

Relief Rally Lifts Nifty as Geopolitical Tensions Ease

- **Index View:** The Nifty 50 staged a resilient performance through the week, culminating in a strong Friday rally to close up 1.1%. Early weakness driven by geopolitical concerns gave way to a sharp recovery as news of a potential US-Iran diplomatic agreement emerged, sending Brent crude down 6% for the week to a three-month low. The week's price action marks a meaningful shift in tone from the persistent defensiveness of recent weeks.
- **Outlook:** The near-term bias improves cautiously. The index must sustain above its 20-DMA and 50-DMA and build on Friday's momentum to restore broader confidence. A decisive, volume-backed breakout above 24,600 would signal a restoration of momentum. On the downside, a failure to hold current levels risks a slide back toward 23,000, followed by the April 2026 lows of 22,182.
- **Broader Markets:** Both Midcap and Smallcap indices relatively underperformed large caps on a weekly closing basis. However, both indices reclaimed their 50-DMA and continue to hold above their 200-DMA, offering a degree of underlying support.
- **Market Breadth:** Breadth improved marginally during the week, driven by the late-week relief rally. The coming sessions will be key in determining whether this improvement is sustained or remains concentrated. (Page 02).

Index	1W %	Last Week Close	S1	S2	R1	R2
Nifty 50	1.1%	23,623	23,000	22,182	24,500	24,900
Midcap 150	0.0%	22,256	21,990	21,640	22,800	23,000
Smallcap 250	0.1%	17,080	16,560	16,275	17,500	18,000



TradingView

- **The index is trading below its 50 and 200-DMA.** Focus on selective ideas trading above their key moving averages.
- **Trim/Exit Lagging stocks** breaching key support levels.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty 50	1.1%	0.2%	2.5%	-8.7%	-3.1%	-9.0%	-10.4%	44.0%
Nifty 100	0.8%	0.4%	3.6%	-6.7%	-1.5%	-7.2%	-8.8%	46.9%
Nifty 500	0.6%	0.6%	6.0%	-4.2%	-0.1%	-4.8%	-6.4%	48.7%
Nifty Midcap 150	0.0%	0.1%	10.2%	0.9%	4.7%	0.3%	-3.3%	47.9%
NSE NIFTY Smallcap 250	0.1%	2.2%	15.1%	4.0%	0.0%	2.6%	-5.5%	49.8%

Source: Spark PWM; Bloomberg, TradingView

Note: 1W - last Monday to Friday; S1/2 - 1st /2nd Support; R1/2 - 1st /2nd Resistance

Returns mentioned are calculated on a total return basis

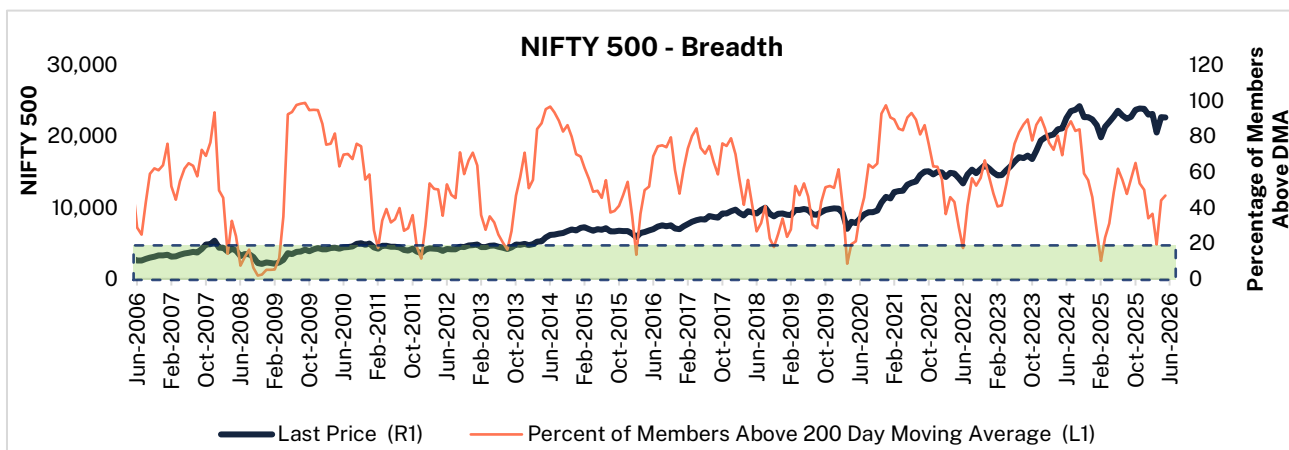
Sectoral Trends

- Over the past week, broader markets were mixed, with 10 of the 17 tracked sectors closing in the green. Nifty Bank emerged as the top performer, rising 4.3%, followed by PSU Bank, which gained 3.3% during the week. Meanwhile, Nifty IT and CPSE were the primary laggards, each declining more than 3% during the week.
- Over the past three months, Nifty Metal and Nifty Media have been the top performers, delivering gains of 15% and 14%, respectively, followed by Nifty Energy at 9%, while Nifty CPSE has been the weakest performer during this period. On a 12-month basis, Metals continue to lead with gains of around 42%, while most other sectors have delivered relatively moderate returns. Realty and IT remain the laggards, down 23% and 25%, respectively.
- No sector hit a fresh 52-week high last week. Pharma, Healthcare, Energy, Commodities, and Metal remained relatively resilient, trading close to their respective 52-week highs. In contrast, IT and Realty continue to lag, trading 31% and 26% below their respective peaks.
- Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA marginally declined to 44%, from 46% in the previous week. On a sectoral basis, Nifty Metal continues to lead, with 87% of its constituents trading above the 200-DMA, followed by Pharma at 80% and Healthcare at 70%.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty Bank	4.3%	5.8%	5.7%	-4.5%	2.3%	-4.6%	-8.0%	64.3%
Nifty PSU Bank	3.3%	7.9%	2.3%	5.2%	26.8%	2.2%	-14.0%	50.0%
Nifty Financial Services	3.5%	2.4%	3.4%	-5.8%	-0.6%	-5.8%	-9.2%	30.0%
Nifty Realty	0.1%	1.8%	8.4%	-13.1%	-23.3%	-12.3%	-25.9%	20.0%
Nifty Auto	0.5%	1.1%	8.9%	-4.3%	14.1%	-6.4%	-9.9%	60.0%
Nifty Infrastructure	0.6%	-0.7%	5.6%	-2.7%	4.3%	-3.5%	-5.7%	53.3%
Nifty FMCG	1.1%	-3.6%	2.8%	-9.6%	-8.5%	-10.6%	-16.5%	26.7%
Nifty India Consumption	0.3%	-1.0%	6.5%	-7.5%	-0.1%	-8.1%	-11.7%	30.0%
Nifty Pharma	0.5%	-0.9%	6.9%	7.7%	11.8%	7.6%	-2.6%	80.0%
Nifty Healthcare PR	0.9%	-1.2%	6.6%	6.0%	9.3%	6.5%	-2.8%	70.0%
Nifty Media	-1.0%	3.6%	14.3%	3.8%	-12.8%	3.2%	-16.7%	50.0%
Nifty Metal	-2.8%	-3.0%	14.6%	22.9%	41.5%	16.1%	-7.3%	86.7%
Nifty Commodities	-2.1%	-2.8%	6.3%	7.6%	17.0%	4.8%	-6.4%	53.3%
Nifty Energy	-2.7%	-1.4%	8.9%	13.1%	12.5%	12.1%	-6.2%	65.0%
Nifty PSE	-1.8%	-5.6%	-1.7%	4.9%	3.5%	1.7%	-8.7%	35.0%
Nifty IT	-4.2%	1.2%	-3.2%	-26.2%	-25.4%	-25.2%	-31.0%	10.0%
Nifty CPSE	-3.2%	-8.6%	-5.6%	8.6%	5.6%	6.2%	-12.0%	45.5%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages improved marginally during the week. The proportion of stocks trading above the 200-DMA increased to 48%, up from 47% in the prior week.



Source: Spark PWM; Bloomberg.

Note: 1W - last Monday to Friday; Returns mentioned are calculated on a total return basis

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
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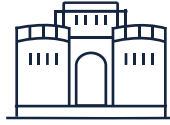
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