

Nifty Futures (Front month series):(5090.15)

High volatility was exhibited by Nifty Futures on the last trading day and it broke the critical support at 5040 as it moved down to 5003.6 but rebounded from that region, not breaking the 5000 region and closed the day with a loss of 9.85 points near the 200 ema posited in this region. Most of the sectors closed in the negative though FMCG, IT and healthcare were notable exceptions. Today is another important day as the mega IPO, Reliance power is being listed and that could result in high volatility. Chances are that it will be listed in the 600 region and face selling pressure soon after which could result in deterioration of the overall sentiments. Technically, 5090 is an immediate support region for nifty futures and a decisive breach of this level will spell more trouble for the already battered bulls and may lead to a retest of the 4900 levels too if 5000 is also breached. Below 4900 it may move down to 4650 with some support at 4800. Its strong resistance is around 5345 and above that at 5395 though it will have to negotiate immediately with the 5200 level and once that is decisively crossed the bulls may be out of immediate danger. The 5000 – 5040 range is a critical support level for today which if it gives support could result in a rebound but if breached decisively could lead to fresh sell offs so caution and agility is advised around this region. Markets are likely to open subdued on weak global cues and then chart their own course subsequently amidst high volatility.

Resistance: 5130, 5200, 5240, 5280, 5340, 5395, 5415, 5500

Support: 5090, 5040 – 5000, 4910, 4880, 4800, 4650, 4500, 4420

ACC (779.95): Long positions may be taken in this counter on dips if it takes support in the 770 region with a stop below a decisive breach of 749 for a target of 800 and 814 above that.

Resistance: 786, 800, 814, 840

Support: 770, 750, 725, 700

BEL (1396.4): Short position may be taken in this counter on rises if it is unable to move above 1440 with a stop above a decisive breach of 1480 for an initial target of 1350 and 1305 below that. Fresh downswing will be signaled below 1300.

Resistance: 1400, 1440, 1450, 1480, 1500, 1525

Support: 1375, 1350, 1300, 1280

ROLTA (293.15): Long position may be taken in this counter on dips preferably in the 270 if it continues to give support with a stop below a decisive breach of 255 for an initial target of 297 and 308 above that. It will gain fresh momentum if it can sustain decisively above 316.

Resistance: 297, 300, 308, 316, 336

Support: 270, 255, 242, 225

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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