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INDEX RANGE

Short Term Trend : **Up**
 Medium Term Trend : **"Down" (up above 2810/9100)**
 Long Term Trend : Down

Weekly closing levels : 8756/2719
 20 days simple moving average : 8840/2740
 50 days simple moving average : 9155/2810
 200 days simple moving average : 11890/3585

Major supports : 8680/8510/8480/8440/8270/8255/8110/
 8040/7950

Major Resistance : 8860/8975/9040/9100/9155/9215/9280/
 8990/9440

Daily Equilibrium Level : 8680/2690
 Weekly Equilibrium Level : 8550/2670
 Monthly Equilibrium Level : 8530/2675

Likely Range for the Week: 2770/2800 and 2600 -Nifty (9000/9100 and 8250 - Sensex)

(Buy Put options around 2770/2800 levels as the trend is still down and short term trend is over retraced.
 Keep a stop loss on trade at 2810 on a closing basis. Short selling in futures is not advisable as the current rally is having the nature of "short covering".)

"Make use of your Opportunities."

NSE daily chart**The week past and expected**

General Perspective: The magical consistent up move in the US markets and the "gap up" openings in our markets has squeezed the short sellers in the later part of the last week. In our update we mentioned in the last week that the further sell off is likely as the market is in down trend however, the condition was closing below 2500/8000 on which the market has held on last Monday. Here we can come to know the beauty of the F&O's markets as how one can take advantage of these two instruments in the likely scenario where the winning chances are bright in case the market breaks certain range and if not then we should end up with minimal losses.

Preempting is permitted but trading aggressively in the same direction is not till the market breaks certain range. However, that particular break out or break down is going to reward us heavily then one can certainly look for buying call or put options instead of trying for futures. Most of the times a small time trader prefers "Futures" to trade around major levels and there they make mistakes as it is very difficult to cut the positions quickly in case market reverses sharply against our expectations.

Technically, the market is still in down trend on medium term basis however, two gap-up openings in the last week and that too from major levels (2500/8000) are also equally important to consider while taking broader view for the market. On Friday the market has broken an important resistance at 2700/8700 and closed above it. The market has next major resistance in the range of 2770/2800 (9000/9150). In case, we see these levels on Monday then one can certainly look for buying put options as the short term trend is over retraced however short selling in Futures is still not permitted as the current rally seems to be short covering rally and it may have huge effect as the bearish consensus on the market was higher than reversal from major levels.

In case markets are able to surpass 2810/9100 then that may lift the medium term trend of the market on the "positive side" and in that case lower levels may get capped in the medium term. In case markets fails to achieve these levels then it may favor bears again as under the leadership of down trend they may try to hit an immediate bottom 2500/8000 in the near term. The market may find major support in the region 2645-2600 (8400 and 8250). However, a close below 2600/8250 may further drag down the sentiment of the market.

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