

## Nifty Extends Decline as February Volatility Stretches Into March

- **Index View:** The Nifty 50 endured another volatile week, a pattern that has persisted since February, opening near 23,116 and briefly rallying ~3.9% mid-week (from Monday's lows), before a sharp 3.3% decline on Thursday pulled the index back to close at 23,002. The scale of the reversal is stark, from a 52-week high in January 2026, the index is now within striking distance of a 52-week low, a swing of over 12% in under two months. Escalating macro tensions and volatile crude oil prices kept India VIX elevated and sentiment fragile. The index continues to trade below its 200-DMA and all key short-term moving averages.
- **Outlook:** The near-term bias remains cautious. The index must sustain above 22,930–23,000 to stabilize; a break below this zone risks reopening 22,500 and subsequently 22,000. On the upside, resistance is layered at the 20-DMA, 50-DMA, and 200-DMA, all trending lower. A reclaim of 23,930, sustained over multiple sessions, would be the first signal of recovery. Until key moving averages are retaken, rallies are likely to attract selling.
- **Broader Markets:** Nifty Midcap and Smallcap indices continue to trade below their 200-DMA and other key moving averages, trending toward a test of their March/April 2025 lows. Sectoral trends remain broadly weak. A period of consolidation without fresh lows, followed by a reclaim of the 20-DMA, would be the first sign of stabilization.
- **Market Breadth:** Breadth remained under pressure through the week, reflecting broad-based selling and an absence of selective participation across market capitalizations.

Index	1W %	Last Friday Close	S1	S2	R1	R2
Nifty 50	-0.2%	23,115	22,000	21,750	23,430	23,800
Midcap 150	0.0%	20,227	19,160	18,900	20,400	20,965
Smallcap 250	-0.4%	14,792	13,850	13,315	14,940	15,340



TradingView

- **The index is trading below** its 200-DMA and all key MAs. 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	-0.2%	-10.1%	-11.5%	-7.8%	0.3%	-11.4%	-12.4%	30.0%
Nifty 100	-0.3%	-9.8%	-10.8%	-7.8%	0.8%	-10.8%	-11.9%	28.3%
Nifty 500	-0.3%	-9.2%	-10.6%	-8.2%	1.4%	-10.5%	-11.7%	23.1%
Nifty Midcap 150	0.0%	-7.6%	-9.3%	-6.6%	6.2%	-9.0%	-10.7%	30.0%
NSE NIFTY Smallcap 250	-0.4%	-7.7%	-11.0%	-14.1%	-2.3%	-11.3%	-18.2%	16.9%

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

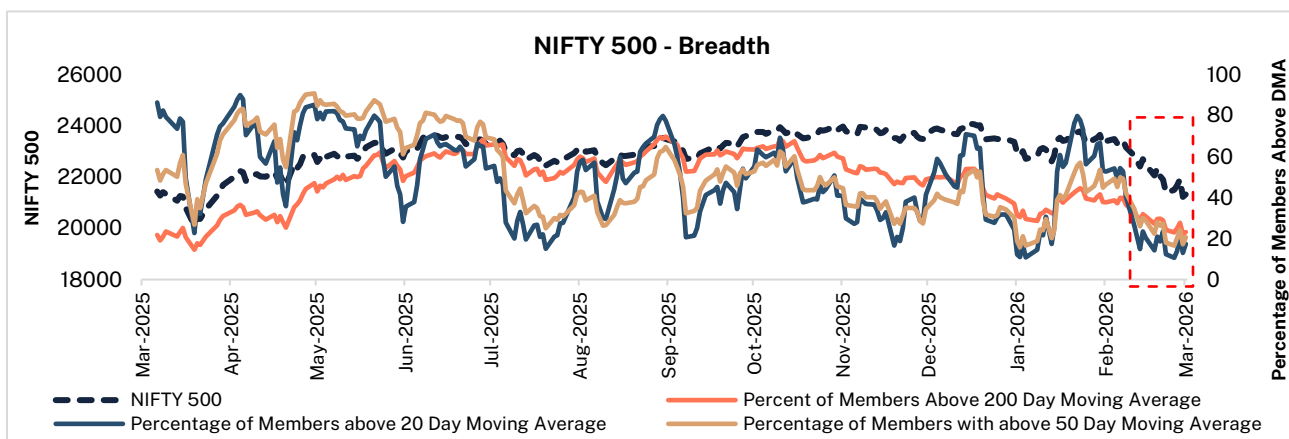
## Sectoral Trends

- Over the past week, broader markets were mixed, with 8 of the 17 tracked sectors ending in the green. Nifty Media and Metal were the only sectors to gain more than 0.8%. Bank and Financial Services were the primary laggards, declining 1.8%, 2.9%, and 3.0%, respectively.
- Over the past three months, CPSE has been the top performer with gains exceeding 12%, followed by Metal at over 6.5%, while Realty and IT remain the weakest. On a 12-month basis, PSU Banks lead with gains of over 44%, followed by Metal and CPSE, up 26% and 19%, respectively.
- No new sectors hit fresh 52-week highs last week. CPSE, Energy, and Pharma remained relatively resilient, trading close to their respective 52-week highs. In contrast, Realty, IT, and Media continue to lag, trading 34%, 28%, and 27% below their respective peaks.
- Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA remained unchanged at 30% compared to the previous week. On a sectoral basis, Nifty Metal continues to lead, with 73% of its constituents trading above the 200-DMA (unchanged from the prior week), followed by CPSE and Pharma at 64% and 58%, respectively.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty Media	0.9%	-8.7%	-7.5%	-18.9%	-14.7%	-9.5%	-0.3%	20.0%
Nifty Metal	0.8%	-4.6%	6.6%	12.9%	26.0%	2.4%	-0.1%	73.3%
Nifty Energy	0.6%	-2.2%	2.8%	1.9%	9.8%	2.5%	0.0%	38.5%
Nifty IT	0.5%	-7.5%	-25.0%	-16.0%	-18.2%	-22.4%	-0.3%	0.0%
Nifty CPSE	0.5%	-0.1%	12.4%	10.4%	19.1%	11.6%	0.0%	63.6%
Nifty Auto	0.5%	-12.0%	-11.3%	-9.4%	14.9%	-12.2%	-0.2%	53.3%
Nifty Infrastructure	0.3%	-9.4%	-8.2%	-3.8%	6.2%	-8.2%	-0.1%	30.0%
Nifty PSU Bank	0.2%	-12.4%	2.9%	15.3%	44.0%	0.7%	-0.1%	58.3%
Nifty Pharma	0.0%	-0.2%	-1.2%	1.3%	5.0%	-0.6%	0.0%	55.0%
Nifty Healthcare PR	-0.1%	-1.7%	-2.6%	-1.7%	3.3%	-1.6%	-0.1%	45.0%
Nifty India Consumption	-0.2%	-9.3%	-12.9%	-13.6%	-0.2%	-13.0%	-0.2%	22.6%
Nifty Commodities	-0.2%	-5.0%	1.0%	4.2%	13.6%	-0.9%	-0.1%	50.0%
Nifty Realty	-0.3%	-15.0%	-21.2%	-23.7%	-19.0%	-20.7%	-0.3%	0.0%
Nifty PSE	-0.4%	-4.6%	2.7%	2.6%	10.8%	1.5%	-0.1%	45.0%
Nifty Bank	-1.8%	-12.8%	-9.9%	-3.8%	5.6%	-10.3%	-0.1%	42.9%
Nifty Financial Services	-2.9%	-12.9%	-10.1%	-14.2%	1.8%	-10.2%	-0.1%	25.0%
Nifty FMCG	-3.0%	-9.8%	-14.5%	-14.2%	-9.5%	-14.7%	-0.2%	6.7%

## NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages showed marginal improvement, though the overall trend remains weak. Stocks above the 200-DMA slipped further to 23% (from 24%), while those above the 50-DMA edged up to 30% (from 18%) and the 20-DMA improved to 17% (from 12%).



Source: Spark PWM; Bloomberg.

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

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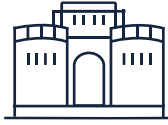
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