

Elliott Wave Analysis Report of Nifty on All Time Frames dated 25 Mar 2018

Nifty declined more than 1200 points from high and the chart are giving some clarity at higher time frames now. So, today I am revising wave counts on all time frames to identifying the changes and to conclude the further possible road map of Nifty in Long, Medium and Short Term.

Friday, the Ending Diagonal Triangle pattern I was expecting in my earlier analysis report was negated and 10400 Call of April Expiry we bought some days back in 100-80 range was suggested to exit with loss of 40-60 points in 40-45 range because of pattern negation. So, my earlier analysis report [Nifty can Bounce by 300-400 Points from 10141-10083 Range](#) is not valid any more.

So, let's have a fresh look at all time frames again to conclude further possibilities. Read my last analysis report on all time frames at [Elliott Wave Analysis Update of Nifty on All Time Frames as on 22 Jan 2018](#)



This is monthly time bar chart of Nifty covering life time move of Nifty. It seems Major wave (1) is completed at 6357, (2) completed at 2252 and (3) may be in progress from 2252.

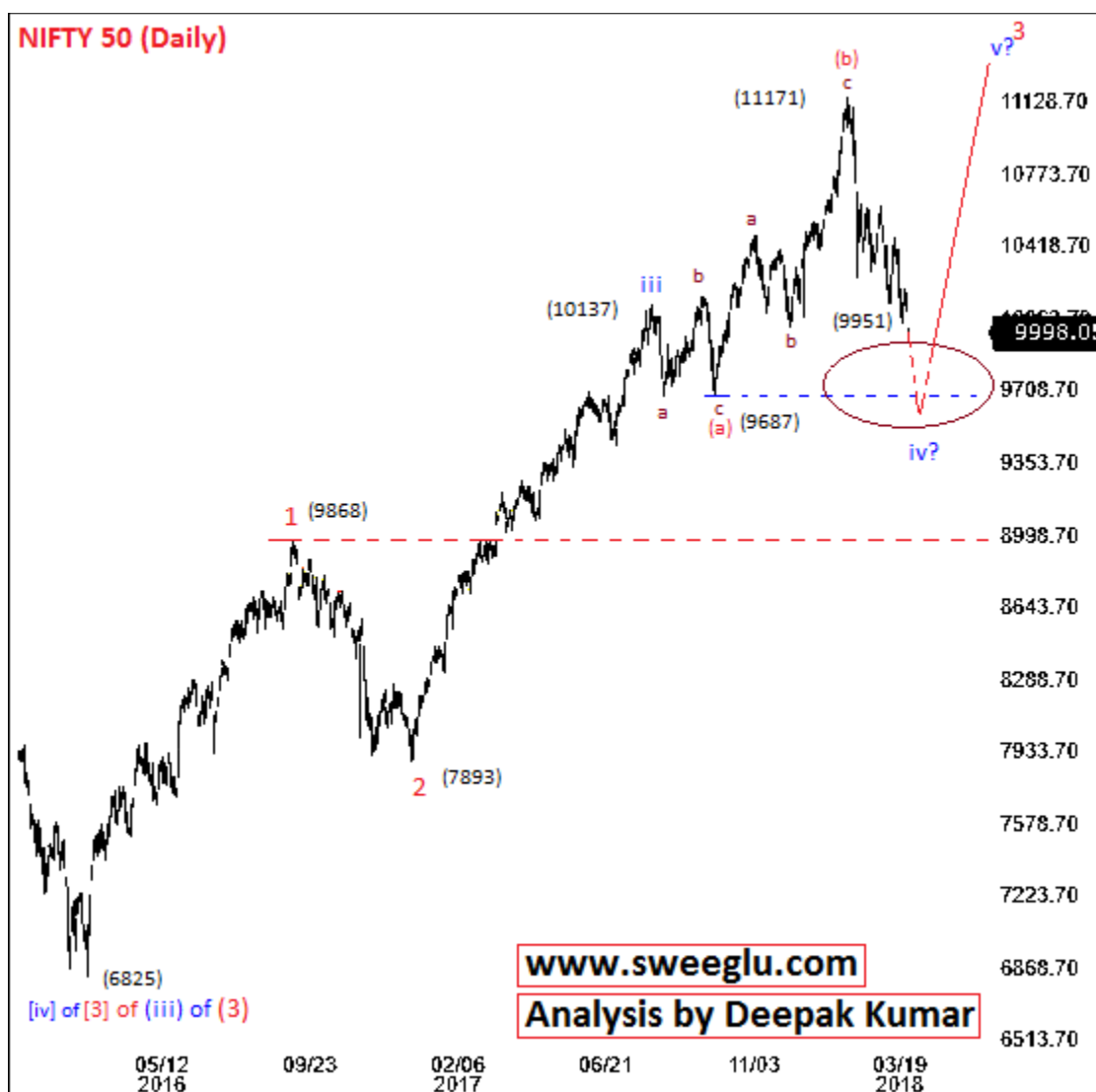
Within wave (3) started from 2252, it seems inner wave (i), (ii) is complete and (iii) in progress from 4531.

And with wave (iii) started from 4531, it seems inner wave [1], [2] is complete and [3] in progress from 5118.

And with wave [3] started from 5118, it seems inner wave [i], [ii], [iii], [iv] is complete and [v] in progress from 6825.

Overall, Nifty is somewhere in the middle of major wave (3). So Nifty is still in the long term bullish trend and there is long way to go for Nifty with occasional corrections.

The waves are clear till 6825 on this chart. So, we need to analyze the move after 6825 on lowest possible time frame which is the end of inner wave {[iv] of [3] of (iii)} of larger (3).



This is daily time bar chart of Nifty covering bounce from 6825 which I am expecting as start of wave {[v] of [3] of (iii)} of larger (3) on monthly chart.

It seems inner wave 1 of [v] completed from 6825-8968, 2 completed at 7893 and wave 3 may be in progress.

And within wave 3 started from 7893, there is small but identifiable correction from 10137-9687, so 10137 can be end of inner wave (iii) of 3 followed by (abc) correction from 10137-9687. But the later bounce from 9687-11171 is also 3 waves move followed by sharp decline.

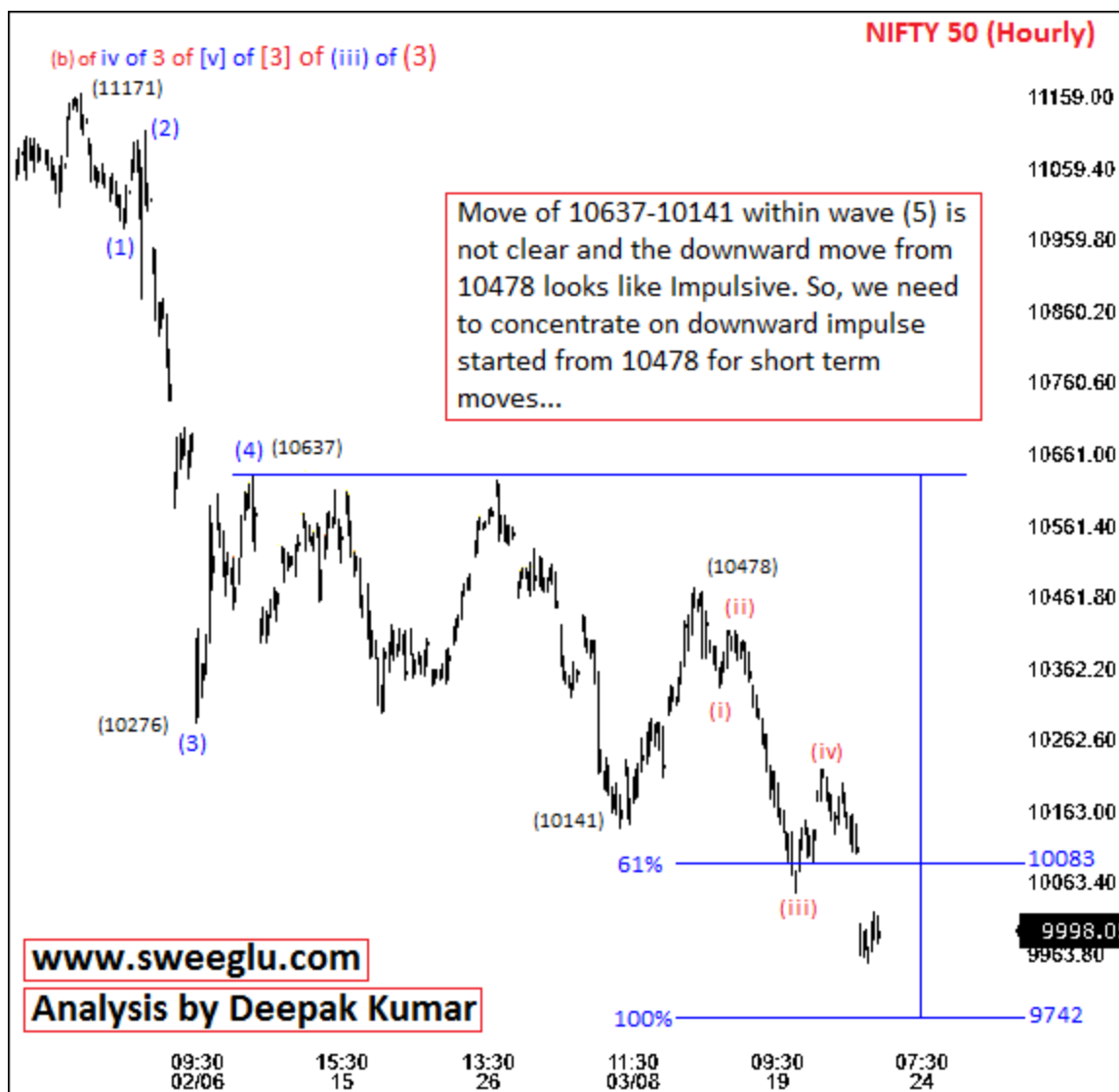
So, there is possibility wave (iv) of 3 is in progress as Irregular Correction with wave (a) completed from 10137-9687, Irregular (b) completed from 9687-11171 and wave (c) in progress from 11171.

Wave (c) achieved minimum 61% projection and wave (c) of Irregular Correction normally end near the end of (a) which is at 9687. Nifty achieved low 9951 till now, so wave (c) can end somewhere in 9951-9687 range or bit lower followed by a new upside wave for new high.

End of this wave (c) of Irregular Correction will be the end of this downtrend (started from 11171) and we can expect a new upside rally for new high after completion of this wave (c) if I am right at identifying the pattern. And the upside rally can be sharp because the next impulse after an Irregular correction known to be faster.

Wave (c) is always an impulse. So this wave (c) must complete as Impulse pattern and we need to analyze the progress of this wave separately to calculate its nearby end. We just have estimated range of 9951-9687 right now.

So, let's concentrate on the progress of wave (c) started from 11171 on lowest possible time frame chart.



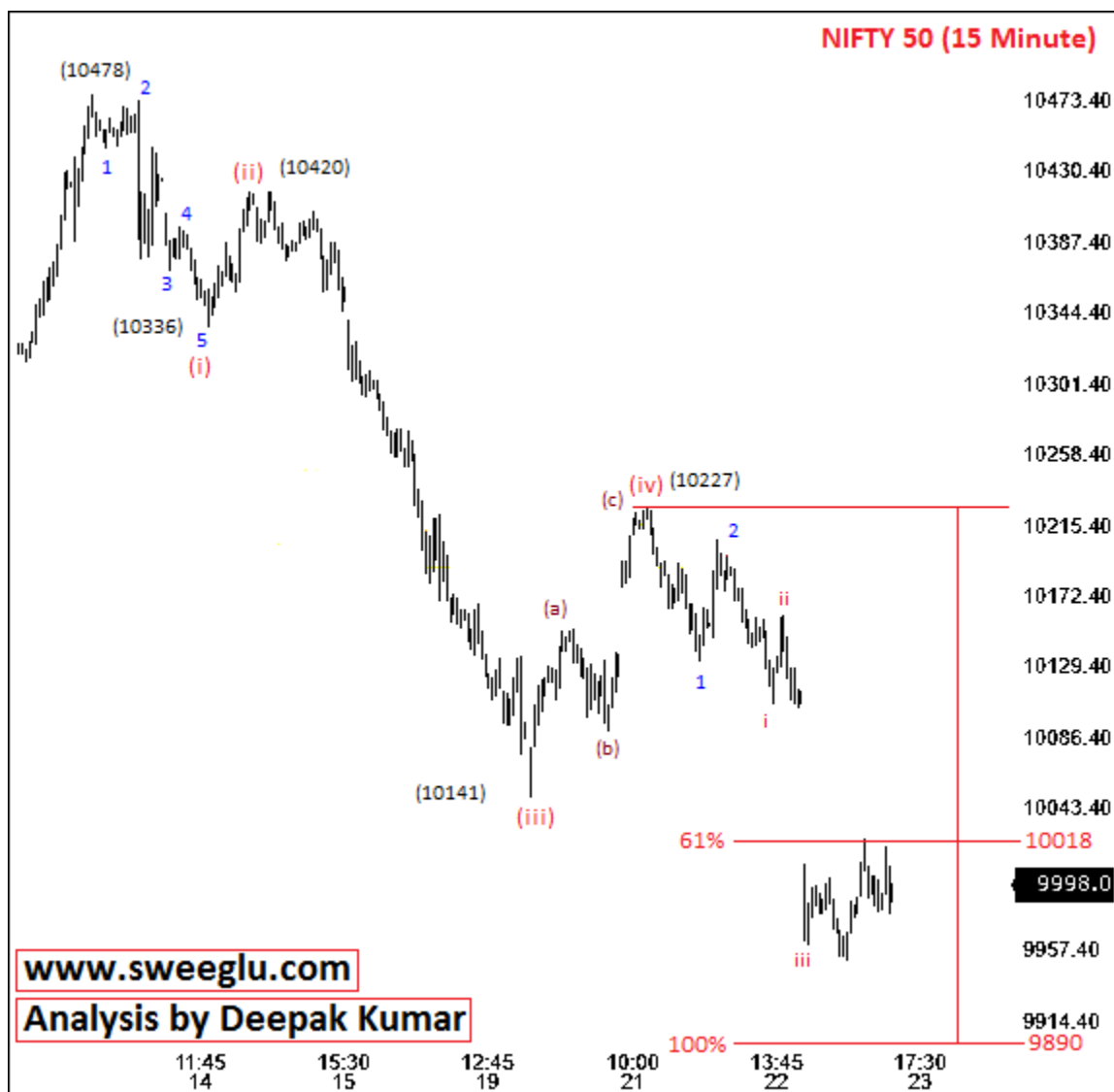
This is hourly time bar chart of Nifty covering decline from all time high 11171 which I had marked as end of inner wave (b) of {iv of 3 of [v] of [3] of (iii) of (3)}

It seems wave (1) completed at 10979, (2) completed at 11117, (3) completed at 10276, (4) completed at 10637 and wave (5) may be in progress.

Normal 61% projection for wave (5) is placed at 10083 which is already achieved and next 100% projection is placed at 9742 which may or may not be achieved. We rarely see wave (5) projecting more than 100%, so we can assume estimated of wave (5) somewhere 9742 but it is not definite, we need more confirmations.

Wave (5) achieved its minimum projections but pattern of wave (5) doesn't seem completed yet. And pattern of wave (5) is not clear. Earlier the pattern looked like Ending Diagonal Triangle but the possibility was negated on Friday so still there is question mark for the exact pattern of wave (5).

So, within wave (5) started from 10637, the move from 10637-10478 is still confusing but the decline from 10478 looks like an Impulsive wave. So, let's ignore the move from 10637-10478 for time being and concentrate on this impulsive decline started from 10478 to calculate immediate/short term moves.

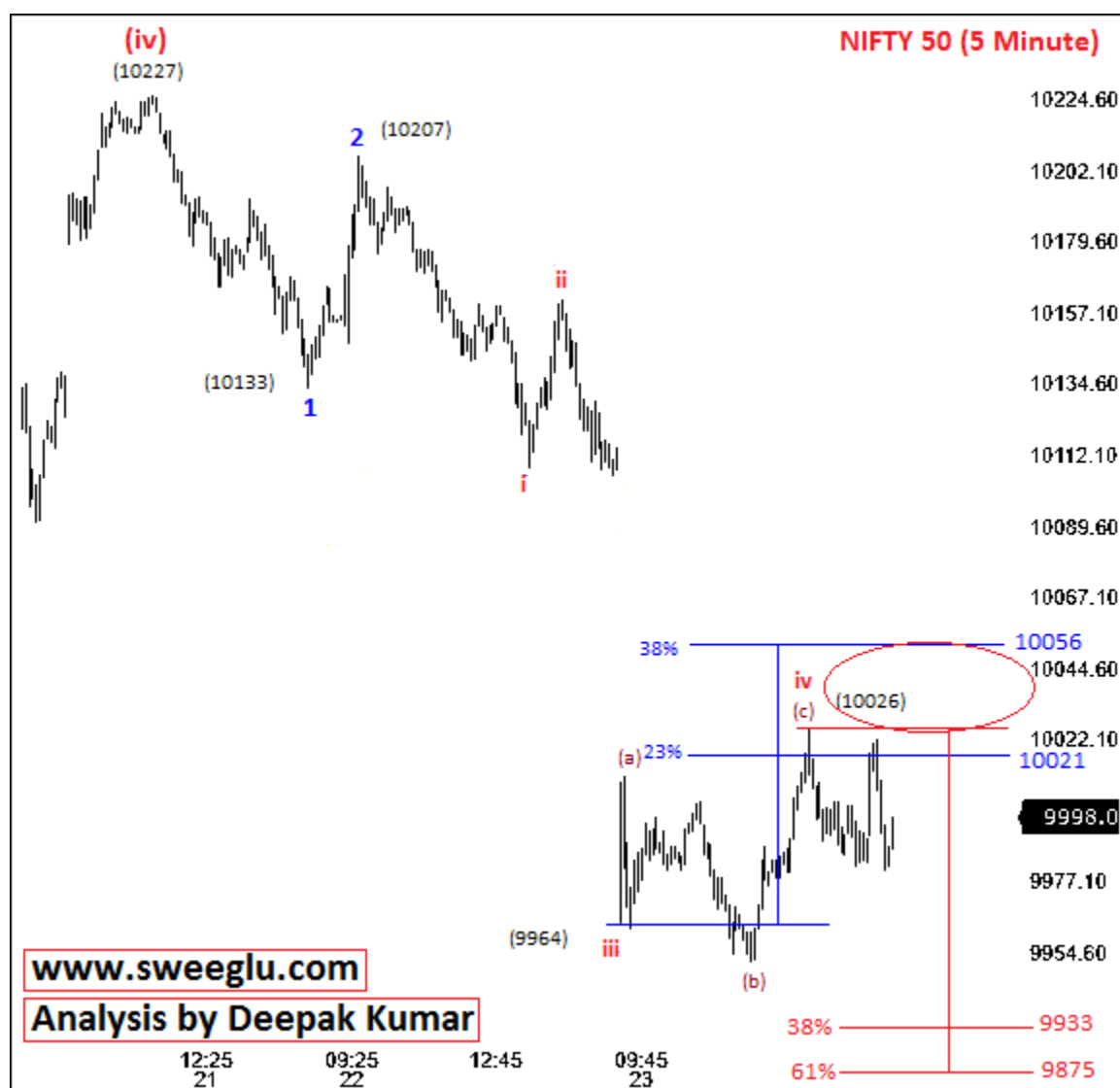


This is 15 minute time bar chart of Nifty covering decline from 10478 which is an impulsive decline and is a part of wave (5) marked on Hourly chart. I am analyzing this impulse independently as long as the whole pattern of wave (5) is not clear.

It seems inner (i) completed at 10336, (ii) completed at 10420, (iii) completed at 10141, (iv) completed at 10227 and wave (v) may in progress from 10227.

Wave (v) already achieved 61% projection after breaking below 10018 and next 100% projection is placed at 9890 which may or may not be achieved.

Wave (v) achieved its normal projection but pattern doesn't seem completed. So, let's analyze progress of (v) on separate lowest possible time frame chart.



This is 5 minute time bar chart of Nifty covering decline from 10227 which I marked as start of inner wave (v) on 15 Minutes chart.

It seems inner wave 1 of (v) completed at 10133, 2 completed at 10207 and wave 3 may be in progress from 10207.

And within wave 3, it seems inner wave i, ii, iii is already completed and wave 'iv' or 'v' may be in progress. Minimum 38%-61% projection for wave 'v' is placed at 9933-9875 if wave 'iv' is already completed at 10026 as Irregular Correction.

23%-38% retracement of progress of wave 3 is placed at 10021-10056. So, 10021-10056 is immediate resistance on upside and 10056 is immediate breakeven point.

Conclusion

For long/medium term,

Wave counts are getting bit clear and conditions are favouring the possibility of Irregular Correction at top. So, outlook for medium/long term is still bullish because Nifty is within the middle of wave (3) on largest time frame and there is Irregular Correction at top.

So, we can witness good upside rally for new high soon in coming weeks or months and 9951-9687 is the estimated range for this running downtrend to end. This 9951-9687 range is just estimated and exact range we can calculate later whenever we get hint.

And next rally for new high we can be faster because it is a part of wave (3) and next impulse after completion of Irregular Correction is often sharp. We can witness a sharp reversal after completion of Irregular Correction such as Island Reversal or Pin Bar Reversal people call in normal terms.

For Short Term,

Nifty is in negative zone because pattern of downward impulse doesn't seem completed yet and 10056 is immediate breakeven point on upside. 9933-9875 is immediate target range downside.

We need to keep all these conditions in mind while planning next trade.

Trading Points of View:

Long/medium outlook of Nifty is bullish with possibility of sharp rally for new high but with short term negativity and pattern is at a point where we can expect sharp and quick moves. So, conditions are risky for one sided trades as small stoploss can trigger but conditions are favourable for hedged trade.

So, any hedged trade can be initiated with more weightage on downside and protection on upside whenever getting price near immediate breakeven point.

So for right now, Nifty if get near short term breakeven point 10056 tomorrow then one can buy 10100 Put of March Expiry and Buy Nifty future of Mar Expiry in 2:1 ratio. Means, one can buy 2 lots 10100 Put and Buy 1 lot Nifty Future of March Expiry same time if get Nifty near 10056 and hold for next update. (This trade entry is valid for Monday only, we need to plan another trade with FNO of April Expiry if doesn't get chance on Monday)

DISCLAIMER

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Practical Application of Elliott's Wave Principles by Deepak Kumar

(The perfect tool to predict the future of Stock Market)

By : Deepak Kumar
Phone: 8082165121, 7337307543
WhatsApp: 8082165121
Email: sweeglu@gmail.com
Website: www.sweeglu.com
Contact Timing: 10 AM – 10:00 PM