



## Technical Outlook: Nifty

Nifty started off with a gap-down opening of around 150 points as indicated by SGX nifty. Dow Futures was trading with a cut of 300 points and the Asian markets were also trading negatively amid concerns about the health of property giant China Everglade Group and ahead of the week's crucial Federal Reserve meeting.

In the 1st half of trading session, nifty somehow managed to cover all the losses but was unable to continue with the momentum and gave up all the gains in the afternoon session. This was backed by heavy selling pressure in metals and banking stocks. Some major long unwinding was seen in chemical stocks too. On the daily timeframe charts Nifty is trading well above its 21 days EMA which is placed at 17148. This will act as a crucial support level in upcoming trading sessions. A shooting star candle stick pattern was formed indicating bearish stance in the index.

Important supports have now been placed at 17340-17240 and resistance is pegged near 17450-17500 levels. Index has broken the lower band of the pitchfork which is warning sign. The Advance to decline ratio for nifty was at 1:6 in favour of bears where 7 stocks were on advancing side & 43 were on declining side.

India VIX shot up 15% and closed above its 50 Day EMA at 17.5 which tell us that in coming days there may be strong swings and the volatility is likely to increase.

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