



Technical Outlook: Nifty

Nifty formed an abandoned child pattern on daily charts and closed convincingly above 17750 levels which acted as a resistance since last few sessions. Moreover the index showed strength inspite of world markets trading negatively. Crude & Gas prices sharply increased due to Supply shortage. This was probably the main reason why sentiments dampened all over the world. With important quarterly results lined up ahead, it will be crucial to see whether nifty holds the momentum on the upside.

On the indicator front, RSI on daily timeframe is showing a reading of 69 and MACD is turning flattish but showing no signs of trend reversal. On the ADX front, it is showing a reading of 38.46 and cooling off from its high point, indicating that the momentum is slowing down and profit booking is happening at higher levels.

Important support levels for the index are placed at 17600-17640. The 21 Days EMA is at 17513 where nifty took support in the previous session and started its upward trajectory. On the upside 17880-17920 will act as resistance which is near all time high levels for the index. The Advance to decline ratio is at 1.5: 1 where 29 stocks were on advancing side , 20 stocks on declining side and 1 remaining unchanged. India VIX cooled off since last few sessions and is at 16.4 indicating that volatility has been reducing.

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