



BGSE FINANCIALS LTD

Newsletter



FEBRUARY 21, 2026

CONTENTS

Particulars	Page No
Market Snapshot	02-03
Market Pulse	04-05
Macro & Global Cues	06-08
Sector Radar	09-11
Market Risks / Earnings Focus	12-14
Core Portfolio – Large, Mid & Small Cap Ideas	15-16
Tactical & Trading Opportunities	17-18
The Week / Month Ahead	19-20
Conclusion & Positioning	21-22

Weekly Takeaway

Indian equity markets remained range-bound with a mild positive bias, supported by banking and consumption stocks, while global cues and currency movement continued to cap aggressive upside.

Index	Current Trend	Market Context
NIFTY 50	Trading in consolidation zone	Holding above key support after recent pullback
SENSEX	Range-bound	Institutional flows stabilising volatility
BANK NIFTY	Relative strength	Supported by earnings visibility and credit growth
MIDCAPS	Selective participation	Stock-specific momentum visible
SMALLCAPS	Mixed	Profit booking in extended names

Market Structure — What Happened This Week

Trend Behaviour

- Market remained in sideways consolidation
- No structural breakdown of medium-term uptrend
- Buying seen near key support zones

Interpretation: This is a healthy correction phase, not a bear trend.

Sector Leadership

Leaders this week:

- Banking & Financials
- FMCG / Consumption
- Select Infrastructure plays

Lagging sectors:

- Metals
- High-beta smallcaps
- IT (profit booking phase)

Institutional Flow Pattern

- A. Domestic institutions: Continued supportive buying on declines
 - B. Foreign investors: Selective and cautious
 - C. Net effect: Market stability despite global uncertainty
-

Key Market Drivers Right Now

Domestic Factors

- A. Earnings season still influencing stock-specific moves
- B. Stable macro environment supporting investor confidence
- C. Strong domestic liquidity cushioning declines

Global Factors

- A. Dollar strength impacting emerging market flows
- B. Crude price volatility influencing inflation outlook
- C. Global yield movement affecting risk appetite

Market Mood Indicator

Parameter	Current Status
Trend Strength	Moderate
Risk Appetite	Selective
Volatility	Low
Market Breadth	Mixed

The market is currently in a **consolidation within an uptrend phase**, characterised by selective sector leadership, stable institutional support, and event-driven stock movements rather than broad index momentum.

Weekly Market Compass | – Market Pulse

This section evaluates the health of the current market move by analysing trend structure, breadth, institutional participation, and volatility.

Trend & Structure

Primary Market Trend

Current Status: Consolidation within Uptrend

- The broader market structure remains positive
- Recent weeks show sideways price movement
- Higher-low formation remains intact on weekly charts

Interpretation:

This indicates a healthy consolidation phase, not a trend reversal.

Markets are digesting gains before the next directional move.

Short-Term Momentum Analysis

Momentum Condition: Neutral

- Momentum indicators have cooled from overbought levels
- Price action shows range-bound behaviour
- Lack of strong directional conviction in the short term

Interpretation:

Momentum is resetting — a prerequisite for the next trending move.

Institutional Flows

Domestic Institutional Investors (DIIs)

- Consistent buyers on declines
- Acting as market stabilisers

Foreign Institutional Investors (FIIs)

- Selective and cautious
- Activity influenced by global macro and currency movement

Net Effect:

Institutional flows remain balanced, preventing sharp declines.

Volatility & Risk Perception

India VIX India VIX Context

- Volatility remains in a low zone
- Indicates market stability but potential for sudden spikes

Interpretation: Low VIX supports:

- Stock-specific trading
- Carry trades
- Defined-risk strategies

Key Technical Levels to Watch

Index	Support Zone	Resistance Zone
NIFTY 50	24,900 – 25,000	25,800 – 26,000
BANK NIFTY	58,000 – 59,000	60,800 – 61,500

Interpretation:

- Recovery above medium-term resistance zones signals a return to broader accumulation.
- Failure of support bands may extend range contraction.

Market Phase Assessment

The current market behaviour reflects:

“Consolidation Phase in Bull Cycle”

Characteristics:

- Sideways movement
- Selective sector leadership
- Reduced momentum
- Stable institutional support

Market Pulse – Takeaway

Market structure remains constructive, but participation is selective. The current phase favours disciplined stock picking and tactical positioning rather than broad market exposure.

Weekly Market Compass | Macro & Global Cues

This section highlights the macro and global factors currently shaping market sentiment, focusing only on variables that have a real impact on asset prices.

Domestic Macro – What’s Driving India Now

Strong Economic Momentum Despite Headwinds

Economic Growth Outlook: Strong & Stable

India continues to maintain one of the strongest growth trajectories globally, supported by:

- Robust domestic consumption demand
- Government infrastructure spending
- Strong credit growth trends
- Stable corporate earnings outlook

Market Impact:

A strong growth backdrop provides a structural support base for equity markets.

Inflation & Interest Rate Outlook

- Inflation remains within manageable levels
- RBI stance continues to be balanced and supportive
- No immediate risk of aggressive policy tightening

Market Impact:

Stable inflation supports:

- Equity valuations
- Consumption sectors
- Banking credit expansion

Currency Movement – Rupee Trends

- The Indian Rupee has shown moderate weakness
- Influenced by global dollar strength and capital flows

Beneficiaries	Impacted Sectors
Exporters	Import-heavy industries
IT Services	Oil marketing companies

External Risk Dynamics

Global Macro Environment

US Interest Rate Cycle

- Global markets remain sensitive to US rate expectations
- Yield movements continue to influence risk appetite

Market Impact:

Higher global yields tend to:

- Trigger FII outflows
 - Pressure emerging market equities
-

Global Economic Conditions

- Global growth remains stable but uneven
- Geopolitical tensions continue to create uncertainty

Market Impact:

Markets remain **headline-driven** in the short term.

Commodity Market Signals

Crude Oil Trend

- Oil prices remain volatile due to supply dynamics

Impact:

- Inflation expectations
 - Currency stability
 - Energy sector profitability
-

Gold Movement

- Gold remains supported due to global uncertainty
 - Reflects risk sentiment in financial markets
-

Bond Market Signals

India 10-Year Yield

- Trading in a stable range
- Reflects controlled inflation expectations

Impact:

- Equity valuation stability
-

- Banking sector outlook
-

Macro → Market Transmission Chain

Global Rates → Currency Movement → Capital Flows → Market Volatility

Understanding this chain helps explain **short-term market fluctuations**.

Key Macro Triggers to Watch

- Global interest rate signals
 - Currency volatility
 - Crude oil price movements
 - Inflation data trends
 - Central bank policy commentary
-

What This Means for Investors

Current macro conditions suggest:

- ✓ No systemic risk to markets
 - ✓ Strong domestic fundamentals
 - ✓ External factors driving short-term volatility
-

Takeaway

India's macro environment remains supportive, with strong growth and stable inflation. However, global factors such as interest rates, currency movement, and commodity volatility continue to drive short-term market sentiment.

Global monetary conditions are injecting tactical volatility, reinforcing the need for selective exposure and reaction-based trading rather than broad directional bets.

Weekly Market Compass | Sector Radar

This section identifies which sectors are leading, lagging, and attracting institutional flows, helping investors align portfolios with the current market cycle.

Sector Performance – Recent Trend

Market leadership remains selective rather than broad-based, a typical characteristic of consolidation phases.

Leading Sectors This Week

1 Banking & Financial Services

- Strong credit growth outlook
- Stable asset quality trends
- Continued institutional accumulation

Market Role: Primary market stabiliser and leadership anchor.

2 FMCG & Consumption

- Defensive flows during market uncertainty
- Stable earnings visibility
- Benefiting from rural demand recovery

Market Role: Low-volatility safe haven sector.

3 Infrastructure & Capital Goods

- Strong government capex momentum
- Structural growth tailwinds
- Long-term demand visibility

Market Role: Proxy for economic growth.

Neutral / Mixed Performance Sectors

Information Technology (IT)

- Consolidation after previous outperformance
- Sensitive to global macro trends and currency movement

Outlook: Stock-specific opportunities remain.

Automobile Sector

- Demand remains stable but margin pressures persist

- Mixed institutional participation

Outlook: Selective rather than sector-wide opportunities.

Lagging Sectors

Metals & Commodities

- Impacted by global demand uncertainty
- Sensitive to commodity price volatility

High-Beta Smallcaps

- Profit booking after extended rallies
- Reduced speculative participation

Rotation and Relative Strength Insights

Current market behaviour suggests:

- Rotation toward defensive and earnings-stable sectors
- Reduced exposure to high-risk cyclicals
- Preference for sectors with predictable cash flows

This reflects a risk-controlled market environment.

Sector Valuation / Comfort Check

Sector	Valuation Comfort	Commentary
Banking	Fair	Supported by earnings growth
FMCG	Premium	Justified by stability
Infrastructure	Fair	Strong long-term demand
IT	Fair	Global dependency factor
Metals	Elevated Risk	Cyclical uncertainty

Tactical Allocation Bias (Near Term)

Overweight

- Banking & Financials
 - FMCG / Consumption
 - Infrastructure / Capital Goods
-

Neutral

- Information Technology
 - Automobile
-

Underweight

- Metals
 - Speculative small caps
-

Takeaway

Sector leadership remains selective, with capital flowing toward stable, earnings-visible sectors such as banking, consumption, and infrastructure. Investors should align allocations with sectoral strength rather than broad market exposure.

Weekly Market Compass | Market Risks & What Can Go Wrong

This page highlights key risks that could challenge the current market trend. It's designed to help investors identify downside triggers, manage expectations, and protect capital amid volatility.

Key Market Risks – Current Context

1 1. Earnings Risk — High Impact

- Markets have elevated expectations from ongoing earnings season
- Even minor earnings disappointments are triggering sharp price corrections
- Guidance commentary is becoming more important than headline numbers

Risk Impact:

Short-term volatility in stock prices may increase.

2. Global Macro Risk — Moderate to High

- Movements in global interest rates continue to influence capital flows
- Dollar strength impacts emerging market sentiment
- Geopolitical uncertainties remain an underlying risk factor

Risk Impact:

Can trigger sudden FII selling and currency pressure.

3. Currency Risk — Moderate

- Rupee remains sensitive to global flows and oil prices
- Depreciation pressures could affect import-heavy sectors

Risk Impact:

Influences inflation outlook and corporate margins.

4. Technical Risk — Moderate

- Market is trading near important support levels
- Breakdown below key zones could accelerate selling

Risk Impact:

Technical selling may amplify volatility.

5. Liquidity Risk — Low

- Strong domestic institutional flows continue to support markets
- Retail participation remains stable

Risk Impact:

Provides downside cushion during corrections.

Market Risk Heat Map

Risk Factor	Intensity	Current Status
Earnings Disappointment	● High	Active risk
Global Macro	● Moderate–High	External influence
Currency Movement	● Moderate	Monitoring required
Technical Breakdown	● Moderate	Key levels critical
Liquidity Conditions	● Low	Supportive

Legend: ● High | ● Medium | ● Low

Risk Scenarios That Would Shift the View

Bearish Triggers

- Sustained breakdown below key index supports
- Negative earnings surprises from large-cap companies
- Sharp rise in global bond yields
- Sudden spike in volatility indicators

Bullish Stabilisation Signals

- Positive earnings guidance
- Stable currency movement
- Strong domestic institutional buying
- Improvement in market breadth

Risk Management Guidance (Near Term)

Investors should consider the following:

- ✓ Maintain disciplined stop-loss levels
- ✓ Avoid excessive leverage
- ✓ Prefer quality companies with stable earnings
- ✓ Book profits during sharp rallies
- ✓ Focus on risk-adjusted returns rather than aggressive positioning

Takeaway

While the broader market trend remains constructive, risks from earnings, global macro conditions, and technical factors continue to create short-term uncertainty. Effective risk management and disciplined execution are essential during this phase.

Weekly Market Compass | Core Portfolio Stock Ideas

This section highlights **short-term core portfolio ideas** based on technical setups, consolidation patterns, and near-term catalysts. These ideas are designed for a **1–3 week time horizon** and require disciplined risk management.

1. Meesho CMP -158— Momentum Breakout Candidate

Technical Setup

- Stock has been consolidating after a recent upward move
- Price structure indicates supply absorption near resistance levels

Target Range: 166 – 170

Stop Loss: 150

Summary

Meesho is showing signs of a **near-term breakout from consolidation**, supported by improving momentum. A sustained move above resistance could trigger short-term buying interest.

2. RVNL CMP 312— Infrastructure Momentum Play

Technical Setup

- Strong uptrend with periodic consolidations
- Continued interest due to infrastructure growth theme

Target Range: 325 – 350

Stop Loss: 300

Summary

RVNL remains a **high-momentum infrastructure stock**, benefiting from strong sector sentiment. Price action suggests continuation potential if broader market remains stable.

3. Waaree CMP 168— Renewable Energy Breakout Setup

Technical Setup

- Trading in a tight consolidation band
- Sector tailwinds supporting sentiment

Target Range: 180 – 185

Stop Loss: 165

Summary

Waaree is positioned for a **range breakout**, supported by renewable energy sector optimism and improving price strength.

4. Asahi India CMP 948— Steady Trend Continuation

Technical Setup

- Strong trend with higher-low formation
- Consistent institutional interest visible

Target Range: 985 – 1000

Stop Loss: 925

Summary

Asahi India continues to exhibit **steady trend strength**, making it suitable for short-term continuation trades within its ongoing uptrend.

5. Aether Industries CMP 966— High Momentum Candidate

Technical Setup

- Tight consolidation near highs
- Volume patterns indicate accumulation

Target Range: 985 – 1000

Stop Loss: 950

Summary

Aether shows strong **momentum potential**, with accumulation patterns suggesting readiness for a short-term breakout move.

Suggested Tactical Allocation

Stock	Suggested Weight
Meesho	20%
RVNL	25%
Waaree	20%
Asahi India	20%
Aether	15%

Risk Management Notes

- Strictly follow stop-loss levels
- Avoid averaging losing positions
- Reassess positions after 3–5 sessions
- Book partial profits near target zones

These stocks present strong short-term setups based on consolidation breakouts and momentum trends. Proper execution discipline and risk management will be key to capitalising on these opportunities.

Weekly Market Compass | Tactical & Trading Opportunities

*This section focuses on **very short-term trading opportunities** in indices and derivatives, designed for active traders with a time horizon ranging from **intraday to one week**.*

Tactical Trading Framework

- Time Horizon: Intraday to 1 week
- Focus: Index movements and volatility-based strategies
- Execution Style: Level-driven, not prediction-driven
- Risk Principle: Strict stop-loss and disciplined position sizing

In the current consolidation phase, markets are reacting to events rather than trending strongly.

1) NIFTY 50 – Range Trading with Breakdown Risk

Market Context

Nifty continues to trade in a **sideways consolidation band**, reflecting indecision among market participants.

- Buying interest seen near support zones
- Profit booking visible near resistance levels

Key Levels

- **Support Zone:** 25000-25500
- **Major Support:** 24,800
- **Resistance Zone:** 25,600 – 26,000

Tactical Bias

- **Above 26,000:** Short-covering bounce possible → buy-on-dips strategy
- **Below 25,050:** Momentum turns negative → sell-on-rise preferred

Invalidation

Sustained close above 26,000 increases probability of breakout .

2) BANK NIFTY – Relative Strength but Event Sensitive

Market Context

Bank Nifty continues to demonstrate relative outperformance, supported by strong credit growth and earnings visibility.

Key Levels

- **Support Zone:** 58,500 – 59,500
- **Resistance Zone:** 60,500 – 61,500

Tactical Bias

- Maintain bullish bias above support
- Break above resistance may trigger momentum extension
- Failure below support could lead to quick corrections

3) Options Strategy – Earnings + Budget Volatility

Current Market Conditions

- Volatility levels remain High
- Event-driven spikes possible

Preferred Strategies

- Defined-risk option spreads
- Directional option buying near key levels
- Short-term volatility trades

Strategies to Avoid

- Naked option selling during uncertain events
- Over-leveraged positions
- Holding large overnight positions

Execution Checklist for Traders

Before initiating any trade:

- ✓ Trade only at predefined levels
- ✓ Maintain strict stop-loss discipline
- ✓ Avoid emotional trading decisions
- ✓ Book partial profits during sharp moves
- ✓ Adjust position size during event-heavy sessions

Market Compass | Events, Macro & Levels

*This section highlights the **important events and macro factors** that could influence market direction in the coming week, helping investors stay prepared rather than reactive.*

Key Domestic Events

Key Domestic Triggers

1 Ongoing Earnings Season

- Several mid-cap and sector-specific companies are continuing to release quarterly results
- Market focus remains on:
 - Margin trends
 - Management guidance
 - Demand outlook

Market Impact:

Stock-specific volatility likely to remain high.

2 Institutional Flow Trends

- Domestic institutional flows continue to support market stability
- Foreign flows remain sensitive to global macro developments

Market Impact:

Institutional behaviour will influence short-term market direction.

3 Credit Growth & Banking Sector Momentum

- Strong loan growth outlook continues to support banking sector sentiment

Market Impact:

Banking stocks remain key drivers of index movement.

Global Market Cues to Monitor

1 Global Interest Rate Signals

- Movements in global bond yields remain crucial for risk appetite

Impact:

Higher yields may lead to emerging market outflows.

2 Currency Movements

- Dollar strength continues to influence emerging market currencies

Impact:

Rupee stability is critical for maintaining market confidence.

3 Crude Oil Price Trends

- Oil price volatility affects inflation expectations and corporate margins

👉 Impact:

Energy and import-dependent sectors remain sensitive.

Key Technical Levels to Watch

Instrument	Support Zone	Resistance Zone	Interpretation
NIFTY 50	24,900 – 25,500	25,800 – 26,000	Break above resistance signals momentum
BANK NIFTY	58,800 – 59,500	60,800 – 62,000	Relative strength remains intact
USD/INR	Stable Range	Watch for breakout	Currency stability supports equities
India VIX	High Zone	Spike indicates volatility	Rising VIX increases risk perception

What Could Change Market Tone

Bullish Catalysts

- Strong earnings outcomes
- Tariff change
- Stable currency movement
- Positive global risk sentiment
- Improved market breadth

Bearish Catalysts

- Global market corrections
- Sharp rupee depreciation
- Unexpected earnings disappointments
- Sudden spike in volatility levels

Weekly Investor Checklist

- ✓ Focus on stock-specific opportunities
- ✓ Maintain disciplined risk management
- ✓ Avoid aggressive leverage
- ✓ Monitor institutional flows
- ✓ Stay alert to global macro signals

Weekly Market Compass | Conclusion & Positioning

Current Market Stance

- **Overall Bias:** Neutral to mildly positive
- **Trend:** Consolidation within a broader uptrend
- **Volatility:** High but vulnerable to event-driven spikes
- **Leadership:** Selective, driven by earnings visibility and sector rotation

Markets are currently in a **healthy digestion phase**, where gains are being consolidated rather than reversed.

Major Global Development Impacting Markets

US Supreme Court Ruling on Trade Tariffs

A significant global development occurred this week as the **US Supreme Court overturned several trade tariffs imposed during the Trump administration.**

Why This Matters

- Reduces trade friction between major economies
 - Encourages smoother cross-border commerce
 - Supports global supply chains
 - Improves investor confidence in international trade stability
-

Market Impact of the Ruling

Positive Implications

- ✓ Boosts global trade sentiment
- ✓ Supports export-driven sectors worldwide
- ✓ Encourages capital flows into emerging markets
- ✓ Reduces geopolitical trade uncertainty

Impact on Indian Markets

- Positive for export-oriented sectors such as IT and manufacturing
- Supports global risk appetite
- Strengthens medium-term growth outlook

Overall, this development acts as a **macro tailwind for global equities**, including India.

Portfolio Positioning Guidance

Core Portfolio Strategy

- Maintain exposure to quality, earnings-stable companies
 - Continue focusing on sector leaders and structural growth themes
-

Short-Term Tactical Strategy

- Trade selectively within consolidation ranges
 - Prioritise reaction-based execution over directional bets
 - Maintain disciplined risk management practices
-

Key Factors to Monitor Ahead

- Institutional flow trends
- Currency stability
- Global interest rate movements
- Corporate earnings guidance
- Sector rotation dynamics

These variables will determine whether markets transition from consolidation into a new uptrend phase.

Key Message to Investors

In the current environment:

- Discipline matters more than prediction
 - Stock selection matters more than index direction
 - Risk management matters more than aggressive positioning
-

Final Word

Markets remain structurally strong despite short-term consolidation. With supportive domestic fundamentals and improving global trade sentiment, the broader outlook remains constructive.

Investors should stay patient, selective, and process-driven while navigating near-term volatility.

This newsletter is for informational purposes only and does not constitute investment advice. Markets are subject to risk, and past performance is not indicative of future results.

Disclaimer

- This document is for private circulation only.
- The information provided is based on technical analysis and market trends and is not an offer to buy or sell securities.
- Trading in securities involves risk, and past performance does not guarantee future results.
- Readers should exercise their own judgment or consult a financial advisor before taking any investment decisions.
- For full terms, please refer to our detailed disclaimer: [\[https://www.bfsl.co.in/researchreports\]](https://www.bfsl.co.in/researchreports).

SEBI REGN NO

SHARE BROKING: INZ000095638, DP:IN-DP-312-2017, RTA: INR000004041, MAPIN UIN: 100003400, NSDL DP ID: IN302148, NSDL: RTA, ID:IN200875, CDSL RTA ID:234,RESEARCH- INH200006789
