

# Weekly Market Outlook

Jan 26, 2025 thru Jan 30, 2026

Milan Vaishnav, CMT, MSTA



Gemstone Equity Research & Advisory Services

Sharper Research. Smarter Outcomes.

We have been providing Independent Technical Research for over two decades covering 2000+ listed equities from the Indian Stock Markets.

---



### **MarketPulse India: Your Private Window into Elite Equity Opportunities**

Step beyond the noise of the public markets. MarketPulse India is not a mass-market service — it is a premium equity advisory crafted for High-Net-Worth Investors and professional money managers who demand depth, discretion, and precision. Our curated equity insights are designed to align with portfolios that require both performance and protection, setting you apart from the crowd.

# Nifty Breaks Key Support: What Lies Ahead in the Truncated Expiry Week

The markets witnessed a corrective move in a volatile week while ending lower. Nifty trended lower throughout the week and ended on a negative note. The index oscillated in a wide intra-week range of 733 points as it moved between 25,653 and 24,919. India VIX surged sharply by 24.80% to 14.19, indicating a sudden spike in risk perception and uncertainty. Nifty ended the week with a net loss of 645.70 points or -2.51%.



The current technical structure of Nifty reflects a significant breakdown. After failing to confirm a breakout, the Index has slipped below the trendline that was drawn from the high formed in September 2024. It has also slipped below the short-term 20-week moving average and now hovers near the lower Bollinger Band. The lower Bollinger band also aligns with the 50-week MA placed at 24758. The region of 25,000–25,150, which includes the 200-DMA on the daily chart and a key support, is being tested. If this zone is violated convincingly, it may trigger a deeper corrective move. Conversely, any bounce would remain vulnerable unless the index reclaims the 25,650 levels.

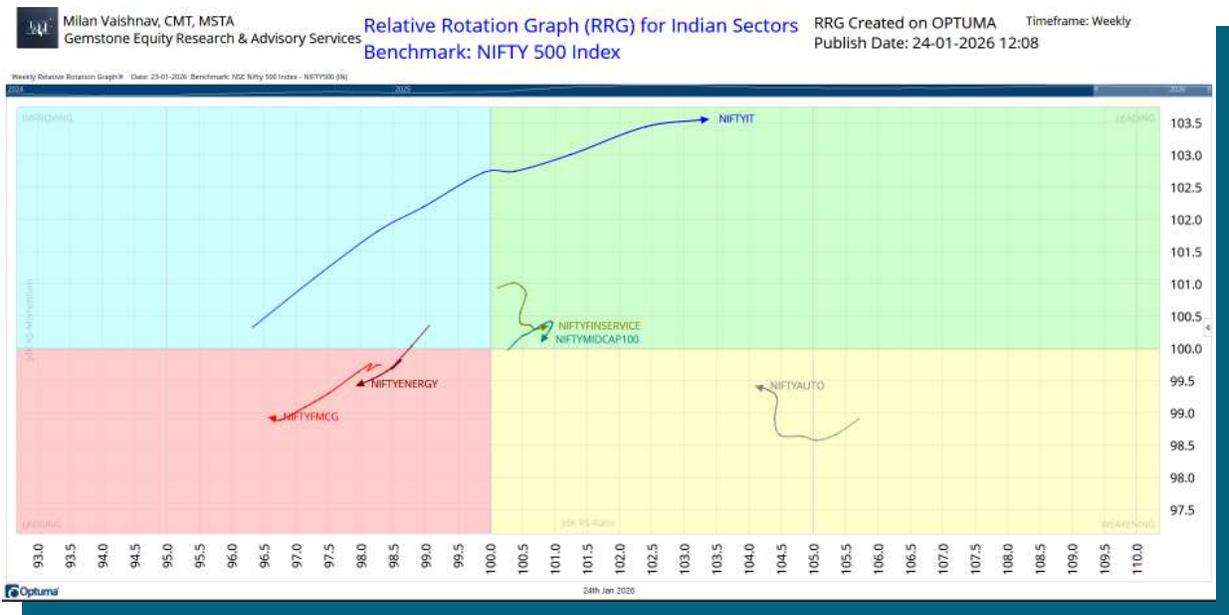
Given the steep correction and a mildly oversold setup on the daily chart, the coming week, shortened by the Republic Day holiday on Monday, may see a tentative start with a possible technical rebound. However, volatility is expected to stay elevated as Tuesday also marks the monthly F&O expiry. Overall, as the markets would open after a gap of one day, they would also adjust to the prevailing global trade setup. Immediate resistance levels are placed at 25,320 and 25,650, while supports exist at 25,000 and 24,800.

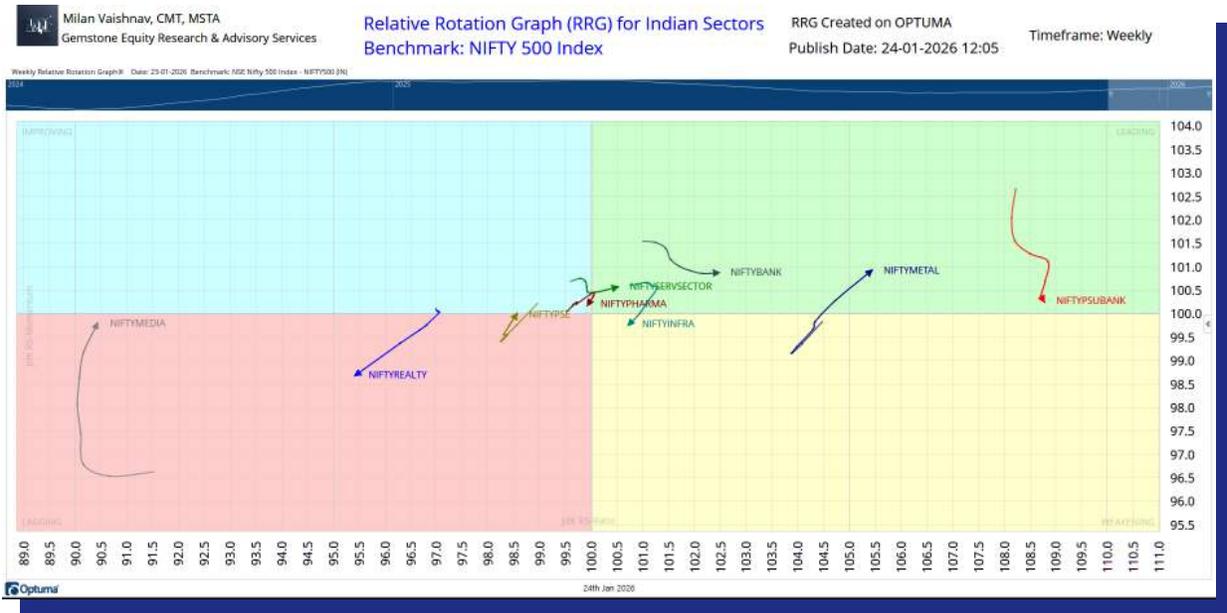
The weekly RSI stands at 44.47 and remains in a neutral zone; however, it has marked a new 14-period low along with price, indicating no divergence. The weekly MACD is bearish and is below its signal line, reinforcing bearish momentum. A long black candle has emerged on the weekly chart, signifying strong selling pressure and a breakdown from the prior consolidation.

Pattern-wise, Nifty has broken below the falling trendline, which typically has bearish implications. This breakdown is significant as it came with a wide-range candle and a close below 20-week MA. The next visible support lies around the 50-week MA near 24,758.

For the week ahead, a cautious and stock-specific approach is advised. While short-term oversold conditions may fuel a bounce, the broader structure has weakened. Traders should avoid aggressive longs and focus on protecting profits. Any upside should be used to lighten positions or initiate low-risk short opportunities if resistance levels hold. The method of approaching the coming week would be to stay highly selective, manage risk tightly, and keep exposure light ahead of the expiry volatility.

*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 the Nifty IT Index continues to rotate strongly inside the leading quadrant. Along with this, the Financial Services Index, Midcap 100, PSU Bank Index, Banknifty, Metal, and Services Sector Indices are also inside the leading quadrant. Metal and IT look strong on relative terms, but overall, this group may relatively outperform the broader markets.

The Infrastructure Index has rolled inside the weakening quadrant. The Nifty Auto Index is also positioned inside the weakening quadrant.

The Nifty Energy, Realty, and FMCG Indices languish inside the lagging quadrant. These groups may relatively underperform the broader markets. NIFTY PSE Index, while being inside the lagging quadrant, is sharply improving its relative momentum and is set to roll inside the improving quadrant soon.

The Pharma Index has taken a U-turn and has rolled back inside the improving quadrant from the leading quadrant following loss of relative momentum.

**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)

