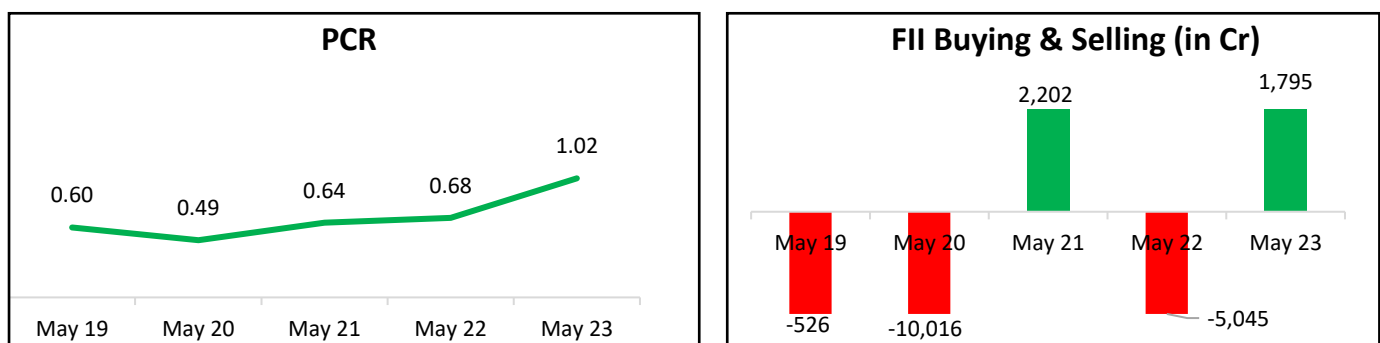


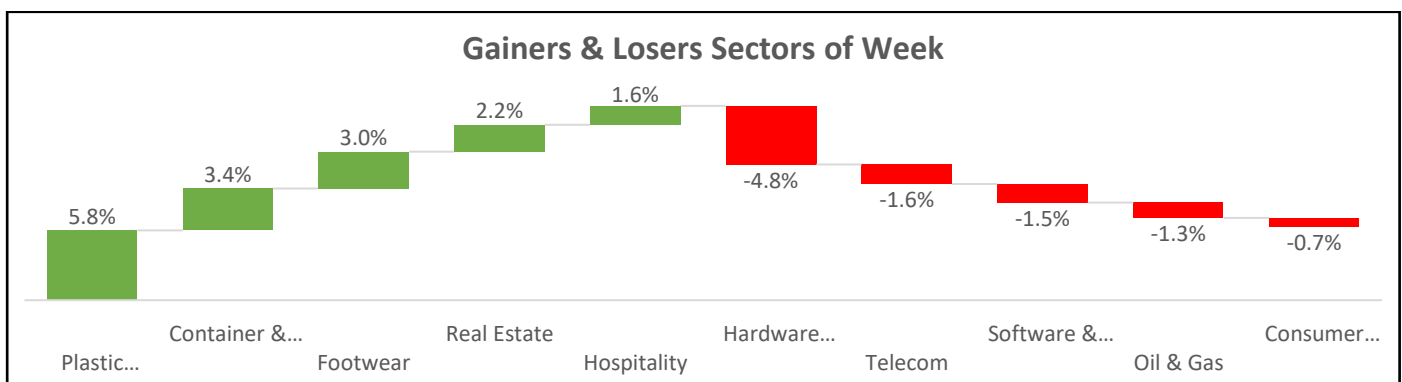
Executive Summary

During the week of May 19 to May 23, 2025, the Nifty 50 index experienced notable volatility, ultimately closing at 24,853.15 on Friday. Despite a robust gain of 1.13% on the final trading day, the index registered an overall weekly decline of approximately 0.6%. The week commenced with a significant downturn on May 19, identified as a critical turning point for the market. This decline was influenced by global economic uncertainties, including concerns over U.S. fiscal policies and elevated U.S. Treasury yields, which prompted foreign portfolio investors to withdraw ₹50.45 billion from Indian equities on Thursday.

Market Performance Overview

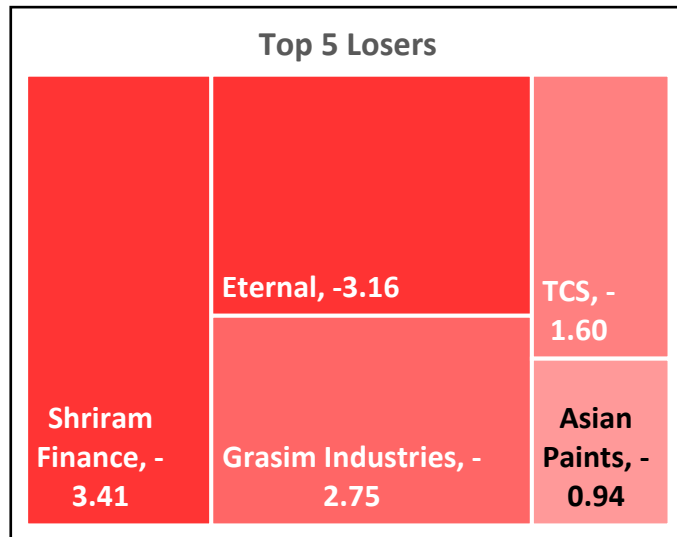
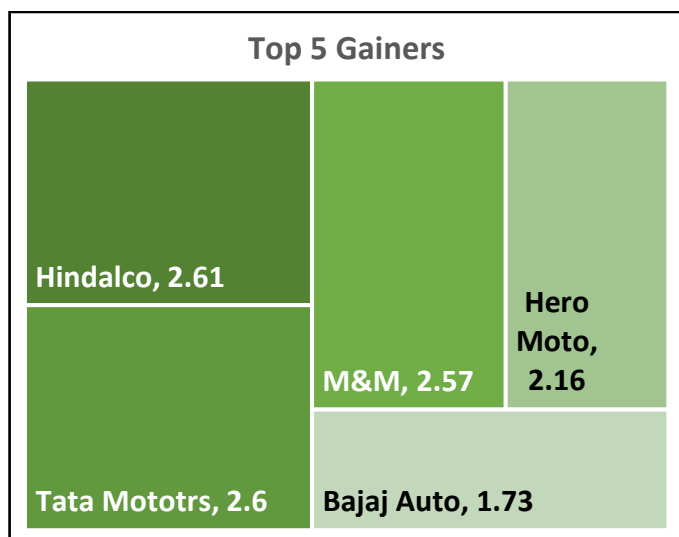


Sector Highlights



- **Global Market Trends:** Easing U.S. yields after the tax bill's passage provided some relief, but overall investor caution persisted.
- **Broader Market Strength:** Midcap and small-cap indices also posted healthy gains, indicating broad-based buying across the market.
- **Defence Stocks Rally:** Nifty India Defence Index rose over 15% post-Operation Sindoor, driven by favourable policies.
- **IT Sector Declines:** IT stocks fell 1% on May 22 due to U.S. fiscal jitters affecting revenue outlook.

Key Stock Movements: Gainers & Losers



Macroeconomic Factors: Top Headlines

- Concerns over U.S. fiscal policy and rising Treasury yields impacted global markets. On, Indian equity markets witnessed a significant downturn, with the Nifty 50 declining by 203.75 points to settle at 24,609.70.
- The Indian rupee fell to its lowest level in over a month on May 22, closing at 86.00 against the U.S. dollar. This decline was driven by outflows from local equities, the breach of a critical support level, and strong demand for the dollar.
- United Nations Department of Economic and Social Affairs (UNDESA) revised India's 2025 GDP growth forecast downward to 6.3% from 6.6%, citing ongoing trade tensions and policy uncertainties.
- Although gold remains in the spotlight, silver is expected to outperform in 2025, benefiting from anticipated US Federal Reserve rate cuts and increased industrial demand.
- The US House of Representatives' approval of extensive tax and spending bills leads to a significant sell-off in global bond markets, with long-term US Treasury yields surging and mounting investor concerns over rising fiscal deficits.
- China drove global oil demand growth over the last decade, but now India is poised to take the lead in demand growth over the next decade, according to a latest report by Moody's Ratings.

Market Outlook: Upcoming Week 26th May - 30th May

- Current Level: 24,853.15
- 52-Week Range: 21,281 – 26,277.35
- Support Level: 24,450 - 24,500
- **Support:** The 24,450 to 24,500 zone serves as key support. A break below this level could lead to a decline toward 24,150.
- **Resistance:** The resistance level is at 25,050. A breakout above this may push the index toward 25,300 and beyond, offering traders a potential gain of 250 to 300 points.
- **Relative Strength Index (RSI):** At 55.62, the RSI indicates a neutral stance with no immediate overbought or oversold conditions. Traders should watch these levels closely for possible breakout or breakdown scenarios.

Note: All levels and strategies are based on current market data and are subject to change. It's essential to stay updated with real-time market movements and adjust strategies accordingly.



Disclaimer: The information provided herein is for general informational purposes only and is not intended as investment advice. While efforts have been made to ensure the accuracy of the data, we do not guarantee its completeness or reliability. Market conditions are subject to change, and past performance is not indicative of future results.