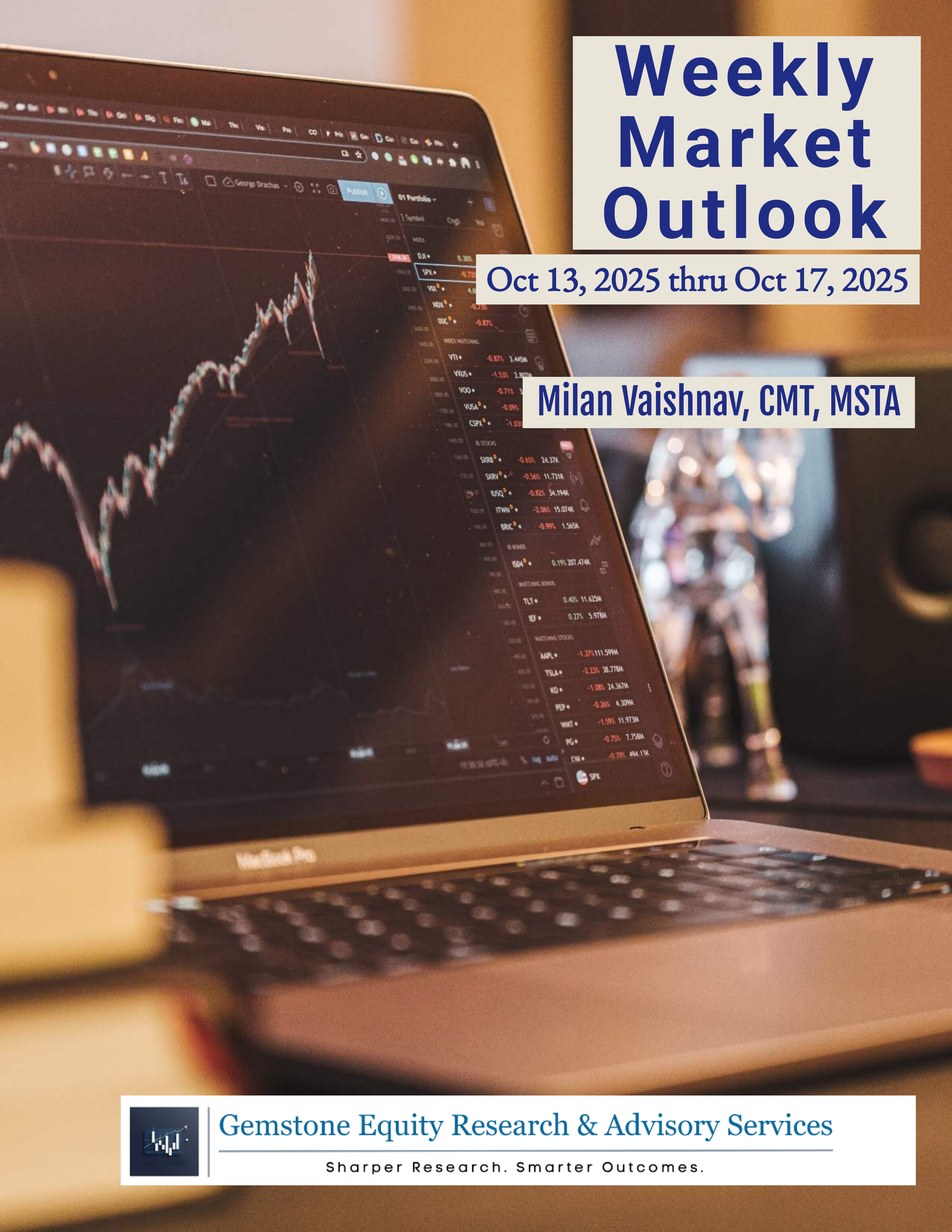
Weekly Market Outlook

Oct 13, 2025 thru Oct 17, 2025

Milan Vaishnav, CMT, MSTA



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Week Ahead: Nifty Has Key Resistance in Sight — Time to Guard Gains or Chase Momentum?

The markets traded with a positive bias throughout the week as Nifty continued its upward drift while staying within a defined range. The index oscillated in a narrow band of 448.70 points, moving between 24,881.65 and 25,330.75. Despite intra-week volatility, the index managed to post a net gain of 391.10 points, or 1.57%, on a weekly basis. India VIX inched marginally higher by 0.42% to 10.10, continuing to hover near its multi-month lows.

The current technical setup reflects a market in the process of challenging a key resistance zone. Nifty has moved closer to the apex of a large symmetrical triangle formation that has been developing since late 2024. The upper trendline of this triangle, which has offered stiff resistance in past instances, is now being tested once again. The index remains in a broad consolidation zone, and unless a breakout above 25,550–25,600 is confirmed, the broader market will continue to exhibit rangebound behavior. The bias stays mildly bullish, but a decisive move beyond this resistance zone, supported by strong volumes, will be essential to confirm a fresh breakout. Meanwhile, global developments—particularly escalating US-China trade tensions and renewed semiconductor supply chain concerns—may trigger risk-off sentiment if geopolitical risks escalate.

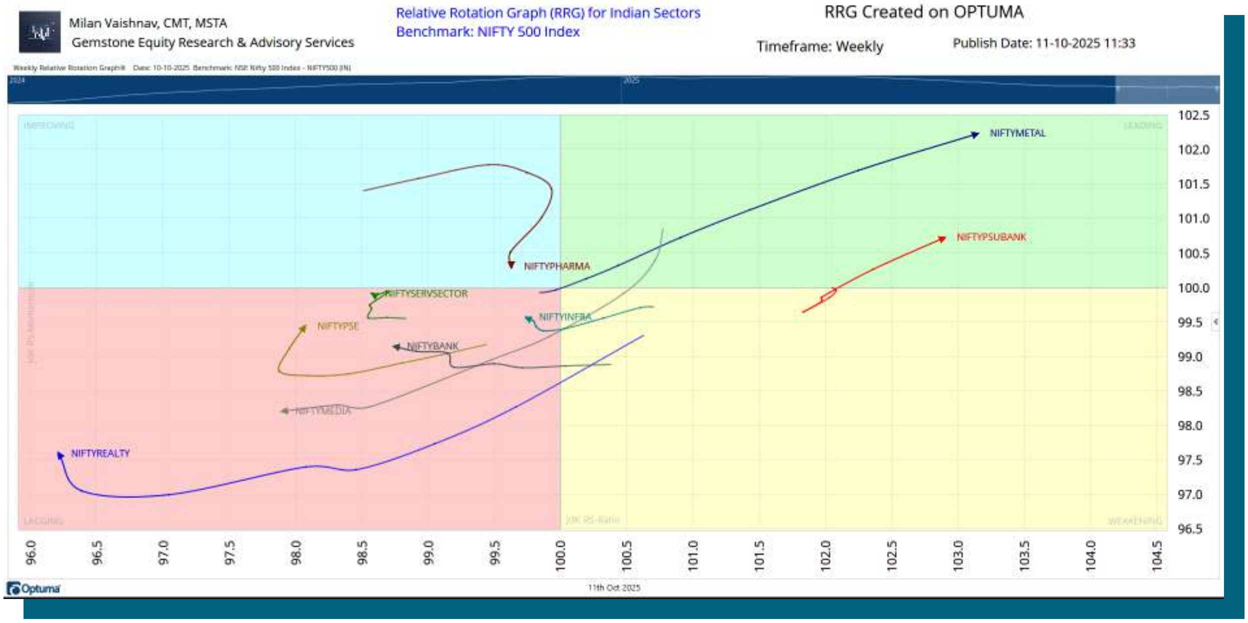
For the coming week, the markets may see a tepid or cautious start, especially in light of the global macro concerns. Immediate resistance is expected at 25,400, followed by 25,580, which also aligns with the upper Bollinger Band. On the downside, supports are likely near 25,000 and 24,850 levels.

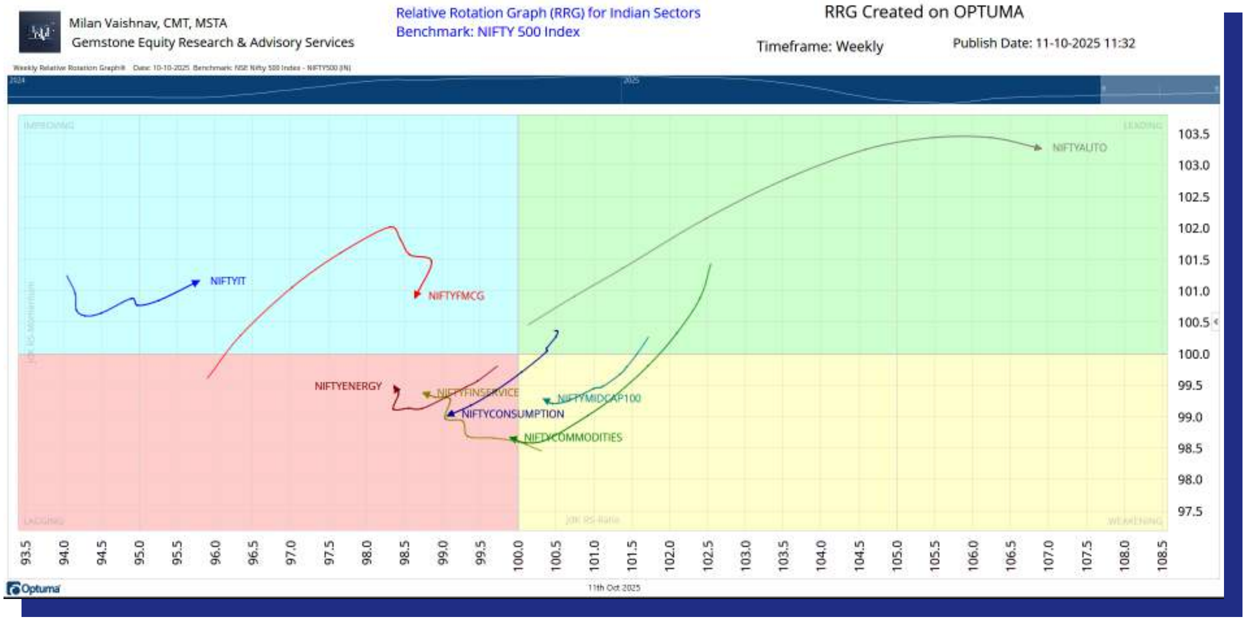
The weekly RSI stands at 57.13 and remains neutral, showing no divergence against price. It maintains a bullish bias while staying below overbought levels. The MACD is below the signal line but narrowing, suggesting that while momentum remains positive, it is not strengthening aggressively. No significant candlestick pattern was observed this week, though the close near the resistance may be interpreted as a test of strength.

From a pattern perspective, Nifty remains within a long-standing symmetrical triangle formation, oscillating between converging trendlines. This pattern has historically led to strong directional moves upon resolution. The index also continues to trade well above all key moving averages (20-, 50-, 100-, and 200-week), which reinforces a bullish undertone. However, the narrowing range and flattening Bollinger Bands suggest that a major move could be in the offing soon—directional clarity will emerge only on a confirmed breakout or breakdown.

Given the setup, a balanced and stock-specific approach is warranted for the week ahead. While the broader structure leans positive, traders should remain mindful of the critical resistance the Nifty is testing. Protection of profits becomes essential at higher levels, and aggressive long positions should be avoided until a breakout is confirmed with follow-through strength. The best method to approach the coming week would be to trail profits, maintain tight stop losses, and stay stock-specific while monitoring macro triggers closely.

In our look at Relative Rotation Graphs®, we compared various sectors against CNX500 (NIFTY 500 Index), which represents over 95% of the free float market cap of all the stocks listed





Relative Rotation Graphs (RRG) show that the Nifty Auto, Metal, and PSU Bank Indices are the only groups that are inside the leading quadrant. These groups are likely to continue to relatively outperform the broader Nifty 500 Index.

The Nifty Midcap 100 Index stays inside the weakening quadrant. This may see relative performance from the broader markets slowing down a bit.

The Nifty Commodities Index has rolled inside the lagging quadrant. The Financial Services, Consumption, Energy, Services Sector, and Media Indices languish inside the lagging quadrant. The Infrastructure, PSE, and Realty Sectors are also inside the lagging quadrant, but they are improving on their relative momentum against the broader markets.

The Nifty Pharma and FMCG Indices are inside the improving quadrant. However, they are giving up on their relative momentum and heading back towards the lagging quadrant. The IT Index is inside the improving quadrant. This group may see improved relative performance against the broader markets over the coming days.

Important Note: RRG™ charts show the relative strength and momentum of a group of stocks. In the above Chart, they show relative performance against NIFTY500 Index (Broader Markets) and should not be used directly as buy or sell signals.

Milan Vaishnav, CMT, MSTA

Consulting Technical Analyst | Member: (CMT Association, USA | CSTA, Canada | STA, UK) | (Research Analyst, SEBI Reg. No. INH000003341)

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