

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## Good Morning & Welcome to Wednesday's trading action at Dalal Street, dated 4th December 2019.

Judging by early action at SGX Nifty, it appears that Dalal Street will plummet again in today's trade.

The negativity is on backdrop of U.S-China trade trouble.

Well, President Donald Trump in his latest statement, tells reporters that a U.S.-China trade agreement may have to wait until after next year's presidential elections.

Trump's statements bring us to our **call of the day** which says '**Coup de grace**'. Honestly speaking, Trump's latest statements are knock-out blow to the U.S-China trade deal.

Downdraft or red is again likely to be the preferred theme in today's trade. Digging deeper, the devil is also draped in the following negative catalysts:

1. President Donald Trump's decision that he was bringing back tariffs on Brazilian and Argentina steel.
2. Negative global cues.
3. Investors may also seek to reduce risk after last three days data indicate that FII's sold shares worth Rs. 4755 crores. In yesterday's trade FIIs had sold worth Rs. 1131 Cr.
4. Collapsing GDP data to 4.5% in the September quarter from 5% in the June quarter.
5. Weak November Auto sales data.

Technically, Nifty's make-or-break intraday supports are seen at 11927 mark and then all anxious eyes on the medium term support at 11801 mark.

**Bottom-line:** A U.S trade deal with China is the need of the hour as the deal needs to be signed before the Dec. 15 deadline. Please note, as long as the U.S-China trade deal is on the front pages, expect volatility, volatility and volatility.

Our **chart of the day** suggests establishing short positions in stocks like VEDANTA, SUN TV & EICHER MOTORS with interweek perspective.

Meanwhile, commanding attention would be:

1. RBI's three-day Monetary Policy Committee meeting that began yesterday and the interest rate decision will be announced on December 5.  
The street largely expects the Reserve Bank of India (RBI) to cut the repo rate by another 25 bps and continue with its accommodative stance. That's on backdrop of RBI already slashing interest rates by 135 basis points this year to the lowest since 2009, with more easing to come.
2. Oil producing group OPEC and its allies will meet on December 5 to decide on the crude production levels. Lower crude oil prices are positive for importing countries such as India.

**Outlook for Wednesday: Red is the preferred theme for the day.**

## SGX Nifty:(-52, 11999)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11994	11927	12132	11975	11448	11901-12035	Sell between 12037-12057 zone. Targets at 11927/11801-11821 zone. Stop 12179.
Bank Nifty	31613	30851	32351	31220	29387	30875-31851	Sell at CMP. Targets at 31471/31055/30501. Stop 32337.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
ESCORTS	623	607	637	653	616	Negative	Sell at CMP. Targets 607/585. Stop 647.
SUNTV	464.60	449	481	494	519	Negative	Sell at CMP. Targets 449/429. Stop 483.
VEDL	139.70	131	145	147	159	Negative	Sell at CMP. Targets 131/122. Stop 146.

### All About Option Trades:

**Option Trade:** BUY NIFTY 12th DECEMBER PE Strike Price 12000 at CMP 78. Profit: Unlimited. Maximum Loss: Rs. 5,850/-. Stop: Exit Put Option if Nifty moves above 12175. (Nifty December Futures CMP 12046.45)

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

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
KOTAK BANK	1647	1591	1701	1605	1460	Positive	Buy between 1623-1625 zone. Targets 1701/1801. Stop 1583.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

## Mehta Group

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