



Technical Outlook: Nifty

Bulls took a pause since start of this week due to the geopolitical tension between US & IRAN. 8th Jan 2020 was a super volatile session for the benchmark index which open more than 100 points down following the global clues but witnessed sharp recovery in the second half of trading session.

Gap down opening on 6th Jan has forced index to breakdown of its Falling wedge pattern on daily chart. Generally after a breakdown of such bearish reversal pattern prices will normally face selling pressure in further trading sessions.

Index has broken its 21 day exponential moving average which is placed at around 12125 and likely to formed bearish candle on weekly chart ahead of weekly expiry.

As long as index trades below 12150 the probability of retesting the lows of 11800 remains high. Some reliefs for bulls can be expected on a close above 12250 levels. For the time being its look prudent on the parts of the traders to refrains from creating directions bets on index.

Overall market at current stage is definitely reacting sharply to US and IRAN news, so prices are not respecting any technical and fundamentals levels for time being. But certainly this situation will be short lived and market will resume to normal in near time.

Indices	Close	S3	S2	S1	R1	R2	R3	Trend
NIFTY	12025.35	11850	11900	11980	12080	12150	12200	Sideways
BANK NIFTY	31373.65	30900	31050	31200	31450	31600	31750	Sideways

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