

Nifty Futures (Front month series):(3926.5)

The trading range of Nifty futures has become 4080 -3810 for now. Markets opened the day gap down and tested the 3842 low at the onset. That became the major support for the day since that level was not breached on intraday declines. Left has taken a decision to withdraw its support to the government. The markets turned choppy after this announcement but slowly recovered to close the day off the low though with a loss of 54 points since the uncertainty of past few months was over. Now there will be more action on the political front as the government will need to prove its majority. We did not perform badly on a day when most of the global markets including our Asian peers displayed weakness. Though most of the sectors have closed in the negative, they were off their days low but IT was weak. As per the provisional data, FII remained seller though DII were buyers. Technically, Nifty future is moving range bound between the 3810 support and 4080 resistance. Breakout on either side is likely to be significant since it may set the fresh trend at least for the short term. Fresh downswing will be signaled only when this 3810 is broken decisively. Its immediate support is now in the 3900 region below which it may move down to 3840, 3810. 3790 – 3810 region is the strong support region and a decisive breach of this region will give fresh momentum to the downswing and it may then slide to 3700 but this seems less likely for today. Its immediate resistance is in the 3960 region. Above that 4000, 4080 and 4120 are the major supply zones which need to be crossed decisively for fresh show of strength. Unless it can sustain decisively above 4400, any upswing may be regarded as a pull back. US markets closed in the positive after reassurance from FED Chairman Bernanke on the financial sector and declining crude prices which fell more than 9\$. Though Europe closed in the red, Asian peers are trading mainly in the green. Markets are likely to open on an optimistic note on positive global cues and may then chart their own course as the day progresses. Volatility is likely to remain so make the best of it.

Resistance: 3980, 4000, 4060, 4080, 4120, 4175, 4200

Support: 3940, 3900, 3880, 3810, 3800, 3790, 3700

AXIS Bank (608.4): Long position may be taken in this counter on dips preferably in the 600 region with a stop if prices move decisively below 590 for a target of 635 and 645, and an optimistic target of 670. Fresh downswing will be signaled if it moves below 560 since it has taken support in the 562 region on declines a number of time and is now signaling recovery

Resistance: 615, 625, 635, 645, 650, 660, 670, 700

Support: 600, 590, 582, 577, 570, 566, 562

L&T (2397.1): This counter did not break the 2245 support on the last day and has moved up strongly from last day's low of 2256. It now has a strong support in the 2350 region and long positions may be taken in the 2340 – 2350 region on dips with a stop below a decisive breach of 2290 for a target of 2450, 2550 and 2600 above that.

Resistance: 2400, 2450, 2475, 2500, 2550, 2600, 2700

Support: 2350, 2325- 2300, 2290, 2245, 2200

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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