

Nifty Fall Shows Market Players aren't Confident

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Mumbai: Nifty50 snapped a five-day winning streak on Wednesday to end below the psychological mark of 10,800. The index formed a small bearish candle on the daily chart and formed lower lows for the second session. It eventually closed a tad above its 200-day moving average at 10,790 level.

What disappointed analysts was the index's failure to respect the crucial moving average in intraday trade as it slipped to sub-10,750 level by afternoon trade. "The near-term metrics are mixed. The sharp fall clearly indicates lack of confidence among market players. One should use any rally towards the 10,950-11,100 zone to close speculative and leveraged long positions," said Arun Kumar, Market Strategist at Reliance Securities.

The index eventually closed at 10,792, down 117 points, or 1.08 per cent. The index erased most of the gains that it had made in last four sessions, which gave analysts some worry. "For the last 3-4 consecutive sessions, Nifty has failed to surpass its 100-day SMA (at 10,900), which remains a crucial resistance for now. The 10,820 level will act as an intraday resistance and on any breach of the 10,750 level, the index may drift towards 10,720-10,650," said Rajesh Palviya of Axis Securities.