NIFTY (9884.40)

Following to cues from global equity market our benchmark index NIFTY opened gap up with a positive note of 63 points at 9859 mark and posted day low i.e.9851 mark. Ever since opening trade NIFTY inched up higher and approached up side gap area 9911 – 9887 created on back of gap down opening Dt. 29th August, 2017. Following to gap theory, NIFTY found resistance at higher levels. We observed ‘triangle’ on hourly chart. On sectoral front, METAL and Realty indices gained 2.65% and 1.69% respectively. To end the session, NIFTY closed with a gain of 88 points (or 0.90%) at 9884 mark.

(Source : Spider IRIS Plus)
Observation

1) 8 & 21 day EMA is placed at 9853 & 9868 levels while 89 day EMA and 200 day SMA is placed at 9647 and 9075 levels respectively.
2) Trendline support in a range of 9770 – 9740 mark on daily as well as hourly chart.
3) Directional indicator is negatively placed below zero line while Momentum indicator is on a verge of giving negative crossover.
5) Formation of ‘triangle’ on hourly of NIFTY.

Expectation

We observed a formation of triangle pattern on hourly chart on NIFTY. Considering the same, we would closely be watching 9925 mark for breakout and 9780 mark for breakdown. Looking at broader degree chart i.e.weekly which is not encouraging and hence depicts pessimism to continue going ahead. Any decisive break below 9780 mark will lead to price target of 9600 – 9550. On higher side, in any case 9925 mark is taken out will lead to higher price target.
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