

Nifty Futures (Front month series):(4989.7)

The downswing in Nifty Futures continued for the sixth consecutive day as it broke the 5000 support and wiped off the gains of past two weeks. It closed the gap on the weekly charts, left earlier, and gave the lowest close in the last 14 days. It made an attempt to recover the losses after a gap down open on the last day but was unable to move above the strong resistance at 5100 and slipped to 4970 before closing the day with a loss of 103.4 points. There was barely any recovery around in the last hour around the closing time. Reliance Industries and Petroleum triggered the downswing and were the highest percentage losers amongst the nifty stocks. Most of the sectors barring FMCG closed the day with losses. As per the provisional figures, FII were sellers at 619.34 crores and DII were net buyers to the tune of 180.16 crores. Technically Nifty futures has strong resistance in the 5120 region and it must close above that decisively on closing basis to negate the bearishness. Its immediate resistance is in the 5000 region and above that 5030 where the 200 ema and 50 ema are posited. Its immediate support is around 4970 and below that around 4920, 4900 and 4875. Given the weak international cues markets are likely to open on a grim note and then chart its own course as the day progresses.

Resistance: 5000, 5030, 5100, 5120, 5170

Support: 4990, 4920, 4900, 4875, 4800

Ad Labs Films (665.55): Short positions may be taken in this counter on upswing if it is unable to move above the resistance at 700 with a stop below a decisive breach of 716 for a likely target of 640, 620 and 600 below that.

Resistance: 675, 700, 716, 730

Support: 640, 620, 600,

ONGC (1031.6): 1000 – 1055 is a congestion zone for this counter and long position may be taken on dips in the 1000 region with a stop below a decisive breach of 990 for a target of 1055 and 1070 above that.

Resistance: 1035, 1055, 1070, 1100

Support: 1000, 990, 980.

ABB (1065.5): Short positions maybe taken in this counter preferably in the 1090 region, if it is resisted around this level on upswings with a stop above 1100 for a target of 1035 and 1000.

Resistance: 1090, 1100, 1115

Support: 1050, 1035, 1000

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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