



Technical Outlook: Nifty

Nifty50 on the 27th July opened with minor gains and witnessed a smaller degree trend line breakout on the intraday chart but as the day progressed prices trimmed its initial gains and underwent through a sharp selloff and closed below 15800 levels with a loss of 78 points.

Benchmark index on the daily chart is hovering near its 21- day exponential moving average without giving any clues regarding the directional bets.

Among the sectors, except metal and PSU bank all other sectors ended lower, with the Nifty Pharma falling more than 4 percent. BSE midcap and small cap indices also ended in the red.

Momentum oscillator RSI (14) reading in a flat line and has able to close just above 50 levels on the daily interval. MACD indicator has also turned flat but still reading above its line of polarity.

If a reversal in trend happens from the current junction, the Nifty can scale up to 15900 – 16000. It is better to wait for a clear direction to emerge as the current risk to reward ratio is skewed in favor of the risk. Support of the index is placed near 15600 levels.

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