

Nifty Futures (Front month series):(4245)

There was a knee jerk reaction to the repo rate hike and CRR hike by RBI and after the initial weak opening, which was expected, nifty slowly gained in strength and the bulls overcame a 5 day losing streak to close the day in the green with a gain of 73.05 points. FII continued their selling spree as per the provisional data though DII were net buyers. In the US, FED has left the rates unchanged and has adopted a more hawkish stance as inflation and inflationary expectations threaten to build. But overall economic activity continued to expand, though moderately, so the rates are likely to remain steady for some time. The world markets have reacted positively as US says that downside risk to growth though remaining have diminished. Closer home, nearly all the sectors have closed above their open and some like Metals, Healthcare have outperformed signaling positive breadth. Technically, 4225 and below that 4190 is now the immediate support. A breach of this level at this juncture will spell renewed trouble for the bulls since below that it may move to 4100 and 4080 region once again. 4280 and 4300 above that is the immediate resistance for nifty futures and the strong resistance is in the 4370 - 4400 region. If, 4200 region holds on, there are chances of a pull back to the 4280 -4300 region. Markets are likely to open on a positive note on strong global cues. They may then chart their own course subsequently and volatility may remain high as today is the day of expiry of June contracts so caution is advised.

Resistance: 4265, 4280, 4300, 4320, 4370, 4405

Support: 4225, 4190, 4100, 4080, 4000, 3953

Bharti Airtel (779.9): Long positions may be taken in this counter on dips with a stop if prices move decisively below 759 for a target of 800, 826 and 834 above that.

Resistance: 785, 800, 826, 834, 850

Support: 770, 760, 750, 730, 700

Reliance Capital (996.2): Long positions may be taken in this counter on dips with a stop if prices move decisively below 972 for a target of 1030 and 1050 above that.

Resistance: 1005, 1020, 1035, 1050, 1065, 1110

Support: 990, 975, 960, 956, 920

Lupin Labs (693.35): Long positions may be taken in this counter on dips with a stop if prices move decisively below 675 for a target of 725 and 740 above that.

Resistance: 700, 715, 725, 740, 750

Support: 690, 675, 660, 650

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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