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## 'Dark Cloud Cover' On Nifty Charts Points to High Volatility

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**ETMarkets.com:** The NSE Nifty50 on Tuesday took a heavy beating as the bulls looked exhausted following Monday's euphoric rally. The index formed a 'Dark Cloud Cover' on the daily chart, but managed to form higher high-higher low pattern for the fifth straight session.

In two-candle 'Dark Cloud Cover', an index opens with a gap-up, but ends up retracing at least 50% of the previous session's bullish candle.

"This pattern essentially indicates a reversal of prior trend. However, the pattern will be confirmed only, if the index closes below 11,708. Given the overall sentiment, we expect high volatility over the next couple of days. The index may find support at 11,550 and 11,620," said Arun Kumar, Market Strategist at Reliance Securities.

"The bulls and bears are in a tug of war to decisively surpass the recent high," said Chandan Tapparia of Motilal Oswal Securities.

Sameet Chavan of Angel Broking sees wide trading range for the index. He advised traders to lighten up positions a bit and prepare for roller coaster moves.