

Nifty Below 200-DMA; Volatility Likely to Persist

- Index View:** On Friday, the Nifty 50 declined 1.25%, closing the week lower by 1.54% as selling pressure intensified across sectors. After opening marginally higher (+0.3%), the index reversed and traded within a range of 25,771–25,141, ultimately closing near the weekly low, reflecting persistent supply. The index has breached its 200-DMA and now trades 1.7% below its 20-DMA and 2.0% below its 50-DMA, indicating short-term trend deterioration. It remains 4.5% below its 52-week high, underscoring weakened momentum.
- Outlook:** The near-term bias remains cautious following the breach of the 200-DMA. Immediate support is placed at 24,570 (January 2026 low). A sustained move below this level could accelerate downside toward 24,350, followed by 23,900. On the upside, resistance is seen at 25,350 (200-DMA) and 25,600 (20-DMA). A decisive close above 26,000 would be required to signal trend stabilization and reopen 26,300–26,400. Until key moving averages are reclaimed, rallies are likely to attract selling interest.
- Broader Markets:** The NIFTY Midcap 150 outperformed on a relative basis, declining 0.32% while holding above its key moving averages, including the 200-DMA as of Friday close. The NIFTY Smallcap index, after spending eight weeks below its 200-DMA, failed to sustain above its 50-DMA and closed the week down 0.5%, indicating continued structural fragility.
- Market Breadth:** Breadth weakened marginally over the week (see page 2), reflecting selective participation.

Index	1W %	Last Friday Close	S1	S2	R1	R2
Nifty 50	-1.5%	25,179	24,570	24,350	25,350	25,600
Midcap 150	-0.3%	21,847	21,050	20,700	21,900	22,200
Smallcap 250	-0.5%	15,881	15,250	14,800	16,120	16,400



TradingView

- The index is trading above** its 200-DMA. Focus on selective ideas trading above their key moving averages and breaking out of early consolidation bases.
- 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	-1.5%	0.5%	-3.1%	2.9%	15.3%	-3.4%	-4.5%	52.0%
Nifty 100	-1.2%	1.1%	-2.4%	3.1%	16.7%	-2.8%	-4.0%	48.5%
Nifty 500	-1.0%	1.6%	-2.6%	2.3%	17.9%	-2.8%	-4.0%	36.6%
Nifty Midcap 150	-0.3%	3.0%	-2.0%	3.6%	24.2%	-1.7%	-3.5%	42.7%
NSE NIFTY Smallcap 250	-0.5%	2.5%	-4.8%	-5.4%	15.6%	-4.7%	-12.1%	28.0%

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

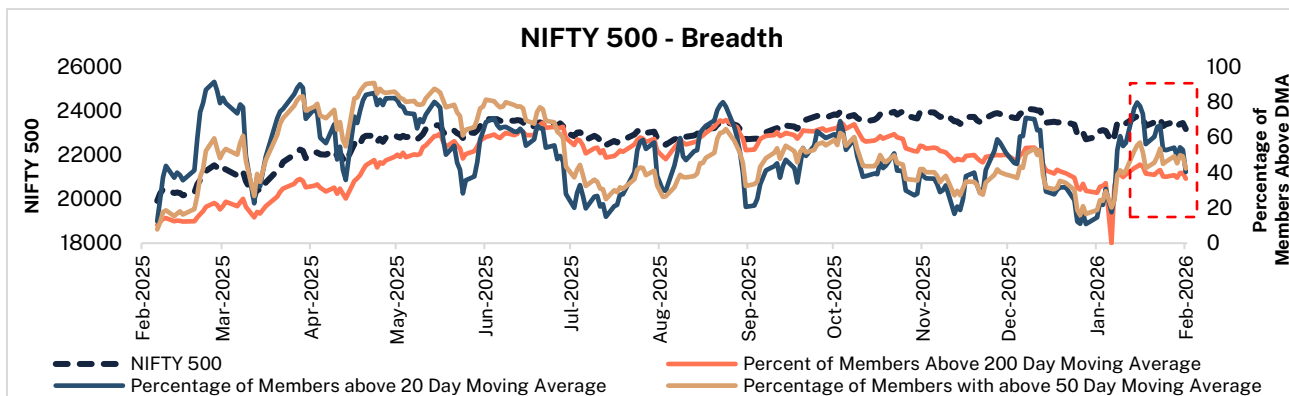
Sectoral Trends

- Over the past week, broader markets were mixed, with 9 of the 17 tracked sectors closing in positive territory. Metals emerged as the top performers, rising 2.3% week-on-week, followed by Pharma and Healthcare, each advancing more than 1.5%. Meanwhile, Realty and IT were the primary laggards, declining 4.7% and 3%, respectively, during the week.
- Over the past three months, Metals continue to lead, posting gains of over 18%, followed by PSU Bank with gains of more than 15%, while Realty and IT remain the weakest performers. On a 12-month (1Y) basis, PSU Banks are the top performers, delivering gains of over 78%, followed by Metal and Auto, which have risen 52% and 39%, respectively.
- Nifty CPSE, PSU Bank, Financial Services, Energy, PSE, Commodities, and Healthcare touched fresh 52-week highs last week. Bank, Metal, and Pharma remained relatively resilient, trading close to their respective 52-week highs. In contrast, Realty, IT, and Media continue to lag, trading 26%, 24%, and 21% below their respective peaks, respectively.
- Market Breadth:** Based on the percentage of stocks trading above their 200-DMA, the Nifty 50 stands at 52%, down from 58% in the previous week. In terms of sectoral breadth, Nifty Metal leads, with 80% of its constituents trading above the 200-DMA (unchanged from the previous week), followed by PSU Bank and Pharma at 75% and 70%, respectively. On the weaker side, IT, Realty, and Media remain under pressure, with 0%, 10%, and 20% of their stocks trading above the 200-DMA, respectively.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty Metal	2.3%	6.0%	18.8%	30.8%	51.5%	9.8%	-2.2%	80.0%
Nifty Pharma	1.7%	6.7%	0.4%	5.9%	16.7%	1.2%	-2.3%	70.0%
Nifty Healthcare PR	1.6%	8.0%	0.2%	3.9%	17.9%	1.8%	-1.8%	65.0%
Nifty Energy	0.8%	7.8%	5.4%	9.3%	26.3%	5.7%	-0.7%	48.7%
Nifty PSE	0.7%	5.0%	8.8%	13.0%	34.1%	7.3%	-0.8%	60.0%
Nifty CPSE	0.7%	7.0%	12.4%	15.2%	35.7%	12.5%	-0.8%	63.6%
Nifty Commodities	0.7%	5.1%	8.8%	15.1%	33.7%	5.1%	-1.2%	66.7%
Nifty Auto	0.3%	5.4%	0.8%	10.2%	39.0%	0.0%	-3.5%	60.0%
Nifty PSU Bank	0.2%	14.3%	15.4%	43.5%	78.7%	15.2%	-1.0%	75.0%
Nifty Media	-0.9%	4.1%	-2.8%	-12.4%	3.3%	-1.8%	-20.7%	20.0%
Nifty Bank	-1.2%	3.3%	2.1%	12.8%	25.2%	1.6%	-2.0%	64.3%
Nifty Infrastructure	-1.9%	4.7%	-0.3%	7.0%	25.8%	-0.6%	-2.7%	56.7%
Nifty FMCG	-1.9%	1.7%	-7.1%	-9.2%	3.0%	-7.2%	-12.6%	46.7%
Nifty India Consumption	-1.9%	1.5%	-7.2%	-5.2%	14.8%	-5.9%	-9.3%	38.7%
Nifty Financial Services	-2.1%	4.0%	1.1%	9.1%	22.2%	1.0%	-2.4%	50.0%
Nifty IT	-3.0%	-19.6%	-18.0%	-13.2%	-15.7%	-18.7%	-24.1%	0.0%
Nifty Realty	-4.7%	0.3%	-12.5%	-11.9%	-1.8%	-11.1%	-25.6%	10.0%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages declined during the week. Stocks above the 200-DMA edged down to 37% (from 38%), while those above the 50-DMA fell to 42% (from 46%). The percentage of stocks trading above the 20-DMA also declined to 40% (from 53%).



Source: Spark PWM; Bloomberg.

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

Disclaimer (1/2)

Absolute Rating Interpretation

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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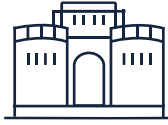
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