SWIM

Spark Weekly Insights on Markets

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20 July 2026

Nifty Trades in a Narrow Range as Markets Await a Decisive Breakout

- **Index View:** The Nifty 50 traded within a narrow range of 24,050–24,211 during the week, ending largely unchanged as it consolidated around the crucial 24,000–24,100 support zone. Market sentiment remained cautious amid escalating geopolitical tensions in the Middle East, which pushed Brent crude prices close to USD 85 per barrel, raising concerns over potential disruptions in the Strait of Hormuz. This, coupled with continued FII outflows, rupee weakness, and a rise in India VIX, kept volatility elevated. Sentiment improved briefly following softer-than-expected US inflation data and renewed buying in financial stocks, while strong Q1 FY27 earnings provided support. However, margin pressures across several sectors and persistent geopolitical uncertainty capped gains, leaving the index in a constructive but range-bound consolidation phase.
- **Outlook:** The near-term bias remains cautiously positive, though breakout confirmation is still pending. A decisive, volume-backed breakout above 24,601.70 would strengthen the case for further upside. Until then, the index is expected to remain range-bound, with global developments, crude oil prices, and institutional flows driving near-term direction. Beyond that, the 200-DMA around the 24,810 mark remains the next meaningful resistance to watch. On the downside, the index should defend its 20-DMA and 100-DMA to preserve the improving structure; a slip back below these key support levels would elevate downside risk and warrant a more cautious stance. Investors should continue focusing on fundamentally strong stocks exhibiting superior relative strength and constructive technical setups, while renewed weakness would increase the risk of further downside and deterioration in the broader market structure.
- **Broader Markets:** Both Midcap and Smallcap indices continued to consolidate near their 52-week highs, reflecting sustained relative strength and indicating that the broader market structure remains constructive despite the benchmark's range-bound movement.
- **Market Breadth:** Breadth declined through the week, with selective participation across sectors. (Page 02).

Index	1W %	Last Week Close	S1	S2	R1	R2
Nifty 50	0.5%	24,334	24,100	23,830	24,600	24,810
Midcap 150	-0.8%	22,968	22,900	22,620	23,100	23,240
Smallcap 250	-0.6%	18,004	17,900	17,360	18,200	18,400

- **The index is trading below its 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	0.5%	1.4%	0.7%	-4.4%	-1.7%	-6.0%	-7.7%	48.0%
Nifty 100	0.3%	1.0%	1.0%	-2.8%	-0.3%	-4.2%	-6.1%	50.0%
Nifty 500	0.0%	1.2%	2.6%	0.1%	0.9%	-1.5%	-3.3%	57.0%
Nifty Midcap 150	-0.8%	0.9%	4.4%	5.0%	5.2%	3.6%	-1.2%	56.2%
NSE NIFTY Smallcap 250	-0.6%	3.0%	9.7%	11.4%	0.6%	8.2%	-1.1%	60.3%

Source: Spark PWM; Bloomberg, TradingView
Note: S1/2 – 1st /2nd Support; R1/2 - 1st /2nd Resistance
Returns mentioned are calculated on a total return basis

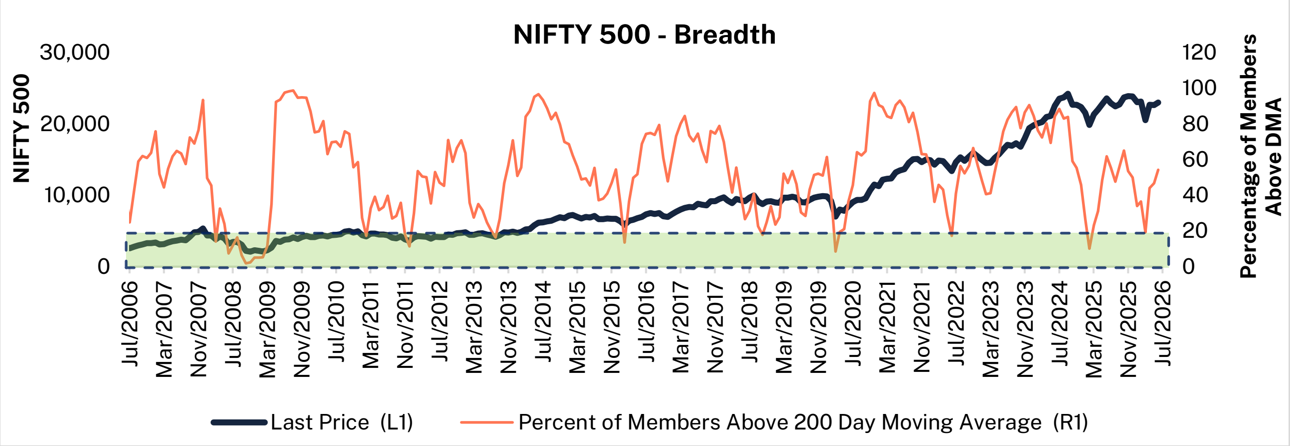
Sectoral Trends

- Over the past week, broader markets remained weak, with 10 of the 17 tracked sectors closing in the red. Nifty IT emerged as the top performer, rising 4.5%, followed by Nifty Media, which gained around 2.5% during the week. Meanwhile, Nifty Realty and Metal were the primary laggards, each declining by more than 2% during the week.
- Over the past three months, Realty continues to be the top performer, gaining 17%, followed by Nifty Pharma, Nifty Healthcare, and Nifty Media, which have risen 14%, 13%, and 7%, respectively. Meanwhile, Nifty IT has been the weakest performer during this period. On a 12-month basis, Metals continue to lead with gains of around 34%, while most other sectors have delivered relatively moderate returns. IT remains the weakest performer, down around 19% over the same period.
- Nifty Healthcare and Pharma hit fresh 52-week highs during the past week. Infrastructure, Bank, Financial Services, and Energy remained relatively resilient, trading close to their respective 52-week highs. In contrast, IT continues to lag, trading 28% below its 52-week high.
- **Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA continued to decline, falling to 48% from 52% in the previous week. On a sectoral basis, Nifty Pharma continues to lead, with 95% of its constituents trading above the 200-DMA, followed by Healthcare at 90% and Realty at 70%.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty IT	4.5%	1.9%	-6.5%	-23.8%	-18.6%	-21.0%	-27.5%	30.0%
Nifty Media	2.5%	1.0%	7.4%	8.1%	-12.3%	5.5%	-14.8%	50.0%
Nifty Auto	0.9%	1.7%	3.1%	-1.1%	14.2%	-3.2%	-7.1%	53.3%
Nifty Bank	0.8%	1.6%	3.5%	-2.6%	3.0%	-1.8%	-5.3%	64.3%
Nifty PSE	0.3%	-1.8%	-6.1%	1.6%	2.4%	2.2%	-8.3%	35.0%
Nifty Financial Services	0.3%	2.3%	2.0%	-1.6%	1.4%	-1.9%	-5.8%	45.0%
Nifty Energy	0.1%	-2.4%	1.1%	15.4%	10.4%	12.2%	-6.1%	55.0%
Nifty Pharma	-0.1%	6.3%	14.2%	15.9%	13.8%	13.4%	-1.9%	95.0%
Nifty India Consumption	-0.3%	1.5%	3.1%	-0.9%	0.6%	-4.0%	-8.0%	50.0%
Nifty Healthcare PR	-0.3%	5.8%	12.6%	13.6%	10.9%	11.7%	-1.8%	90.0%
Nifty CPSE	-0.4%	-2.4%	-10.1%	2.6%	3.8%	5.1%	-12.9%	27.3%
Nifty Infrastructure	-0.5%	-0.9%	1.0%	1.9%	2.5%	-2.0%	-4.2%	50.0%
Nifty Commodities	-0.6%	-2.0%	-2.2%	3.1%	12.0%	4.2%	-7.0%	50.0%
Nifty PSU Bank	-0.8%	-3.5%	-3.1%	-4.7%	19.5%	0.7%	-15.5%	33.3%
Nifty FMCG	-1.1%	-1.4%	-0.7%	-4.8%	-12.3%	-10.5%	-16.6%	26.7%
Nifty Metal	-2.0%	-4.2%	-2.8%	8.3%	34.3%	12.5%	-10.7%	66.7%
Nifty Realty	-2.1%	12.8%	16.8%	7.7%	-7.9%	4.7%	-9.0%	70.0%

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 edged up to 57%, from 56% in the prior week.



Source: Spark PWM; Bloomberg.
Note: Returns mentioned are calculated on a total return basis

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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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