

Nifty Futures (Front month series):(2716.6)

Nifty futures opened the day on a weak note and moved up initially to 2743.75 but was unable to hold on to higher levels as the supply overpowered demand and it slipped to a low of 2633.15 from where it rebounded and surged in the last hour of trade to close the day almost flat with a marginal gain of 12 points in a highly choppy trading session. There was a divergence in the pivot indexes as BSE Sensex closed in the negative. The sectors closed mixed with Oil and gas continuing to rally, Banking was weak and Capital goods and IT, flat. As per the provisional data, FII were sellers and DII were buyers on the bourses. Asia closed weak though US had closed last day with gains and Europe opened on a buoyant note. Citigroup received US rescue package to shield it from losses on the toxic assets and \$20 billion of capital to bolster its stock. With the economy in crisis, President elect Barack Obama called on the new congress to act quickly in passing a costly stimulus package to create jobs as a follow-up to the package by Bush administration to rescue the financial markets. US markets closed with gains of 4.93-6.47 percent. Europe closed with gains of 6.66-10.34 percent as banks and commodities surged. Asia has opened in the green and our Singapore brethren, Singapore nifty is trading above 2800. Technically, nifty future has come up against a resistance in the 2730 region and above that 2765-2770 is likely to be the next hurdle and this must be decisively crossed on closing basis for fresh upswing and this region will act as support once it is decisively crossed. The immediate support is now around 2700-2685 and below that 2630-2640 and 2605 are likely to hold out on dips. 2637 is the 61.8% retracement level of the last upswing from 2228 to 3298.9. The formation of the last three days suggests continuation of the upswing which may take it up to the 2880-2900 region. We may expect range bound movement and some consolidation once the sharp swings are arrested. Markets are likely to open in the positive on bullish global cues and then chart their own course as the day progresses. Volatility may remain high so make the best of it.

Resistance: 2735, 2763-2770, 2800, 2860, 2900, 2925, 2990-3000

Support: 2700, 2680, 2640, 2605, 2540.

Reliance infra (503.95): Long position may be taken in this counter on dips with a stop if prices move decisively below 474 for a target of 560, 585, 590 and an optimistic target of 600.

Resistance: 515, 545, 560, 585, 590, 600, 635

Support: 500, 480, 467, 460

Bharti Airtel (637.8): Long position may be taken in this counter on dips preferably in the 625-630 region with a stop if prices move decisively below 617 for a target of 650, 662 and 670 and an optimistic target of 700 with some resistance at 682 and 695.

Resistance: 650, 662, 670, 682, 695, 700

Support: 630-625, 617, 610, 603, 600, 590

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

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