

Nifty Futures (Front month series):(5246.5)

Markets shrugged of the higher inflation figures and closed on a buoyant note on Friday. Banking, Capital goods, IT, Power were the performing sectors though Consumer durables, Healthcare and FMCG came in for some profits taking but Metals were weak. Nifty futures opened the day gap up on strong global cues and hit the 5267 level at the onset. Immediately profit taking set in at higher levels. It moved within a narrow band for the better part of the day but held on to the 5200 territory on declines rebounding from the 5211.5 level. Post noon there was a slow and steady recovery as it closed the day on a firm note with a gain of 57.7 points. As per the provisional figures, FII were buyers to the tune of 658.3 crores but DII turned seller at 18 crores. Technically, Nifty future has a strong resistance in the 5300 region and fresh upswing is likely once supply in this zone is absorbed. Its immediate support is in the 5215-5200 region and below that at 5190. A close below 5190 is likely to make the bulls wary of the swing and below 5160, where the 200 day moving average is located it will be a cause for concern. A decisive breach of 5100 will be bearish though this seems less probable at this juncture. Given the technical picture of the charts, a test of the 5300 level seems highly probable and above that it is likely to test the 5420 region. The international cues are positive this morning and markets are likely to open in the green and chart its own course as the day progresses

Resistance: 5285, 5300, 5360, 5380, 5400, 5420, 5480

Support: 5242, 5214, 5200, 5185, 5160, 5095, 5060, 5015

GAIL (447): Long positions may be taken in this counter on dips preferably in the 442 region with a stop below a decisive breach of 435 for an initial target of 470. It will gain fresh momentum above 480.

Resistance: 458, 462, 470, 480, 500

Support: 442, 435, 430

Wipro (502.25): Long positions may be taken in this counter on dips preferably in the 490 region with a stop below a decisive breach of 475 with an intermediate time frame for a target of 540 and 550 above that. It is likely to gain fresh momentum above 555.

Resistance: 516, 532, 540, 550, 555

Support: 490, 480, 475, 450, 435

Reliance Energy (1527.4): Long positions may be taken in this counter on dips with for an intermediate time frame with a stop below a decisive breach of 1420 for a target of 1650, 1700 and 1750 above that

Resistance: 1540, 1580, 1600, 1650, 1700, 1750

Support: 1500, 1470, 1440, 1420, 1400

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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