

Nifty Futures (Front month series):(4437.05)

Markets continued the slide for the straight third day on the last trading session which opened weak on mixed global and domestic cues and after a feeble and failed attempt to move up to 4500, fell further to close the day with a loss of 113.65 points. European open markets which opened in the positive did little to stem the slide and bulls continued to unwind positions in a truncated trading week unwilling to take positions home for the extended weekend. Inflation data announced later in the day was much higher at 12.41 but that was expected since increase in sugar price, which has a good weightage in the WPI have yet to be factored in. Banks, Capital goods, Auto, Power and Oil pulled indices further down as oil rebounded and financials continued to remain a concern in US and Europe. Realty lost further ground but some relief was afforded by the IT sector which was a gainer. As per the provisional data, FII were sellers and DII were buyers on the bourses. US markets have closed mixed on Friday as oil has retreated on lower demand but financials continue to trouble. Europe has closed mainly in the green. Asia is trading mixed with Nikkei rebounding for the low and showing a gain of more than 1.5%. Technically, Nifty future has continued the slide on the last day. The weekly charts closed in the negative after a 5 day positive streak and chances are that there could be more downside. Higher inflation may result in further tightening by the RBI so there was offloading in Banks and the rate sensitive sectors. Its immediate resistance now is around 4470 -4500 and above that, 4540 and 4590 now remain major stumbling blocks in its upmove. Its immediate support is now around 4400. A failure to move above 4500 and a decisive breach of 4400 at this juncture will lend further momentum to the downswing at this juncture and it may then slide to 4360 and 4320 below that. Markets are likely to open flat on mixed global cues and then chart their own course as the day progresses. Volatility may remain high as markets grapple with higher inflation, and weak crude prices so make the best it.

Resistance: 4470, 4500, 4540, 4490, 4610-4630

Support: 4400, 4360, 4320, 4300, 4280

ABB (900.3): This counter has been unable to move above the 906 region for two consecutive days and short position may be taken in this counter with a stop if prices move decisively above 906 for a target of 880 and 870 below that. Below 870 the downside is likely to gain momentum. Fresh demand will be signaled if, however, it moves decisively above 906.

Resistance: 906, 912, 935, 950

Support: 880, 878, 870, 860, 848

Satyam Computer (412.95): Long positions may be taken in this counter on dips with a stop if prices move decisively below 407 for a target of 422-425. It is likely to gain fresh bullish momentum above 425. It will, however, turn weak below a decisive breach of 400.

Resistance: 417, 422-425, 430, 435-438, 440

Support: 408, 404, 400, 396

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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