

# Weekly Equity Market Outlook

Consumption and Capex Fail to Hold Up Markets

29<sup>th</sup> Sept-2025 – 3<sup>rd</sup> Oct 2025



**The Week That Was** (22<sup>nd</sup> Sep – 26<sup>th</sup> Sep): Nifty registers its highest weekly decline since Feb, with a 2.65% fall

- **The Nifty 50 breaks 3-week rally, ends week on a weak note** : It was a turbulent week for Indian equities, with global developments and unpredictable policy moves having immediate, significant impact on domestic market indices. The dominant event during most of the week was the IT sector's selloff caused by the US visa policy change, overshadowing the otherwise favourable global liquidity conditions post-Fed rate cut. Midcaps and smallcaps underperformed the broader benchmarks, revealing a risk-off mood among market participants, and reflecting increasing investor caution in segments more vulnerable to global shocks. The Nifty 50 Index lost 2.59% during the week, the Nifty Smallcap 250 Index fell a whopping 4.70%, while the Nifty Midcap 150 Index showing some resilience falling less than 2%.
- **Sectoral Indices witness major declines, led by IT and Pharma** : The IT sector was hit hardest, with the Nifty IT Index losing 7.86% on the back of the H1B Visa fee hike, while the Nifty Pharma Index 2% on Friday to close the week 5.20% lower on the 100% tariff announcement from the US Administration. The Nifty Realty Index fell 6.10%. The Nifty Defence Index too corrected last week, falling over 4% after gaining close to 12% in the previous 3 weeks. Interestingly, despite the GST cut kicking-in on the first day of the week, the Nifty Consumer Durables Index fell 4.65% during the week.
- **The Commodities Complex and Bond Yields** : Brent Crude prices rose by close to 3.70% during the week, as Ukrainian drone attacks on Russian oil facilities threatened a disruption in supply. Gold rose by around 2%, but in-line with our expectations, Silver rose much higher, by close to 6.80%, as the "risk-on" trade continues together with the shift from US Dollars to Gold in global sovereign reserves. US 10Yr Treasury Yield rose for a second consecutive week, reaching 4.164%, up 17bps over the recent lows.

## Interesting Charts Last Weeks

### NIFTY AUTO INDEX CAUTION



The Nifty Auto Index recently confirmed a bullish breakout from an inverse head and shoulders pattern, signaling a strong medium- to long-term uptrend, especially as the price continues to trade well above the 200-week moving average. However, the index is now approaching a key resistance zone around 27,500–28,000, near previous all-time highs, and the RSI is showing bearish divergence, where price makes higher highs but RSI does not, indicating potential short-term exhaustion. Despite strong upward momentum, this divergence suggests a possible pullback or consolidation phase in the near term. A healthy retracement toward the neckline zone around 24,200–24,500 could offer a good buying opportunity if support holds. A decisive breakout above 28,000 would invalidate short-term bearish concerns and likely open the path toward higher targets, such as 30,000 and beyond.

### USDJPY BULLISH



The USD/JPY weekly chart shows price consolidating within a large symmetrical triangle, nearing its apex, with a bullish bias supported by the RSI breaking out of its long-term downtrend. The pair is trading above the 200-week SMA (~141.83), reinforcing the long-term uptrend. A breakout above the 150.50–151.00 zone would confirm bullish continuation, potentially targeting 155.00–160.00 levels. Immediate support is near 141.50 levels which sustain for the bullish stance.

**The Week Ahead** (29<sup>th</sup> Sep – 3<sup>rd</sup> Oct) : RBI Policy and US trade talks to drive markets this week

- **RBI MPC Meeting on 29-Sep to 1-Oct** : All The Reserve Bank of India's Monetary Policy Committee (MPC) is set to begin its three-day meeting from September 29 to October 1, 2025. Inflation has dropped sharply, with SBI research projecting CPI near 1.1 percent in October, and the new GST rules implemented on September 22 already reducing tax rates on many goods and services. Together, these factors give the RBI room to ease policy without risking price stability. **So we are pencilling-in a 25 bps cut on the 1<sup>st</sup> October. This could lead to an uptick in the markets towards mid-week.**
- **4 Main Board IPOs to hit the street** : The primary market will witness opening of 20 new public issues next week, including 4 in mainboard and 16 in SME segment. After a record breaking 25 IPOs in September, October also augurs well for the primary markets.

## Nifty 50 Technical Outlook



- Nifty witnessed profit booking scenario in the last week forming a bearish candle on weekly time . The index has given a break below last 2 week lows .
- 24340 should act as crucial support levels while immediate resistance is seen near 25000.
- The RSI has turned on bear side below 40 levels, the coming week would be very crucial with monthly expiry.

Source: Tradingview

## Nifty Bank Technical Outlook



- Bank Nifty too witnessed profit booking forming a bearish candle on weekly timeframe.
- Immediate support is near 53600 while resistance is near 54800-55200 in near term.
- We remained caution for index next move for better clarity until there any breakout on either side.
- The 200 SMA is placed near 53193 levels

Source: Tradingview

## Global Markets

### Developed Markets

US (S&P 500)	-0.31%
Germany (FSE DAX)	+0.42%
UK (FTSE 100)	+0.74%
Eurozone (Eurostoxx 50)	+0.70%
Japan (Nikkei 225)	+0.69%

### Emerging Markets

Indonesia (IDX Composite)	+0.60%
India (Nifty 50)	-2.65%
China (CSI 300)	+1.07%
South Korea (KOSPI 100)	-0.85%
Brazil (Bovespa)	-0.29%

## Sectoral Gainers and Key Commodities

### Sectoral Indices

Nifty IT - TRI	-7.86%
NIFTY Realty - TRI	-6.11%
NIFTY Pharma - TRI	-5.20%
Nifty India Tourism Index - TRI	-5.13%
Nifty Healthcare Index - TRI	-4.88%
Nifty Consumer Durables - TRI	-4.65%

### Commodities

Gold	+2.04%
Silver	+6.78%
Brent Crude	+3.68%

## Stock in Radar : TATAMOTORS

LTP : INR 672



Source: Tradingview

- Prices have taken support near key trend line support zone while as current price action we expect there is possible triangle pattern formed and the 5<sup>th</sup> leg is completed .
- The 200 SMA is placed near 695 levels & break above it will give an initial bullish confirmation for rally near 735 level
- Immediate support is near 650 levels while the pattern break out would be only seen above 735 levels on closing basis.

## Stock in Radar: LT

LTP : INR 3729



Source: Tradingview

- Prices has broken out of a well-formed cup and handle pattern on the daily chart.
- The breakout above key resistance at 3,703 is backed by rising volume and strong price action, suggesting bullish continuation.
- The 200-day SMA at 3,507 is trending upward, confirming long-term strength. RSI is above 60 levels which signals bullish strength.
- As long as the price holds above 3,700, the breakout remains valid, with a potential target in the 3,950–4,000 range.

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