

Charts Suggest More Pain in Store for Nifty

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Mumbai: Nifty50 fell below the 10,650 mark on Monday, slipping from the 11,000 level in seven days of straight fall. This level was important, as the index had defended it on a closing basis on many occasions since December.

With Monday's fall, the index has also broken below its multi-week Ending Diagonal Triangle pattern on a closing basis. Analysts said selling pressure may intensify if the index fails to respect the 10,600-580 range.

Hourly charts suggest the fall has been unfolding in a channelised manner, said Gaurav Ratnaparkhi of Sharekhan.

"On minor-degree bounces, the index has been faltering near the upper channel line as well as near key hourly moving averages. Going ahead, the 10,610-10,583 range will be a key support zone to watch out for. An expansion of the daily Bollinger Bands suggests the market could witness accelerated selling once Nifty breaks the support zone," Ratnaparkhi said.

Arun Kumar, Market Strategist, Reliance Securities, said a breach of the 10,550-10,580 range on a closing basis could drag Nifty towards the 10,000-10,300 range.

The index formed an Inside Bar on the daily chart, as it traded in the previous day's range, Chandan Taparia of Motilal Oswal Securities said.

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