

Profit Booking Pauses the Rally, But Recovery Structure Remains Intact

- **Index View:** The Nifty 50 witnessed a phase of profit booking last week, snapping its two-week winning streak as markets turned cautious at higher levels. Despite attempts to maintain upward momentum, the index faced resistance at its 50-DMA, with sellers emerging at higher levels. However, the broader recovery structure remains intact, with the index continuing to hold above its 20-DMA.
- **Outlook:** The near-term bias remains cautiously positive. The 100-DMA and 200-DMA in the 25,000–25,150 zone remain the key resistances to overcome for the next leg of the recovery. The 50-DMA (24,250), which the index tested and was rejected from last week, is the immediate level that must be retaken to resume upward momentum. On the downside, the index must hold above the 20-DMA (23,690); a breach would shift focus to the April 2 lows of 22,182.
- **Broader Markets:** Nifty Midcap and Smallcap indices held up relatively better than large caps through the week, reflecting improving underlying strength in the broader market. The Nifty Midcap index has reclaimed all its key moving averages and is trading within striking distance of its all-time highs, indicating strong relative momentum. The Nifty Smallcap index has also reclaimed most key moving averages but continued to trade just below its 200-DMA, which remains the next important level to overcome.
- **Market Breadth:** Breadth remained relatively firm through the week despite the profit booking, reflecting underlying resilience and continued broad participation across market capitalizations. (Page 02).

Index	1W %	Last Week Close	S1	S2	R1	R2
Nifty 50	-1.9%	23,898	23,690	22,340	24,250	25,120
Midcap 150	-0.8%	21,876	21,627	21,200	22,400	22,650
Smallcap 250	-0.1%	16,414	15,590	15,210	16,900	17,225



TradingView

- **The index has retaken its 20-DMA but continues to trade 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	-1.9%	4.3%	-4.5%	-7.0%	-0.1%	-8.4%	-9.4%	46.0%
Nifty 100	-1.6%	5.7%	-2.7%	-5.6%	1.2%	-6.7%	-8.0%	54.1%
Nifty 500	-1.3%	7.2%	-0.4%	-4.4%	3.0%	-5.2%	-6.5%	41.8%
Nifty Midcap 150	-0.8%	9.8%	4.3%	0.2%	9.2%	-1.6%	-3.4%	43.1%
NSE NIFTY Smallcap 250	-0.1%	12.6%	7.3%	-4.5%	3.9%	-1.5%	-9.2%	42.0%

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

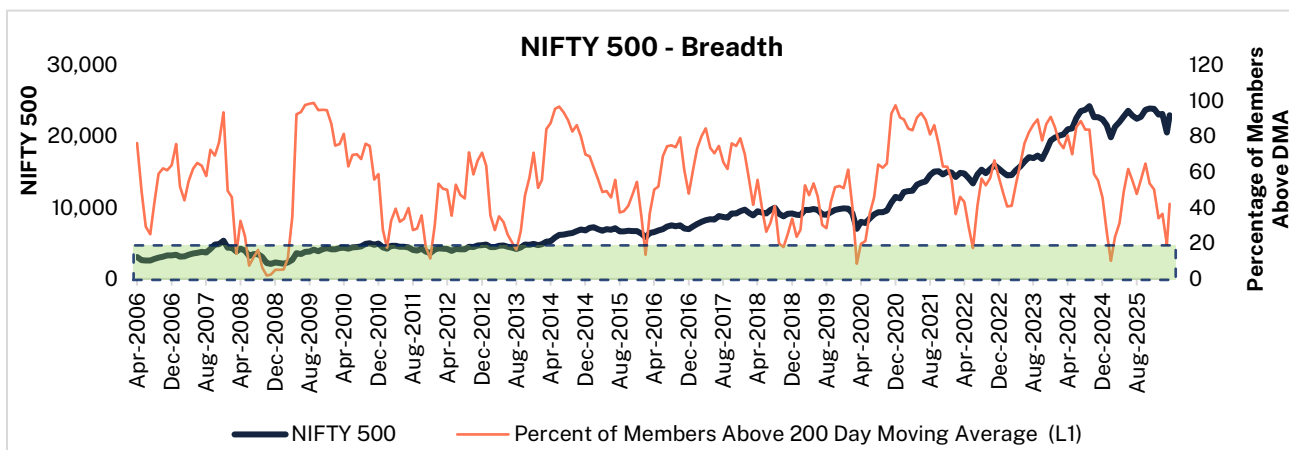
Sectoral Trends

- Over the past week, broader markets were mixed, with 8 of the 17 tracked sectors ending in the green. Nifty Energy and FMCG were the key gainers, rising 2.6% and 2.2%, respectively. Meanwhile, IT was the primary laggard, declining by over 10% during the week.
- Over the past three months, Energy and CPSE have been the top performers, delivering gains of 22% and 16%, respectively, followed by PSE and Metal at 11.5% each, while IT remains the weakest. On a 12-month basis, Metals lead with gains of over 48%, followed by PSU Bank and Commodities, which have risen 36% and 20%, respectively.
- Nifty CPSE, Metal, Energy, Commodities, and PSE hit fresh 52-week highs last week. Healthcare, Pharma, and Infrastructure remained relatively resilient, trading close to their respective 52-week highs. In contrast, IT, Realty, and Media continue to lag, trading 29%, 26%, and 20% below their respective peaks.
- Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA improved to 46%, compared to 40% in the previous week. On a sectoral basis, Nifty Metal continues to lead, with 100% of its constituents trading above the 200-DMA (vs. 93% in the prior week), followed by CPSE at 73% and Energy at 65%.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty Energy	2.6%	13.7%	21.5%	13.8%	17.6%	13.9%	-0.8%	65.0%
Nifty FMCG	2.2%	9.4%	-1.1%	-9.1%	-8.9%	-7.9%	-13.2%	40.0%
Nifty Media	1.6%	11.0%	6.6%	-6.2%	-9.0%	-0.2%	-19.5%	30.0%
Nifty Healthcare PR	0.5%	2.4%	4.6%	-1.8%	3.4%	-0.3%	-3.8%	60.0%
Nifty Pharma	0.4%	1.5%	4.2%	1.2%	3.5%	-0.4%	-4.1%	65.0%
Nifty Commodities	0.3%	10.2%	8.9%	10.7%	19.8%	6.8%	-1.2%	63.3%
Nifty PSE	0.1%	9.4%	11.6%	9.5%	12.8%	8.9%	-1.1%	55.0%
Nifty CPSE	0.0%	6.4%	16.3%	13.9%	19.6%	16.9%	-0.8%	72.7%
Nifty PSU Bank	-0.6%	5.4%	0.3%	12.8%	35.5%	3.3%	-11.2%	58.3%
Nifty India Consumption	-0.7%	7.6%	-1.4%	-9.2%	0.2%	-7.5%	-10.8%	41.9%
Nifty Infrastructure	-0.7%	5.8%	3.8%	-1.1%	7.2%	-3.6%	-5.6%	56.7%
Nifty Bank	-0.8%	6.6%	-4.1%	-2.8%	1.6%	-5.9%	-9.2%	57.1%
Nifty Metal	-1.0%	15.5%	11.5%	23.7%	48.3%	14.6%	-1.8%	100.0%
Nifty Realty	-1.1%	15.4%	2.9%	-17.3%	-11.7%	-11.4%	-25.9%	20.0%
Nifty Financial Services	-1.4%	6.8%	-2.5%	-4.5%	0.3%	-5.3%	-8.5%	35.0%
Nifty Auto	-3.0%	4.7%	-4.1%	-5.2%	16.0%	-8.8%	-12.1%	60.0%
Nifty IT	-10.3%	-3.8%	-25.2%	-19.8%	-16.9%	-24.2%	-29.2%	10.0%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages remained broadly unchanged last week. The proportion of stocks trading above the 200-DMA held steady at 42%, in line with 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)

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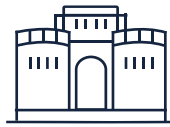
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