



## Technical Outlook: Nifty

After last week's sharp-up move, Nifty consolidated in a narrow range on May 25 to end the day with minor gains. On Tuesday Indian equity indices made an optimistic start tracking firm cues from global markets but didn't hold on to their early gains and trimmed all of their initial gains.

The Benchmark index on the daily has witnessed a breakout of a downward falling channel pattern which was placed near the 15100 levels. Within the channel, the pattern index had also formed a rising wedge pattern, and currently, prices have halted near the upper band of the wedge pattern.

Indian bourses on the daily chart are trading above their 21 & 50-day exponential moving average which is placed near the lower band of the wedge pattern acting as a crucial support zone for the index. Momentum oscillator RSI (14) has witnessed a horizontal trend line breakout on the daily chart which is placed near 60 levels, which indicates positive momentum is likely to carry ahead.

We expect Nifty to trade higher as it is sustained above its trend line support on the daily time frame. Support for the Index is placed at 15050 levels while resistance rests near 15300 post-break of the level will open the gate for the lifetime high levels.

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