

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

Good Morning & Welcome to special trading session on Budget day, dated 1st February 2020.

Before we start, first things first: Well, there is a bearish mood on Dalal Street right now and the going seems to be getting worse amidst resurgent fears over the coronavirus.

So expect Dalal Street to start the day on a negative note, but for the day commanding attention would be the full-fledged Budget session. Please note that trading timings would be as usual starting from 9.15 am to 3.30 pm and the pre-open trade would be held during 9 am to 9.15 am.

The Union Budget 2020 is Prime Minister Narendra Modi's second opportunity in seven months to refresh policy priorities to support an economy which is on a downward spiral.

So, all anxious eyes will be on the most powerful and the most important minister in Narendra Modi's team — Nirmala Sitharaman — India's first full-time woman Finance Minister.

Now, here are the key things to watch for in the budget to be presented by Finance Minister Nirmala Sitharama in India's Parliament at 11 a.m. IST:

- Budget 2020 is likely to set out a clear road map for achieving the ambitious target of \$5 trillion economy by 2025.
- **Fiscal deficit:** To kick start the investment cycle and boost growth, the government may not be able to contain the fiscal deficit in the target range of 3.3%. The street suspects that the fiscal deficit targets could slip towards 3.8%.
- **Tax Measures:** The street is pinning hopes on some kind of relaxation in personal income tax and abolish the Long-Term Capital Gains (LTCG) and the Dividend Distribution Tax (DDT). Dalal Street is also expecting relief on Securities Transaction Tax (STT) to reduce the cost of financial transactions.
- On the horizon could be the Capital infusion in public sector banks and liquidity measures for Non-Banking Finance Companies (NBFC).
- Budget should reaffirm the focus on infrastructure spending after the rollout of an ambitious National Infra Pipeline (NIP) in December.
- **Sops for Real estate sector:** The government is likely to focus on affordable housing and also make certain measures to make the real estate sector financially more lucrative for home buyers. Currently, the tax laws offer a rebate of up to ₹2 lakh for bank home loans. An upward revision of the limit, coupled with tax incentives for personal income will help boost demand, and make investments into real estate more lucrative.

Final Thoughts: The countdown begins and this time investors would love to have the results. The bulls' camp will look for triggers that can telegraph optimism and help lift Nifty to move towards its all-time high at 12431 mark.

Well, this 12431 on Nifty could be a reality if (Securities transaction tax) STT is removed. Well, if the government abolishes STT then Nifty could just keep on moving one way up!

Hopefully, 'acche din aa gaye'.

SGX Nifty: (-85, 11903)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11962	11929	12051	12178	11655	11901-12131	Buy only above 12051. Targets at 12177/12287-12349. Stop 11921.
Bank Nifty	30834	30000	31411	31368	30090	29651-31667	Buy between 30311-30501 zone. Targets at 31251/31901. Stop 30011.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
DIVISLABS	1952	1927	2001	1888	1695	Positive	Buy between 1927-1935 zone. Targets 2000/2050. Stop 1891.
UJJIVAN	385.70	371	392	347	313	Positive	Buy between 381-383 zone. Targets 392/402. Stop 371.
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All About Option Trades:

Option Trade: BUY NIFTY 06th FEBRUARY PE Strike Price 11800 at CMP 72.85. Profit: Unlimited. Maximum Loss: Rs. 5,463.75/-. Stop: Exit Put Option if Nifty moves above 12201 (Nifty February Futures CMP 11994.30)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
L&T	1369.30	1305	1421	1329	1397	Positive	Buy at CMP. Targets 1421/1590. Stop 1287.
GRSE	212.45	171	250	208	158	Positive	Buy at CMP. Targets 250/275. Stop 168.
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Mehta Group

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