



## Technical Outlook: Nifty

Nifty closed at record high levels at 17629.50 after a gap up opening as indicated by SGX nifty. Today was a trending day and no major dips were seen in the entire day's trading session. The momentum was led by banking stocks and major short covering was seen at 17500 Strike price which pushed the index higher.

On daily time frame charts, Nifty is trading well above its 21 Day EMA which is placed at 17080. 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 85. MACD reading is still showing no signs of weakness and is likely that the sideways to upward momentum will continue. ADX has moved to 45.20 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 have now been placed at 17480-17520 and resistance is pegged near 17680-17720 levels. Index has taken important support from lower band of the pitchfork. A break below 17480 will see the nifty sliding to 17400 levels. The Advance to decline ratio for nifty was at 1:1 in favour of bulls where 28 stocks were on advancing side & 22 were on declining side.

India VIX closed above its 50 Day EMA at 14.41 which tells us that in coming days there may be strong swings and the volatility is likely to increase.

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