

Technical Outlook: Nifty



Benchmark index witnessed a flat opening on 23rd May, and later on traded higher and registered an intraday high of 16414 levels and reverse sharply in the second half of the trading session and close with a loss of half percent and near to 16200 levels.

Nifty50 has formed a flag formation on the daily chart where upper band of the pattern is placed at 16400 levels and the lower band of the pattern is placed at 15800 levels. On 23rd May prices faced a strong resistance near 16400 levels and drift almost 200 points lower from that level.

The overall structure for the Nifty still remains bearish as prices are well sustained below its (21, 50, &100) – day exponential moving averages. The index is trading in a lower high lower low formation on the daily time frame.

Majority of the indicator and oscillator have shown a reversal from the lower levels but still the trend remains bearish and will required some further conformations for the trend reversal.

The immediate support for the Nifty is placed near 16000 and below that 15800 will act as a major support for the Nifty. The immediate resistance for the Nifty is placed at 16435 levels where 21- day exponential moving average is settled.

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