

Technical Outlook: Nifty



The Benchmark index continued to trade lower for the second consecutive day after giving a smart rally from 17400 to 18100 in just two trading sessions. After consolidating for eight days Nifty witnessed a breakout on the daily chart above its horizontal trend line and gave a four percent return in the quick span of time.

The momentum oscillator RSI (14) has formed a double top formation on the daily chart near 70 levels and since then prices are witnessing a throwback near their previous support zones. The gap between the prices and the short-term exponential moving average has increased which indicates a possible opportunity for the throwback in the coming trading sessions.

India VIX on the daily time frame continues to settle below 21- DMA and it is also placed below 20 levels in the last couple of days. A VIX index drifting lower is definitely a good sign for the traders as will be less volatility and a stable move.

The index has been trading above all its major moving averages and importantly it is sustaining well above its 200 Day EMA. As the gap on the daily chart is still unfilled which is placed at 17700 levels and below that 17550 will act as immediate support for the Nifty. The resistance is capped near 18100 levels and a breakout above the same will open the gate for 18350 levels in the coming trading sessions.

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