Weekly Market Outlook

Sep 21, 2026 thru Sep 25, 2026

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Week Ahead: NIFTY Needs To Reclaim This Level To Extend Technical Rebound; Leadership Is Seen Slowly Changing Hands

Nifty traded with a negative bias through the week and ended lower. The index oscillated in a 476.75-point range before settling at 23,346.40. The close near the lower half of the weekly range reflects renewed selling pressure, although the index continues to hold above the important 23,000–23,100 support zone created by the most recent swing low. Volatility cooled during the week; India VIX declined 7.32% to 11.39. Nifty eventually finished the week with a loss of 51.70 points (-0.22%).

The broader technical structure remains corrective and range-bound. Nifty has slipped below its 20-week average at 23,955.75 and the 100-week moving average at 24,386.81, while the 50-week average at 24,641.63 remains considerably higher. More immediately, 23,500—the support that was recently violated—has now turned into the first important resistance. At the other end, 23,000–23,100 remains the key support zone. This leaves the index compressed between nearby resistance and an important support. A sustained move back above 23,500 could trigger a larger technical rebound, while a decisive break below 23,000 would weaken the structure and raise the odds of a deeper retracement toward the 200-week moving average region.

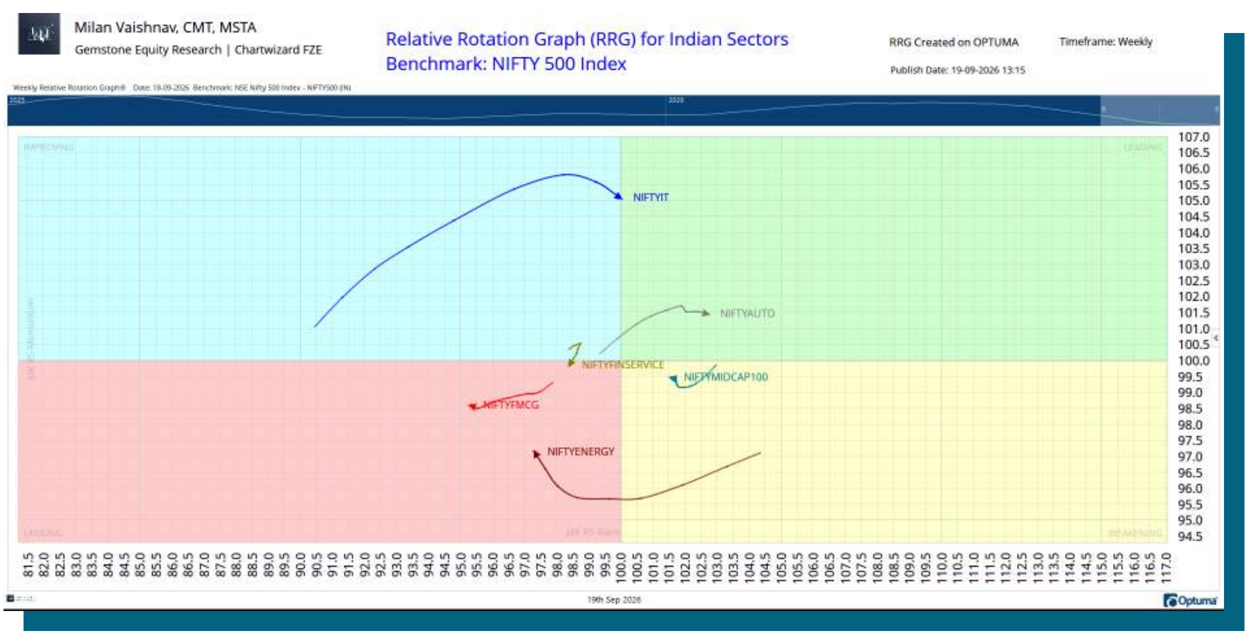
Markets are likely to see a tentative and largely range-bound start to the coming week unless either boundary of this immediate trading zone is violated. Resistance is expected at 23,500 and 23,780; support is placed at 23,100 and 22930. With India VIX at relatively subdued levels, volatility expectations remain contained, though a break below 23,000 could quickly alter that environment.

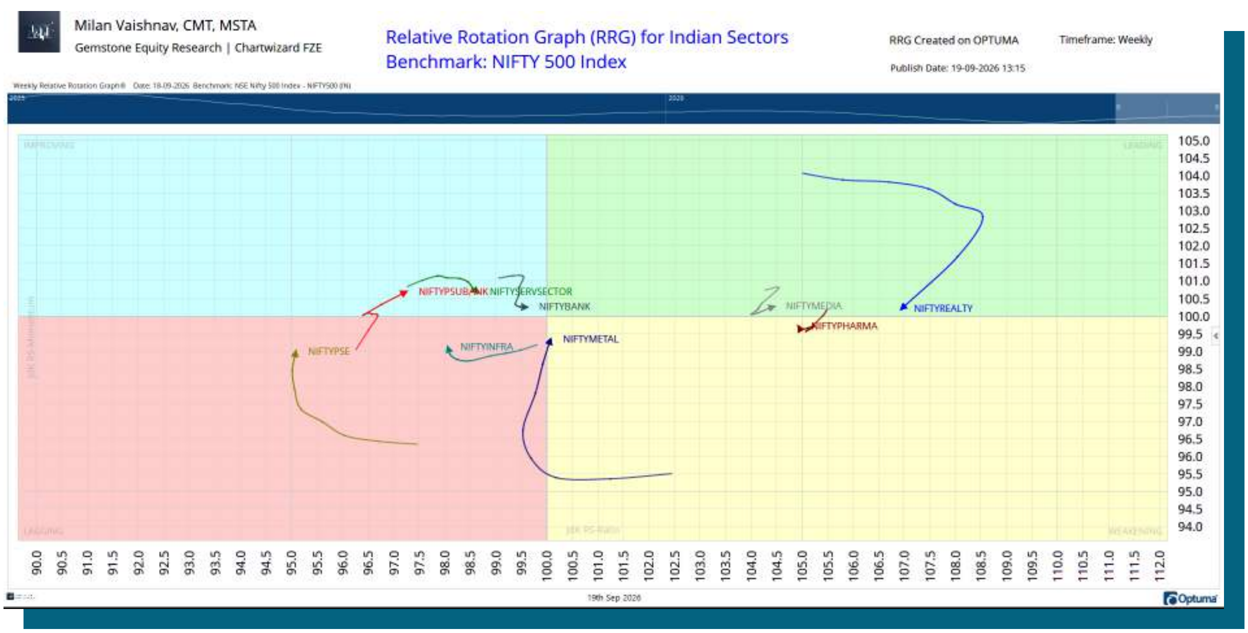
The weekly RSI stands at 39.39 and continues to remain below the neutral 50 mark. The weekly MACD has shown a negative crossover; it is now bearish and stays below its signal line.

Pattern analysis shows Nifty continuing to operate within a broad consolidation structure. The index is now trading below several important weekly averages, keeping overhead resistance concentrated between roughly 23,950 and 24,650. At the same time, rising long-term trend support and the 200-week moving average, currently near 22,565, remain below the Index's current level. The 23,000–23,100 swing-low zone therefore assumes particular importance: holding it would preserve the possibility of another recovery within the broader range, while a breakdown would expose the index to the lower end of its long-term support structure.

The coming week warrants a measured, stock-specific approach while avoiding aggressive directional exposure. Fresh buying may be kept selective while Nifty remains below 23,500, and existing profitable positions should be managed with appropriate protection. A sustained reclaim of 23,500 would improve the near-term setup and create room for a rebound toward the 20-week average, while a breach of 23,000 would call for greater caution on the long side. Until either boundary is resolved convincingly, position sizes should remain controlled, and trading decisions should be guided to these clearly defined levels without pre-empting any directional move on the either side.

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





The Relative Rotation Graph (RRG) continues to show a lack of leadership, but also exhibits a likely shift in leadership as well going ahead from here. The Nifty Auto, Realty, and Media Indices are inside the leading quadrant. Overall, they are expected to demonstrate resilience and also outperform the broader Nifty 500 Index.

The Nifty Pharma stays inside the weakening quadrant along with the Midcap 100. Importantly, the Nifty Metal Index has rolled from the lagging quadrant of the weakening quadrant while showing an exceptional improvement in its relative momentum against the benchmark.

The Nifty Financial Services Sector Index has rolled inside the lagging quadrant. This sector, along with the FMCG sector, which is also in this quadrant, is likely to relatively underperform the broader markets. The Nifty Energy, Infrastructure, and the PSE Indices are inside the lagging quadrant as well; however, they are showing sharp improvement in their relative momentum against the broader markets.

The IT sector is inside the improving quadrant; it sits on the verge of rolling inside the leading quadrant. The Nifty Services Sector, Nifty Bank and the PSU Bank Indices are also 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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