

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	BoJ Core CPI (YoY), Leading Index
Germany:	German Composite PMI (Mar), German Manufacturing PMI (Mar), German Services PMI (Mar)
Great Britain:	Composite PMI, Manufacturing PMI, Services PMI
USA:	Manufacturing PMI (Mar), Services PMI (Mar), New Home Sales (MoM) (Feb), New Home Sales (Feb)

Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 24th March 2020.

The big question: How many more days of self-isolation before this bear market begins to recover??

Honestly speaking, it's still not the right time to step up to the plate and start buying. We strongly recommend to hold on to your horses because;

- Traders still struggling to find a floor to the selling in response to the mounting coronavirus crisis.
- The speed of the current economic disruption is breathtaking. Self-quarantining and business shutdown amidst Covid-19 virus has infected virtually all leading stocks at Dalal Street. There is apprehension that the scenario could deteriorate further — and if it does then the global economy could probably move from a recession and into a depression!!! Please note that the Great Depression lasted from 1929 to 1938.
- Wall Street wipes out gains since Trump inauguration. Also note that the 24.5% drop so far in March for the Dow Jones index would rank as its second-worst in history after the 30.7% monthly skid in September of 1931.
- USD/INR at its all-time high at 76.48.
- FIIs were net sellers in yesterday's trade to the tune of Rs. 2989.29 Cr. In this March month, FIIs have withdrawn Rs. 54,232.39 crores from Indian equity markets.
- SEBI's action making short selling tough did not help to calm down markets nerve.
- WTI Crude Oil prices tumbling to \$ 22 per barrel is also not helping the sentiments.
- Lots of technical damage with bearish 'Death-Cross' on the daily charts of Nifty. The technical landscape continues to be bearish with sharp declines visible on all time-frames. Technically, Nifty's biggest support now seen at 6,101. We suspect, this market is still not a buyer's paradise. Please note, confirmation of strength only above Nifty 8,386 mark. Intraday hurdles seen at 8001.

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. 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.

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

Option data for 26th March suggests:

- Nifty's Max Call OI: 8000, 8100.
- Nifty's Max Put OI: 8100, 7500.

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

Coronavirus latest:

At the time of writing, there continues to be acceleration of the global death toll as the number of Covid-19 cases has passed 3.53444 lakhs globally with more than 15,407 deaths. The total number of confirmed coronavirus cases in India jumped to 433 with Maharashtra topping the list with 97 cases.

SGX Nifty: (-7, 7551)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	7610	7271	8000	10375	11553	7211-8011	Sell between 8051-8331 zone. Targets at 7251/7000/6101. Stop 8575.
Bank Nifty	16917	15001	18201	26192	29753	15001-18200	Sell between 18001-18501 zone. Targets at 15001/14471. Stop 21411.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
AUROPHARMA	295	277	333	457	522	Negative	Sell between 311-315 zone. Targets 277/241. Stop 353.
HAVELLS	499	484	541	601	671	Negative	Sell between 513-520 zone. Targets 484/451. Stop 551.
SBIN	182	169	197	264	310	Negative	Sell between 187-189 zone. Targets 169/145. Stop 209.

All About Option Trades:

Option Trade: BUY NIFTY 26th MARCH PE Strike Price 7200 at CMP 225.90. Profit: Unlimited. Maximum Loss: Rs. 16,942.50/-. Stop: Exit Put Option if Nifty moves above 7765. (Nifty March Futures CMP 7581.55)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	16714.55	13900	19060	20796	21483	Negative	Sell at CMP. Targets 13900/11251. Stop 19060.
EICHER	14351	12691	16001	16998	19219	Negative	Sell at CMP. Targets 12691/11001. Stop 16001.
-	-	-	-	-	-	-	-

Mehta Group

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