

Nifty Forms Bearish Belt Hold, could Stay Weak

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New Delhi: The Nifty50 settled flat on Wednesday but negated the formation of a lower low ahead of Thursday's F&O expiry and Friday's interim Budget.

Analysts believe the bears have an edge over the bulls, as the index ended up forming a bearish candle on the daily chart that resembled a Bearish Belt Hold.

Indecision prevailed as traders struggled to gauge market direction, said Arun Kumar, Market Strategist at Reliance Securities. "Given the sell signals, Nifty50's movement may be muted. The 10,600 level is crucial. If the index decisively breaks above that point, the market may slip further," Kumar said.

The benchmark index has managed to hold multi-week support in the 10,600-10,550 zone, which remains a crucial support to watch out for, said Rajesh Palviya of Axis Securities.

During the session, the index re-

claimed the 10,700 level at opening bell, but that level proved to be the intra-day high as the index drifted lower as the session progressed. It settled the day 0.40 point lower at 10,651.

The benchmark index has failed to confirm a short-term trend reversal, said Chandan Tapararia of Motilal Oswal Securities, who feels a hold above 10,650 level will be key for Nifty to reclaim the 10,700 level and confirm a short-term reversal.

On the hourly chart, the index saw a minor degree bounce after forming an 'Impulse' pattern on the downside from 10,931 to 10,583.

"The daily chart shows this is a Fourth Wave bounce. It is expected to be followed by another leg on the downside. Thus, sell on rise should be the strategy going ahead, with the 10,720-10,750 zone likely to be the key area to initiate fresh sell positions. A breach of the swing low of 10,583 would set off the next leg down without further bounce," said Gaurav Ratnaparkhi of Sharekhan.