

Nifty Futures (Front month series):(4148)

Markets opened on a weak note, as was feared, and took support in the 4086 region. It moved range bound between 4095 and 4130 before breaking out of this range to close the day with a marginal gain of 10.1 points. As was expected, markets consolidated in this region after a big move on the previous day. Most of the sectors closed the day with small losses but Metals was the big positive mover. Aluminium scrips were the star performers as aluminum futures in LME surged to record highs. There was news that China's 20 largest smelters responsible for 70% of production have agreed to cut production by 10%. As per the provisional data, both FII and DII were net sellers. Technically, 4120, 4080 are now strong support levels and 4175 and 4205-4216 are the resistance zones. Above 4210 the upmove is likely to gain fresh momentum and may then move up to 4300 -4350 region. 4440 remains the major supply zone and till this level is decisively crossed, any upswing may be considered to be a pull back. Below 4080, Nifty future may slip to 4000 with some support around 4060. Today a number of data is awaited of which one of the most important are the numbers and guidance of the IT major Infosys. IIP numbers and Inflation data expected around noon may have bearing on price movement. Developments on the political arena are also likely to cause high volatility as the government garners support to prove majority on the floor after Left withdrew support on the issue of Nuclear deal. Markets are likely to open flat on mixed global cues since Europe closed in the red but US market vaulted in the green after a negative opening and our Asian peers are trading mixed. Volatility may remain high so make the best of it.

Resistance: 4175, 4205 -4216, 4255, 4300, 4345, 4400

Support: 4120, 4100, 4080, 4060, 4000, 3980, 3940, 3900

Sterlite ind (651.15): Long position may be taken in this counter on dips preferably in the 644 region with a stop if prices move decisively below 630 for a target of 662 and 675. It is likely to gain fresh bullish momentum once it moves decisively above 680.

Resistance: 655, 662, 675, 680, 700, 720

Support: 648, 640, 630, 610, 600

Axis Bank (678.45): This counter is exhibiting high volatility and buying interest at lower levels. Long positions may be taken around the 665 region if it continues to give support on dips with a stop below a decisive breach of 650 for a target of 696, 700 and 710.

Resistance: 1070, 1086, 1094, 1100, 1130

Support: 1050, 1040, 1036, 1026, 1017, 1000

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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