

Technical Outlook: Nifty



The benchmark indices on December 22 saw a gap-up opening following its global peers and closed slightly above 1 percent thereby filling the gap created between 16840-16970.

The bounce got extended for the 2nd consecutive trading session and the structure of the index appears to be in consolidation range from 16,850 - 17,200 . The lower high and lower low formation will be neglected only above 17,600 till then this can be considered as a relief rally.

Prices are trading below 21 week EMA which is placed at 17,134 acting as immediate resistance and above 50 Weekly EMA which is at 16,000.

On the daily Charts, momentum oscillator RSI (14) is still showing a reading below 50 and similarly ADX which shows the strength of the trend has moved to 26 and rising with negative DMI moving up.

Nifty has reached a good hurdle zone of 16950. If it manages to sustain above it, then some short covering cant be ruled out and 17,140 will be the next level for the index. The immediate support is coming near 16,850.

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