

Weekly Equity Market Outlook

Markets Spooked by Agentic AI Fears Across Sectors

16th Feb 2026 – 20th Feb 2026

The Week That Was (9th Feb – 13th Feb) : Global IT rout gathers steam, hits Indian Equities

- **Markets fail to find support toward close of the week** : The week began with the Nifty 50 rising ~0.7%, buoyed by broad-based buying across sectors. Towards mid-week, trading sessions turned cautious as investors reset positions and awaited earnings data, with markets trading in a relatively narrow range. Markets witnesses a sharp decline on Friday, led by **widespread fears about the impact of Agentic AI** on various businesses and industries. The Nifty 50 dropped ~1.3%, marking the steepest single-day decline since Budget day. Volatility spiked with India VIX rising significantly, reflecting elevated risk perceptions. Mid-caps and small-caps underperformed vs benchmarks amid broader risk-off sentiment. A large number of corporate Q3 FY26 results were released during the week, driving stock-specific volatility. Information Technology stocks suffered a deep sell-off — the Nifty IT index fell sharply — as AI concerns and weak global tech cues pressured valuations. **Major IT names saw substantial declines as AI disruption fears and global tech weakness hit valuations — contributing significantly to overall index weakness.** Select financials showed resilience, with State Bank of India among the notable outperformers backed by strong results and credit growth expectations. Global factors too hit the markets, with weakness in global tech markets spilling into Indian equities, amplifying domestic selling. Strong U.S. jobs data and fading expectations of a quick Fed rate cut dampened risk appetite. While FPIs turned net buyers in early Feb, lingering concerns around trade and global central bank actions kept sentiment fragile. Several Q3 FY26 earnings impacted market sentiment and stock movements this week. Britannia reported ~17% profit growth and revenue increase, supporting the FMCG segment. HAL posted strong results, aiding defence sector sentiment. Apollo Hospitals posted solid healthcare earnings.
- **Sectoral Losers and Gainers** : Information Technology stocks continued to bear the severe brunt of the sell-off as fears about a possible “**SaaSocialypse**” the Nifty IT Index down more than 8%. Other sectoral losers include Nifty Realty, Nifty Energy and Nifty Oil & Gas, all of which fell in excess of 2% each. The Nifty Auto Index registered some modest gains.
- **Precious Metals** : The flip in the Gold-Silver Ratio played out as Silver remained volatile and Gold remained firm.

Interesting Charts ... that speak a thousand words

USDINR BEARISH



USDJPY CONTINUE TO RALLY



The Week Ahead (16th Feb to 20th Feb) : Tech Sector sentiments and Q3FY26 Results to determine market direction

- **Range-bound trading expected:** The benchmarks Sensex and Nifty are likely to trade with caution early in the week after last week's sharp sell-off and technical breach of support levels. Traders may remain guarded and prefer consolidation rather than strong directional moves.
- **Mixed global cues influence sentiment:** Global macro factors like U.S. economic data, bond yields, and tech sector trends will be monitored closely. Uncertainty abroad could reflect in domestic volatility.
- **Cautious FII positioning:** Foreign investors have trimmed bearish bets but remain selective buyers, indicating no broad risk-on stance yet — which may keep rallies subdued and growth slow.
- **Immediate risk of the Tech Rout remains:** Persistent global tech sell-offs and risk aversion could keep sentiment fragile, impacting broader market momentum early in the week.
- **Key Drivers & Market Catalysts to Watch** : U.S. inflation, PMI, housing, and durable goods data will influence risk appetite globally. Continued stock-specific action in Indian markets performance, based on corporate results and sector rotation (e.g., defensive sectors vs cyclical) will shape indices' breadth.

Nifty 50 Technical Outlook



TradingView

Source: Tradingview

- The Nifty opened with a gap-down and moved below its key 21-, 50-, and 100-day moving averages, positioned at 25,480, 25,770, and 25,690, respectively.
- On the downside, the index is attempting to fill last week's gap.
- The crucial support at the 200-DMA, placed near 25,300, is likely to be tested in the near term. Meanwhile, India VIX surged sharply by 13% to around 13, and any further rise in volatility could be a cause for concern.
- Overall, the market structure appears sideways to weak, and pullback rallies are expected to face selling pressure as long as the Nifty remains below the 25,800 mark.

Nifty Bank Technical Outlook



Source: Tradingview

- The Bank Nifty encountered sustained resistance near the 61,000 level and saw profit booking from those levels.
- The immediate psychological support is placed at 60,000, and a decisive break below this could trigger further downside towards the 59,500 mark.
- However, the index continues to trade comfortably above its short- and long-term moving averages, with immediate support from the 21-DMA positioned near 59,700.
- We expect Bank Nifty to consolidate within a broader range of 59,500–60,600 in the near term.

Global Markets

Developed Markets

US (S&P 500)	-1.39%
Germany (FSE DAX)	0.78%
UK (FTSE 100)	0.74%
Eurozone (Eurostoxx 50)	-0.23%
Japan (Nikkei 225)	+4.96%

Emerging Markets

Indonesia (IDX Composite)	+3.49%
India (Nifty 50)	-0.87%
China (CSI 300)	+0.36%
South Korea (KOSPI 100)	+8.97%
Brazil (Bovespa)	+1.92%

Sectoral Gainers and Key Commodities

Sectoral Indices

Nifty IT – TRI	-8.24%
Nifty Realty – TRI	-2.69%
Nifty Energy – TRI	-2.35%
Nifty Oil & Gas – TRI	-2.26%
Nifty Auto - TRI	+1.71%

Commodities

Gold	+1.65%
Silver	-0.75%
Brent Crude	-0.44%

Stock in Radar : ZFCVINDIA

LTP : INR 15,858



- The stock has broken out above a long-standing resistance zone near ₹15,700–15,800, supported by a strong bullish candle.
- Price is trading well above the 200-week SMA (₹12,671), indicating a sustained long-term uptrend. RSI around 62 suggests improving momentum without being overbought.
- Prices have given a breakout above cup & handle pattern formed on the weekly chart signals structural strength and potential continuation higher. If the breakout sustains, the next upside targets lie near ₹17,500 and ₹18,000.
- Immediate support is placed at ₹13,400.

Stock in Radar : BAJFINANCE

LTP : INR 1024



- The stock prices have given a break above the bullish engulfing pattern formed on weekly charts & also has closed above the same.
- While on daily time frame it given a break above the round formation where the neckline is placed near 1011 levels.
- The weekly & daily RSI remains on a bullish stance. The 200 SMA is placed near 961 levels.
- Prices gave a break above the down trend line formed from highs of 1102 levels.

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