



## Technical Outlook: Nifty

Nifty started off on a flattish mode amidst weak global cues. In the first of the trading session, some amount of profit booking was seen mainly due to selling pressure from financials but an equally smart recovery was also witnessed in the afternoon session on account of short covering. Owing to this recovery, the index was successful at closing at record high levels of 16614.

On the daily timeframe, crucial supports are placed at 16500-16530 levels and since the index is trading in an uncharted territory resistance is placed at 16695 levels which is the next Fibonacci extension target. The index is trading well above its 21 Day EMA which comes to 16173 indicating that the momentum is northwards.

Daily RSI (14) is at 77.30 which tells us that the nifty is in an overbought zone and maybe poised for a retracement. MACD is showing no signs of weakness. The ADX is at 20 and importantly is seen rising, indicating that the strength of the trend is strong and is likely to continue

The overall Advance to decline ratio is still in favour of bears which tells us that the market breadth is weak and only selective large cap stocks is seeing buying interest. It is clearly visible that the broader index is underperforming the nifty. On the index front, 26 stocks were seen on advancing side as against 23 on declining side and one remaining unchanged.

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