

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Great Britain:	Core CPI (YoY) (Feb), Core CPI MoM (MoM) (Feb), Core PPI Output (YoY) (Feb), Core PPI Output (MoM) (Feb) Core RPI (MoM) (Feb), Core RPI (YoY) (Feb), CPI (MoM) (Feb), CPI (YoY) (Feb), CPI, n.s.a (Feb), PPI Input (YoY) (Feb), PPI Input (MoM) (Feb), PPI Output (YoY) (Feb), PPI Output (MoM) (Feb), RPI (YoY) (Feb), RPI (MoM) (Feb)
Europe:	German Business Expectations (Mar), German Current Assessment (Mar), German Ifo Business Climate Index (Mar)
USA:	Core Durable Goods Orders (MoM) (Feb), Durable Goods Orders (MoM) (Feb), Durables Excluding Defense (MoM) (Feb), Goods Orders Non Defense Ex Air (MoM) (Feb), House Price Index (MoM) (Jan), House Price Index (YoY) (Jan), House Price Index (Jan), Crude Oil Imports.
Japan:	Corporate Services Price Index (CSPI) (YoY), Foreign Bonds Buying, Foreign Investments in Japanese Stocks
Singapore:	GDP (YoY) (Q1), GDP (QoQ) (Q1)

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 25th March 2020.

Honestly speaking, the fear of being infected by COVID-19 has never been more real than it is now. Well, a month ago, the virus was barely on the minds of most Indians. The theme this morning revolves only around coronavirus crisis.

India — the world's second most populous country announces a nationwide lockdown amidst coronavirus crisis.

Prime Minister Narendra Modi has announced that the restrictions will be enforced for 21 days. Mr Modi said in a televised address that, "there will be a total ban on venturing out of your homes,"

The new measures follow a sharp increase in cases in recent days. There have been 519 confirmed cases in India and 10 reported deaths.

Amidst this backdrop, the gyan mantra for traders and investors is to 'Stay light' on leveraged positions as a full-blown crisis might be closer than you think.

It's still not the right time to step up to the plate and start buying. We strongly recommend holding on to your horses as 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!!!

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.

Now, here are the things which traders need to know before markets open for trade this Wednesday morning.

- Overnight, Wall Street was seen flying high on hopes of stimulus bills. The street was seen fishing for bargains.
- USD/INR near its all-time high at 76.10.
- FII's were net sellers in yesterday's trade to the tune of Rs. 2153.35 Cr. In this March month, FII's have withdrawn Rs. 56,385.74 crores from Indian equity markets.
- SEBI's action making short selling tough not seen helping to improve sentiments.
- Crude Oil prices continue to hover near \$ 22 per barrel and is also not helping improve the sentiments at Dalal Street.
- 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. Intraday support on Nifty at 7511 mark. We suspect, this market is still not a buyer's paradise. Please note, confirmation of strength only above Nifty 8,386 mark.**

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.**

Option data for 26th March suggests:

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

SGX Nifty: (-141, 7719)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	7801	7271	8100	10171	11531	7211-8011	Sell between 8051-8331 zone. Targets at 7511/7000/6101. Stop 8575.
Bank Nifty	17107	15001	18201	25533.11	29680	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	326	277	351	444	521	Negative	Sell at CMP. Targets 277/241. Stop 373.
HAVELLS	490	484	541	595	669	Negative	Sell between 513-520 zone. Targets 484/451. Stop 543.
SBIN	183.20	169	197	258	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 7400 at CMP 195.75. Profit: Unlimited. Maximum Loss: Rs. 14,681.25/-. Stop: Exit Put Option if Nifty moves above 8000. (Nifty March Futures CMP 7849.90)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	16891.90	13900	18060	20502	21462	Negative	Sell at CMP. Targets 13900/11251. Stop 18060.
EICHER	14208.50	12691	16001	16777	19191	Negative	Sell at CMP. Targets 12691/11001. Stop 16001.
-	-	-	-	-	-	-	-

Mehta Group

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