



Technical Outlook: Nifty

On Wednesday 26th May, Indian equity benchmarks witnessed a slightly positive start tracking some gains in the IT and Cement sector, and later on in the afternoon session, Nifty continued to trade in high spirit on account of broad-based buying in blue-chip counters amid positive Asian cues.

Bank Nifty finally breaks its consolidation range in which it was trading for the past three weeks and on the weekly chart, prices have witnessed a breakout of the downward sloping trend line and manage to close above the 50 percent retracement from its previous intermediate low.

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. The Parabolic SAR indicator is trading below the Nifty50 and acting as immediate support below the upward rising trend line.

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 15430 which is an all-time high level, post-break of the level will open the gate for the 15550 levels as the index has failed its bearish setup created on the weekly chart.

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