



The Week in Equity

16th May, 2026 | Saturday

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Nifty snapped previous two weeks' gain and lost 532.65 points to settle the day at the level of 23,643.50, amid geopolitical tension, rising crude oil prices and panic struck the market after PM Modi's appeal to save fuel, avoid buying non-essential gold and curb international travel. Further adding fuel to the already weakening market was continuous weakness in the Indian Rupee against the dollar, which touched the lifetime low of Rs 96.1425. Amid increasing crude oil prices and widening current account deficit, it is not making things any smoother for the Rupee in the coming days. FIIs continue to withdraw money from the Indian equities, with May being the 11th consecutive month of selling. For the month till date, FIIs made net sales of Rs 24,655.82 crores, thus putting further pressure on the market.

PM Modi's Appeal amid energy Crisis

At the beginning of the week, the Indian market saw panic as the Prime Minister of India made a mass appeal to start online classes, work from home to save fuel amid a supply crisis due to the blockade of the Strait of Hormuz amid the US-Iran conflict that started in February. Further, Modi ji also insisted on avoiding buying non-essential gold, along with reduced edible oil consumption and lower dependence on chemical fertilisers, while encouraging natural farming and wider adoption of solar-powered irrigation systems. He also stressed on the "Vocal for Local" initiative.

Hike in Import Duty of Gold and Silver

To address rising economic pressures, India recently raised the total import tax on gold and silver to 15%, up from the previous 6% rate. This adjustment effectively undoes the tax reductions enacted in 2024 by combining a 10% standard customs tax with a 5% agricultural infrastructure levy. The policy shift is designed to restrict heavy capital outflows and control trade deficit. While lowering local demand helps safeguard foreign reserves and steady the rupee, but the hike may drive up consumer prices and incentivize black-market smuggling.

On the economic front

India's wholesale inflation rose to 8.30% on a year-on-year basis. This shows a sharp rise from 3.83% recorded in March. Indian retail inflation also rose for the 6th consecutive month, taking the inflation to 3.48% in April. Further, the trade deficit also widened, dampening market sentiment. In the month of April, the trade deficit was recorded at \$28.38 billion, up from \$20.67 billion decided a month ago.

Upcoming Week

The coming week is expected to be governed by the confluence of factors like crude oil prices, updates on the US-Iran peace deal, and the performance of the Rupee. Further economic numbers like the Indian HSBC Manufacturing PMI, Service PMI, and Composite PMI would be released. China will release its industrial production data and also decide on the interest rate. Further key notes for the week would be the FOMC minutes of the previous FED meeting, which would also be released in the coming week.

NIFTY WEEKLY

For the week ended on 16th May, Nifty plunged to the low of 23,262.55. But the index saw a recovery from the low and managed to settle the week at the level of 23,643.50. The index is seeking support at the level of 23,270; a fall below this could further weaken the index in the coming week and may see the next downside destination of 22,700. As the RSI is also seen inching lower from 46.36 to this week's 41.83, indicating further weakness. Also, the 20 EMA is crossing over and is below the 50 EMA, thus indicating further weakness. Only sustained trading above 23,270 would give some support to the index for the upside destination of 23,600; else, we can see further correction in the index towards the level of 23,100-22,700.

CHART



BANK NIFTY WEEKLY

For the week ended on 16th May, bank Nifty fell by 2.89% extending previous three weeks losses to the fourth week to settle the week at 53,710.35 after hitting the low of 53,191.60. Index took support at the level of 53,146. Index is seen trading below its 20 and 50 EMA at 56,119.69 and 55,989.72, respectively. Index to see any upside must sustain above the 53,150 and breathe first upside destination of 54,360. On the flip side, if index falls below 53,150 then we may see index falling further towards the level of 51,880.

CHART



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WEEKLY TECHNICAL DETAILS - NIFTY & BANK NIFTY

	NIFTY	BANK NIFTY
Closing	23,643.50	53,710.35
Support	23270	53000
Resistance	24000	55380
Weekly Change	-2.20%	-2.89%

SECTORAL TREND

	TREND	WEEKLY % CHANGE
Pharma	Upside	2.18%
IT	Downside	-5.71%
Auto	Sideways	-4.36%
Realty	Downside	-8.17%
FMCG	Sideways	-0.22%
Energy	Downside	-2.40%

CURRENCY AND VOLATILITY INDEX

	PREVIOUS CLOSE	% CHANGE
VIX	18.79	11.58%
USDINR	95.955	1.57%
Dollar Index	99.269	1.46%

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NOTES TO REPORT

Dollar Index (DXY)

The Dollar Index (DXY) is a measure of the value of the U.S. dollar relative to a basket of six major foreign currencies. It is used as a benchmark to gauge the overall strength or weakness of the U.S. dollar in the global currency markets. The index is maintained by the Intercontinental Exchange (ICE).

Bollinger Band

Bollinger Bands are a popular technical analysis tool used by traders to measure a market's volatility and identify "overbought" or "oversold" conditions.

Relative Strength Index (RSI)

The Relative Strength Index (RSI) is a momentum oscillator that measures the speed and change of price movements. It is used to identify overbought or oversold conditions in the market.

- RSI above 70 indicates overbought
- RSI below 30 indicates oversold

Exponential Moving Average (EMA)

A weighted average that gives more importance to recent prices, making it more responsive to new price data.

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