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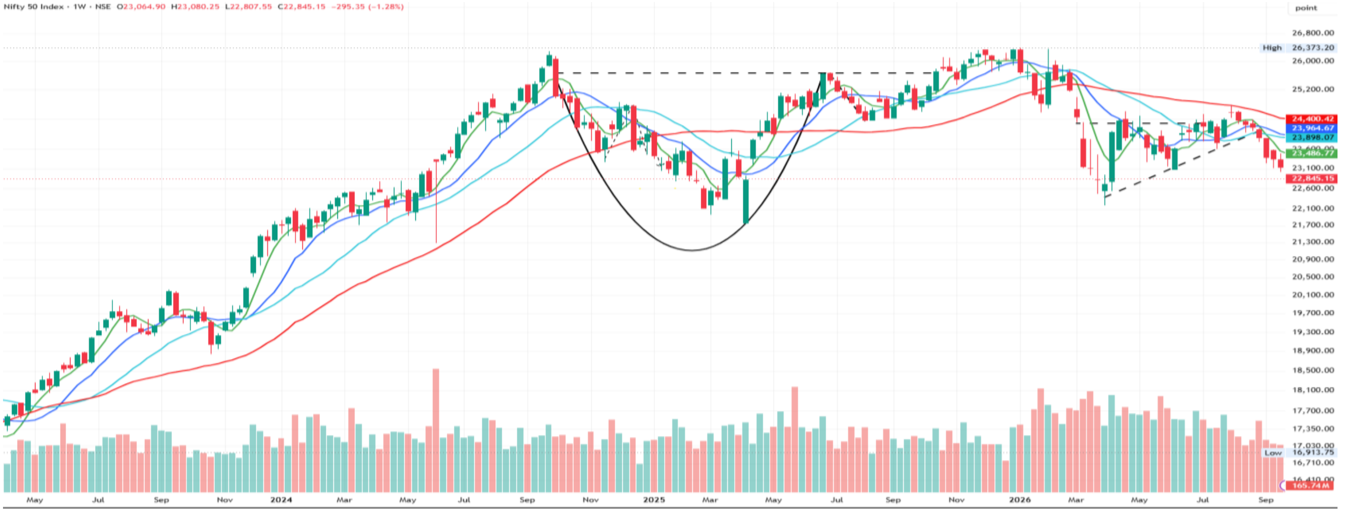
Nifty Resumes Downtrend; Broader Market Relative Strength Narrows

- **Index View:** The Nifty 50 resumed its downtrend during the week, declining 0.88% to close at 23,140, as the previous week's recovery from support proved short-lived. Following the sharp intraweek rebound, the index failed to sustain the recovery and slipped back towards the 23,000 zone, closing near the lower end of its recent range. The failure to reclaim the 23,600 breakdown level indicates that the corrective phase remains intact, with selling pressure re-emerging near resistance. The benchmark continues to trade below all three key moving averages, with the 20-DMA at 23,560, 50-DMA at 23,990, and declining 200-DMA at 24,410, keeping the short-term technical structure negative as the index retests the 23,000 support zone.
- **Outlook:** The near-term bias has turned negative following the failed stabilisation and resumption of selling pressure. The 23,000 zone remains the key support level, having been tested multiple times in recent weeks. A sustained close below this level would confirm a fresh breakdown and increase the risk of a move towards 22,700. On the upside, any recovery is likely to face resistance around the 23,560–23,600 zone. A decisive move above this zone would provide the first indication of easing downside pressure. The broader resistance structure remains at the 50-DMA near 23,990, followed by the declining 200-DMA near 24,410. Until these levels are reclaimed, the near-term trend remains negative, with 23,000 being critical to contain further downside.
- **Broader Markets:** Broader markets weakened during the week, with midcaps seeing a sharper decline while smallcaps remained relatively resilient. The Nifty Midcap 150 declined 2.0%, while the Nifty Smallcap 250 fell 0.7%, with both indices continuing to trade above their rising 200-DMAs. The Midcap 150 slipped below its 20- and 50-DMAs and is now testing its 200-DMA, while the Smallcap 250 moved below its 20-DMA but remained above its 50- and 200-DMAs. In contrast, the Nifty 50 remains below its key moving averages, with the renewed weakness across midcaps indicating that the earlier relative strength in the broader market is narrowing.
- **Market Breadth:** Breadth weakened during the week, with market participation remaining selective across sectors (Page 02).

Index	1W %	Last Week Close	S1	S2	R1	R2
Nifty 50	-0.9%	23,140	23,000	22,700	23,560	23,990
Midcap 150	-2.0%	22,437	22,220	22,000	22,930	23,160
Smallcap 250	-0.7%	18,158	18,000	17,750	18,320	18,500



- **The index is trading below its 20, 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	-0.9%	-4.9%	-3.4%	0.3%	-5.7%	-10.4%	-12.3%	34.0%
Nifty 100	-0.8%	-4.6%	-2.8%	2.6%	-3.6%	-7.8%	-9.9%	47.0%
Nifty 500	-1.0%	-4.2%	-1.8%	6.1%	-0.6%	-4.3%	-6.4%	47.8%
Nifty Midcap 150	-2.0%	-4.6%	-1.0%	10.6%	5.8%	1.5%	-5.1%	40.9%
NSE NIFTY Smallcap 250	-0.7%	-1.0%	3.0%	22.2%	7.3%	9.5%	-2.1%	52.6%

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

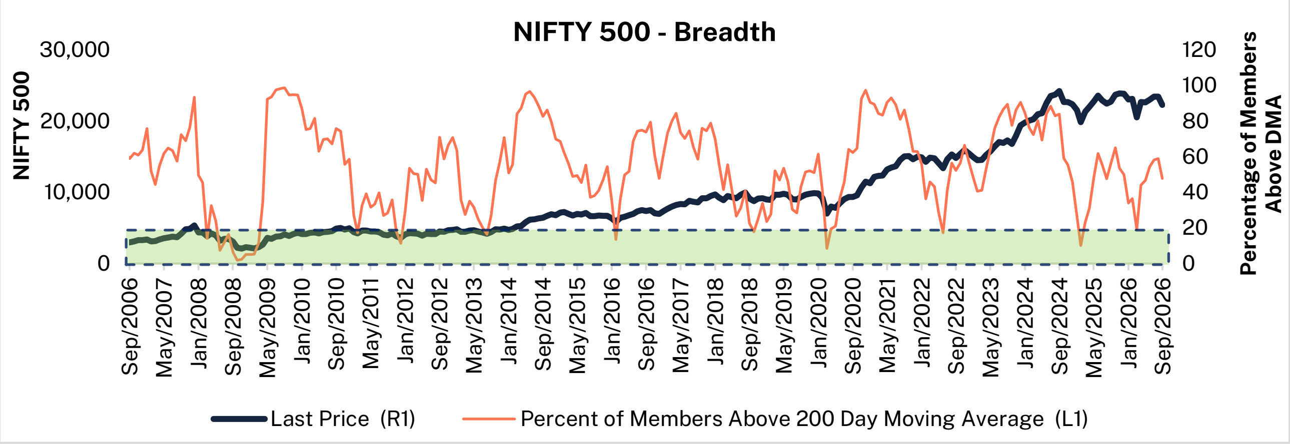
Sectoral Trends

- Over the past week, broader markets remained largely flattish, with 6 of the 17 tracked sectors closing in the green, while 7 sectors were flat to marginally lower. Nifty Realty, Pharma, and FMCG were the key gainers, rising 3.0%, 1.1%, and 1.0%, respectively. Meanwhile, Nifty IT and Financial Services were the primary laggards, declining more than 1.5% during the week.
- Over the past three months, Nifty Pharma has emerged as the top performer, gaining 8.5%, followed by Realty, which rose 5.7%. Meanwhile, Nifty FMCG remains the weakest performer during this period. On a 12-month basis, Metals continues to lead, with gains of around 31%, while most other sectors have delivered relatively moderate returns. IT continues to be the weakest performer over this period, declining around 15%.
- Nifty Pharma hit a fresh 52-week high during the past week. Nifty Healthcare, Metal, and Media remained relatively resilient, trading close to their respective 52-week highs. In contrast, IT and FMCG continued to lag, trading 30% and 20%, respectively, below their respective 52-week highs.
- **Market Breadth:** The percentage of Nifty 50 stocks trading above their 200-DMA declined to 34% from 40% in the previous week. On a sectoral basis, Nifty Pharma leads, with 80% of its constituents trading above the 200-DMA, followed by Metal and Auto at 67% each.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty Realty	3.0%	-5.3%	5.7%	26.2%	-0.3%	-0.5%	-10.8%	60.0%
Nifty Pharma	1.1%	1.7%	8.5%	19.5%	23.7%	19.6%	-0.9%	80.0%
Nifty FMCG	1.0%	-3.7%	-6.8%	-1.5%	-14.7%	-15.5%	-20.0%	26.7%
Nifty CPSE	0.8%	-0.9%	-3.0%	-7.2%	1.3%	2.1%	-16.0%	18.2%
Nifty Healthcare PR	0.4%	0.5%	4.7%	15.2%	16.0%	14.5%	-1.6%	65.0%
Nifty Metal	0.3%	-2.1%	5.4%	16.5%	31.3%	18.5%	-6.1%	66.7%
Nifty Media	-0.2%	-3.3%	3.3%	19.0%	-1.6%	8.2%	-5.2%	50.0%
Nifty PSE	-0.2%	-2.0%	-3.0%	-0.9%	1.1%	-0.8%	-11.7%	25.0%
Nifty Commodities	-0.3%	-3.1%	-2.6%	2.9%	7.9%	1.7%	-9.7%	36.7%
Nifty PSU Bank	-0.3%	-3.6%	-3.7%	-1.0%	15.0%	-0.4%	-16.4%	25.0%
Nifty India Consumption	-0.4%	-5.6%	-1.1%	7.0%	-5.7%	-6.1%	-10.2%	50.0%
Nifty Auto	-0.6%	-7.7%	0.6%	8.6%	1.9%	-3.3%	-9.7%	66.7%
Nifty Energy	-0.9%	-2.0%	-5.0%	6.0%	8.7%	7.6%	-10.5%	40.0%
Nifty Infrastructure	-1.3%	-4.7%	-4.8%	1.6%	0.0%	-5.9%	-8.5%	36.7%
Nifty Bank	-1.4%	-3.4%	-4.5%	3.5%	1.1%	-6.7%	-10.0%	42.9%
Nifty Financial Services	-1.6%	-4.4%	-6.3%	0.2%	-4.4%	-9.1%	-12.1%	15.0%
Nifty IT	-2.4%	-8.5%	3.7%	-3.3%	-15.7%	-23.7%	-30.1%	30.0%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages declined during the week. The proportion of stocks trading above the 200-DMA fell to 48% from 52% in the previous week.



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