

## **Nifty Futures 1 month:( 4075.5)**

Markets opened strong on the last trading day but subsequently lost the gains and closed the day with a loss of 1.6 points in a range bound trading day which turned weak towards the close. Credit policy to be announced today by the RBI, is being closely followed by the market participants as the major concern is whether there will be further tightening of interest rates and sapping of liquidity since that will have an immediate impact on the markets. Technically, Nifty Futures was unable to sustain above the 4102 resistance level. It is now likely to consolidate in the narrow region between 4060 and 4102 before the next move. A breach of the 4060 level is likely to take it down to the 4000 level though 4038 may give some support. A break of the psychological support of 4000 will signal further weakness and it may then move down to 3960 with some support at 3978. If however it can sustain above 4102, then fresh bullish momentum is likely to take it up to 4160. Caution is advised as high volatility is likely.

**Resistance:** 4080, 4102, 4160, 4200.

**Support:** 4062, 4034, 4008, 3978, 3960.

**Reliance Natural Resources (25.95):** This counter has moved up sharply on high volumes after having consolidated in the 22 – 24 region for some time. From a high of 34.5 it touched a low of 17.75 and has slowly moved up thereafter. It is now likely to test the earlier high again. Long positions may be taken for an intermediate time frame for an initial target of 31 which is likely to be reached shortly and subsequently to 34. Below 24 it will be pulled back in to the consolidation zone again and it turns weak below 22, which should be the stop.

**Resistance:** 28, 31, 32.2, 34.5,

**Support:** 24.5, 22, 17.75

**Reliance Energy (524.25):** This scrip has given a bullish breakout above 515 backed with enhanced volumes and sustained above the 518 – 520 regions. Long positions may be taken around this region with a stop below 509 for an initial target of 540 and an optimistic target of 567.

**Resistance:** 530, 542, 559, 567

**Support:** 520, 515, 509, 500

**Mahindra&Mahindra (733.75):** This counter has a strong resistance around 742 and short positions may be taken if it is unable to cross this level with a stop above 751 for an initial target of 728. Below 728 the downside will gain fresh momentum and it may then move down to 703 with some support at 711.

**Resistance:** 742, 750, 754, 761, 767

**Support:** 728, 711, 703

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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