

Analyze the divergence in volume & price

Saturday, 2nd May 2020

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Divergence in volume & price action

Here we are analyzing the concept of divergence in volume & price action. In Nifty fut chart we can see the condition that price is rising & volume is declining & volume is below the average volume of 63 days in last few trading days. This divergence occurs during the secondary up trend. We also see that nifty is closed around its 50% retracement level of the last major downward move. Now from here onwards we safely conclude that this secondary uptrend rally will end anytime soon, might be we can see some more upside but with a low volume & 10000 -10200 levels would act as a major resistance & once this rally terminates & secondary trend will become down we can touch the level of 8000 also, we will update you about the secondary trend movement on daily basis in our daily market report.

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