

Nifty50 Eyes 11250 as Bulls Tighten Grip

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New Delhi: Nifty50 on Monday zipped past the 11,150 level to break above its three-month old consolidation range. Supports have shifted higher and as long as the index holds on to 11,050, upside bias is likely.

A few momentum oscillators are mildly stretched, but the index may attempt to test the 11,250 level, said Arun Kumar, Market Strategist at Reliance Securities. The rally, the analyst said, may even extend to 11,325 level.

The index took out 61.8% retracement of the September-October decline i.e. 11,090 on a closing basis. It also broke above the February high of 11,118 to form a bullish candle on the daily chart.

“The daily upper Bollinger Band, which was acting as a hurdle, is now expanding along with the price action. The hourly chart also shows that the index is rallying in a channelised manner and is forming extension on the upside,” said Gaurav Ratnaparkhi, technical analyst at Sharekhan.

Ratnaparkhi said Nifty50 is poised for a deeper retracement and sooner than later, it may aim for the 78.6% retracement of the September-October decline, which is near 11,400. For the day, the index rose 140.90 points to 11,176.30.

