



Technical Outlook: Nifty

The previous week we saw that Nifty50 witnessed a breakdown of its rising channel pattern and taken strong support near its 21-day exponential moving average. This week we witnessed a smaller degree V shape reversal pattern on the daily time frame and prices were able to close above 18100 levels for the first time.

In the past, three to four occasions whenever the prices enter into a correction mode 21-day exponential moving average has acted as an anchor point for the index. And recently index has whipsawed its bearish engulfing candlestick pattern on the daily chart and has successfully closed above the high of the pattern. Whenever we saw a failure of a bearish pattern in the index he has witnessed a much stronger trend on the higher side.

On the 13th Oct, Benchmark index opened with a half percent gain and has given a breakout of a horizontal trend line which was placed near 18000 levels and close convincingly above 18100 levels confirming a strong bull market breakout on the daily interval.

As the index has given a breakout on the daily chart so every dip should be utilized as a buying opportunity. The immediate support for the Nifty50 is placed near 17950 - 18000 levels which was the previous resistance zone for the index. And the resistance or the next immediate target for the Nifty comes near 18500 levels.

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