

Nifty Futures (Front month series):(4115.35)

US and European markets were upbeat as the law makers seem to have agreed in principle to the bail out plan. Jobless claim have reached a seven year high and sales of homes in the US fell to a 17 year low supporting Bernanke warning on the state of the economy and strengthening the case of the bailout package which still needs to be passed by the Congress. Slump in sales of new houses, weak consumer and corporate spending and lower factory orders are signs of decelerating economy fueling speculation that there could be an interest rate cut within this year. Oil has eased further. Urgent work on the \$US 700 billion rescue package seems to have stalled as the congress leaders and Economist work on it into Thursday night, hours after the lawmakers indicated the a deal had been reached. Asia has opened in the red on these worries as global hopes seem to be pinned on it for save economic disaster. Meantime Washington post has been seized by the US regulators and JP Morgan has agreed to acquire its assets. Back home nifty futures broke the 4100 support and closed the day with a loss of 64.6 points in a highly volatile session. Most of the sectors barring auto closed in the red, the weaker ones being Healthcare, IT and Metals. As per the provisional data, FII were sellers on the bourses and DII were buyers. Technically, there was a price expansion on the lower side after the inside day in nifty futures as it broke the 4110 support and moved down to 4077. It nearly closed the gap left by the euphoric opening on Friday last. If on downswing now, the 4070 support fails to hold and is also breached, it may slide to 4050, 4000 and below that, to 3955. On the higher side, it will now face initial resistance in the 4175 region and above that 4200 will be the supply zone. It must close decisively above 4250 to signal end of the current downswing and above 4340 for strength. Meanwhile there was a big premium in the October contracts over the expiring contracts which could signal roll over of bullish position compounded with short covering. Markets are likely to open flat on mixed global cues and then chart its own course as the day progresses. Volatility may remain high on the first day of the front month contracts and some buying may be seen so make the best of it.

Resistance: 4140, 4190-4200, 4250, 4270, 4300, 4336, 4400, 4440

Support: 4100-4105, 4085-4070, 4050, 4000, 3955, 3900

L&T (2565.5): This counter is currently sandwiched within the strong support in the 2510 region and resistance in the 2600 region. Long position may be taken in this counter on dips with a stop below a decisive breach of 2510 for an initial target of 2600. It will gain fresh momentum if it can sustain decisively above 2600 and may then move up to 2620, 2680. If, however, 2500 is breached, it will turn bearish and slide may gain momentum.

Resistance: 2570, 2585, 2600, 2620, 2680

Support: 2560, 2510, 2500, 2480, 2450, 2400

Rolta (269.5): Price expansion is likely to take place in this counter as last day was the second consecutive inside day. Long position may be taken on dips with a stop below a decisive breach of 256 for a target of 275, 280. It is likely to gain fresh momentum above 280 and may then move up to test the 200 ema posited at 295. The downswing is likely to gain momentum below 256.

Resistance: 270, 275, 281, 290, 295, 300

Support: 265, 260, 256, 250, 240

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

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