

Weekly Equity Market Outlook

Global Markets remain volatile due to geopolitical issues

27th Jan 2026 – 30th Jan 2026



The Week That Was (16th Jan – 23rd Jan) : Domestic markets traded lower due to geopolitical uncertainty

During the week gone by, the Nifty 50 declined over 2.5% to settle at 25,048, while the BSE Sensex fell nearly 2.4% to close at 81,537. The weakness was not limited to frontline indices, as midcap and smallcap stocks also witnessed significant erosion in market value, indicating a clear risk-off mood. Sectorally, realty, consumer durables, and capital market stocks emerged as the worst performers last week, declining nearly 11.33%, 6.55%, and 6.50%, respectively. Selling pressure was evident across all sectoral indices, highlighting the broad-based nature of the correction.

From a flows perspective, foreign institutional investors (FIIs) continued to remain net sellers, offloading equities worth Rs. 14,652 crore. However, domestic institutional investors (DIIs) provided some cushion to the market with net inflows of Rs. 20,746 crore, helping limit deeper losses. From its all-time high, the benchmark index Nifty has undergone a sharp correction of over 5% within just 11 trading sessions, marking one of the steepest declines in recent times

The ongoing correction has been largely led by sustained weakness in index heavyweight stocks. On a month-to-date basis, Reliance Industries has declined nearly 12%, HDFC Bank is down 7.58% ITC has corrected sharply by around 20%, L&T has slipped 8.32%, and Bharti Airtel has lost close to 6%, highlighting broad-based selling across frontline counters. Key geopolitical dynamics contributed to volatility over a week. Rising "geopolitical tensions" worldwide, including a firmer US stance and uncertainty around Russia Ukraine and Middle East situations, weighed significantly on sentiment.

Commodities last week : Escalating geopolitical tensions between US and NATO over Greenland, and mounting concerns over US central bank independence, spurred strong safe-haven demand for Gold and Silver. Crude remained tentative during the week, as supply concerns eased, but weaponisation of oil assumed serious proportions last week.

Interesting Charts ... that speak a thousand words

US RUSSELL 2000 : UP & ABOVE



USDINR continues to move higher !!!!



The Week Ahead (27th Jan to 30th Jan) : Global Geopolitics and Q3FY26 Results to determine market direction

- Global and Domestic geopolitical factors are expected to drive stock market sentiments next week. The Indian stock market benchmark indices, Sensex and Nifty 50 are expected to stage a rebound, supported by hopes of relief from US tariff measures and expectations around progress on the India–European Union (EU) trade agreement.
- The Indian equity market could find support after US Treasury Secretary Scott Bessent signaled the possibility of rolling back the additional 25% tariffs on India. Bessent indicated that “there could be a path” to removing the levies, noting that India’s purchases of Russian oil have declined sharply following the tariff measures imposed by the Donald Trump administration.
- Separately, European leaders have arrived in India for the 16th India–EU Summit, where discussions will center on advancing a Free Trade Agreement (FTA) aimed at strengthening bilateral trade ties. Progress on the India–EU trade deal could provide a counter-cyclical buffer for the Indian economy by enhancing export participation in global value chains, expanding market access, and supporting supply-chain diversification.

Nifty 50 Technical Outlook



Source: Tradingview

- The markets remained under sustained pressure throughout the week, with the Nifty breaking below its long-term 200-DMA placed at 25,140. The index also violated its rising trendline support and formed a bearish candle on the daily chart, reflecting continued weakness.
- The broader market structure remains negative, as the MACD has confirmed a sell crossover on both the daily and weekly timeframes. While a short-term pullback cannot be ruled out, the Nifty would need to decisively reclaim the 25,300 level to trigger any meaningful short-covering rally towards the 25,600 zone. On the downside, a breach below 25,000 could intensify selling pressure and drag the index towards the 24,800 levels.
- Further adding to the cautious undertone, India VIX surged 8% to close at 14.30, signalling elevated market uncertainty. Ahead of the monthly F&O expiry in the upcoming session, market volatility is expected to remain high, with the Nifty likely to oscillate within a broader range of 24,800–25,300.

Nifty Bank Technical Outlook



Source: Tradingview

- The Bank Nifty index traded in line with Nifty index and remained under pressure throughout the week.
- It also broke below its crucial support at 58700 levels which will now act as immediate resistance.
- The immediate support is placed at the 100-DMA near 57,740, followed by the next crucial support around 57,000 levels.
- The overall structure turned bearish as the momentum indicator MACD gave a sell crossover on the weekly chart.
- We expect Banknifty to oscillate in the broader range of 58000-59000 in the coming week.

Global Markets

Developed Markets

US (S&P 500)	-0.35%
Germany (FSE DAX)	-1.57%
UK (FTSE 100)	-0.90%
Eurozone (Eurostoxx 50)	-1.27%
Japan (Nikkei 225)	-0.17%

Emerging Markets

Indonesia (IDX Composite)	-1.37%
India (Nifty 50)	-2.51%
China (CSI 300)	-0.62%
South Korea (KOSPI 100)	+3.15%
Brazil (Bovespa)	+8.53%

Sectoral Gainers and Key Commodities

Sectoral Indices

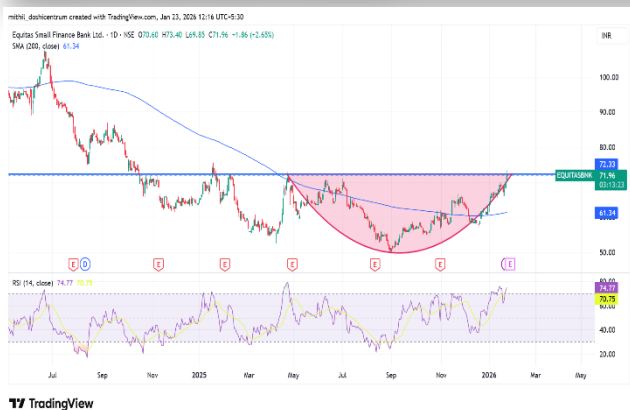
Nifty PSU Bank – TRI	-2.59%
Nifty Metal – TRI	-1.05%
Nifty Pharma – TRI	-2.23%
Nifty Realty – TRI	-11.33%
Nifty Consumer Durables - TRI	-6.55%

Commodities

Gold	+8.44%
Silver	+14.47%
Brent Crude	+2.73%

STOCK IN RADAR: EQUITASBNK

LTP: INR 71.01



- Equitas Small Finance Bank is showing a constructive bullish setup on the daily chart.
- The stock has completed a rounding bottom (cup formation) and is now attempting a breakout above the key resistance zone around ₹72–73, which also coincides with prior supply and the neckline of the pattern.
- Price is trading comfortably above the 200-day SMA (~₹61), indicating a positive medium-term trend reversal.
- Momentum supports the move, with RSI near 75, signaling strong bullish strength.
- A sustainable move above 73 will add further bullishness for upside near 81-84 in near term. Immediate support is near 68 levels.

Source: Tradingview

STOCK IN RADAR : ASHOKLEY

LTP: INR 193.00



- Ashok Leyland remains in a strong bullish trend on the daily chart, marked by a clear sequence of higher highs and higher lows.
- The stock has rallied sharply and is currently consolidating near the ₹190–195 zone, forming a short-term bullish flag/pennant, which typically indicates continuation after a strong up-move.
- Price is trading well above the 200-day SMA (~₹136), reinforcing the positive medium- to long-term structure. The RSI is around 67–69, suggesting healthy momentum without significant overbought conditions.
- A decisive breakout above ₹195 could trigger the next leg of upside, while any pullback towards ₹180–185 may act as a support and provide a buy-on-dips opportunity.
- Overall, the technical structure remains positively biased with trend continuation signals.

Source: Tradingview

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