

Nifty Futures (1 month series):(4088.6)

Nifty futures and spot were in a slight mismatch at the end of the last trading session. Nifty futures tested fresh low but S&P CNX Nifty did not breach the low posted on 12 June i.e. 4100.8. The discount of nifty futures to nifty spot increased towards the close signaling liquidation of intraday long positions and adding of new short positions. The open interest has touched record levels as prices are falling signaling short position build up in the system. Technically, nifty futures has been range bound for the past few days, with a bearish bias as it has posted lower lows but has been unable to move and sustain above the strong resistance levels. The immediate resistance for today is at 4115, and above that, at 4153. The strong supply region is between 4187 – 4198 which needs to be decisively crossed to signal strength. On the lower side, 4083 – 4074 is now a critical support zone since a breach of this will signal continuation of the downswing. Below 4074, it is likely to move down to 4020 with some support at 4053. The cements sector has given a pull back after a sustained downswing and now it seems that the auto sector is ripe for a corrective upswing. The global market cues are positive and a pull back rally seems to be very much on the cards.

Resistance: 4115, 4153, 4178, 4187, 4198, 4204, 4213

Support: 4074, 4053, 4020, 3970

Siemens (1256.65): This counter has shown strength in an otherwise weak market and has tested the strong support around 1244. Long positions may be taken on dips with a stop below 1234 for an initial target of 1284 and above that 1302 with some resistance at 1293.

Resistance: 1262, 1274, 1285, 1293, 1302

Support: 1243, 1234, 1225, 1205, 1185

IDBI (97.8): It has taken support around the 95 region for two consecutive days and long positions may be taken in dips around this region with a stop below 94 for a target of 100 and above that 106.

Resistance: 100, 106, 111

Support: 97, 95, 89

Dr. Reddy's Lab (627.7): This counter has signaled an important bottom formation after a sustained downswing. 608 is a strong support and long positions may be taken on dips as long as it sustains above this level on declines, with a stop below 604, for a pull back target of 660 with some resistance at 640.

Resistance: 628, 633, 640, 662, 679

Support: 608, 600, 570

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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