

Nifty Futures (Front month series):(5188.8)

As was widely expected, FED cut its discount and lending rate by 25 basis points but also indicated that this was the last of the series of rate cuts. This has strengthened the dollar which may have a positive effect on the IT sector and export oriented industries. Though it had a mild bearish effect initially as DOW closed in the negative on Wednesday but a strongly positive close on Thursday has translated into a rally in rest of Asia and markets here may also open on a sanguine note. There was a correction seen in NIFTY futures on the last day as it was unable to sustain above the 5242 resistance and closed the day with a loss of 29.65 points. Most of the sectors closed in the negative including the Bank but some buying interest was seen in the Auto sector. As per the provisional figures, FII and DII sold 151.68 and DII sold 38.58 crores. Technically, Nifty future is witnessing some selling pressure in the 5242 region and is consolidating in this region. Fresh upswing may be seen once this supply is absorbed and it may then move up to the 5300 region. Its immediate support is in the 5160 level where the 200 day simple moving average is located and below that it may test the 5100 region again. A decisive breach of 5060 at this juncture 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. The international cues are positive this morning and markets are likely to open in the green chart its own course as the day progresses

Resistance: 5207, 5214, 5242, 5300, 5380

Support: 5155, 5115, 5095, 5060, 5015, 5000, 4970, 4935

Infosys (1753.1): Long positions may be taken in this counter on dips preferably in the 1720 region with a stop below a decisive breach of 1680 for an initial target of 1830. It will gain fresh momentum above 1840 and may then move up to 1900-1930.

Resistance: 493, 500, 505, 510, 514

Support: 488, 484, 480, 474

M&M (670.2): Long positions may be taken in this counter on dips preferably in the 660 region with a stop below a decisive breach of 645 for a target of 700. It is likely to gain fresh momentum above 730.

Resistance: 675, 700, 724, 730, 740, 754

Support: 660, 645, 630

Reliance Capital (1508.65): Long positions may be taken in this counter on dips with a stop below a decisive breach of 1470 for a target of 1580, 1600 and 1615 above that

Resistance: 1540, 1580, 1600, 1615, 1645, 1670

Support: 1500, 1470, 1440, 1425

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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