

Nifty Futures (Front month series):(4548.85)

Fed cut interest rates by 75 basis points which though less than the expected 100 basis point was more than 50 basis point feared and stronger than expected earning from the two big investment banks, Goldman Sachs and Lehman brothers sparked 420.42 points rally in Dow which had opened in the green in anticipation of rate cut and the other indices too soared. Europe had closed earlier with 2 – 4% gains. Nifty future had opened the last trading session on a weak note. It tested the 4480 region at the onset and rebounded from the low to test a high of 4635 post noon after Europe opened strong and reports of top corporates paying higher advance tax on 15th March raised expectation of good fourth quarter results. Profit taking spooked by statements on investigation by SEBI for insider trading in Reliance Petroleum shares in the last hour pushed it down to 4526 levels and it closed the day with a gain of mere 49.8 points in a highly volatile trading session. Technically, Nifty futures has taken support at 4480 levels for two consecutive days and fresh weakness will be signaled only if this level is decisively breached. Its immediate support is around 4500 and below that a breach of 4480 – 4463 region is likely to take it down to the 4420 level. This 4420 - 4380 zone is infested with many supports and likely to hold on declines. Consolidation may happen for some time here if nifty slides to this region. On the higher side 4550 is its immediate resistance and above that, 4600. It must sustain decisively above 4700 to signal strength and above 4935 on closing basis to signal fresh bullish momentum. Till it closes decisively above 5070, any rally will be considered a pull back. The international cues are positive this morning as Asia is rallying in response to the aggressive steps taken by Fed and markets are likely to open on a strong note and then chart their own course as the day progresses. Volatility may remain high so caution is advised.

Resistance: 4550, 4600, 4645, 4700, 4760, 4800, 4935

Support: 4500, 4480, 4463, 4420, 4380, 4260 - 4240, 4050

ABB (1069.7): Long positions may be taken in this counter on dips with a stop below a decisive breach of 1030 for a target of 1100 and 1145 above that.

Resistance: 1085, 1100, 1024, 1135, 1145, 1170

Support: 1030, 1000, 980

ICICI Bank (768.2): Long positions may be taken in this counter on dips with a stop below a decisive breach of 737 for a target of 800 and 830 above that.

Resistance: 780, 792, 800, 815, 830

Support: 765, 750, 737, 720

Unitech (277.85): This counter has taken support around 256 for two consecutive days and long positions may be taken on dips with a stop below a decisive breach of 256 for a target of 290 and 298 above that. It is likely to gain fresh momentum above 300.

Resistance: 285, 290, 298, 300, 320

Support: 264, 256, 242

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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