

Nifty Futures (Front month series):(4021.25)

Markets opened on a positive note and the 4192 level touched by Nifty Future was a spike. There was initial disappointment with the inflation data announced around 11 AM but markets recovered soon after some consolidation in the 4100 -4140 region and moved to a high of 4164. The poor IIP figures announced around noon, 3.8% in May 2008 compared to 6.2% growth in April 2008 weakened bullish sentiments and once the 4100 support was breached, it tumbled to a low of 3981 before recovering to close above the 4000 level and a loss of 124.95 points. Crude moved up which spurred the downswing and the weak European markets did not help the bulls either. Most of the sectors closed weak but the worst loser was the Tech sector. The results of the Tech major Infosys and its guidance did not go well with the investors and most of the stocks in this sector saw bull unwinding. Aluminium scrips which were displaying strength earlier in the day came in for huge profit booking. As per the provisional data, FII remained sellers and DII were buyers. Technically, 3980 is now a strong support level and if that is broken, Nifty futures may decline to 3940 and 3900 level. On the higher side it faces resistance in the 4060 - 4080 region and above that again the 4120 resistance will come to play. It has partially closed the gap it left on the 9th of July, the day it opened on an optimistic note. 4175 and 4205-4216 are the major resistance zones which need to be crossed decisively for fresh bullish momentum. Asian peers are trading mainly in the green so markets are likely to open flat on mixed global cues. The main trigger for the markets besides results and crude pieces is likely to be whether the ruling government can garner enough votes to prove its majority. Volatility is likely to remain high so make the best of it.

Resistance: 4060-4080, 4120, 4205 -4216, 4255

Support: 4000, 3980, 3940, 3900, 3840, 3800 -3790

ABAN Offshore (2845.95): Long position may be taken in this counter on dips preferably in the 2800 region with a stop if prices move decisively below 2750 for a target of 2915, 2945 and an optimistic target of 2985.

Resistance: 2850, 2890, 2915, 2945, 2985, 3000

Support: 2810, 2800, 2760, 2715, 2700

Axis Bank (665.25): This counter is exhibiting high volatility and buying interest at lower levels. Long positions may be taken around the 650 region if it continues to give support on dips with a stop below a decisive breach of 640 for a target of 674 and 685. A decisive breach of 640 may take it down to 634 and it will turn bearish below 630.

Resistance: 667, 74, 687, 696, 700, 710

Support: 650, 645, 634, 625, 608, 600

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.

Disclaimer

This document has been prepared by Religare Securities Limited (Technical Research Department). This is not an offer to buy or sell or the solicitation of an offer to buy or sell any security or to participate in any particular trading strategy or as an official confirmation of any transaction. The views expressed are those of analyst. The information contained herein is from publicly available data or other sources believed to be reliable or developed through analysis. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. Religare accepts no obligation to correct or update the information or opinions in it. Religare may discontinue research coverage of a subject company or change the opinion(s) without notice. The investment discussed or views expressed may not be suitable for all investors and certain investors may not be eligible to purchase or participate in some or all of them. Religare recommends that investors independently evaluate particular investments and strategies. The user assumes the entire risk of any use made of this information. Neither Religare nor any of its affiliates, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Religare and its affiliates, officers, directors, and employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or act as advisor or lender / borrower to such company (ies) or have other potential conflict or interest with respect to any recommendation and related information and opinions. The recipient should take this into account before interpreting the document. This report is not directed or intended for distribution, publication, availability or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication availability or use would be contrary to law regulation or which would subject Religare and affiliates to any registration or licensing requirements within such jurisdiction, persons in whose possession this document comes, should inform themselves about and observes, any such restrictions. **Copyright in this document vests exclusively with Religare.** This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose, without prior written permission from Religare. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person.