

Technical Outlook: Nifty



NIFTY50 on 11th May witnessed a marginally gap up opening but couldn't hold on to its early morning gains and started to drift lower as the day progressed ahead. Prices made an intraday low at 15992.60 levels and then witnessed a sharp 150 points recovery in the second half of the trading session.

Benchmark index is trading within the falling channel pattern and prices on 11th May have taken support near the lower band of the falling channel pattern and a sharp recovery on the daily chart has made a long trailing tail and on the daily candle stick.

The overall trend for the Nifty remains bearish as prices are trading well below its 21 & 50 – day exponential moving averages on the daily chart. Momentum oscillator RSI (14) has given a horizontal trend line breakdown and has drift below 40 levels with bearish crossover on the cards.

Nifty on the daily chart has formed a Bullish Bat Harmonic pattern at around 16000 levels and prices are trading within its PRZ. Bullish harmonic pattern can be a early signal of a trend reversal in the Benchmark index.

The immediate support for the Nifty is placed near 16000 - 15950 levels and the upper band of the index is capped at 16500 levels if the index is closed above the said levels then the gate for the prices is open till 16750 levels.

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