SWIM

Spark Weekly Insights on Markets

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Nifty Recovers as Near-Term Technical Structure Improves

- **Index View:** The Nifty 50 staged a strong recovery during the week, snapping its five-session losing streak and reclaiming the crucial 24,300 level to close at 24,383, up 2.6% on a weekly basis. The rebound was constructive, with the index reclaiming both its 20-DMA (24,140) and 50-DMA (23,920), effectively reversing the previous week's technical breakdown. However, the benchmark continues to trade below its 200-DMA near 24,775, which remains the key overhead resistance. Market sentiment improved following the easing of geopolitical tensions between the US and Iran, which triggered a broad risk-on move across global equities and pushed Brent crude prices lower. The recovery was further supported by renewed FII buying and strong global earnings, which helped drive broad-based buying across domestic equities.
- **Outlook:** The near-term bias remains cautiously positive, with the Nifty reclaiming its key short-term moving averages thereby restoring a positive technical structure. The immediate challenge now lies at the declining 200-DMA near 24,775, which represents the first major resistance. A decisive close above this level, followed by a volume-backed breakout above 25,000, would confirm a resumption of the broader uptrend and strengthen the case for further upside. On the downside, the 20-DMA at 24,120 and the 50-DMA at 23,920 now serve as the immediate support zone, with the near-term technical structure remaining constructive as long as these levels continue to hold.
- **Broader Markets:** Broader markets outperformed the benchmark, reinforcing the strength of the ongoing recovery. The Nifty Midcap 150 and Smallcap 250 gained 2.0% and 1.8%, respectively, with both indices continuing to trade comfortably above their 20-, 50-, and rising 200-DMAs. In contrast, the Nifty 50 remains below its declining 200-DMA, highlighting the stronger relative strength and healthier underlying technical structure of the broader market.
- **Market Breadth:** Breadth remained improved through the week, with selective participation across sectors. (Page 02).

Index	1W %	Last Week Close	S1	S2	R1	R2
Nifty 50	2.6%	24,384	24,120	23,920	24,775	25,000
Midcap 150	2.0%	23,138	23,000	22,750	23,340	23,600
Smallcap 250	1.8%	17,920	17,680	17,295	18,180	18,500

- **The index is trading below 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	2.6%	2.4%	2.5%	-2.7%	-0.1%	-5.7%	-7.5%	56.0%
Nifty 100	2.6%	2.5%	3.2%	-0.6%	1.9%	-3.5%	-5.5%	61.2%
Nifty 500	2.4%	2.2%	4.1%	2.5%	3.7%	-0.9%	-2.8%	58.3%
Nifty Midcap 150	2.0%	1.8%	5.5%	8.2%	9.2%	4.4%	-0.4%	58.9%
NSE NIFTY Smallcap 250	1.8%	1.3%	7.4%	14.1%	5.3%	7.8%	-1.5%	56.8%

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

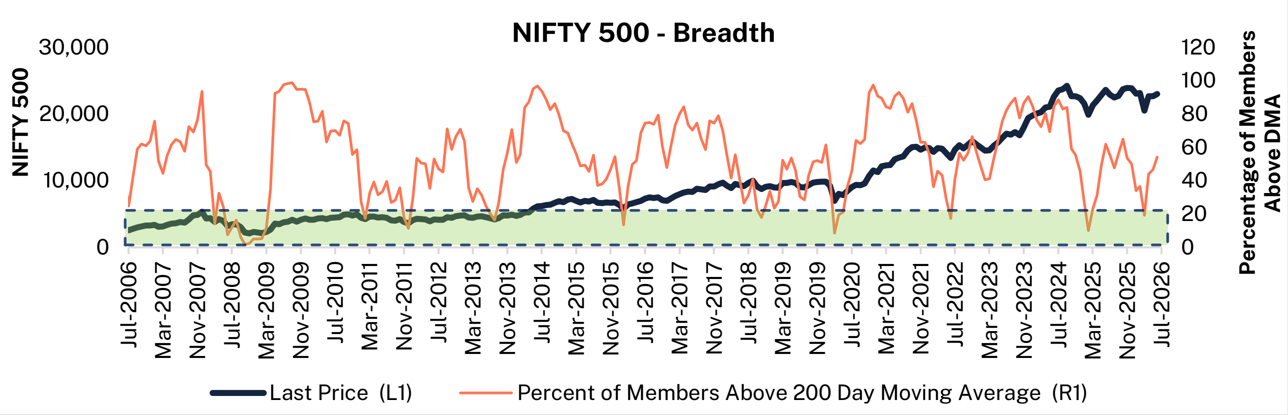
Sectoral Trends

- Over the past week, broader markets rebounded strongly, with 14 of the 17 tracked sectors closing in the green. Nifty IT, Media, and Auto emerged as the top performers, gaining 7%, 6%, and 6%, respectively. Overall, 9 of the 17 sectors advanced by more than 2.5% during the week. Meanwhile, only three sectors closed in the red, with Nifty CPSE emerging as the primary laggard, declining 1.8%, followed by Nifty Energy and PSE.
- Over the past three months, Pharma emerged as the new top performer, gaining 14%, followed by Nifty Realty, Healthcare, Auto and Media, which have risen 14%, 13%, 12% and 11%, respectively. Meanwhile, Nifty CPSE continues to be the weakest performer during this period. On a 12-month basis, Metals continue to lead with gains of around 39%, while most other sectors have delivered relatively moderate returns. IT remains the weakest performer, down around 10% over the same period.
- Nifty Healthcare and Pharma hit fresh 52-week high during the past week. Auto, Media and Infrastructure remained relatively resilient, trading close to their respective 52-week highs. In contrast, IT continues to lag, trading 24% below its 52-week high.
- **Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA jumped to 56% from 50% 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	6.8%	17.6%	6.4%	-17.7%	-10.1%	-16.9%	-23.8%	40.0%
Nifty Media	6.0%	9.5%	11.2%	17.0%	0.7%	12.3%	-3.3%	60.0%
Nifty Auto	5.6%	8.9%	11.6%	8.3%	22.8%	2.8%	-1.5%	66.7%
Nifty Pharma	3.9%	5.0%	14.4%	22.9%	17.3%	17.4%	-0.7%	95.0%
Nifty India Consumption	3.3%	5.2%	6.6%	6.4%	4.2%	-0.7%	-5.0%	63.3%
Nifty Healthcare PR	3.2%	4.0%	12.7%	21.2%	13.2%	15.0%	-0.7%	90.0%
Nifty Financial Services	2.6%	0.2%	4.3%	-2.0%	0.7%	-3.0%	-6.9%	45.0%
Nifty Metal	2.6%	1.8%	-0.3%	8.7%	39.4%	15.1%	-8.7%	60.0%
Nifty Realty	2.5%	9.0%	14.0%	15.5%	-0.7%	3.0%	-7.5%	70.0%
Nifty Infrastructure	1.9%	0.5%	0.5%	3.7%	5.2%	-1.3%	-3.9%	63.3%
Nifty Commodities	1.1%	0.9%	-3.2%	3.2%	15.2%	4.7%	-6.7%	46.7%
Nifty Bank	1.0%	-0.5%	4.4%	-3.9%	2.3%	-3.9%	-7.3%	57.1%
Nifty PSU Bank	0.3%	-1.2%	1.0%	-5.0%	25.2%	0.5%	-15.6%	25.0%
Nifty FMCG	0.2%	0.8%	-2.7%	-2.3%	-10.0%	-9.8%	-16.0%	33.3%
Nifty PSE	-0.1%	-0.4%	-6.4%	-1.0%	6.1%	2.2%	-8.3%	45.0%
Nifty Energy	-0.2%	-2.5%	-4.9%	11.3%	12.9%	10.7%	-7.4%	55.0%
Nifty CPSE	-1.8%	-2.5%	-12.4%	-3.1%	5.6%	3.7%	-14.0%	27.3%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages improved during the week. The proportion of stocks trading above the 200-DMA rose to 58%, from 52% in the prior week, reflecting a further improvement in overall market breadth.



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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