

Nifty Futures (Front month series):(2921.7)

Our markets outperformed Asian and European peers being perhaps the only markets to close in the green on Friday. Asia and Europe closed deep in the red losing about 1.82 percent to 5.48% on concerns of the uncertainty about the Auto bailout plan in US which faced strong objections in the Senate. US market opened the day with losses but comments from the Treasury and White House that they were unwilling to let the automakers go bankrupt calmed the investors and the markets gradually moved up and finally closed in the green. Fed is mulling further rate cut which will take it to the lowest levels ever. Nifty futures had earlier opened weak with a downside gap and after some narrow range trading spiked down to 2801 after the release of negative IIP data around noon. Bulls stepped in to give buying support around 2800 preventing the bears from making a dent in the that region and markets rebounded from that level. Buying gradually gained momentum and it closed the day with a marginal loss of 6.7 points. The closing was near the high of the day. Nifty spot and BSE Sensex however closed in the positive on a day when other European and Asian markets closed in the negative. The sectors closed mixed with Metals Oil& Gas, Realty, Banks and Capital goods closing in the positive but, IT FMCG and Health care closed with losses. As per the provisional data, FII were sellers and DII were buyers on the bourses. Technically nifty future has moved up to the resistance infested zone between 2950-3000 with 2950-2960 being the tough zone to cross and as suggested, the upswing may take a breather in this region and move in for some consolidation between 2800 - 2960 before the next big move. Though the weekly close signals strength but 2960 is a resistance even in this time frame and it must sustain decisively above this for fresh momentum which will then take it to 3000, 3025, 3080 and possibly 3100. Its immediate support for now is around 2900 and below that at 2860. A decisive breach of 2840 will be a cause of concern for the bulls at this juncture and a breach of 2790-2800 should be worrisome as that will wrest the control of market back with the bears. The bullish pattern of higher highs and higher low is intact as of now but will be negated if it closes below 2690. Markets are likely to open in the positive on strong Asian cues and may then chart their own course as the day progresses. Range bound movement with sharp swings and high volatility may be expected so make the best of it.

Resistance: 2950-2960, 3000, 3025, 3100

Support: 2900-2890, 2860, 2840, 2800-2790, 2740, 2690-2700

BHEL (1362.5): Long position may be taken in this counter with a stop if prices move decisively below 1300 for a target of 1398-1400, 1428. Fresh bullishness may be expected above 1440 and it may then move up to 1470, 1500.

Resistance: 1375, 1398-1400, 1428-1440, 1470, 1500, 1525

Support: 1345, 1330, 1315, 1300-1290, 1265

Axis Bank (468.8): This counter is exhibiting fair degree of intraday volatility. Long position may be taken in this counter on dips with a stop below decisive breach of 450 for a target of 480, 490, 495 and 500.

Resistance: 1200, 1220, 1235, 1240, 1265, 1290, 1300

Support: 1196, 1175, 1155, 1120, 1105, 1095

Note: All prices relate to NSE spot prices unless otherwise stated. Stop loss is a risk control mechanism and should always be there since it is a level which breached signals that the call has gone wrong and steps must be taken to put a stop to further loss. It also quantifies the risk.

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