Sensex and Nifty both hit the record high even today at open. Eventually both the Indices ended flat with positive bias. Small cap and midcap indices outperformed benchmark. We saw strong rally in the metal sectors with SAIL gaining over 10%. Realty sector also outperformed with Unitech gaining the most i.e. 15%.

Banking sector was less vibrant as RBI review is awaited. European markets are off the day’s high as deflation fears are mounding up as per latest data. This is putting a pressure on monitory easing policies of the central bank. Asian markets have closed with a positive bias and US markets on Friday closed with marginal upside.

On the domestic front BSE Sensex closed at 22,386 up 46 points, while NSE Nifty closed at 6,704up 8 points over the previous close.

Hindalco, JSW steel, Tata steel, ACC, SSLT were among the top gainers in the NIFTY and ONGC, IDFC, DR Reddy, BHEL were among the top losers in the NIFTY.

Meanwhile on the F & O side the Option data is indicating that going forward 6800 will act as strong resistance and 6500 will act as strong support.

PE Option likely in focus-:

6600 PE had seen good build up in open interest.

6550 PE had seen good build up in open interest.

CE options likely in focus:

6700 CE are likely to be in focus.

Markets Levels to watch for today: Nifty is having a strong support at 6550 and on the upside it is having a strong resistance at 6754 levels.

Markets may remain volatile amid the policy review by RBI.

Stocks to watch for: HDFC, Infosys, HUL for the upside and for down side CESC and Dr Reddy