

## Technical Outlook: Nifty



Benchmark Index is about to start with a gap down opening of 250 points as indicated by SGX nifty. Since last many sessions we have seen a range bound trading on index and is expected to continue till the time uncertainty due to geo-political scenarios is eased off.

On the daily charts, it is trading below its 200 Day EMA placed near 16,716 levels which is acting as stiff resistance. Moreover the structure of the index has turned negative and is trading in a narrow range between 16,200-16,800. A downward sloping trend line can be drawn which indicates that lower highs lower low formation is in the making. Going ahead 16,850 should be taken out on closing basis for more possible upside till 17,000-17,050 levels. On the downside, if index starts trading below 16,400 levels we may revisit 16,200 levels and even further to 16,000.

All the indicators have turned negative on index and are showing no signs of bullish reversal. India VIX has shot up to 28.16 levels which are indicating more volatility in upcoming trading sessions. The Market breadth for Nifty was almost 2:1 in favor of bears with 32 stocks on declining side and 18 stocks on advancing side.

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