



BGSE FINANCIALS LTD

Newsletter



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Weekly Takeaway

One-Line Weekly Takeaway

Indian equity markets extended their winning streak to a fourth consecutive week, supported by falling crude oil prices, easing geopolitical tensions, improving monsoon expectations, and continued buying at lower levels, while investor focus gradually shifted towards the upcoming Q1 earnings season.

Indices — Weekly Market Snapshot

Index	Weekly Closing	Weekly Change	Market Context
NIFTY 50	24,270.85	+0.9%	Fourth consecutive weekly gain
SENSEX	77,763.91	+0.9%	Supported by banking & auto stocks
NIFTY MIDCAP 150	Positive	+0.6%	Healthy participation continues
NIFTY SMALLCAP 250	Positive	+1.65%	Broader market remains resilient
INDIA VIX	11.80	-9.6%	Volatility eases sharply

Major Market Developments

Markets Extend Winning Streak

Indian benchmark indices registered their fourth consecutive week of gains, reflecting improving investor confidence.

Key Drivers

- Sharp correction in crude oil prices
- Reduced geopolitical tensions in the Middle East
- Expectations of a normal to above-normal monsoon
- Value buying across large-cap stocks
- Continued resilience in domestic economic indicators

Conclusion:

The market continues to demonstrate strong resilience despite global uncertainties.

Sector Rotation Remains Strong

Top Performing Sectors This Week

- ● Realty
- ● Pharma
- ● Healthcare
- ● Cement

These sectors gained approximately **2–8%** during the week, supported by improving domestic sentiment and sector-specific buying.

Banking & Auto Recover

Buying interest also returned to:

- Banking
- Automobiles

following recent corrections and improving macro conditions.

Volatility Continues to Decline

India VIX Falls Sharply

The India VIX declined to **11.8**, registering a weekly fall of nearly **9.6%**.

Market Implication

- Lower fear levels
- Improved investor confidence
- Reduced hedging activity
- More favourable trading environment

A lower VIX generally supports higher equity market participation.

Institutional Activity

Foreign Portfolio Investors (FPIs)

- Net Buyers:
 - ₹1,355 crore

Domestic Institutional Investors (DIIs)

- Net Sellers:
 - ₹1,954 crore

Conclusion:

Foreign investors returned as net buyers, indicating improving confidence in Indian equities following easing global risks.

Broader Market Performance

Although benchmark indices continued to outperform:

- **Nifty Midcap 150** gained **0.6%** during the week
- **Nifty Small-cap 250** advanced **1.65%**

Market Breadth

Out of **4,441** stocks traded on the BSE:

- **2,195** stocks advanced
- **2,060** stocks declined

Market participation remained broadly positive, reflecting healthy underlying strength.

Global Market Performance

Global equity markets also ended the week on a positive note.

Market	Weekly Performance
Japan	+1.5%
China	+0.4%
Hong Kong	+1.3%
South Korea	+5.8%
Taiwan	+0.1%
STOXX Europe 600	+0.1%

Improving global risk sentiment continues to support emerging market equities.

Market Focus Shifts to Q1 Earnings

With geopolitical concerns gradually easing, investor attention is now turning towards the **first-quarter earnings season**.

Key Focus Areas

- Management commentary
- Earnings growth
- Margin trends
- Demand outlook

- FY27 guidance

Strong corporate earnings could become the next major catalyst for Indian markets.

Market Mood Indicator

Parameter	Current Status
Trend	● Positive
Volatility	● Low
Risk Appetite	● Improving
Institutional Sentiment	● Positive
Broader Market Participation	● Healthy

Takeaway

Indian markets continued their upward momentum for the fourth consecutive week, supported by easing crude oil prices, improving geopolitical conditions, declining volatility, and renewed foreign investor interest. As macro risks moderate, the market's focus is now shifting towards the upcoming Q1 earnings season, which is expected to determine the next phase of market direction.

Weekly Market Compass | – Market Pulse

Assessing Trend Strength, Market Breadth & Institutional Participation

This section evaluates the underlying strength of the market through trend analysis, institutional flows, market breadth, volatility, and sector participation.

Primary Market Trend

Current Status: Positive Uptrend

Indian equities extended their winning streak to a fourth consecutive week, reflecting improving investor confidence and sustained buying interest.

Key Observations:

- Nifty closed comfortably above 24,250
- Sensex ended above 77,700
- Markets continue to make higher highs and higher lows
- Buying on declines remains the dominant strategy

Interpretation:

The primary trend remains bullish, supported by improving macro conditions and strong domestic participation.

Momentum Analysis

Momentum Condition: Positive

Momentum has strengthened further during the week due to:

- Declining crude oil prices
- Easing geopolitical concerns
- Improving monsoon expectations
- Recovery in banking and automobile stocks

Interpretation:

Momentum remains constructive, with sector rotation supporting the broader uptrend.

Market Breadth & Participation

Current Breadth: Healthy

Broader market participation continues to remain supportive.

Market Statistics

- **Advancing Stocks:** 2,195
- **Declining Stocks:** 2,060

Both the Midcap and Smallcap indices outperformed during the week, indicating healthy participation beyond the benchmark indices.

Interpretation:

A broad-based rally generally indicates stronger market sustainability than one driven solely by large-cap stocks.

Institutional Flow Dynamics

Foreign Portfolio Investors (FPIs)

- Net Buyers:
 - **₹1,355 crore**

The return of foreign buying reflects improving confidence following lower crude prices and easing geopolitical tensions.

Domestic Institutional Investors (DIIs)

- Net Sellers:
 - **₹1,954 crore**

After supporting markets during periods of foreign selling, domestic institutions witnessed some profit booking during the week.

Net Effect:

Institutional participation remains healthy, with foreign buying providing additional support.

Volatility & Risk Perception

India VIX Declines Sharply

- Closing Level:
 - **11.80**
- Weekly Decline:
 - **9.6%**

Market Implications

- ✓ Lower market fear
 - ✓ Reduced hedging demand
 - ✓ Improved investor confidence
-

✓ Better environment for positional trading

Interpretation:

A declining VIX generally supports continuation of the prevailing market trend.

Sector Leadership

Leading Sectors

- Realty
- Pharma
- Healthcare
- Cement

Improving Participation

- Banking
- Automobiles

These sectors witnessed renewed institutional buying during the week.

Key Technical Levels

Index	Support Zone	Resistance Zone
NIFTY 50	24,000 – 24,100	24,500 – 24,700
BANK NIFTY	55,800 – 56,000	57,000 – 57,500

Market Phase Assessment

Current Phase: Sustainable Uptrend

Characteristics:

- ✓ Strong market breadth
- ✓ Falling volatility
- ✓ Positive sector rotation
- ✓ Improving foreign participation
- ✓ Supportive macro environment

The market continues to transition from a recovery phase into a sustainable uptrend.

What This Means for Strategy

Investors

- Continue accumulating fundamentally strong companies
- Focus on sectors showing improving earnings visibility

Traders

- Buy on meaningful declines
- Trail stop-losses on profitable positions
- Prefer momentum stocks over laggards

Market Mood Indicator

Parameter	Status
Trend	● Bullish
Momentum	● Strong
Breadth	● Healthy
Volatility	● Low
Risk Appetite	● Improving

Takeaway

The Indian market remains in a healthy uptrend, supported by improving market breadth, declining volatility, renewed foreign investor participation, and positive sector rotation. With macro risks easing, investor focus is gradually shifting toward corporate earnings, which are expected to determine the sustainability of the current rally.

Weekly Market Compass | Macro & Global Cues

Key Global Developments & Indian Macroeconomic Outlook

The global macro environment continues to improve as easing geopolitical tensions and lower crude oil prices reduce inflationary pressures. Investors are now shifting their attention from geopolitical risks to economic growth, central bank policy, and the upcoming corporate earnings season.

Global Macro — Geopolitical Risks Continue to Ease

US–Iran Ceasefire Hopes Improve Global Sentiment

One of the most significant macro developments over the past few weeks has been the easing of tensions between the United States and Iran.

Key Developments:

- Reduced fears of supply disruptions in the Middle East
- Improved shipping activity through the Strait of Hormuz
- Sharp correction in crude oil prices from conflict-driven highs

Market Impact:

- Lower inflation expectations
 - Improved global risk appetite
 - Better outlook for emerging markets
-

Crude Oil — A Positive Tailwind for Global Markets

Brent crude has corrected significantly from the highs witnessed during the peak of geopolitical tensions.

Benefits of Lower Oil Prices

- ✓ Reduced inflationary pressure
- ✓ Lower transportation and manufacturing costs
- ✓ Improved corporate margins
- ✓ Better consumer spending outlook
- ✓ Reduced pressure on central banks

Conclusion:

Lower crude prices continue to be one of the strongest macro positives for global equity markets.

Global Growth Outlook

The outlook for the global economy has improved modestly as:

- Energy prices have moderated
- Supply chain disruptions have eased
- Inflation expectations have softened

However, investors remain cautious regarding:

- Global trade growth
- Manufacturing activity
- Policy decisions by major central banks

Conclusion:

The global economy is stabilising, although growth remains uneven across regions.

Central Bank Outlook

Focus Shifts to Interest Rate Expectations

With inflation pressures easing, markets expect major central banks to maintain a more balanced policy approach.

Investors Will Closely Monitor:

- Inflation data
- Employment figures
- Interest rate guidance
- Economic growth indicators

Market Impact:

A stable interest-rate environment would remain supportive for equities, particularly emerging markets.

Indian Macroeconomic Outlook

India Continues to Benefit from Lower Crude Prices

India remains one of the largest beneficiaries of softer crude oil prices due to its heavy dependence on imported energy.

Positive Implications

- ✓ Lower import bill
- ✓ Improved current account balance

- ✓ Better fiscal outlook
- ✓ Reduced inflation
- ✓ Improved corporate profitability

Conclusion:

Lower energy costs strengthen India's macroeconomic fundamentals.

Monsoon Expectations Remain Encouraging

Expectations of a better-than-normal monsoon continue to improve sentiment.

Potential Benefits

- Stronger rural consumption
- Better agricultural output
- Stable food inflation
- Improved demand across consumer-oriented sectors

Market Impact:

A favourable monsoon could support consumption, FMCG, auto, and rural-focused businesses over the coming quarters.

Inflation Outlook

Lower crude oil prices combined with improving food supply conditions are expected to support inflation moderation.

Positive Impact

- Improved consumer purchasing power
 - Better corporate margins
 - Greater policy flexibility for the RBI
-

Currency Outlook

The moderation in crude oil prices has improved India's external position.

Positive Factors

- Reduced pressure on the current account deficit
- Improved foreign exchange stability
- Better support for the Indian Rupee

Stable currency conditions remain supportive for foreign investment flows.

Macro Transmission Chain

Easing Geopolitical Tensions → Lower Crude Oil → Lower Inflation → Improved Rupee Stability
→ Better Corporate Margins → Stronger Equity Market Sentiment

Key Macro Variables to Watch

Global

- US–Iran ceasefire developments
- Brent crude oil prices
- Global inflation trends
- Central bank commentary

Domestic

- Monsoon progress
 - Inflation data
 - FPI/DII flows
 - Q1 corporate earnings and management guidance
-

What This Means for Investors

- ✓ India's macro backdrop continues to strengthen.
 - ✓ Lower crude oil prices improve both corporate profitability and economic stability.
 - ✓ The next major catalyst for markets is expected to be the **Q1 FY27 earnings season**, where management commentary and earnings quality will determine whether the current rally broadens further.
-

Takeaway

The global macro environment has become increasingly supportive, with easing geopolitical tensions, declining crude oil prices, and improving inflation expectations creating a favourable backdrop for equities. For India, lower energy costs, expectations of a healthy monsoon, and stable macro fundamentals provide a strong foundation as markets prepare for the upcoming earnings season.

Weekly Market Compass | Sector Radar

Sector Radar

Tracking Leadership, Sector Rotation & Emerging Opportunities

Sector rotation remained the defining feature of the market this week, with investors rotating into domestic themes supported by improving macro conditions. Falling crude oil prices, expectations of a healthy monsoon, and the upcoming Q1 earnings season continue to influence sector positioning.

Current Sectoral Market Structure

The market continues to favour sectors with:

- ✓ Improving earnings visibility
- ✓ Domestic demand exposure
- ✓ Beneficiaries of lower crude oil prices
- ✓ Strong technical momentum

Leadership remains broad-based, reflecting healthy institutional participation across multiple sectors.

Leading Sector #1 — Realty

Realty emerged as one of the strongest performing sectors this week.

Key Drivers

- Falling bond yield expectations
- Lower input cost pressures
- Strong residential demand
- Continued urban housing momentum

Market View:

Real estate stocks continue to benefit from improving affordability and healthy demand across residential and commercial segments.

Leading Sector #2 — Pharmaceuticals & Healthcare

Healthcare and pharmaceutical stocks witnessed strong buying interest.

Positive Factors

- Defensive earnings profile
- Stable export demand
- Improving domestic healthcare spending
- Attractive valuations after recent consolidation

Market View:

The sector is emerging as a preferred defensive play ahead of the Q1 earnings season.

Leading Sector #3 — Cement

Cement stocks outperformed during the week.

Key Drivers

- Strong infrastructure spending
- Healthy construction activity
- Positive monsoon expectations
- Improved demand outlook

Market View:

Government infrastructure spending and housing demand continue to support the sector's long-term growth prospects.

Banking & Automobiles Regain Momentum

Buying interest returned to banking and automobile stocks following recent corrections.

Banking

Positive drivers include:

- ✓ Stable asset quality
 - ✓ Improving credit demand
 - ✓ Healthy balance sheets
-

Automobiles

Supported by:

- Better rural demand expectations
- Lower fuel costs
- Improving consumer sentiment

Market View:

These sectors could continue to outperform if Q1 earnings remain strong.

Information Technology — Watch for Earnings

The IT sector remains in focus as companies prepare to announce Q1 results.

Investors Will Monitor:

- Deal wins
- Margin guidance
- AI-related spending
- Management commentary

Market View:

The sector is entering a crucial earnings period that could determine its near-term direction.

Sector Rotation Insight

Current institutional positioning suggests rotation toward:

Overweight

- Realty
 - Cement
 - Banking
 - Pharmaceuticals
 - Healthcare
-

Neutral

- Information Technology
 - FMCG
 - Capital Goods
-

Watchlist

- Infrastructure
- Renewable Energy
- Auto Ancillaries

These sectors could attract fresh buying if earnings exceed expectations.

Sector Valuation & Positioning

Sector	View	Commentary
Realty	Positive	Strong momentum & improving demand
Cement	Positive	Infrastructure & housing tailwinds
Pharma	Positive	Defensive earnings & stable demand

Healthcare	Positive	Strong relative strength
Banking	Positive	Credit growth remains healthy
Automobiles	Improving	Rural demand and lower fuel costs
IT	Neutral Positive	Earnings to determine next move
FMCG	Neutral	Awaiting stronger consumption signals

What This Means for Investors

- ✓ Sector rotation remains healthy and broad-based.
- ✓ Domestic-focused sectors continue to outperform.
- ✓ Q1 earnings season is expected to become the next major driver of sector leadership.

Takeaway

Market leadership continues to broaden beyond financials, with realty, cement, pharmaceuticals, and healthcare emerging as the week's strongest performers. As Q1 earnings begin, sectors delivering stronger earnings growth and optimistic management guidance are likely to attract fresh institutional buying.

Weekly Market Compass | Market Risks & What Can Go Wrong

Market Risks & Stress Points

Identifying Key Downside Risks & Market Vulnerabilities

Although Indian markets have extended their rally for a fourth consecutive week, investors should remain mindful of several macro and market risks that could influence sentiment in the weeks ahead. With valuations improving and volatility easing, the focus now shifts from geopolitics to earnings delivery and global macro developments.

Current Risk Environment — Moderate

The sharp decline in crude oil prices and easing geopolitical tensions have reduced immediate macro risks. However, the market is entering a phase where **corporate earnings and valuations** will become increasingly important.

Market View: The risk environment has improved, but markets are unlikely to move in a straight line.

1. Q1 Earnings Risk — The Next Major Catalyst

The upcoming Q1 FY27 earnings season is expected to be the most important near-term market trigger.

Investors will closely monitor:

- Revenue growth
- EBITDA margins
- Management commentary
- Demand outlook
- Capital expenditure plans

Market Impact:

- Better-than-expected earnings could extend the rally.
- Weak guidance or margin pressure may lead to stock-specific corrections.

2. Valuation Risk

After four consecutive weeks of gains, several sectors are no longer trading at distressed valuations.

Sectors to Watch:

- Realty
- Capital Goods

- Select Midcap and Smallcap stocks

Conclusion: Future gains will increasingly depend on earnings growth rather than valuation re-rating.

3. Global Geopolitical Risk

Although tensions between the US and Iran have eased considerably, the situation remains fluid.

Risks Include:

- Breakdown of ceasefire negotiations
- Fresh sanctions or regional conflict
- Supply disruptions in energy markets

Impact: Any renewed geopolitical escalation could quickly reverse the recent improvement in market sentiment.

4. Crude Oil Volatility

Lower crude oil prices have been a major positive for India.

However, investors should continue monitoring:

- OPEC+ production decisions
- Middle East developments
- Global oil demand

Conclusion: A sharp rebound in crude oil prices could once again pressure inflation and corporate margins.

5. Global Economic & Policy Risks

Markets continue to monitor:

- Global growth trends
- Inflation data
- Central bank policy guidance
- Bond yield movements

Impact: Unexpected policy changes or slowing global growth could affect capital flows into emerging markets.

6. Foreign Institutional Flow Risk

Foreign investors returned as net buyers during the week.

However:

- FII flows remain sensitive to:

- Global interest rates
- Currency movement
- Risk appetite

Conclusion: Sustained FII buying will be important for extending the current rally.

7. Technical Risk

The market remains in an established uptrend, but resistance levels should be monitored carefully.

NIFTY 50

Level	Range
Immediate Support	24,000 – 24,100
Major Support	23,800
Resistance	24,500 – 24,700

BANK NIFTY

Level	Range
Immediate Support	56,000
Resistance	57,500 – 58,000

Conclusion: Holding above support levels will be essential to maintain the current bullish structure.

8. Domestic Strength — A Key Cushion

India continues to benefit from:

- ✓ Strong domestic liquidity
- ✓ Healthy banking system
- ✓ Improving macroeconomic outlook
- ✓ Expectations of a favourable monsoon
- ✓ Declining market volatility

These factors continue to provide resilience against external shocks.

Market Risk Heat Map

Risk Factor	Intensity	Status
Q1 Earnings Risk	● High	Upcoming

Geopolitical Risk	● Moderate	Improving
Crude Oil Volatility	● Moderate	Improving
Global Policy Risk	● Moderate	Ongoing
Valuation Risk	● Moderate	Increasing
FII Flow Risk	● Moderate	Stable
Technical Risk	● Low–Moderate	Positive Trend
Domestic Liquidity	● Strong Support	Positive

Key Risk Triggers to Watch

Bearish Triggers

- Disappointing Q1 earnings or weak management guidance
- Sharp rebound in crude oil prices
- Renewed geopolitical tensions
- Unexpected hawkish global central bank commentary
- Sustained FII outflows

Positive Triggers

- Strong Q1 earnings and guidance
- Stable or lower crude oil prices
- Continued FII inflows
- Healthy monsoon progress
- Breakout above key resistance levels

Risk Management Guidelines

- ✓ Focus on companies with strong earnings visibility
- ✓ Avoid chasing extended rallies
- ✓ Maintain diversified sector exposure
- ✓ Use disciplined stop-loss levels
- ✓ Review portfolio positioning as earnings season progresses

Takeaway

The market backdrop has improved significantly, but the focus is now shifting from macro uncertainty to corporate execution. With the Q1 earnings season approaching, stock-specific performance is expected to dominate. Investors should remain selective, prioritise quality businesses, and maintain disciplined risk management.

Weekly Market Compass | Core Portfolio Stock Ideas

High-Conviction Opportunities

The following stocks have been selected based on a combination of technical strength and fundamental stability. The selection criteria include stocks trading above key moving averages, improving RSI momentum, constructive price action, and companies delivering stable quarterly earnings with favourable business outlooks.

1. Info Edge (India) (Naukri)

- **Buy:** ₹1,034.65 or CMP
- **Target:** ₹1,100 – ₹1,150
- **Stop Loss:** ₹1,030

Summary

Info Edge is witnessing improving price action after consolidating near support levels. The stock is trading around its key moving averages with strengthening momentum indicators. Stable quarterly earnings and continued growth across its digital businesses provide support for further upside.

2. BEML Limited

- **Buy:** ₹1,864.70 or CMP
- **Target:** ₹1,905 – ₹1,925
- **Stop Loss:** ₹1,825

Summary

BEML continues to benefit from increased government focus on defence and infrastructure spending. The stock is displaying a positive technical structure with improving momentum, while stable quarterly earnings and a healthy order pipeline support the possibility of continued gains.

3. Container Corporation of India (CONCOR)

- **Buy:** ₹488.20 or CMP
- **Target:** ₹500 – ₹510
- **Stop Loss:** ₹475

Summary

CONCOR is showing steady price action near breakout levels with support from its medium-term trend. Stable earnings, improving logistics demand, and ongoing infrastructure development continue to strengthen the investment case for the stock.

4. Aarti Industries

- **Buy:** ₹487.70 or CMP
- **Target:** ₹505 – ₹515
- **Stop Loss:** ₹470

Summary

Aarti Industries is attempting to emerge from a consolidation phase with improving technical momentum. Stable quarterly performance and expectations of gradual recovery in the specialty chemicals sector support the stock's near-term upside potential.

5. Metropolis Healthcare

- **Buy:** ₹556 or CMP
- **Target:** ₹580 – ₹595
- **Stop Loss:** ₹540

Summary

Metropolis Healthcare continues to exhibit constructive price action with improving momentum indicators. Consistent earnings performance, resilient demand for diagnostic services, and stable business fundamentals make it an attractive defensive opportunity.

Research Methodology

The above recommendations are based on a combination of:

Technical Analysis

- ✓ 50-Day Moving Average
- ✓ 200-Day Moving Average
- ✓ Relative Strength Index (RSI)
- ✓ Price Action & Breakout Analysis

Fundamental Analysis

- ✓ Stable Quarterly Earnings
 - ✓ Business Performance & Earnings Visibility
 - ✓ Sector Outlook
 - ✓ Financial Strength Assessment
-

Risk Management Notes

- ✓ Strictly adhere to stop-loss levels
-

- ✓ Avoid averaging losing positions
 - ✓ Book partial profits as targets are approached
 - ✓ Maintain disciplined position sizing
 - ✓ Review positions regularly during the Q1 earnings season
-

Takeaway

These stocks combine constructive technical setups with stable business fundamentals, offering attractive short-term opportunities in the current market environment. As the Q1 earnings season begins, companies delivering consistent earnings and maintaining positive price action are expected to remain in focus.

Disclaimer – Stock Recommendations

The stock recommendations provided in this report are based on a combination of technical analysis (including moving averages, Bollinger Bands, Fibonacci retracement, volume and price action) and fundamental analysis (including quarterly performance and financial ratio analysis).

These recommendations are intended solely for informational and educational purposes and should not be construed as an offer, solicitation, or recommendation to buy or sell any securities.

Investments in the securities market are subject to market risks, including the potential loss of principal. Past performance is not indicative of future results.

Investors are advised to:

- Conduct their own independent research
- Assess their risk tolerance and financial objectives
- Consult with a qualified financial advisor before making any investment decisions

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This report is prepared in line with applicable **SEBI (Research Analyst) Regulations**. The views expressed are based on publicly available information and internal analysis.

The analyst and/or associated entities may or may not have positions in the securities discussed. Any such positions, if held, are subject to regulatory disclosures

Weekly Market Compass | Tactical & Trading Opportunities

Key Events, Earnings Calendar & Market Outlook

With the market extending gains for a fourth consecutive week, investor attention is now shifting decisively from geopolitical developments to the **Q1 FY27 earnings season**. Corporate results, management commentary, and global macro data will determine whether the current rally has the strength to continue.

Primary Market Trigger — Q1 FY27 Earnings Season

The upcoming earnings season will be the biggest driver of market sentiment over the next few weeks.

Investors will closely monitor:

- Revenue growth
- EBITDA margins
- Demand outlook
- Management guidance
- Capital expenditure plans

Market Impact:

Companies delivering strong earnings and positive forward guidance are expected to outperform, while earnings misses may lead to sharp stock-specific corrections.

Crude Oil & Geopolitical Developments

The easing of tensions in the Middle East has significantly improved market sentiment.

Key Positives

- ✓ Brent crude remains well below recent highs.
- ✓ Shipping activity through the Strait of Hormuz continues to normalise.
- ✓ Inflation concerns have moderated.

However: Markets will continue to monitor any developments that could disrupt energy supplies or reverse the recent decline in oil prices.

Domestic Economic Triggers

Monsoon Progress

A normal to above-normal monsoon is expected to support:

- Rural consumption

- Agricultural output
 - FMCG demand
 - Automobile sales
 - Cement and infrastructure activity
-

Institutional Flows

Foreign investors have returned as net buyers after several weeks of cautious positioning.

Investors should continue tracking:

- FPI inflows
- DII activity
- Rupee movement

as key indicators of market sentiment.

Global Events to Watch

Investors will closely monitor:

- US economic data
- Global inflation trends
- Central bank commentary
- Brent crude oil prices
- US Treasury yields

These factors will influence global liquidity and foreign investment flows into emerging markets like India.

Sectors Expected to Remain in Focus

Positive Bias

- Banking & Financial Services
- Pharmaceuticals
- Healthcare
- Realty
- Cement
- Capital Goods

Watchlist

- Information Technology (Q1 earnings)
- Automobiles
- Consumption

Strong earnings from these sectors could provide fresh leadership to the market.

Key Technical Levels

Index	Support Zone	Resistance Zone
NIFTY 50	24,100 – 24,200	24,500 – 24,700
BANK NIFTY	56,000	57,500 – 58,000

Technical Outlook

- Sustaining above support levels keeps the bullish trend intact.
- A decisive breakout above resistance could trigger fresh institutional buying.

Weekly Strategy

Investors

- ✓ Continue accumulating fundamentally strong businesses.
- ✓ Focus on companies with improving earnings visibility.
- ✓ Maintain a medium- to long-term investment approach.

Traders

- ✓ Trade with the prevailing trend.
- ✓ Focus on breakout candidates.
- ✓ Avoid aggressive leveraged positions during earnings announcements.
- ✓ Follow strict stop-loss discipline.

Takeaway

The market enters the new week with strong momentum, supported by improving macro conditions, declining volatility, and renewed foreign investor interest. The focus now shifts to the Q1 earnings season, where corporate performance and management commentary will play a decisive role in determining the market's next direction. Investors should remain selective, favour quality businesses, and stay disciplined in their execution.

Market Compass | Events, Macro & Levels

Index Strategy & Short-Term Execution Framework

Markets have entered the new week with improving sentiment, supported by easing geopolitical concerns, declining crude oil prices, and a sharp fall in volatility. While the primary trend remains positive, the upcoming Q1 earnings season is expected to drive stock-specific movements rather than broad-based rallies.

Current Market Setup

The market structure continues to remain constructive.

Positive Factors

- ✓ Fourth consecutive week of gains
- ✓ India VIX declined to **11.8**, indicating lower market fear
- ✓ Falling crude oil prices improving macro-outlook
- ✓ FPIs returned as net buyers
- ✓ Banking and Auto stocks regaining strength

Conclusion: The market remains in an **uptrend**, but the next leg higher will depend largely on earnings.

1. NIFTY 50 — Bullish with Consolidation

Market Context

Nifty has successfully held above the **24,200** zone and continues to maintain a higher high–higher low structure.

The index is now approaching an important resistance area where profit booking could emerge.

Key Technical Levels

Level Type	Range
Immediate Support	24,100 – 24,200
Major Support	23,900
Resistance Zone	24,500 – 24,700
Breakout Level	Above 24,700

Trading Bias

- Above **24,700**: Fresh momentum could emerge towards new highs.
- Between **24,100–24,700**: Expect consolidation with stock-specific action.
- Below **24,100**: Short-term weakness may develop.

Preferred Strategy: Buy on declines rather than chase rallies.

2. BANK NIFTY — Leadership Returning

Market Context

Banking stocks have started contributing positively after a period of underperformance.

Improving sentiment is supported by:

- Healthy credit growth
- Stable asset quality
- Attractive valuations in select banking names

Key Technical Levels

Level Type	Range
Immediate Support	56,000
Major Support	55,500
Resistance Zone	57,500 – 58,000

A sustained move above **58,000** could trigger renewed buying interest in financial stocks.

3. Options Strategy — Low VIX Environment

Current Environment

With India VIX falling below **12**, option premiums have softened.

Preferred Strategies

- ✓ Bull Call Spread
- ✓ Debit Call Spread
- ✓ Directional Call Buying near support levels
- ✓ Short-duration swing trades in trending stocks

Avoid

- ✗ Aggressive naked option selling ahead of earnings

✗ Large overnight leveraged positions during result announcements

✗ Averaging losing trades

Sector-Based Trading Opportunities

Strong Relative Strength

- Realty
- Pharma
- Healthcare
- Cement
- Banking

Improving Momentum

- Automobiles
- Information Technology
- Capital Goods

Earnings Watchlist

With Q1 results approaching, traders should monitor companies likely to benefit from:

- Strong management guidance
- Margin expansion
- Robust order books
- Improving demand outlook

Trading Checklist

Before initiating any trade:

- ✓ Confirm trend direction
- ✓ Trade with clearly defined entry and exit levels
- ✓ Maintain a minimum risk-reward ratio of **1:2**
- ✓ Avoid overexposure during earnings announcements
- ✓ Protect profits using trailing stop-losses

Market Sentiment Meter

Indicator	Status
-----------	--------

Trend	● Bullish
Momentum	● Improving
Volatility	● Low
Institutional Sentiment	● Positive
Risk Appetite	● Healthy

Takeaway

The technical structure of the market remains constructive, supported by falling volatility and improving macro conditions. However, with the Q1 earnings season set to begin, stock-specific opportunities are likely to outperform broad index moves. Traders should stay disciplined, trade with defined risk parameters, and focus on fundamentally strong companies exhibiting positive technical momentum.

Weekly Market Compass | Conclusion & Positioning

Market Outlook

Indian equity markets concluded the week on a strong footing, extending gains for the fourth consecutive week. The rally was supported by easing geopolitical tensions, softer crude oil prices, improving expectations of a normal monsoon, and renewed participation from foreign institutional investors.

More importantly, market volatility has declined significantly, indicating that investors are becoming increasingly confident about India's near-term economic outlook.

The Story This Week

The biggest positive development for markets was the continued decline in crude oil prices following improving geopolitical conditions in the Middle East.

Lower crude prices have significantly improved India's macroeconomic outlook by:

- ✓ Reducing inflationary pressures
- ✓ Lowering the country's import bill
- ✓ Supporting the Indian Rupee
- ✓ Improving corporate profit margins

At the same time, buying interest returned to banking and automobile stocks, while Realty, Pharma, Healthcare and Cement emerged as sector leaders during the week.

The Next Market Catalyst

As geopolitical concerns gradually move to the background, the market's attention is now shifting towards the **Q1 FY27 earnings season**.

The upcoming results season will provide clarity on:

- Corporate earnings growth
- Margin sustainability
- Demand trends across sectors
- Management guidance for the remainder of FY27

Companies delivering stronger-than-expected earnings and optimistic guidance are likely to outperform, making this an increasingly stock-specific market.

Our Investment View

We continue to maintain a **constructive outlook** on Indian equities.

Preferred Themes

- Infrastructure & Capital Goods
-

- Banking & Financial Services
- Pharmaceuticals & Healthcare
- Power & Utilities
- Select Information Technology companies
- High-quality Midcap opportunities

These sectors continue to benefit from favourable macroeconomic conditions, improving earnings visibility, and sustained domestic demand.

What Investors Should Do

Long-Term Investors

Continue investing systematically in quality businesses with:

- Strong balance sheets
- Consistent earnings growth
- Sustainable competitive advantages
- Sector leadership

Short-term volatility should be viewed as an opportunity to accumulate fundamentally strong companies.

Short-Term Traders

- Focus on stocks exhibiting strong price action and volume confirmation.
- Respect stop-loss levels and avoid chasing extended rallies.
- Monitor Q1 earnings announcements closely, as management commentary could lead to sharp stock-specific moves.

Key Variables to Watch

Global

- Crude oil price movement
- Middle East geopolitical developments
- Global inflation data
- Central bank commentary
- US Treasury yields

Domestic

- Q1 corporate earnings
- FPI and DII activity
- Monsoon progress
- Inflation trajectory
- Rupee movement

Final Thoughts

The Indian market continues to display remarkable resilience despite a challenging global backdrop. Strong domestic liquidity, easing macroeconomic headwinds, and improving investor sentiment have created a favourable environment for equities.

Going forward, corporate earnings—not macro headlines—are likely to become the primary driver of market performance. Investors who remain disciplined, focus on fundamentally sound businesses, and follow a structured investment approach are likely to be well-positioned to benefit from the opportunities ahead.

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