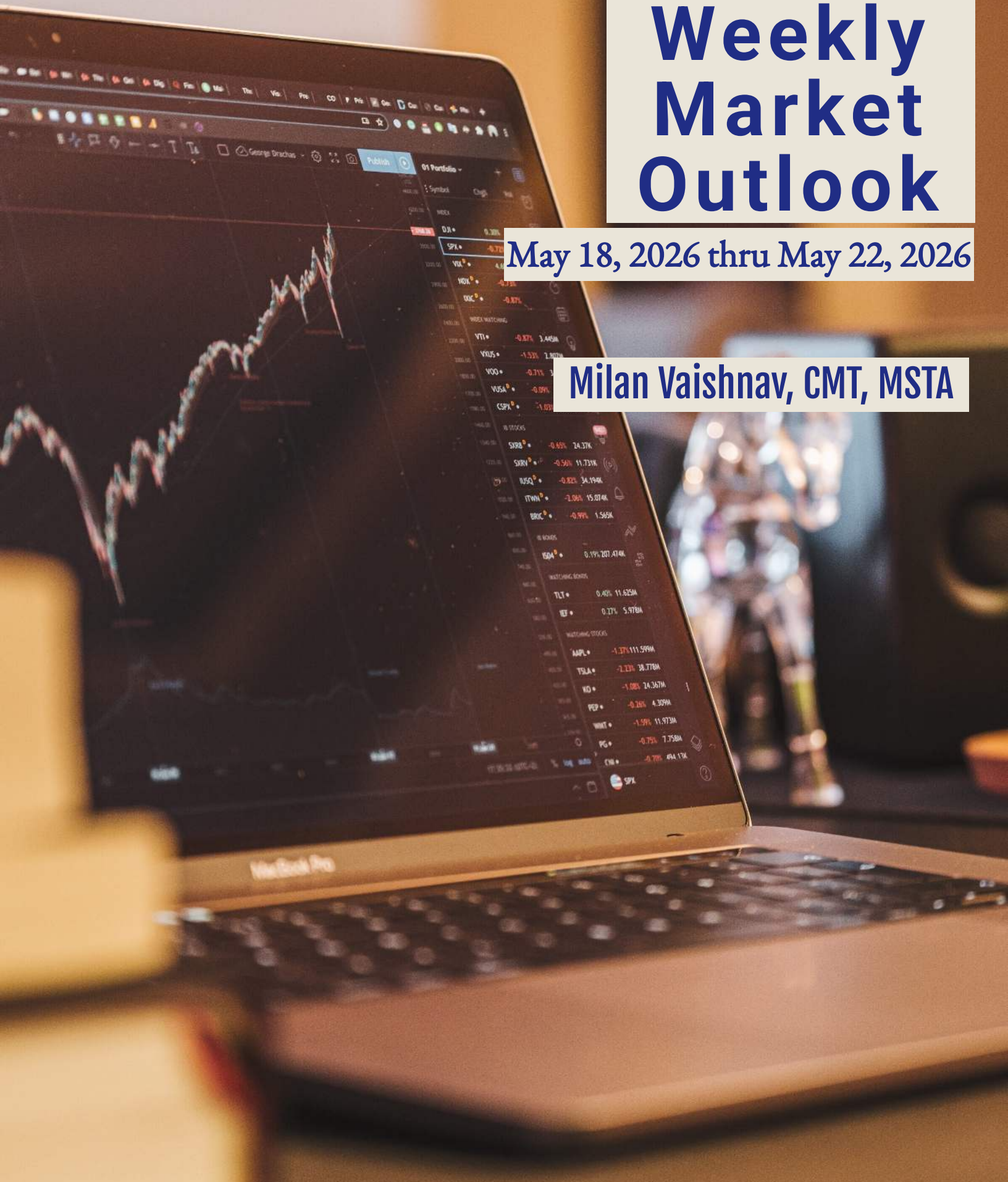


# Weekly Market Outlook

May 18, 2026 thru May 22, 2026

Milan Vaishnav, CMT, MSTa



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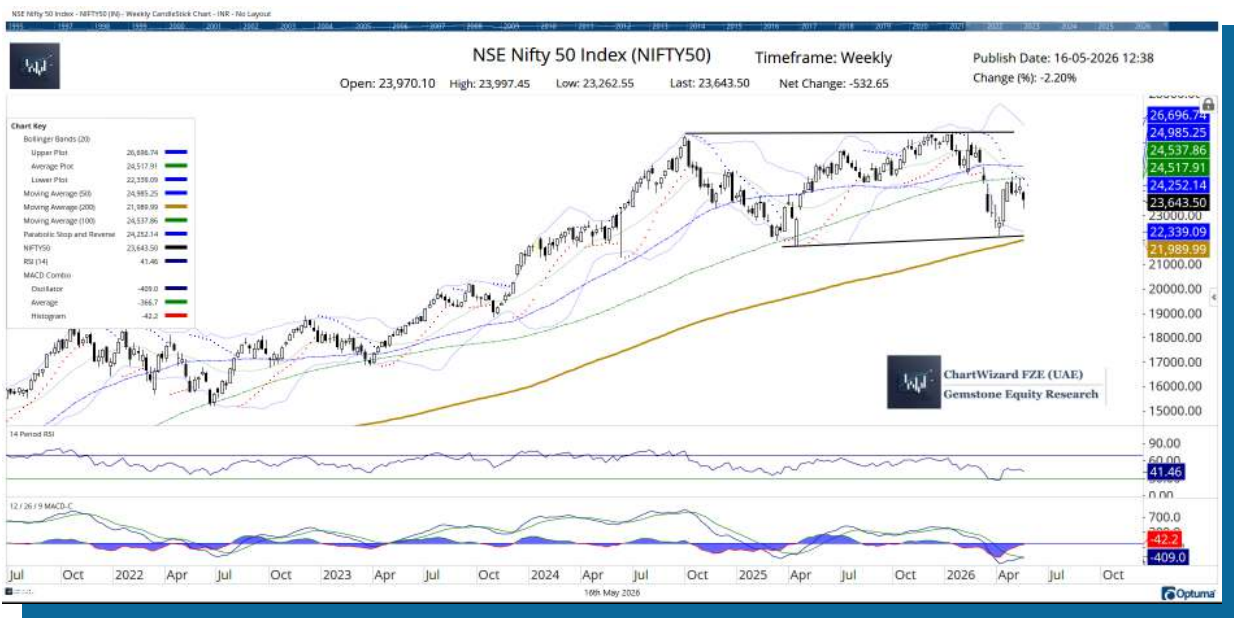


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## Week Ahead: Nifty Remains Under Pressure; Key Support Zone Put to Test

The markets remained under sustained corrective pressure throughout the week and ended lower, as sellers retained control at higher levels. Nifty oscillated in a broad 734-point range as the index touched a high of 23,997.45 and a low of 23,262.55. The volatility component also edged higher; India VIX rose 11.58% to 18.79 on a weekly basis, reflecting growing nervousness and elevated risk perception among market participants. The headline index ended the week with a net loss of 532.65 points (-2.20%).



From a structural standpoint, Nifty continues to remain in a vulnerable setup after failing to sustain above the crucial 24,500–24,700 zone, which coincides with the 100-week moving average and the middle Bollinger band region. The index has slipped back below the 50-week moving average placed near 24,985, keeping the intermediate trend under pressure. The broader price structure suggests that the market is presently trapped inside a wide consolidation-to-corrective formation with lower highs emerging on rebounds. The zone near 23,200–23,000 remains an important support area; any decisive violation of this range may trigger a fresh leg of weakness toward lower levels. On the upside, the markets would require a strong move above 24,300–24,500 to improve the technical structure meaningfully and revive directional strength.

**The coming week is likely to begin on a cautious note with volatility expected to remain elevated. Resistance levels for Nifty are likely to come in at 23,850 and 24,000, while supports are seen at 23,350 and 23,150.**

The weekly RSI stands at 41.46 and remains below the neutral 50 mark, indicating weakening momentum. The RSI does not show any significant bullish or bearish divergence against price at this stage and remains broadly neutral-to-negative in behavior. Weekly MACD remains below its signal line and stays in negative territory, continuing to reflect a weak underlying trend. The latest candle formation resembles a bearish continuation candle, reinforcing the prevailing corrective bias.

Pattern analysis of the weekly chart indicates that Nifty has failed to regain the breakout region of the earlier rising structure and is now trading below key medium-term averages. The 100-week moving average near 24,538 has turned into an immediate overhead hurdle, while the 200-week moving average near 21,990 continues to offer long-term structural support. The Bollinger Bands have started expanding again after a brief contraction phase, suggesting the possibility of increased directional volatility in the sessions ahead.

Given the current technical setup, market participants should continue to adopt a cautious and highly selective approach. Fresh aggressive buying should be avoided until the index shows evidence of sustained strength above the immediate resistance zone. Preservation of capital and disciplined risk management will remain critical as volatility stays elevated. Traders should focus on stock-specific opportunities with strict stop losses while avoiding excessive leveraged exposure. The coming week is best approached with a defensive bias and a preference for selective participation rather than broad-based aggressive positioning.

*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*

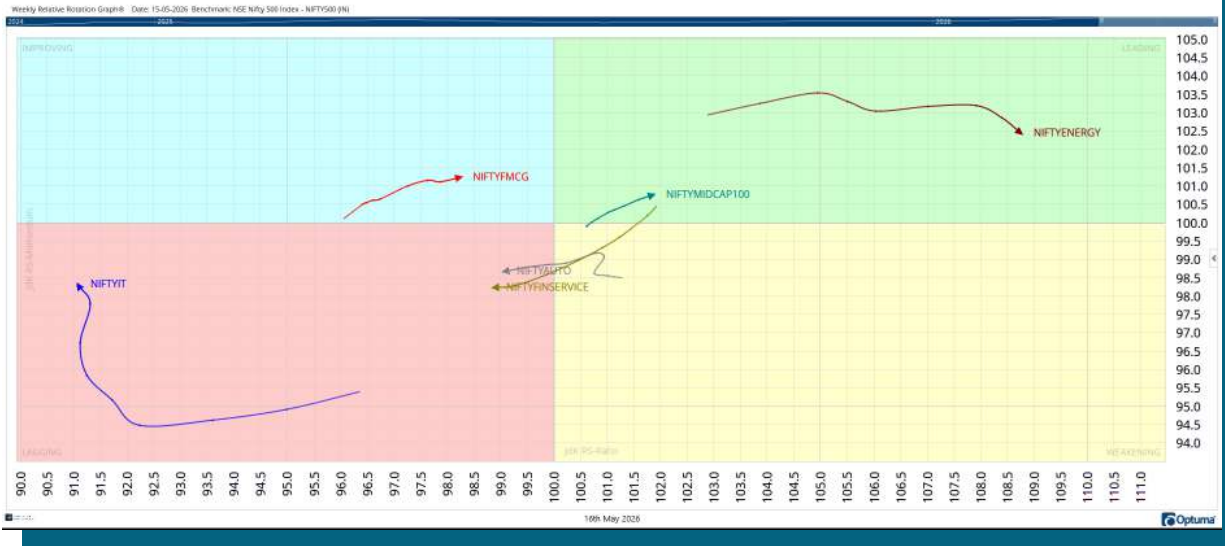
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Gemstone Equity Research | Chartwizard FZE

## Relative Rotation Graph (RRG) for Indian Sectors Benchmark: NIFTY 500 Index

RRG Created on OPTUMA Timeframe: Weekly

Publish Date: 16-05-2026 12:44

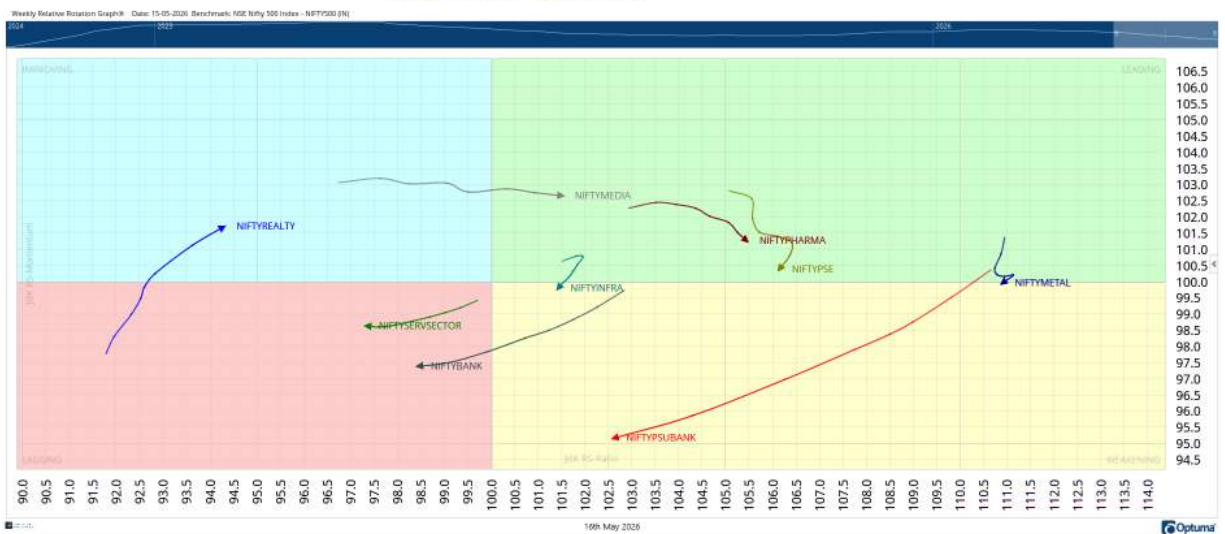


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## Relative Rotation Graph (RRG) for Indian Sectors Benchmark: NIFTY 500 Index

RRG Created on OPTUMA Timeframe: Weekly

Publish Date: 16-05-2026 12:46



The Relative Rotation Graph (RRG) shows that the Nifty Energy, Midcap 100, Media, Pharma, and PSE groups are inside the leading quadrant of the RRG. Though a couple of them are losing relative momentum, overall this group may outperform the broader markets.

The Nifty Metal and Infrastructure Index has slipped into the weakening quadrant. Individual stock performance may vary, but these sectors will see a slowdown in relative performance. The PSU bank index is also inside the weakening quadrant.

The Nifty Auto, Financial Services, Services Sector and Nifty Bank indices languish inside the lagging quadrant. These Indices are likely to relatively underperform the broader markets. The IT Index is also inside the lagging quadrant, but it is seen improving its relative momentum against the broader markets.

The Realty and the FMCG Index 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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