

## **Nifty Futures (Front month series):(4856.55)**

Fed acting with the European central banks, Bank of Canada, and the Swiss National Bank agreed to loan investment banks money in exchange for debts and securities, including those backed by mortgage, to ease the credit crunch and help banks and other mortgage providers expecting this move to be more effective than the rate cuts. The \$200 billion promised loan boosted the ailing markets and Dow moved up 416 points in the biggest single day rally since 2003. Asian markets have also reacted positively gaining 2 – 4% and European markets too closed in the green. Nifty futures opened subdued on weak global cues on the last trading session. It opened around the strong support level of 4700 which incidentally was also the low for the day. It moved within a range for some time and then moved up sharply in the second to test a high of 4872. It closed the bearish gap left on 7<sup>th</sup> March. Though some profit taking emerged towards the closing yet it closed the day with a gain of 72.25 points. Most of the sectors were buoyant though PSU, Capital goods, FMCG, Oil & gas and Metals performed better and the star performer was the sugar sector signaling buying support at lower levels. The rally from the low levels was fuelled by short covering to some extent. Technically, Nifty futures has rebounded on the last day from the significant support level around 4700 and fresh weakness will be signaled only if this support is broken. Immediate support for Nifty is in the 4800 region. On the higher side its immediate resistance is at 4865, and 4935 above that. It must sustain decisively above 5082, where the 200 EMA is posited, to signal strength. The international cues are positive this morning and our markets are likely to open gap up in continuation with the upswing of the last two days and then chart their own course as the day progresses.

**Resistance:** 4865, 4935, 4980, 5082, 5100, 5130, 5200

**Support:** 4800, 4765, 4700, 4639, 4600

**Axis (836.15):** Long positions may be taken on dips with a stop below a decisive breach of 809 for a pull back target of 885 and 900 above that.

**Resistance:** 850, 865, 880, 890, 900, 914, 930

**Support:** 824, 800, 785

**BHEL (1996.4):** Long positions may be taken in this counter on dips with a stop below a decisive breach of 1967 for a target of 2057 and 2100 above that and an optimistic target of 2200. It is likely to gain fresh momentum if it can sustain decisively above 2225.

**Resistance:** 2000, 2057, 2100, 2160, 2200, 2225

**Support:** 1990, 1970, 1950

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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