

## **Nifty Futures (Front month series):(5156.75)**

Fed has aggressively cut the fund and discount rates by 50 basis points each to boost the stalling economy and a separate rescue package including tax rebates for individuals and tax break for companies is being put forth. The signals are strong that the ailing US economy is being actively energized. In a globally coupled system, this augurs well. Markets here were nervous on the last session before the FED meet and the expiration of January derivatives. Nifty futures opened with a downside gap, it was unable to negotiate with the 5280 resistance and fell to a low of 5128 before closing the day with a loss of 121.4 points. Power sector was a notable loser though all the other sectors finished the day with losses too. US markets have closed in the red after a 200 points intraday gain following the fed decision. Asia has given a mixed response. Technically, Nifty Futures has immediate resistance now in the 5230 region and 5280 above that. It must move decisively above 5315 for stability and above 5420 for fresh momentum. Its immediate support is in the 5140 region and below that at 5100 and 5070. 5000 is a strong support and likely to hold on declines but a breach of this level will spell more weakness. A decisive breach of 4900 will however be a cause of concern at this juncture and then a likely retest of the 4500 will be signaled. On the higher side, it must sustain above 5630 on closing basis to signal strength. Markets here are likely to open flat on mixed global cues and then chart their own course subsequently. High volatility is expected on the day of expiration of January derivative contracts and markets may turn choppy so caution is advised

**Resistance:** 5230, 5280, 5310, 5415, 5460, 5565, 5630, 5700, 5775, 5854, 5890, 5940

**Support:** 5140, 5100, 5075, 4925, 4820, 4800, 4650, 4500, 4420, 4390, 4285.

**Axis Bank (1105.45):** Long positions may be taken in this counter on dips preferably in the 1050 region with a stop below a decisive breach of 1020 for an initial target of 1150 and above that, 1170. It is likely to gain fresh momentum above 1200.

**Resistance:** 1130, 1150, 1170, 1200, 1280

**Support:** 1100, 1095, 1050, 1020, 980

**BHEL (2091.9):** This counter has taken support in the 2044 region for consecutive days and long positions may be taken on dips with a stop below a decisive breach of 2044 for an initial target of 2130 and 2185 above that. It is likely to gain fresh momentum above 2190. The downslide will be accentuated if the 2044 level is decisively breached

**Resistance:** 2100, 2130, 2185, 2190, 2250

**Support:** 2044, 2000, 1900

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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