

## Technical Outlook: Nifty



The rally continued on Indian bourses as Nifty closed above 17,800. The index started off on a flat note as indicated by SGX nifty and continued to remain sideways for most part of the day. The thrust was generated in the afternoon session where some short covering was witnessed.

At present, the important level of 17,640 has been successfully taken out and is likely to move till 17950-18000 levels. On the downside, index has support at 17,650-17,700 levels.

On the moving average front, index is trading above its all short term moving averages which is a bullish sign. Moreover nifty on daily charts has given a breakout of descending broadening wedge formation which has bullish implications.

On the indicator front, daily RSI is above 61 which indicates bulls are under control and the momentum is likely to be northwards. MACD is all set to travel above 0 line and has given a positive crossover. Still the ADX is flattish showing a reading of 21.9 which means the strength of the trend is not confirmed.

The Advance to decline ratio was 2:1 in favour of advances where 35 stocks were on advancing side and 15 on declining side. VIX is at 16.12 trading below its 200 daily EMA indicating less volatility.

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