



Technical Outlook: Nifty

The Benchmark index failed to hold the initial gains and ended near the day's low in the highly volatile session on May 4. Markets lost their ground and slipped into red territory on account of selling in Energy, FMCG, and Consumer Durables stocks.

In terms of candlestick pattern on the daily chart can be called as a bearish dark cloud cover but as this pattern is appear in the middle of the trend will have impact, as dark cloud cover is more effective when it appears at immediate top nor at near resistance.

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 100- day exponential moving averages on daily time frame, and it is posted above the lower bad of channel pattern. Momentum oscillator RSI (14) has drift below 50 levels with bearish crossover on the daily time frame.

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

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