

Eagle Eye Equities

Bulls warming up

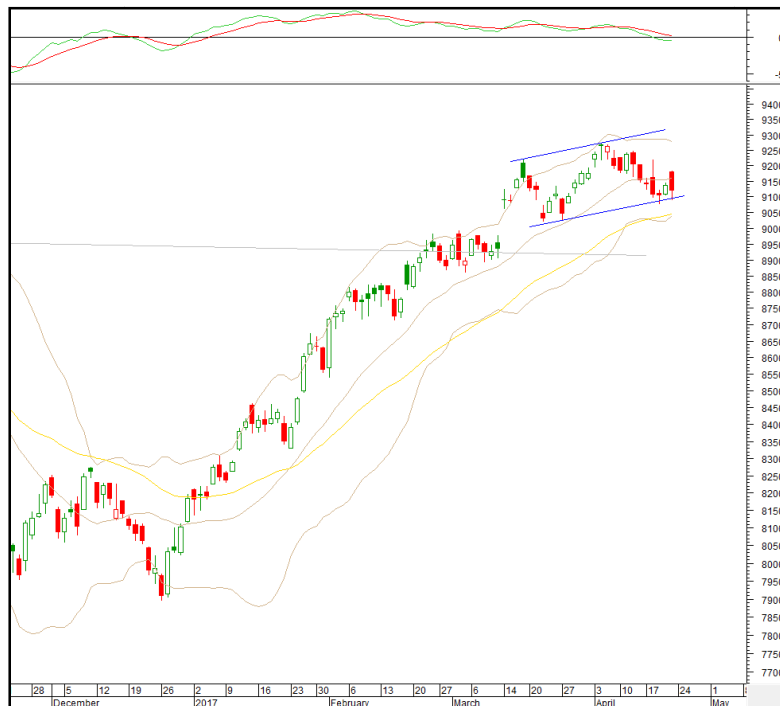
Market on April 21, 2017

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The Nifty opened gap-up today but could not build upon the early gains. Soon after the opening, the Nifty faced selling pressure and the bears were seen tightening their grip on the proceedings as the day progressed. Nevertheless, the bulls rushed in to provide support to the Nifty, as it breached the 9100 mark. Structurally, the Nifty is forming a base near the support zone of 9100- 9040, which can continue for a couple of sessions before it starts the next leg on the upside. On the weekly chart, the Nifty is maintaining the higher top, higher bottom formation, which means that the larger trend is still in favor of the bulls. Thus, we maintain our positive stance on the Nifty for a short-term target of 9340.

Other technical observations

On the daily chart, the Nifty is trading in between the 20-day moving average (DMA) and the 40-DEMA, ie 9158 and 9043, respectively. The momentum indicator is in a bearish mode on the daily chart.



On the hourly chart, the Nifty is trading below the 20- hour moving average (HMA) and the 40-HEMA, ie 9121 and 9142, respectively. The hourly momentum indicator is in a bearish mode. The market breadth was marginally negative, with 719 advances and 742 declines on the National Stock Exchange.



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