SWIM

Spark Weekly Insights on Markets

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Nifty Extends Consolidation Amid Elevated Volatility

- **Index View:** The Nifty 50 witnessed a sharp increase in volatility during the week, closing decisively below the 24,000 mark. After opening the week around 24,360, the index failed to attract buying interest at higher levels and declined for the fifth consecutive session, ending at 23,767, down 2.3% on a weekly basis. The sell-off resulted in the index slipping below both its 20-DMA (24,110) and 50-DMA (23,848). Market sentiment deteriorated following the sharp escalation in geopolitical tensions between the US and Iran, which triggered a broad risk-off move across global equities and pushed Brent crude prices higher.
- **Outlook:** The near-term bias remains cautiously positive, though breakout confirmation is still pending. We would like to see the Nifty reclaim its 50-DMA at 23,848, followed by its 20-DMA at 24,110, as a move above these key levels would signal improving market strength and reinforce the case for a more constructive trend. Until such a recovery materialises, the index is likely to remain under pressure, with crude oil prices, global risk sentiment, and the trajectory of FII flows remaining the key variables to watch. On the downside, 23,650 remains the immediate support level, followed by 23,400 if selling pressure intensifies. On the upside, a decisive, volume-backed move through 24,600 would strengthen the case for a broader recovery. Beyond that, the declining 200-DMA near 24,805 remains the dominant overhead resistance.
- **Broader Markets:** Broader markets remained relatively resilient despite the correction. The Nifty Midcap 150 and Smallcap 250 declined 1.2% and 2.2%, respectively, slipping below their 20-DMAs but continuing to trade above their 50- and rising 200-DMAs. In contrast, the Nifty 50 remains nearly 4% below its 200-DMA, highlighting the stronger underlying technical structure of the broader market.
- **Market Breadth:** Breadth remained relatively unchanged during the week, with selective participation across sectors (Page 02).

Index	1W %	Last Week Close	S1	S2	R1	R2
Nifty 50	-2.3%	23,767	23,650	23,400	24,110	24,600
Midcap 150	-1.2%	22,685	22,550	22,400	22,940	23,190
Smallcap 250	-2.2%	17,601	17,420	17,150	17,920	18,130

- **The index is trading below its 20- 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	-2.3%	-0.2%	0.3%	-3.9%	-2.1%	-7.3%	-9.1%	50.0%
Nifty 100	-1.9%	-0.1%	0.7%	-1.6%	-0.1%	-5.2%	-7.1%	53.1%
Nifty 500	-1.8%	0.2%	2.0%	2.2%	1.8%	-2.3%	-4.2%	52.6%
Nifty Midcap 150	-1.2%	0.9%	3.6%	9.1%	7.5%	3.5%	-1.3%	55.5%
NSE NIFTY Smallcap 250	-2.2%	0.8%	6.8%	16.5%	3.3%	7.2%	-2.1%	50.6%

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

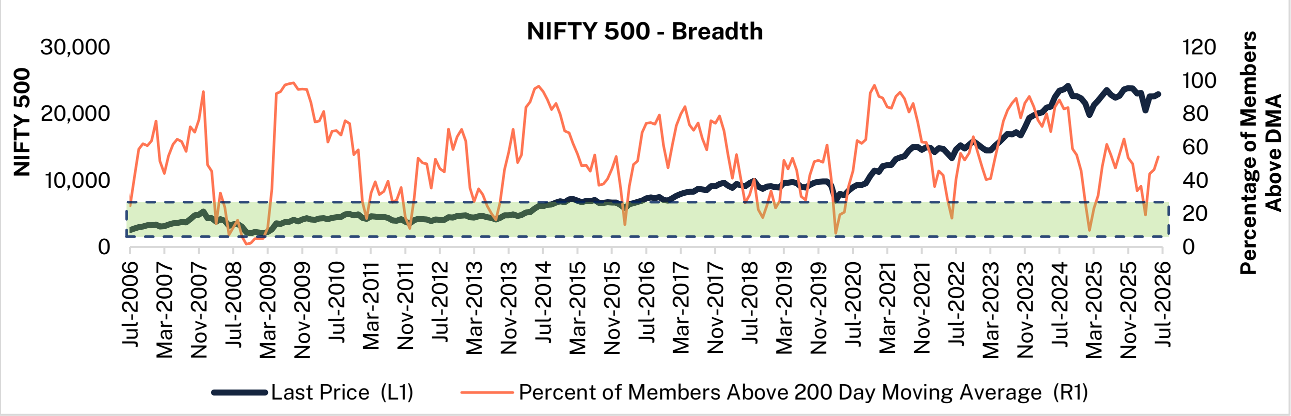
Sectoral Trends

- Over the past week, broader markets continued to weaken, with 12 of the 17 tracked sectors closing in the red. Nifty FMCG and Nifty CPSE emerged as the top performers, being the only two sectors to post gains of more than 0.5% each. Meanwhile, six sectors declined by more than 1%, with Nifty Realty, Financial Services, and Bank emerging as the primary laggards, each falling over 3% during the week.
- Over the past three months, Realty continues to be the top performer, gaining 13%, followed by Nifty Pharma, Nifty Healthcare, and Nifty Auto, which have risen 12%, 11%, and 7%, respectively. Meanwhile, Nifty CPSE has been the weakest performer during this period. On a 12-month basis, Metals continue to lead with gains of around 35%, while most other sectors have delivered relatively moderate returns. IT remains the weakest performer, down around 14% over the same period.
- No sector hit a fresh 52-week high during the past week. Pharma, Healthcare, Infrastructure, Auto, and India Consumption remained relatively resilient, trading close to their respective 52-week highs. In contrast, IT continues to lag, trading 27% below its 52-week high
- **Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA improved marginally to 50% from 48% 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 Metal at 67%.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty FMCG	0.6%	0.3%	-1.8%	-1.8%	-7.2%	-9.1%	-15.3%	33.3%
Nifty CPSE	0.5%	0.4%	-10.1%	3.8%	6.7%	5.6%	-12.4%	45.5%
Nifty Auto	0.4%	2.6%	6.5%	4.7%	17.2%	-1.4%	-5.5%	53.3%
Nifty Media	0.4%	2.9%	5.6%	16.7%	-5.9%	7.7%	-7.4%	60.0%
Nifty PSE	0.1%	0.6%	-6.3%	4.2%	5.8%	2.9%	-7.6%	50.0%
Nifty India Consumption	0.0%	2.6%	4.4%	4.6%	2.7%	-2.5%	-6.7%	53.3%
Nifty Metal	-0.3%	0.5%	-3.2%	6.7%	34.9%	13.0%	-10.4%	66.7%
Nifty Healthcare PR	-0.3%	3.2%	10.5%	18.4%	11.3%	12.8%	-0.9%	90.0%
Nifty Pharma	-0.4%	4.0%	12.2%	19.5%	15.0%	14.6%	-0.9%	95.0%
Nifty PSU Bank	-0.4%	-2.8%	-3.2%	-4.0%	22.5%	0.5%	-15.6%	25.0%
Nifty Commodities	-0.7%	-0.3%	-4.2%	4.3%	14.2%	4.0%	-7.2%	53.3%
Nifty Energy	-1.2%	-1.8%	-3.8%	17.9%	13.0%	11.2%	-7.0%	57.5%
Nifty Infrastructure	-1.5%	-1.5%	-0.4%	4.3%	3.9%	-2.6%	-5.1%	56.7%
Nifty IT	-1.6%	8.6%	2.8%	-22.1%	-14.3%	-20.2%	-26.8%	20.0%
Nifty Bank	-3.1%	-1.9%	1.4%	-3.6%	0.9%	-4.3%	-7.6%	57.1%
Nifty Financial Services	-3.7%	-2.6%	0.2%	-3.1%	-1.9%	-5.0%	-8.8%	40.0%
Nifty Realty	-4.0%	8.7%	12.7%	18.3%	-5.2%	2.3%	-7.9%	60.0%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages declined marginally during the week. The proportion of stocks trading above the 200-DMA fell to 52%, from 57% in the prior week.



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

Disclaimer (1/2)

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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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