



Technical Outlook: Nifty

Nifty traded in a narrow range between 17365-17420 throughout the day and gave a record all time high closing of 17380. It started off with a gap up opening but was unable to continue with the momentum on the upside and sellers became 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 16976. 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 81.24. MACD reading is still showing no signs of weakness and is likely that the sideways to upward momentum will continue. ADX has moved to 43 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 2:1 in favour of bulls where 32 stocks were on advancing side & 17 were on declining side.

India VIX closed below its 50 Day EMA at 13.54 which tell us that there is not much of expected volatility and the index may continue to move sideways.

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