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Technical Outlook: Nifty



Nifty opened with a gap up of around 50 points and closed negatively amidst sideways market. Nifty has broken out of a downwards sloping parallel channel pattern on the hourly timeframe, if it sustains the breakout, levels of 16600 can be achieved in the coming days. Nifty IT was looking weak but Bank nifty showed strength, which resulted in today's sideways trend. It would be interesting to see how the market behaves and if the bulls continue to take the market upwards or if the bears take control.

The momentum oscillator RSI (14) on the daily chart is at around 58 after staying sideways for a week; whereas the MACD is moving towards the centre point from lower levels. India VIX has drifted lower from 18.39 to 18.36 levels below its 200 EMA. Max pain of nifty is at 16200. Nifty pcr is at 1.2 whereas bank nifty pcr is at 1.34.

Important support levels for Nifty are at around 16100, 16000 and 15880 whereas the resistance levels are at 16280, 16350 and 16500. As per the F&O data, short covering has substantially increased in, out of the money calls, whereas long buildup is seen in, in the money puts which indicates a positive market. 16300 and 16200 have high short built-up whereas 16200 and 16000 has high long built-up.

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