nifty.

## Q4 corporate earning to trickle in today are:

- MONDAY: INFOSYS, TATA ELXSI, ADITYA BIRLA MONEY.

## SGX Nifty: (-38, 9282)

## All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9267	8773	9261	8606	11312	8861-9389	Buy between 9175-9201 zone. Targets at 9389/9501. Stop 9071.
Bank Nifty	20743	19001	22351	19441	28863	19001-22351	Buy at CMP. Targets at 22351 /23501. Stop 17861.

## All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BATA INDIA	1239	1183	1339	1207	1583	Positive	Buy at CMP. Targets 1339/1445. Stop 1173.
JUBLFOODS	1528	1471	1557	1381	1479	Positive	Buy between 1501-1511 zone. Targets 1557/1651. Stop 1459.
JINDALSTEL	92.25	87.50	99	89	134	Positive	Buy at CMP. Targets 99/111. Stop 87.05.

## All About Option Trades:

**Option Trade:** BUY NIFTY 23rd APRIL CE Strike Price 9600 at CMP 64. Profit: Unlimited. Maximum Loss: Rs. 4,800/- . Stop: Exit Call Option if Nifty moves below 9211. (Nifty April Futures CMP 9311.30)

## All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
3M INDIA	19700	15569	25200	18005	21131	Positive	Buy at CMP. Targets 25200/27251. Stop 15569.
ICICIBANK	376	299	401	332	459	Positive	Buy at CMP. Targets 401/450. Stop 299.
-	-	-	-	-	-	-	-

## Mehta Group

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102