

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

Singapore: Retail Sales (YoY) (Mar), Retail Sales (MoM) (Mar)  
Euro: PPI (MoM) (Mar), PPI (YoY) (Mar), EU Economic Forecasts  
USA: Exports, Imports, Trade Balance (Mar)

## Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 5th May 2020.

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

Well, the negativity is quite obvious amidst two key negative catalyst surrounding Dalal Street:

1. Renewed friction between Washington & Beijing over the origin of the coronavirus is seen as the next black swan event.
2. In yesterday's trade, both the FIIS & DIIs camp were net sellers in the Indian Equity markets to the tune of 1373.98 Cr & 1661.61 Cr respectively.

That brings us to our **call of the day** which suggests that investors' confidence has got shaken out again with a deeper shade of darkness to equity markets and we suspect, this perma-bull camp are likely to sulk on the sidelines.

Amidst this backdrop, the outlook going forward remains murky to dim and aggressive downside targets on Nifty seen at 7511 with intermonth perspective. For the day, Nifty's biggest support seen at 8989. Selling on strength should be the preferred strategy for the day.

Fueling negativity are subdued quarterly results, zero sales from auto OEMs, contraction in manufacturing activity and most importantly — an extension of lockdown to May 17th. Yes, investors are seen grappling with worries that a return to normal economic activity may take longer than expected.

## Sell in May and go away?

A zig zag move lower quite likely this this summer with a retest to Nifty 7500 and then probably zig zag higher after U.S Nov elections.

Now, here are key things to know before today's market open:

- President Donald Trump administration is now looking to punish Beijing for its handling of the coronavirus outbreak. Trump said that import levies would be the "ultimate punishment" for China. Meanwhile, China pushes back against US claims that coronavirus originated from Wuhan lab.
- Silver Lake takes \$750m stake in Mukesh Ambani's Reliance Jio. Investment comes on heels of Facebook deal and values Indian telecoms operator at USD 65bn.
- Q4 earnings to trickle in: Tuesday: ADANI PORTS, VARUN BEVERAGES, TATA COFFEE, PERSISTENT SYSTEMS, SBI LIFE INSURANCE, ASTER LIFE SCIENCES.

**Bottom-line:** Stay light amidst brewing conflict between China and the U.S. over Beijing's handling of the coronavirus outbreak.

## Outlook for Tuesday: Pessimism will prevail.

## SGX Nifty: (-36, 9232)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	9294	9221	9629	9015	11187	9171-9489	Sell between 9375-9401 zone. Targets at 9221/8989. Stop 9751.
Bank Nifty	19744	18800	20701	19645	28316	18900-20701	Sell at CMP. Targets at 19011/18311/16116. Stop 22501.

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

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBILANTS FOODS	1548	1457	1593	1470	1493	Negative	Sell at CMP. Targets 1457/1335. Stop 1593
INDIGO	928	865	989	982	1411	Negative	Sell between 951-959. Targets 865/771. Stop 1000.
TITAN	892	839	941	941	1143	Negative	Sell between 911-919 zone. Targets 839/731. Stop 987.

### All About Option Trades:

**Option Trade:** BUY NIFTY 14th MAY PE Strike Price 9300 at CMP 168.45. Profit: Unlimited. Maximum Loss: Rs. 12,633.75/-. Stop: Exit Put Option if Nifty moves above 9401. (Nifty May Futures CMP 9285.90)

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

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
PAGE INDUSTRIES	17359	15001	18951	17267	21082	Negative	Sell at CMP. Targets 15001/13001. Stop 19001.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

## Mehta Group

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102