

Nifty Futures (Front month series):(4515)

Nifty futures opened on a positive note and the open and low were same forming an opening bullish marubozu pattern which was the first signal for the strong intraday upmove to follow. Though there was a minor sell off at the initial stages, it took support around the 4359 region and after some range bound movement, moved up in a steady swing touching the 4544 before some profit taking took place in that region and it settled lower, but within the 4500 region, with a gain of 164.6 points. All the sectors closed the day with gains though Banks, Realty, IT and Capital goods were the star performers. Sharp fall in oil as the hurricane Gustav did not do much damage in the oilfields which will soon become operational pulled oil down to April lows which helped the equities to move up. As per the provisional data, FII were buyers to the tune of 1132.25 crores and DII too were buyers on the bourses. US markets closed mixed on the last day in a choppy session on economy worries. Europe closed mainly in the red. The Asian markets have opened on a bearish note this morning and are currently trading in the red. Oil has moved down below 110 dollars. Technically, Nifty future has immediate resistance in the 4550 and 4590-4600 region and if it were to move above that decisively, its next target would be around 4684 - 4700. It needs to sustain decisively above 4500 on declines on closing basis to signal stemming of the downswing and above 4550 decisively to signal strength. Below 4500, however, it will find support now around 4450 and 4400, 4385 if 4450 were to break. Markets have given a breakout above the 4270-4450 range and as long as it sustains above that band on dips, it is expected to test the 200 ema posited in the 4680 region. The short term is positive but high volatility is likely to prevail so make the best of it. Markets are likely to open on a weak note on negative global cues and then chart their own course as the day progresses.

Resistance: 4540, 4590 - 4600, 4654, 4684, 4700

Support: 4500, 4455, 4400, 4385, 4340, 4320, 4300-4295, 4270

Tata Motors (429.1): This counter has exhibited weakness on the last despite markets gaining well and closing on a buoyant note. Short positions may be taken if prices fail to move above 434 on rallies with a stop if prices move decisively above 442 for a target of 426, 420, 416, 410,

Resistance: 430, 434, 440, 442, 448, 450

Support: 426, 420, 416, 410, 407, 400

Adlabs films (508.9): Long position may be taken in this counter on dips, preferably in the 500 region with a stop below a decisive breach of 490 for a target of 514, 524 and an optimistic target of 535.

Resistance: 509, 514, 524, 535, 550, 560

Support: 500, 494, 490, 487

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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