

# MEHTA'S MORNING BELL



Here is what You may be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Singapore: Motorbike Sales YoY JAN, Motorbike Sales YoY FEB, Car Sales YoY FEB  
Japan: Unemployment Rate FEB, Jobs/applications ratio FEB, Retail Sales YoY FEB  
Industrial Production MoM, Retail Sales MoM FEB, Industrial Production YoY Prel FEB

## Good Morning & Welcome to Monday's trading action at Dalal Street dated 30th March 2020.

Dalal Street likely to witness negative start when trading resumes this Monday — that's primarily on backdrop of a negative close at Wall Street in Friday's trade amidst escalation of coronavirus cases.

Caution should continue to be the buzzword at Dalal Street as fear transmissions of COVID-19 looms.

Global coronavirus pandemic kills more than 30,000. The U.S has most confirmed cases surpassing China & Italy. Italy, which recorded its first coronavirus death in February, has to date declared 10,023 fatalities, with 92,472 infections. Like Italy, Spain has more fatalities than China with 6,528, as well as 78,747 infections. At the time of writing, the total number of confirmed coronavirus cases in India jumped to 987 with Maharashtra topping the list with 156 now.

In uncertain times like this, always remember, cash is a position.

All anxious eyes are now on how soon the pandemic can be stopped. So much really depends on the containment efforts of the coronavirus. The 21-day lockdown is expected to cost the Indian economy around ₹9 lakh crore.

Indian government's complete lock down was a well-thought move and remains the only ray of hope for all investors. Prime Minister Modi last week had announced a 21-day lock down to break the chain of COVID-19.

The street will now look for follow-up financial bazookas after the Finance Minister Nirmala Sitharaman announced a ₹1.7 lakh crore Gareeb Kalyan Yojana to help the poor tide over the coronavirus lockdown. To sooth sentiments the Reserve Bank of India (RBI) too had announced Rs 3.7 lakh crore liquidity stimulus package.

The economic fallout of the coronavirus is likely to be taxing. That brings us to our call of the day which suggests Nifty is not going back to January 2020 levels. Instead, after a dead cat bounce a crash will eventually gather momentum.

Honestly speaking, the fear of being infected by COVID-19 has never been more real than it is now. The theme revolves only around coronavirus pandemic and its effects on India's economic pandemics.

The street fears that the spike in Coronavirus cases will threaten the economic activity and shall lead to prolonged slowdown in India. The street suspects that India's April-June GDP may fall to negative 5% year-on-year or even more. 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!!! Suspecting the precarious backdrop, the FIIs have pulled out more than Rs 58,408 cr so far in March in the cash segment of Indian equity markets.

Self-quarantining and business shutdown amidst Covid-19 virus has infected virtually all leading stocks at Dalal Street. Amidst this backdrop, 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.

Most importantly, we suspect that the U.S-China relationship will deteriorate from here on...

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.

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

- The U.S 10-year Treasury yield fell below 0.8% as investors remain on edge about the coronavirus.
- In Friday's trade, the FIIs were net sellers in net buyers to the tune of Rs. 355.78 Cr. DIIs too were net buyers to the tune of Rs. 1703.72 Cr.
- Technically, Nifty's biggest support now seen at 8,027. Intraday support on Nifty at 8401 mark. Please note, confirmation of strength only above Nifty 9,389 mark on closing basis.

## Option data for 26th March suggests:

- Nifty's Max Call OI: 9000, 8000.
- Nifty's Max Put OI: 8000, 9000.

## Outlook for Monday: Negative start.

# SGX Nifty: (-157, 8470)

## All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8660	8401	9038	9710	11481	8275-8771	Sell between 8751-8801 zone. Targets at 8511/8011/7511. Stop 9389.
Bank Nifty	19969	17001	21001	23594	29532	18001-21001	Sell between 20001-20501 zone. Targets at 18001/16116. Stop 22599.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BANKBARODA	54.35	47	61	65	97	Negative	Sell at CMP. Targets 47/41. Stop 61.45.
HAVELLS	511	484	541	574	665	Negative	Sell between 521-525 zone. Targets 484/445. Stop 543.
SBIN	196	169	207.5	239	307	Negative	Sell at CMP. Targets 169/145. Stop 209.

## All About Option Trades:

**Option Trade:** BUY NIFTY 01st APRIL PE Strike Price 8300 at CMP 259.95. Profit: Unlimited. Maximum Loss: Rs. 19,496.25/--. Stop: Exit Put Option if Nifty moves below 8800. (Nifty April Futures CMP 8672)

## All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
EICHER	14319	12691	17711	18301	19108	Negative	Sell at CMP. Targets 12691/11501. Stop 17711.
PAGE INDUSTRIES	17349	15001	20501	22318	21420	Negative	Sell at CMP. Targets 15001/13700. Stop 20501.
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## Mehta Group

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