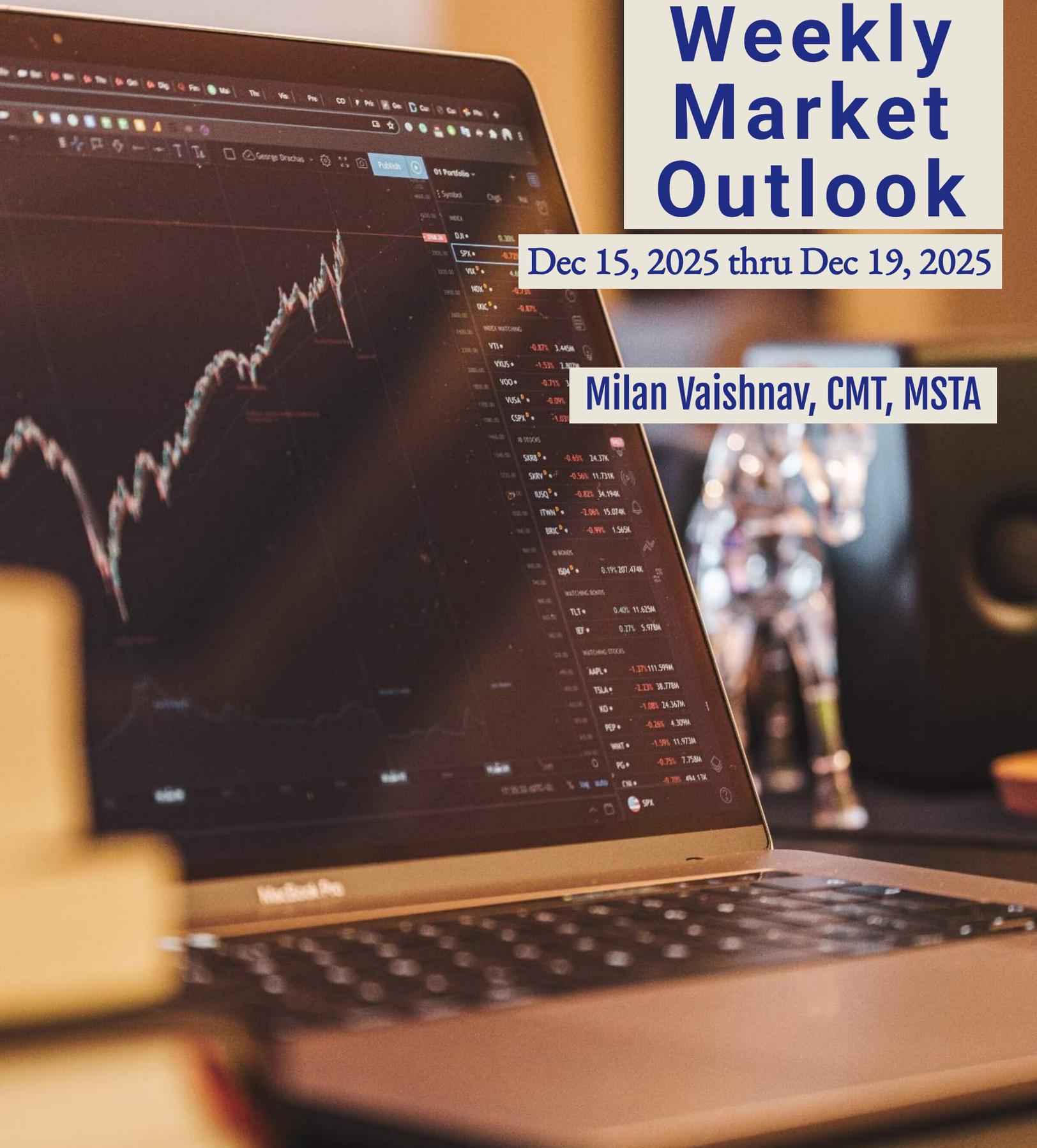


Weekly Market Outlook

Dec 15, 2025 thru Dec 19, 2025

Milan Vaishnav, CMT, MSTA



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Critical Week Ahead: Can Nifty Push Past Resistance?

The markets saw a week of mild corrective movement as Nifty traded in a slightly downward-biased consolidation phase and ended the week on a negative note. The index oscillated in a 485-point range, between 26,178.70 and 25,693.25. Despite a supportive backdrop from the Fed with a 0.25% rate cut, and breadth deterioration pausing, the index faced resistance near recent highs. India VIX declined by -2.01% to 10.11, reflecting continued complacency and low hedging demand. Nifty ended the week with a mild loss of 139.50 points or -0.53%.



The broader structure of the Nifty remains bullish, yet the index is navigating a key inflection zone. It continues to hover above the falling trendline, encountering resistance near 26,150–26,200. The ongoing price action reflects hesitation in decisively clearing this resistance. The absence of clear catalysts, such as the unresolved US-India trade deal, adds to the inertia. That said, the Fed's dovish stance could provide medium-term tailwinds, but for now, the index appears to be in a technical pause within an established uptrend. A decisive move above 26,200 will be needed to confirm a fresh breakout and extend the trend.

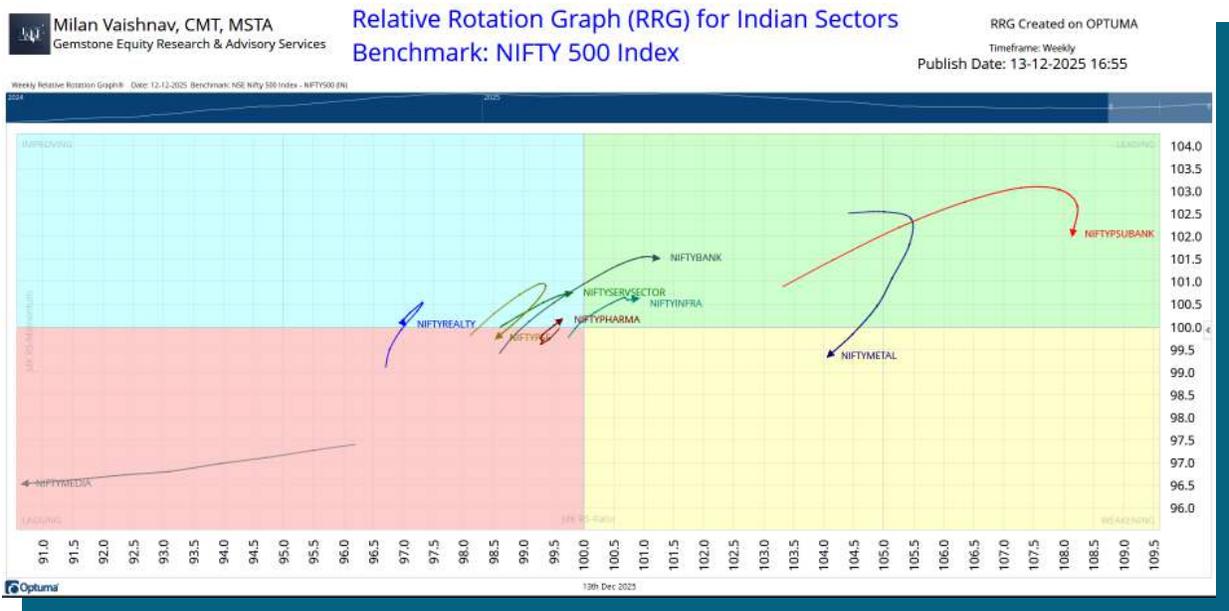
Given the current setup, the coming week may see a cautious-to-flat start. Initial resistance lies at 26,200 and 26,300, followed by a stronger barrier near 26,550, the upper Bollinger band. On the downside, immediate support is at 25,750, followed by the 25,600 zone.

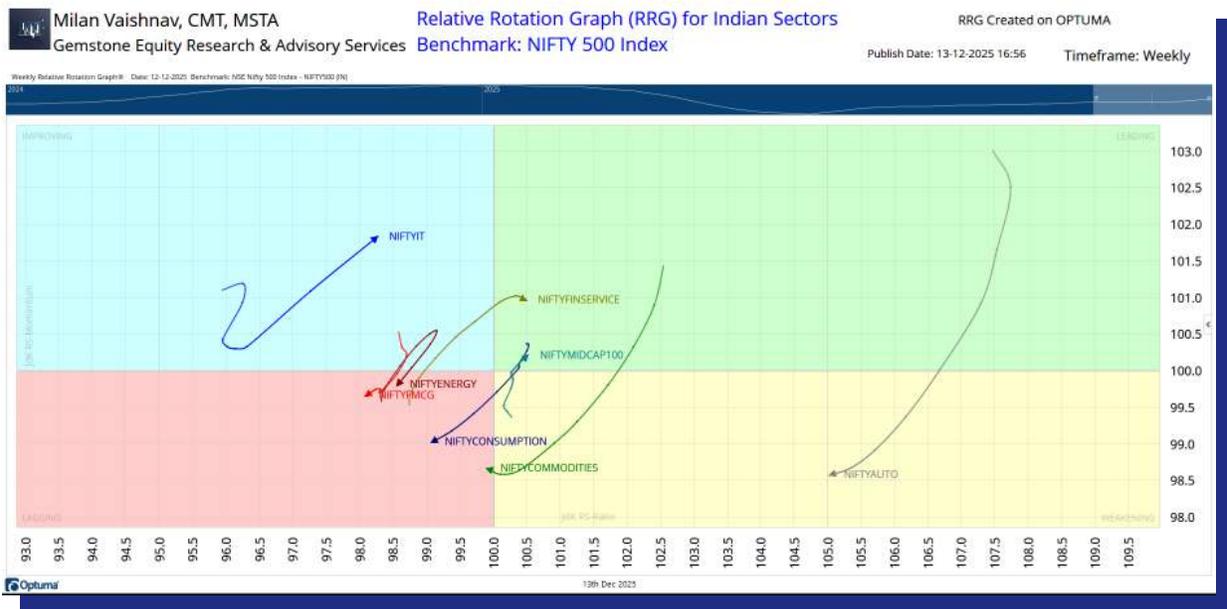
The weekly RSI is at 61.34; it remains in the bullish zone and shows no divergence against price, indicating a neutral momentum bias. The MACD is above its signal line and continues to maintain a positive crossover. The latest candle is a small-bodied bearish candle with a moderately longer lower shadow near resistance, hinting at indecision or short-term exhaustion.

From a pattern perspective, Nifty remains above the symmetrical triangle that it has broken out of. The Index is seeing a little loss of strength while it consolidates above its breakout point and just below its high point. While such loss of strength and consolidation near resistance traditionally carries bearish implications, its upper boundary is being tested repeatedly, which also reflects strength. The index trades well above all key moving averages (20, 50, 100, 200-week), indicating that the larger trend remains intact and upward, but a clean breakout above the wedge is still awaited.

In light of the technical and macro setup, traders should remain moderately cautious. It is advisable to protect profits at higher levels and avoid aggressive long exposures until a breakout above 26,200–26,300 is confirmed. A stock-specific approach, with an emphasis on relative strength and risk management, is preferred. The method to approach the coming week should be defensive, selective, and responsive to any breakout confirmation.

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 Financial Services and the Midcap 100 Indices have rolled inside the leading quadrant. The Nifty Bank, Infrastructure, and PSU Bank Indices are also inside the leading quadrant. These groups are set to outperform the broader markets relatively.

The Nifty Metal and Auto Indices are inside the weakening quadrant. While stock-specific performance from these sectors cannot be ruled out, their relative performance may slow down a bit.

The Nifty PSE, Commodities, and Energy Indices have rolled back inside the lagging quadrant. Along with them, the Media, Consumption, and FMCG are also placed inside this quadrant. They are expected to relatively underperform the broader markets.

The Realty, IT, and Services Sector Indices are inside the improving quadrant.

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.

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