

Hammer Candle on Nifty Shows Bulls in Control

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ETMarkets.com: Nifty50 on Tuesday extended its gains into the fifth consecutive session. The index saw a strong recovery in late trade to end up forming a Hammer candle on the daily chart, which suggested that the bulls were in no mood to cede to the bears.

The index has sent out a buy signal and could move in the 10,920-10,985 range in the coming days.

"As long as the index holds above 10,777, the overall bias may remain positive to rangebound, while a decisive move above 10,985 could start the fresh upward move towards 11,176 level," said Chandan Taparia of Motilal Oswal Securities.

For the day, the 50-pack rose 47.55 points, or 0.44% to 10,910. "Near-term oscillators have triggered a buy signal. A strong close above 10,920 could see Nifty testing the 10,950-11,100 zone over the next few sessions," said Arun Kumar, Market Strategist at Reliance Securities.

Subash Gangadharan of HDFC Securities believes the bulls are under control. "Upsides are likely once the immediate resistance at 10,924 is taken out. A crucial support to watch for any trend reversal is at 10,807," Gangadharan said.