



Technical Outlook: Nifty

Nifty traded in a narrow range between from 17260-17380 throughout the day. This is the trading pattern which is witnessed since last few trading session where there is no strong conviction from buyers to move the prices higher and the sellers are becoming active at higher levels. This type of sideways trading activity is generally seen when a large move has occurred.

On daily time frame charts, Nifty is trading well above its 21 Day EMA which is placed at 16935. This will act as a crucial support level in upcoming trading sessions. On the indicator front, daily RSI is hovering at overbought levels, showing a reading of 80. MACD reading is still showing no signs of weakness and is likely that the sideways to upward momentum will continue. ADX has moved to 42.3 and is rising which means the strength of the trend remains intact but traders will need to be cautious at such high reading.

Important supports are placed at 17240-17270 and resistance is pegged near 17400-17450 levels. Index is currently trading at lower band of the pitchfork. A break below 17240 will see the nifty sliding to 17060-17100 levels. The Advance to decline ratio for nifty was at 1.5:1 in favour of bulls where 30 stocks were on advancing side & 20 were on declining side.

India VIX closed below its 50 Day EMA at 13.92 which tell us that there is not much of expected volatility and the index may continue to move sideways.

Equity Technical Research Analyst

Mr. Rohan Patil

Mr Harsh Parekh

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Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>

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