

Weekly Equity Market Outlook

Range-Bound Markets Amid Policy and FX Uncertainty

15th Dec 2025 – 19th Dec 2025

The Week That Was (8th Dec – 12th Dec) : Markets Navigate Volatility Amid Global and Flow Cues ...

- **A Volatile Week, but a Strong Close** : Indian equity benchmarks exhibited heightened volatility and sector rotation this week amid a convergence of global and domestic developments — including market reactions to a US Federal Reserve rate decision, persistent foreign capital outflows, rupee weakness, and domestic investor bargain-hunting into beaten-down themes mid-week. Early in the week, markets fell sharply on profit booking and macro headwinds, but recovered by Friday as broad markets turned positive and leadership widened beyond large caps. Domestically, the rupee slid to a fresh record low of 90.56 against the US dollar, dampening risk sentiment. Despite recent easing by the RBI, India's benchmark government bond yields jumped to 6.59%, marking the biggest weekly rise in nearly four months — *a bearish signal for risk assets such as equities*. FIIs remained consistent net sellers, offloading more than ₹ 9,200 crores of equities, while DIIs supported with close to ₹ 20,200 crores of net purchases. During the week, the large cap Nifty 50 Index fell during the first half of the week, losing 1.63% by Wednesday, but recovered some of those losses in the second half following the Fed rate cut, closing 0.53% lower. The same applies for the Nifty Midcap 150 and the Nifty Smallcap 250 indices.
- **Rupee weakens further, despite help from the RBI** : The Indian rupee weakened to record lows above ₹90.50/USD, driven by ongoing trade tensions, FX outflows, and macro uncertainty. This has put additional pressure on equities, particularly dollar-linked sectors. IT is a sector that has gained significantly from a weak INR.
- **Sectoral Gainers and losers of the week** : The week was marked by significant sector rotation, with the Metals sector gaining 1.90%, and the Defence Sector losing close to 3%.
- **Crude falls, while Precious Metals witness a steep rise** : Silver continued to lead the commodities rally gaining close to 6.4% as demand kept rising. Crude on the other hand fell by over 4% on increased supplies.

Interesting Charts Last Weeks

GOLD: BULLISH



Gold remains in a strong uptrend, consolidating in a tightening bullish flag just below recent highs. Price holds well above the 200-day MA, and support near 4,045 continues to reinforce upward momentum. The path toward new highs, while 4,045 remains key support on any pullback.

DOW: BULLISH



The Dow Jones continues to trade firmly within its rising channel, now testing the upper band near 48,800–49,000. A breakout above 49,200 could open the path toward 50,000. Immediate support lies at 47,500, followed by stronger support at 45,080 and the 200-day MA at 44,120. RSI near 65 suggests momentum is strength.

The Week Ahead (15th Dec – 19th Dec) : The INR, Domestic Macros and FII Flows to Determine Market Direction

- **Wholesale Price Index (WPI) inflation & trade data** is expected mid-week. Early week commentary suggests that WPI data and trade balance prints will be monitored closely by markets, being leading price signals amid CPI softness and global commodity volatility. The RBI MPC minutes will also be closely watched.
- **Rupee weakness and FPI behaviour remain front-and-center** : The INR has traded near record lows above ~₹90.40–₹90.55 per USD, continuing to pressure market sentiment and cost structures for import-dependent sectors, while continued FII selling will likely sustain defensive rotation. On the flip side, any measures for Rupee stabilization and/or USD inflows could spark tactical rallies in some sectors.
- **OUTLOOK** : We expect the INR to weaken further this week, which will prove to be a drag on the Auto Sector, but will benefit the IT companies. SECTORS & STOCKS : Restoration of flights and temporary relief from the DGCA may help the Indigo share price. We further expect Metals stocks such as Hindustan Zinc and Hindustan Copper to continue with the upmove.

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Nifty 50 Technical Outlook



- The bulls staged a strong comeback as Nifty advanced for the second consecutive session, closing above the 26,000 mark.
- Earlier in the week, the index took support near its 50-DMA at 25,720, rebounding firmly from that level, which is expected to remain a key support zone. Nifty also moved above its short-term 21-DMA at 26,020, reinforcing the positive momentum.
- If Nifty manages to hold above the 26,000 level, a short-covering move toward 26,200–26,250 is possible in the coming week. The broader range could be 25700-26300.
- Momentum indicators and oscillators continue to remain in buy mode on the weekly charts, signaling sustained strength. Meanwhile, the volatility index INDIIVIX has eased to the 10 level, a zone that remains supportive for bullish sentiment.

Nifty Bank Technical Outlook



- Banknifty remained under pressure for the second consecutive week but managed to reclaim 59000 levels on the weekly closing basis. It also surpassed its 21-DMA placed at 59200 levels.
- The momentum indicators and oscillators remained in the buy mode on the weekly chart.
- On the derivatives front, fresh put writing at the 59,000 strike is expected to lend immediate support, while new call writing at the 60,000 strike, where the maximum open interest is concentrated—may act as a near-term hurdle.

Global Markets

Developed Markets

| | |
|-------------------------|--------|
| US (S&P 500) | -0.63% |
| Germany (FSE DAX) | +0.66% |
| UK (FTSE 100) | -0.19% |
| Eurozone (Eurostoxx 50) | -0.14% |
| Japan (Nikkei 225) | +0.68% |

Emerging Markets

| | |
|---------------------------|--------|
| Indonesia (IDX Composite) | +0.32% |
| India (Nifty 50) | -0.53% |
| China (CSI 300) | -0.08% |
| South Korea (KOSPI 100) | +1.33% |
| Brazil (Bovespa) | +2.16% |

Sectoral Gainers and Key Commodities

Sectoral Indices

| | |
|-------------------------------|--------|
| Nifty Metal – TRI | +1.90% |
| Nifty Consumer Durables – TRI | +0.42% |
| Nifty Energy – TRI | +0.19% |
| Nifty Oil & Gas – TRI | +0.18% |
| Nifty India Defence - TRI | -2.98% |

Commodities

| | |
|-------------|--------|
| Gold | +2.51% |
| Silver | +6.39% |
| Brent Crude | -4.13% |

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Stock in Radar : ANANDRATHI

LTP : INR 2929



Source: Tradingview

- Stock prices signals early signs of a trend reversal after a steady corrective phase within a falling channel.
- Price is now testing the channel's upper boundary near ₹ 2955 , and a breakout above it could trigger a move toward ₹ 3,150–₹3,200.
- The long-term trend remains strong, supported by the rising 200-day moving average well below current levels.
- The ₹ 2,770 zone has acted as reliable support, attracting buyers repeatedly.
- RSI also shows a bullish divergence, signaling improving momentum and a potential shift upward.

Stock in Radar : POLICYBZR

LTP : INR 1926



Source: Tradingview

- The stock has formed a bullish cup-and-handle structure while breaking above a long-standing descending trend line, signaling a potential trend reversal.
- The neckline is placed near ₹ 1940 & a sustainable move ₹ 1960 will add bullishness.
- The rounded base reflects steady accumulation, and RSI is near 62 shows strengthening momentum without overbought conditions.
- If the breakout sustains, the stock could see continuation toward higher near ₹2100- ₹2300, while ₹ 1,850 remains the key support zone on any pullback.

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*Website: www.centrumbroking.com
Investor Grievance Email ID: investor.grievances@centrum.co.in*

*Compliance Officer Details:
Chintan Madiya
(022) 69559037; Email ID: compliance@centrum.co.in*

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)

Registered and Corporate Office:
Level -9, Centrum House, C.S.T. Road,
Vidyanagari Marg, Kalina,
Santacruz (East) Mumbai – 400098
Tel.: - +91 22 4215 9000