

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	Housing starts (YoY) (Feb), Manufacturing PMI (Mar)
Great Britain:	Business Investment (QoQ) (Q4), Business Investment (YoY) (Q4), Current Account (Q4), GDP (YoY) (Q4), GDP (QoQ) (Q4),
Eur:	German Import Price Index (MoM) (Feb), German Import Price Index (YoY) (Feb), German Unemployment Change (Mar), German Unemployment Rate (Mar), German Unemployment (Mar), German Unemployment n.s.a. (Mar), Core CPI (MoM) Core CPI (YoY), CPI (YoY) (Mar), CPI (MoM)
Hong Kong:	M3 Money Supply (Feb), Retail Sales (YoY) (Feb)
India:	Infrastructure Output (YoY) (Feb), Infrastructure Output (YoY) (Feb)

Good Morning & Welcome to last trading day of Financial Year 2019-20 at Dalal Street dated 31st March 2020.

Dalal Street could start the day above the dotted lines and the icing on the cake could be:

- Crude-oil prices flirting with 18 year lows; now at \$20 a barrel.
- Recovery could be theme amidst Q4 Window Dressing.

Amidst this backdrop, many fundamentally sound stocks that have been beaten down in the recent coronavirus related fall — make them attractive to bargain hunting by bullish market players.

But our call of the day suggests that despite the positive backdrop, we expect our stock markets to remain turbulent — perhaps until the outbreak begins to wane. President Donald Trump has said social distancing measures would continue through the end of April and set June as his target for returning to normal.

Please note, once the coronavirus pandemic is brought in total-control — comes the damage assessment — especially the damage to corporate profits... the ultimate driver of stock prices.

Until this uncertainty, the gyan mantra is 'stay absolutely light'.

Also please note, lower oil prices spell trouble for stocks like ONGC & Reliance Industries. These companies are seen lagging far behind the rest of the market. The price of oil has plunged again amidst a "perfect storm" of near record production rates and a coronavirus-led collapse in world demand. Blame the fall in oil prices in part due to a price war that broke out early this month between Saudi Arabia and Russia.

We reiterate, Nifty is not going back to January 2020 levels in a hurry. Instead, any strength should be used as an opportunity to offload long positions as we suspect a crash will eventually gather momentum in the medium term. Expects, the bears camp to gird for discouraging results in the next few weeks as earnings reporting season begins.

In uncertain times like this, always remember, cash is a position. 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. Most importantly, we suspect that the U.S-China relationship will deteriorate from here on...

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

The street will now look for follow-up to the 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.

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

- Wall Street in Monday's trade rose as Wall Street weighed President Donald Trump's extension of social distancing guidelines for the country until April 30 against massive stimulus measures meant to revive an economy stalled by the coronavirus outbreak.
- The U.S 10-year Treasury yield fell below 0.8% as investors remain on edge about the coronavirus.
- In Monday's trade, the FIIs were net sellers to the tune of Rs. 4363.61 Cr. The FIIs have pulled out more than Rs 62,772 cr so far in March in the cash segment of Indian equity markets.
- Technically, Nifty's biggest support now seen at 7,511. Intraday support on Nifty at 8,077 mark. Please note, confirmation of strength only above Nifty 9,039 mark on closing basis. Intraday hurdles at 8,577 mark.

Option data for 26th March suggests:

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

Coronavirus Update:

- More than 100,000 coronavirus cases reported in Italy.
- More than 22,000 people have tested positive for coronavirus in the UK.
- The growth in coronavirus cases in hard-hit Spain appears to be slowing.
- Confirmed coronavirus cases in India go past 1,250, death toll at 32. Kerala now has 202 positive cases with one death.

Outlook for Tuesday: All eyes will be on the pandemic surge!

SGX Nifty: (+134, 8410)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	8281	8077	8577	9550	11462	8275-8771	Sell between 8371-8401 zone. Targets at 8077/7511. Stop 8989.
Bank Nifty	18872	17001	20001	23412	29442	17801-20001	Sell between 19601-20001 zone. Targets at 18001/16116. Stop 22199

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBILANT FOODS	1369	1241	1443	1488	1472	Positive	Buy at CMP. Targets 1443/1541. Stop 1237.
BANKBARODA	52.45	47	61	64	96	Negative	Sell at CMP. Targets 47/41. Stop 61.45.
SBIN	186.90	169	197	232	306	Negative	Sell at CMP. Targets 169/145. Stop 203.

All About Option Trades:

Option Trade: BUY NIFTY 01st APRIL PE Strike Price 8300 at CMP 264.65. Profit: Unlimited. Maximum Loss: Rs. 19,848.75/-. Stop: Exit Put Option if Nifty moves above 8500. (Nifty April Futures CMP 8290.15)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
EICHER	13333	12691	17711	16169	19074	Negative	Sell at CMP. Targets 12691/11501. Stop 17711.
PAGE INDUSTRIES	16834.90	15001	20501	19480	21403	Negative	Sell at CMP. Targets 15001/13700. Stop 20501.
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Mehta Group

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