

'Hanging Man' On Nifty Shows Bulls Losing Grip

Amit.Mudgill@timesinternet.in

ETMarkets.com: The Nifty50 on Thursday faced selling pressure around the 11,100 level as it ended below the opening level, forming a small bearish candle on the daily chart, which resembled a 'Hanging Man' pattern.

While the pattern suggested buying at lows, it also showed that the bulls were losing grip on the market. That said, Nifty holding above 11,050 is positive and suggests consolidation is in the offing.

"Nifty is witnessing loss of momentum on the upside since the past couple of sessions. There is a high probability that the index will get into a consolidation mode over the next few sessions. The junction of 61.8% retracement of the September-October decline, the daily upper Bollinger Band and the February high is a strong hurdle to watch out for," said Gaurav Ratnaparkhi of Sharekhan. Unless the index takes out the 11,095-11,118 zone, it may keep testing crucial daily moving averages, he said.

Nagaraj Shetti of HDFC Securities said there could be consolidation or higher-level weakness on Friday. The index could face some headwinds in the 11,100 - 11,200 region in the near term, said Arun Kumar, market strategist, Reliance Securities.