

Technical Outlook: Nifty



Nifty50 witnessed a major gap down opening on 25th April following its global peers and left another unfilled gap on the daily time frame. Prices continued to close below its all the important exponential moving averages and the bear grip is getting tightened on daily interval. Nifty has formed a Doji candlestick pattern on the weekly chart which indicates indecision among the trades.

The volatility gauge index India VIX rallied 15 percent due to a sharp gap down opening and a consistent volatility on the intraday trades. The market breadth, too was in favor of bears as two shares declined for every one share advancing on the BSE.

The momentum oscillator RSI (14) is reading in a lower low lower high formation and has closed below 50 levels with bearish crossover on the daily interval. The MACD indicator has closed below its line of polarity and has closed below signal line on the daily chart.

The immediate support for the Nifty is placed near its 50 WEMA which is placed at 16650 levels and the upper band of the index is capped at 17400 levels if the index is closed above the said levels then the gate for the prices is open till 17700 levels.

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Disclosure:

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