

# MEHTA'S MORNING BELL



Here is what You may be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Europe:	German PPI (MoM) (Feb), German PPI (YoY) (Feb)
Great Britain:	Public Sector Net Borrowing (Feb), Public Sector Net Cash Requirement (Feb)
India:	FX Reserves, (USD)
USA:	Existing Home Sales (MoM) (Feb), Existing Home Sales (Feb)

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

In early action, SGX Nifty is seen wavering between negative and positive territory. Digging deeper, the coronavirus is wreaking havoc at Dalal Street. That's simply because there is no way to know what could come next, and that is the worst feeling.

Technically speaking, a 'Death Cross' pattern appears on the daily charts of Nifty. Please note, the Death Cross pattern is formed on daily charts when the short-term moving average (50-DMA) crosses below its long-term moving average (200-DMA). Nifty's biggest support level to watch from here on is at 7,751. We suspect, this market is still not a buyer's paradise. Below Nifty 7751, equity investments will signal end of faith for perma-bulls camp. Please note, confirmation of strength only above Nifty 8,777 mark. Intraday hurdles seen at 8501.

That brings us to our **call of the day** which suggests traders and investors will have to brace for another volatile trading day.

Well, this uncertain 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.

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

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.

## Option data for 26th March suggests:

- Nifty's Max Call OI: 8500, 8000.
- Nifty's Max Put OI: 8500, 8100.

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 232547 infected cases with 9718 deaths. At the time of writing, the total number of confirmed coronavirus cases in India jumped to 151.
- PM Modi called for 'Janta curfew' on March 22 from 7 am-9 pm, saying no citizen, barring those in essential services, should get out of house. Modi appeals to the nation to strictly adhere to 'social distancing'.
- Italy passes China as country with most coronavirus deaths. Italy, with a population of 60 million, recorded at least 3,405 deaths, or roughly 150 more than in China.
- FII's were net sellers in yesterday's trade to the tune of Rs. 4622.93 Cr.

## Outlook for Friday: Sell on strength.

## SGX Nifty: (+20, 8176)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8469	7832	8777	10745	11590	8111-8511	Sell between 8551-8621 zone. Targets at 8001/7832/7751. Stop 8829
Bank Nifty	20084	19100	21500	27342	29881	19300-21500	Sell between 21051-21251 zone. Targets at 18671/17911/14471. Stop 23411.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
AUROPHARMA	346	301	387	478	526	Negative	Sell between 361-365 zone. Targets 301/277. Stop 389.
EICHER	15046	14853	16200	17390	19272	Negative	Sell between 15251-15501 zone. Targets 14853/12691. Stop 17151.
INFOSYS	545	509	589	710	749	Positive	Buy at CMP. Targets 589/625. Stop 499.

### All About Option Trades:

**Option Trade:** BUY NIFTY 26th MARCH CE Strike Price 8500 at CMP 300.55. Profit: Unlimited. Maximum Loss: Rs. 22,541.25/-. Stop: Exit Call Option if Nifty moves below 8100. (Nifty March Futures CMP 8205.90)

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	18156	17151	19737	21317	21505	Negative	Sell at CMP. Targets 17151/15001. Stop 19921.
RELIANCE INDUSTRIES	917.70	887	971	1255	1367	Negative	Sell between 935-951 zone. Targets 887/851. Stop 985.
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## Mehta Group

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