

19 January 2017

Daily call

Index	CMP	% up/dn	S2	S1	P	R1	R2
Nifty	8,417.00	0.23%	8360	8390	8425	8450	8490
Sensex	27257.64	0.08%	27095	27175	27300	27380	27505

Nifty Daily chart




Comments:

Nifty opened with an upward gap and witnessed extreme volatility throughout the day. Nifty closed at 8417 with a gain of 19 points.

On the daily chart the index has formed a small Bullish candle with upper shadow indicating selling pressure as well as resistance at higher levels. Since past five consecutive sessions Nifty is consolidating within 8450-8370 levels indicating short term sideways trend and absence of strength on either side. The chart pattern suggests that if Nifty crosses and sustains above 8430 level it would witness buying which would lead the index towards 8460-8500 levels. However if index breaks below 8390 level it would witness selling which would take the index towards 8370-8350. Nifty is sustaining above its 20 and 50 day SMA which signals bullish sentiments in near term. Nifty continues to remain in an uptrend in the short and medium term, so buying on dips continues to be our preferred strategy.

The daily strength indicator RSI is moving upwards and above its reference line indicating positive bias. However momentum oscillator Stochastic has turned negative from the overbought zone indicating a possible consolidation or a down move in the near term

The trend deciding level for the day is 8425. If NIFTY trades above this level then we may witness a further rally up to 8450-8490-8515 levels. However, if NIFTY trades below 8425 levels then we may see some profit booking initiating in the market, which may correct up to 8390-8360-8325 levels

Stocks to focus for intraday Long		Hindalco, ABB, Grasim, Mindtree, Igl, ACC, Ongc, Marico, Amarajabat
Stocks to focus for intraday Short		RecLtd. Idea, Dr.Reddy, Dishtv

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