

NIFTY Re-enters Positive Setup After Reclaiming 200-DMA

- **Index View:** The NIFTY 50 gained 3.5% over the week, marking a green close after two consecutive weeks of decline. The setup is turning positive as the index managed to reclaim its 20-, 100-, and 200-DMA in one move, aided by improved clarity on the US-India trade deal.
- **Outlook:** As highlighted last week, while trading below the 200-DMA, the focus had shifted to stabilization. The index has found support around the 200-DMA and is now showing improving strength by reclaiming key moving averages. On the upside, the 25,800–26,000 zone remains a key hurdle; a breakout above 26,000 could open the path toward 26,300–26,400. A decisive reclaim of the 200-DMA signals improving near-term momentum. Key support is placed at 25,400–25,100.
- **Broader Markets:** Mirroring large-cap strength, the NIFTY Midcap 150 has reclaimed both its 200- and 20-DMA and is currently holding just below the 50- and 100-DMA levels. The Smallcap 250, while still overextended on the downside, has retaken its 20-DMA following last week's move and is now consolidating just below the 50-DMA. After spending multiple weeks below the 200-DMA, price action suggests early signs of stabilization, with no fresh lows being made.
- **Breadth & Highs:** Market breadth has remained stable and showed improvement over the past week, with broader participation supporting the recent up move (see page 2).

Index	1W %	Last Friday Close	S1	S2	R1	R2
Nifty 50	3.5%	25,694	25,450	25,250	26,100	26,400
Midcap 150	4.2%	21,927	21,630	21,050	22,380	22,650
Smallcap 250	2.9%	15,865	15,830	15,350	16,300	16,800



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	3.5%	0.2%	1.0%	6.0%	10.5%	-1.5%	-2.6%	66.0%
Nifty 100	3.6%	0.3%	0.8%	6.0%	10.5%	-1.3%	-2.5%	55.6%
Nifty 500	3.6%	0.0%	-0.2%	4.9%	9.5%	-1.7%	-2.9%	38.9%
Nifty Midcap 150	4.2%	-0.2%	-0.3%	5.5%	11.5%	-1.5%	-3.2%	45.3%
NSE NIFTY Smallcap 250	2.9%	-2.1%	-6.7%	-3.8%	-0.3%	-4.9%	-12.2%	28.2%

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

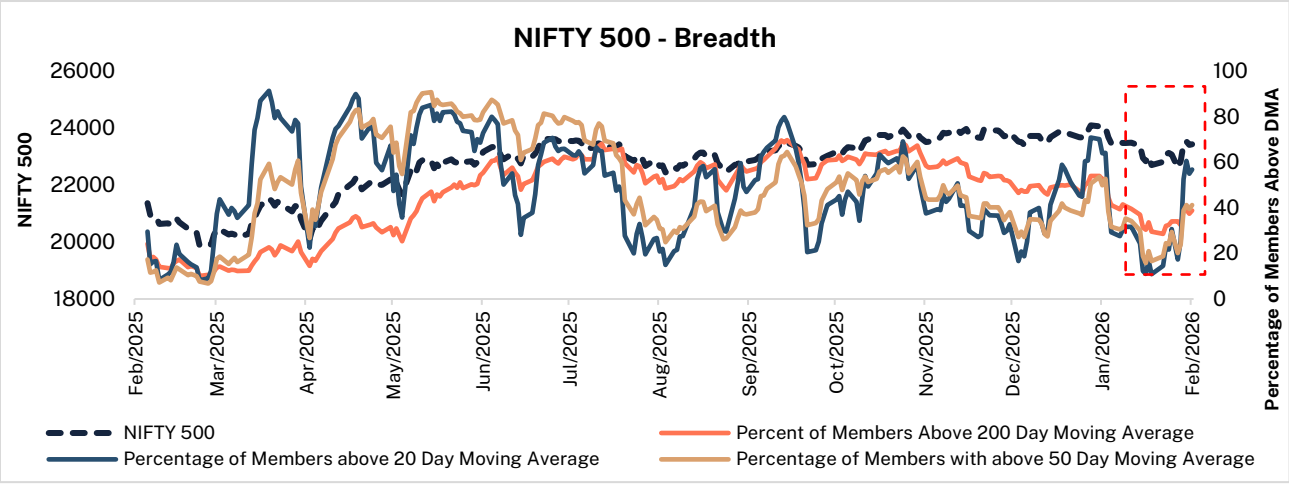
Sectoral Trends

- Over the past week, broader markets saw a sharp recovery following the news of the US-India trade deal, with 16 of the 17 tracked sectors closing in positive territory. Realty, Energy, Infrastructure, and Commodities were the key gainers, each rising over 4%, while IT was the sole laggard, declining 6.5% for the week.
- Over the past three months, Metals have retaken the lead, posting gains of over 14%, followed by CPSE with gains of more than 8%, while Realty and Media continue to be the weakest performers. On a 12-month (1Y) basis, PSU Banks remain the top performers, delivering gains of over 47%, followed by Metal and Commodities, which have risen 41% and 25%, respectively.
- Nifty Commodities, CPSE, PSE, and Financial Services hit new 52-week highs last week. Energy and Infrastructure remained relatively resilient near their 52-week highs, while Realty and Media are trading 21% and 22% below their respective peaks.
- Market Breadth:** Based on the percentage of stocks trading above their 200-DMA, the NIFTY 50 stands at 66%, up from 52% in the previous week. In sectoral breadth, Nifty Banks lead, with 93% of their constituents trading above the 200-DMA (up from 79% in the previous week), followed by Metal and Auto at 80% and 73%, respectively. On the weaker side, Media and Realty continue to remain under pressure, with only 10% and 20% of their stocks trading above the 200-DMA.

Index	1-W %	1-M %	3-M %	6-M %	12-M %	YTD %	% from 52W high	% of members > 200-DMA
Nifty Realty	6.0%	-5.6%	-12.8%	-5.5%	-9.8%	-6.0%	-21.4%	20.0%
Nifty Energy	5.5%	6.2%	2.6%	7.6%	13.2%	3.5%	-1.3%	48.7%
Nifty Infrastructure	4.6%	2.7%	1.9%	8.1%	16.9%	-0.7%	-2.6%	56.7%
Nifty Commodities	4.2%	5.8%	7.0%	15.8%	24.6%	4.2%	-0.3%	70.0%
Nifty Financial Services	3.8%	1.6%	2.1%	6.5%	19.3%	0.7%	-1.7%	70.0%
Nifty India Consumption	3.7%	-1.7%	-3.5%	1.6%	6.5%	-3.8%	-7.2%	41.9%
Nifty CPSE	3.4%	7.6%	8.5%	11.6%	21.5%	8.8%	-1.0%	63.6%
Nifty Metal	3.3%	7.7%	14.7%	31.4%	41.5%	7.0%	-4.5%	80.0%
Nifty PSU Bank	3.3%	3.3%	6.3%	29.1%	47.3%	4.1%	-3.3%	66.7%
Nifty PSE	3.2%	6.3%	5.9%	10.9%	19.3%	5.4%	-1.1%	65.0%
Nifty FMCG	3.1%	-0.4%	-5.8%	-4.6%	-3.5%	-5.9%	-11.3%	40.0%
Nifty Auto	2.9%	-2.0%	2.8%	17.3%	18.7%	-2.4%	-5.7%	73.3%
Nifty Healthcare PR	2.6%	-3.5%	-3.4%	0.2%	0.0%	-3.3%	-6.6%	40.0%
Nifty Bank	2.6%	1.5%	3.9%	9.3%	19.9%	0.9%	-2.7%	92.9%
Nifty Media	2.2%	-2.3%	-6.4%	-14.1%	-13.1%	-3.6%	-22.1%	10.0%
Nifty Pharma	2.1%	-3.4%	-0.8%	2.8%	0.1%	-3.2%	-6.5%	55.0%
Nifty IT	-6.5%	-5.8%	2.1%	5.0%	-14.7%	-5.4%	-17.1%	40.0%

NIFTY 500 Market Breadth

- The percentage of stocks trading above key moving averages improved during the week. Stocks above the 200-DMA rose to 38% (from 34%), those above the 50-DMA jumped to 41% (from 20%), and stocks above the 20-DMA surged to 57% (from 17%).



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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