

Nifty Futures (1 month series):(4246.75)

In line with our expectations, Nifty futures opened in the positive zone and moved up to the 4310 resistance but was unable to cross it and towards the close fell sharply to test the 4236 level before settling around 4246. The range seems to have now narrowed down as it is consolidating between 4236 and 4314 and a decisive breakout in any direction is likely to set the fresh trend. The underlying sentiment though is bullish as the liquidity in the system supporting the bullishness is unlikely to allow any major upset at this juncture. Though the breaching of the 4240 level, albeit intraday, is a cause of concern for the bulls it is the decisive breaking of the 4198 – 4202 that will cause major problems. On the higher side, immediate resistance is in the 4257 – 4264. 4313 and 4325 remain the levels bulls have to contend with once nifty moves into the 4300 territory. It will gain fresh momentum once this level is decisively crossed and then will be the next interim level. Caution needs to be exercised as the 4314 region is becoming a strong supply zone.

Resistance: 4257 – 4264, 4285 – 4292, 4300, 4313, 4325, 4379

Support: 4240, 4202- 4190, 4150.

RCF (42.7): This counter seems to be on a recovery path and has broken out of a band signaling bullishness. It has an immediate support at 42 and below that at 38 weak. It will turn weak if 38 is broken on a closing basis. Long positions may be taken on dips around the support at 41 with a stop if 38 is decisively breached.

Resistance: 42, 43.3, 45, 50.

Support: 41, 38, 33, 27

Tata steel (638.1): This counter has exhibited strength in an otherwise weak market and long positions may be taken on dips as long as till it holds above 630 with a stop if 620 is decisively breached for a target of 665. It will gain fresh momentum above 670. Below 622, however, weakness will be signaled in which case it may move down to 605.

Resistance: 645, 654, 665, 670

Support: 630, 622, 613, 603

VSNL (464): This counter has closed the day with gains and volumes too have picked up. Long positions may be taken on dips as long as the 460 level holds with a stop below 454 for a target of 480. A decisive breach of 454 will signal weakness and it may then probably test the 440 level again.

Resistance: 470, 475, 486, 497

Support: 460, 454, 448, 440

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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