



Technical Outlook: Nifty

The Benchmark index on 3rd May witnessed a sharp negative gap down opening due to domestic election results and later on as the day progressed nifty recovered strongly from the lowest point of the day and closed just within its precious days candle range.

Index is trading within the falling channel pattern and recently faced a strong resistance near the upper band of the channel and slipped more than 4 percent in the three trading sessions on the daily time frame.

The index on the weekly chart has broken out its Rising channel pattern on the weekly chart. After trading within the rising channel pattern for more than 12 months, the index registered a decisive breakdown that suggests if prices continued to trade below their trend line resistance then there will a change in the trend from upward to negative.

Benchmark index is trading above its 21, 50 & 100- day exponential moving averages on daily time frame, which is positive for the prices in the near term. Momentum oscillator RSI (14) has found resistance near 70 levels which is an overbought zone for the indicator on the weekly time frame.

Support for the Nifty is placed near 14200 levels and resistance is capped near 14800 levels.

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