

Technical Outlook: Nifty



It was again a super volatile trading session for the benchmark index where prices witnessed a gap up opening and kept consolidating and swinging like a pendulum for the entire day and finally given up all its gains and closed below 17100 levels which is near the previous day's closing range.

Benchmark index has taken strong support near its lower band of the consolidation formation and for the third time prices have rebounded from 16800 levels which are acting as strong support for the index. On the daily chart, prices are trading below their 21, 50 & 100 – day exponential moving averages. Momentum oscillator RSI (14) has become flattish since 14th Feb, and the oscillator is hovering within the pre-defined range without giving a clear indication of the future momentum in the prices.

Bank Nifty is underperforming the benchmark index on the week on week basis and prices have formed a bearish head & shoulder pattern on the daily chart and the neckline of the pattern is placed near 36900 levels. Prices are hovering within the band of 21 & 50-day exponential moving average with super volatility on the daily time frame.

From here on 16800 levels will act as immediate support for the Nifty50 and if prices slip below this level then 16500 will be the next support zone for the index. The upper band is capped near 17450 levels for the time being. And if prices break on the higher side then the fresh breakout will ride the prices till 17800 levels.

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