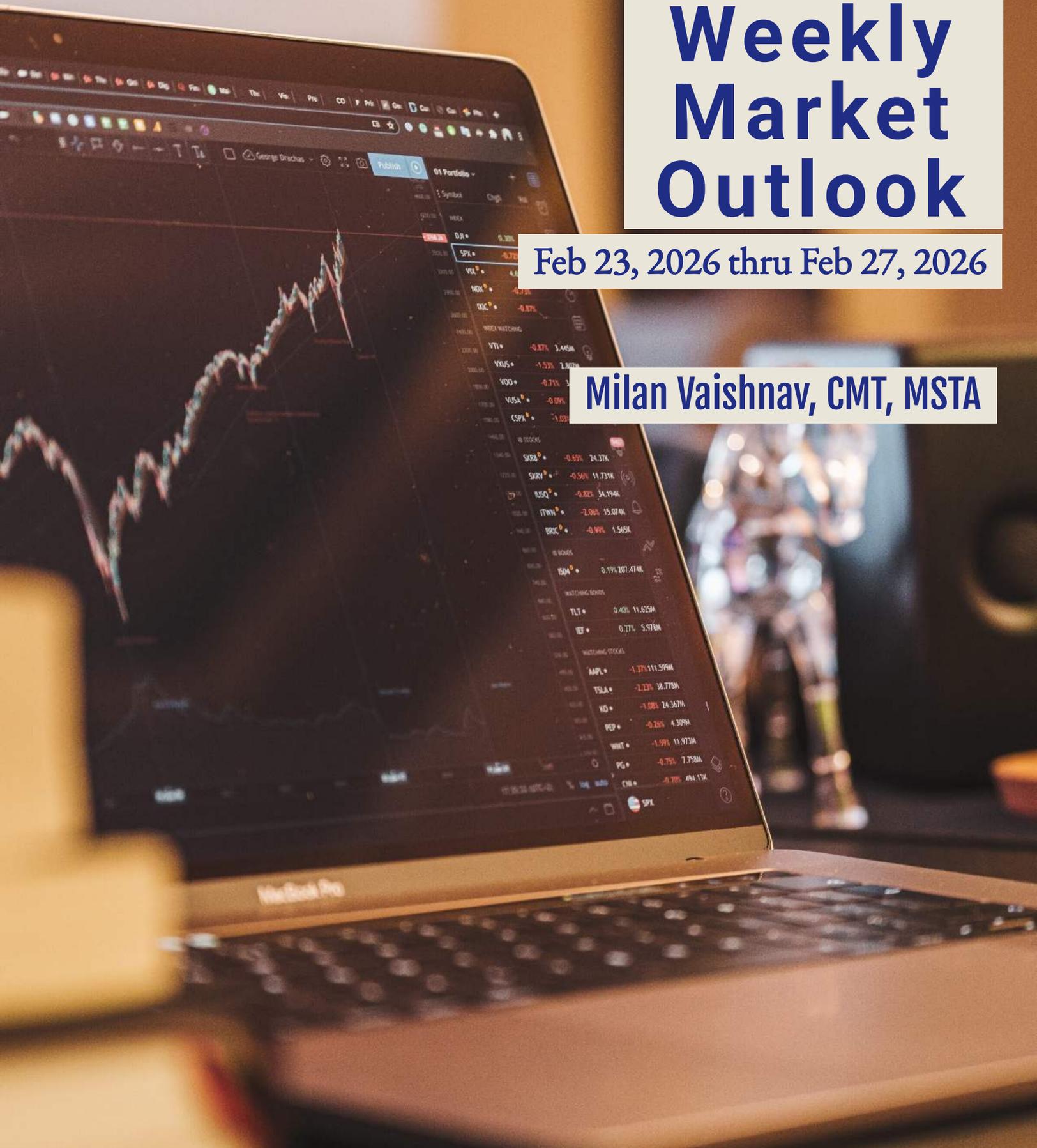


# Weekly Market Outlook

Feb 23, 2026 thru Feb 27, 2026

Milan Vaishnav, CMT, MSTA



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## Week Ahead: NIFTY slated For A Strong Start; Close Above This Level Needed For A Trending Move

The Nifty traded in a relatively contained range through the week, oscillating within defined boundaries before ending modestly higher. The index moved between 25,372.70 and 25,885.30, reflecting a largely consolidative undertone despite intraday swings. Volatility spiked; India VIX rose by 8.05% to 14.36, indicating increase of hedging activity and expectation of near-term volatility. The Nifty eventually closed the week with a gain of 100.15 points (+0.39%).



From a structural standpoint, the index continues to consolidate just below a crucial resistance band while maintaining its broader uptrend. Prices are hovering around the 20-week moving average (25,761) and remain well above the rising 50-week (24,991) and 100-week (24,394) averages, keeping the long-term structure intact. However, the index is currently trapped within a broad consolidation zone, and directional conviction remains absent. A decisive close above 26,250 is necessary to confirm a fresh trending upmove and open the path toward higher levels. Until that happens, rallies are likely to remain capped, resulting in range-bound behavior. On the downside, sustained trade below 25,000 would weaken the short-term setup and invite incremental pressure.

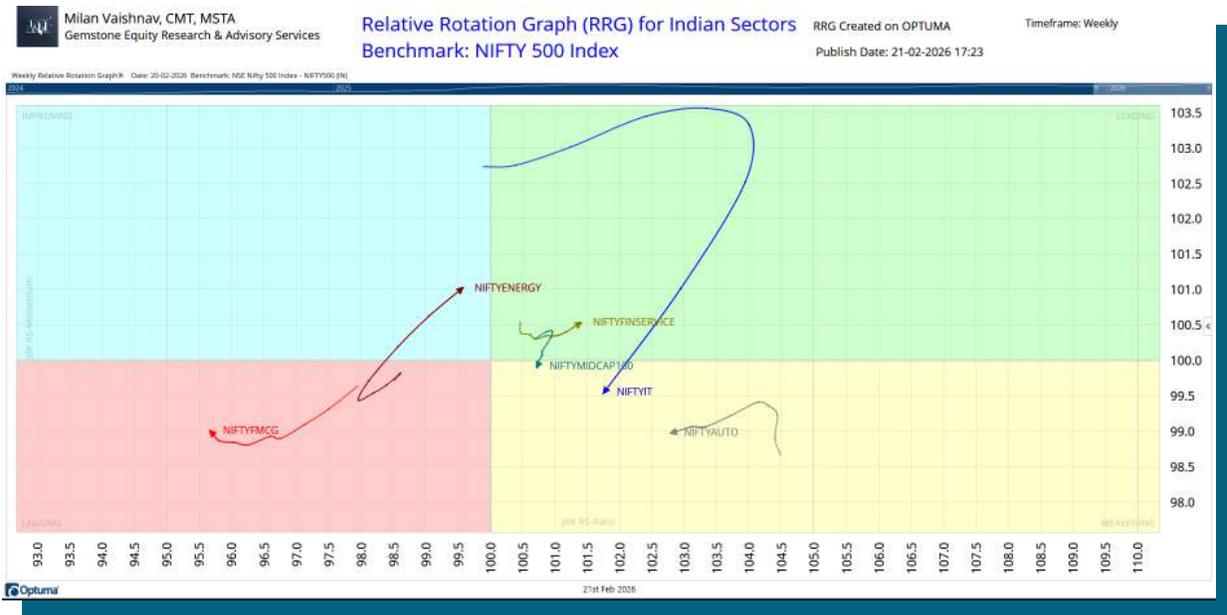
**Given the Supreme Court's verdict, markets are likely to see a gap-up opening at the start of the week. However, follow-through will be critical. Immediate resistance levels are placed at 26,000 and 26,250, while supports are seen at 25,400 and 25,00.**

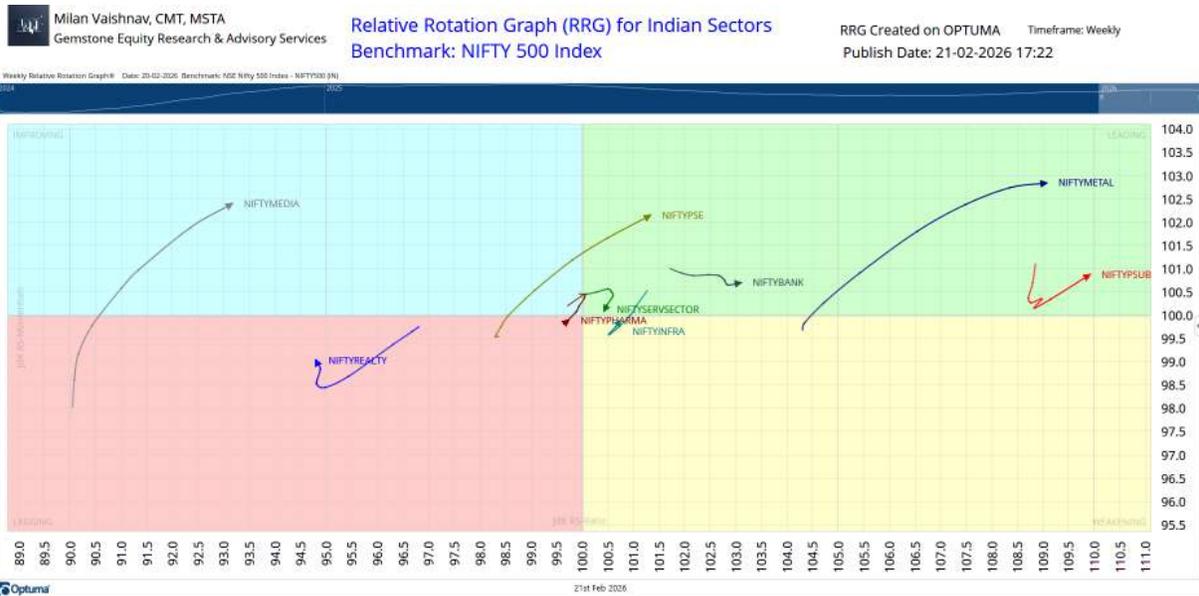
The weekly RSI stands at 51.50, remaining neutral and showing no divergence against price. The MACD remains below its signal line on the weekly timeframe, with the histogram still in negative territory, suggesting that momentum has yet to turn convincingly positive. The latest candle reflects indecision near resistance, reinforcing the ongoing consolidation phase.

Pattern analysis of the weekly chart indicates that the index is attempting to stabilize after retracing from its prior highs. The formation resembles a broad trading range with a mild upward bias, but without a breakout confirmation. The price continues to respect the rising long-term moving averages, which act as dynamic support. The narrowing Bollinger Bands also reflect contracting volatility, often a precursor to an eventual expansion move; however, a directional trigger is still awaited.

For the coming week, traders should adopt a measured and disciplined approach. While the broader trend remains constructive, the lack of momentum confirmation and the proximity to overhead resistance warrant caution. Fresh aggressive longs should be considered only on a sustained move above 26,250. Until then, a stock-specific and range-trading strategy would be more prudent, with strict risk management in place. Protecting gains and avoiding over-leveraged positions will be key while the index decides its next directional move.

*In our look at Relative Rotation Graphs<sup>®</sup>, 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, PSE, Banknifty, PSU Bank, Services Sector, and the Metal Indices are inside the leading quadrant. While Services Sector may be losing some relative strength, these groups will collectively outperform the broader markets on relative basis.

The Nifty IT Index has rolled inside the weakening quadrant. Individually, it may experience a rebound given the recent selling but the relative performance may take a backseat. The Infrastructure and the Auto Index are also inside the weakening quadrant.

The Nifty FMCG, Pharma, and the Realty groups are inside the lagging quadrant. They may relatively underperform the broader Nifty 500 index.

The Nifty Media and the Energy Indices are seen rotating firmly inside the improving quadrant. These groups may continue to improve their relative momentum against the broader markets.

**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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