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Technical Outlook: Nifty



Nifty opened with a marginal gap up of around 80 points and closed negative below previous day's high of 18450 amidst massive selling seen in the second half. The current market sentiment is indicating a sideways to negative market as nifty has closed below 15850 and, the range for nifty open for 16000 levels on the higher side and 15500 on the lower side and it would be interesting to see how the market behaves in the coming days as downward sloping wedge pattern can be seen on the daily timeframe.

The momentum oscillator RSI (14) on the daily chart is hovering around 48 from past five days; whereas the MACD is showing a rejection from the centre point towards lower levels. India VIX has drift lower from 20.97 to 20.78 levels and sustaining above its 200 EMA. Max pain of nifty is at 15800. Nifty pcr is at 0.92 whereas bank nifty pcr is at 0.94.

Important support levels for Nifty are at around 15750, 15670 and 15530 whereas the resistance levels are at 15880, 16000 and 16100. As per the F&O data, short covering has substantially increased in, out of the money calls, whereas long unwinding is seen in, in the money puts which indicates a sideways market. 16200 and 16000 have high short built-up whereas 15700 and 15500 has high long built-up.

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