

Daily Nifty Observer

Issue - 682

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Nifty Outlook

....sustainability above 5034/5010 levels will increase probability for Nifty to move towards 5100 levels on friday....

Support

5034/5010/4980

Resistance

5070/5090/5120

Market Strength Indicators

14 days RSI - Down by 7.11 points at 53.96 levels

14 days SchRSI - Down by 27.8 points at 72.2 levels

Stochastic - Down by 7.37 points at 76.68 levels

TSI - Up by 1.00 points

Market Intensity Indicator

NFP - At discount of 0.65 from premium of 1.55 earlier

Advance - 446

Decline - 1002

Volatility - Up by 0.01 points at 0.20 levels from previous

Moving Average Indicator

20 days SMA - 4960.03

50 days SMA - 5073.81

200 days SMA - 5070.03

Bollinger Band - Trading around Upper Band

Other Indicators

FII's Spot - Positive

DII's Spot - Negative

F&O - Positive

Spot Nifty Daily Chart Analysis



Spot Nifty closed at 5954.75 down 1.30 % after down trending trading session with fall in volume which was below its 20 period SMA. It made a high of 5130 and low of 5047.60 levels in intraday. Nifty closed above its 20 period, below its 50 periods and below its 200 periods SMA. Momentum oscillator is indicating that Nifty is trading around its over bought zone on intraday chart.

After trading in short term bear zone for almost 24 trading days Nifty since seven trading sessions closing in bull zone. If next week Nifty manages to give closing above its 20 period SMA, it will be indicative for short to mid term bull phase. On friday, 5034 levels will act as an immediate support while 5090 levels as immediate resistance. Sustainability above 5034 levels will increase probability to move towards 5100 levels on intraday. Below 5034 levels, 5010/4980 levels will give intraday support to nifty.

60 Minute Chart Analysis



14 days Schotestic RSI (60 minutes chart) closed at 0.00 levels & traded below its 9 period EMA for whole of the trading session and managed to close below it. On friday it may try to come above its 9 period EMA levels allowing Nifty to trade above 5034/5010 levels.

Today Nifty initiated its southward movement from the very first trading hours and managed to close around 5050 levels, an important support levels. Continued sustainability above 5050 levels will allow Nifty again towards 5100 levels or above on friday. Below 5050 levels, immedaite supprt is at 5034 levels and intraday support is at 4980 levels.

240 Minute Chart Analysis



After 3 day for Nifty in bear zone, since seventh days it moved in bull zone and closed above Super Trend, over 240 minutes Heikin Candle.

Today Nifty closed below 5100 levels.

Nifty for 6th day closed above its 3rd speed line and consolidated below 4th speed line on intraday. Speed line is drawn from the high of 5629.95 (22/02/12) and low of 5136.10 (29/03/12).

In next few 240 minute Heikin candle Nifty have to give closing above 3rd speed line to move towards or above 4rd speed line (around 5150 levels). Only closing below 3rd speed line will increases probability to slide towards 2st speed line (around 4800 levels).

Note on Nifty Intraday Price,OI & Volume (14/06/2012)

On thursday fall in Nifty (1.30 %) was registered with fall in Nifty June 12 futures open position (4.52 %) and fall in Nifty spot intraday volume (12.16 %).

Nifty fall with fall in OI and fall in volume suggesting that the market is making its bottom and the higher probability is that the price will rise at some point forward.

Current fall of 1.30 % in Nifty was due to long liquidation in Nifty June 12 series.

Short covering if there for shorts build up on thursday, will keep Nifty afloat 5034/5010 levels on friday and will also enforce it to move towards 5100 levels or above. However, if short build up continues it will allow Nifty to trade below 5050 levels on intraday whose probability seems to be low.

