



Technical Outlook: Nifty

The index started off on a negative note from the first tick itself. It was a trend day and all the bounces were sold throughout the day breaching important psychological levels. Nifty managed to close below 18000 which tell us that bulls are not having conviction to move northwards.

Moreover the sellers have managed to breach 21 Day EMA which was placed at 18010 and next crucial support comes near 17540 which is the 50 day EMA.

The immediate resistance for the index is near 17950-18000 where the call writers have been active. It has breached lower band of pitchfork channel and more importantly trading below 21 Day EMA which is a sign of concern. Markets are bit oversold and a bounce back cannot be ruled off so look for selling opportunities on decent bounce backs.

On the indicator front, RSI has cooled off from its highs is showing a reading of 48 and ADX has given a downtick showing that the strength has weakened since last few sessions. The advance to decline ratio is 1:7 in favor of bears where 6 stocks are on advancing side and 44 stocks are on declining side.

India VIX is at 17.9 and is near its 200 daily EMA which means that the volatility is set to increase if it breaches 18-20 zones.

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