

Technical Outlook: Nifty



Nifty Index opened flattish and selling was seen throughout the day as Nifty closed below the lows of last three days and has broken down from an upwards sloping parallel channel pattern on the weekly timeframe whereas on the daily timeframe, Nifty has formed a Bearish engulfing Candle and it would be interesting to see how Nifty performs in the coming sessions as it will impact its trend. Technical indicator Ichimoku Cloud suggests that prices are trading below the base line which will act as a resistance in the coming sessions.

The momentum oscillator RSI (14) on the daily chart is at around 43; India VIX increased by 5.65% from 14.68 to 15.1975 levels. Max pain of nifty is at 18100. Nifty PCR is at 0.55 whereas bank nifty PCR is at 0.56.

Important support levels for Nifty are at around 18000, 17900 and 17775 whereas the resistance levels are at 18100, 18200 and 18350. On the Option front, Call writing has significantly increased in, in the money calls whereas put unwinding is seen in out of the money puts which indicates a negative market. Options data suggests a broader trading range in between 17850 and 18350 zones due to higher volatility while immediate trading ranges in between 17900 to 18100 zones.

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