

## **Nifty Futures (Front month series):(5270.05)**

The open of the Nifty futures last day was its high and it lost ground soon after opening forming an intraday pattern of lower highs and lower lows as it tested the 5045 region and the rebound too was reflected in the intraday pattern as it formed a bullish reversal pattern and moved up from there in a steady rise, covering up much of the lost ground. It closed the day with a loss of 119.85 points, well off the lows of the day. High volatility has become the order of the day and is likely to continue till the expiration of the January derivatives and the next three days are important for the market. US markets have closed with good gains on FED interest rate cut hopes though Europe has closed in the red and Asia has opened the day on an optimistic note. Many of the sectors rebounded and closed the day with gains though realty, Capital goods and healthcare were notable exceptions and Auto and Banks were the best performers on hopes of interest rate cuts here too as RBI quarterly review is scheduled for today. Technically, Nifty Futures has immediate support in the 5230 region and below that at 5100 and 5070 though its strong demand line is in the 5000 region for today. A decisive breach of 4900 will however be a cause of concern at this juncture. On the higher side, its immediate resistance is in the 5280 region and above that at 5310 and 5460. It must close decisively above 5415 for some semblance of stability and above 5630 on closing basis to signal strength. Markets here are likely to open in the green on optimistic global cues and then chart their own course subsequently. In the event that RBI does not announce the rate cut widely expected, it could lead to disappointment and sell off especially in the auto, banking and real estate sector. High volatility is expected so Caution is advised

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

**Support:** 5230, 5100, 5075, 4925, 4820, 4800, 4650, 4500, 4420, 4390, 4285.

**Axis bank (1141.45):** Long positions may be taken in this counter on dips preferably in the 1079 region with a stop below a decisive breach of 1063 for an initial target of 1195 and above that 1230 and 1280. It is likely to gain fresh momentum above 1335. A decisive breach of the 1063 is likely to signal fresh weakness.

**Resistance:** 1195, 1230, 1280, 1305, 1330

**Support:** 1106, 1080, 1063, 1050, 1007

**Reliance Energy (2097.7):** Reliance energy has taken support around the 1875 region for two consecutive days. It is exhibiting a fair deal of volatility too and long positions may be taken on dips preferably in the 2000 region with a stop below a decisive breach of 1865 for a target of 2200, 2235 and 2300 above that. A breach of 1865 will signal fresh weakness.

**Resistance:** 2100, 2120, 2150, 2180, 2200, 2235, 2330.

**Support:** 2080, 2035, 2000, 1925, 1865, 1810, 1800

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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