

# Weekly Market insights & Strategies



03 March 2025

**Weekly Market Recap: India & Global**

The Indian stock market is facing headwinds from relentless FII selling and global uncertainties relating to Trump tariffs. The sharp surge in Chinese stocks is another near-term headwind that is deciding the mood of the market. During the week, FIIs remained net sellers, offloading equities worth ₹10,372 crores, while DIIs provided support to the markets by purchasing equities worth ₹9,945 crores. Benchmark indices Sensex and Nifty 50 fell by 2% in the week. There were few stocks that got added to the F&O circle including names like IREDA, TATATECH, PATANJALI, IIFL, TITAGARH.

The S&P 500 and Nasdaq ended sharply lower in the week, weighed down by a slump in chipmaker Nvidia after its quarterly report failed to rekindle Wall Street's AI rally. The S&P 500 slipped below 5,800 the Dow Jones dropped under 43,200, and the NASDAQ fell beneath 20,600. Hong Kong equities also took a hit weighted down by the global sell off Hong Kong's benchmark Hang Seng slipped over 3%. Japanese stocks saw the largest weekly foreign outflow in nearly five months totalling 1.04 trillion yen (\$6.95 billion), hit by a stronger yen, rising inflationary concerns

Oil prices slipped on Friday, heading for their first monthly decline since November. This was driven by concerns over global economic growth and fuel demand, as Washington's tariff threats and further signs of a US economic slowdown overshadowed supply concerns.

The dollar maintained its gains from Thursday after US President Donald Trump's remarks, which stated that 25% tariffs on Canada and Mexico would take effect from March 4, while Chinese imports would face an additional 10% levy. US President Donald Trump's trade policies, macroeconomic data and the movement of US dollar and bond yields remain the key factors that will dictate the market trend.

**Indian Equity Market Performance & Key Valuation Ratio**

Index	28-02-2025	% Change (WOW)	P/E	P/B	Dividend Yield
<b>Broader Indices</b>					
Nifty	22124.70	-3.03%	19.67	3.29	1.45
BSE Sensex	73198.1	-2.89%	20.38	3.76	1.25
BSE Midcap	38592.02	-4.62%	30.6	3.94	0.83
BSE Smallcap	43082.9	-6.44%	26.54	2.99	0.76
BSE 250 LargeMidCap	9358.47	-3.76%	21.41	3.65	1.24
<b>Sectoral Indices</b>					
BSE Fmcg	18382.82	-3.05%	38.14	8.07	2
BSE Commodity	6557.63	-5.39%	26.97	2.62	1.29
BSE CD	8225.74	-4.92%	34.86	5.9	0.63
BSE Energy	9886.58	-4.32%	11.5	1.66	3.7
BSE Financial Services	10720.55	-1.52%	15.15	2.49	0.98
BSE Healthcare	38211.72	-3.69%	36.51	5.6	0.57
BSE IT	36679.01	-8.41%	27.96	7.65	2.04
BSE Auto	45859.68	-4.96%	20.12	5.22	0.98
BSE Bankex	54852.37	-1.58%	12.46	2.32	0.93
BSE Metal	28004.41	-4.26%	14.37	2.21	3.23
BSE Oil & Gas	22573.53	-5.88%	10.84	1.38	4.13
BSE Power	5763.16	-5.69%	23.21	3.41	1.64
BSE Realty	6191.16	-5.98%	43.15	5.03	0.33

**Top Gainers**

Symbol	LTP	%Change (WoW)	%Change (MoM)
HDFC Bank Ltd.	1732.4	2.69	6.3
Bajaj Finance Ltd.	8530.3	1.56	16.93

**Top Losers**

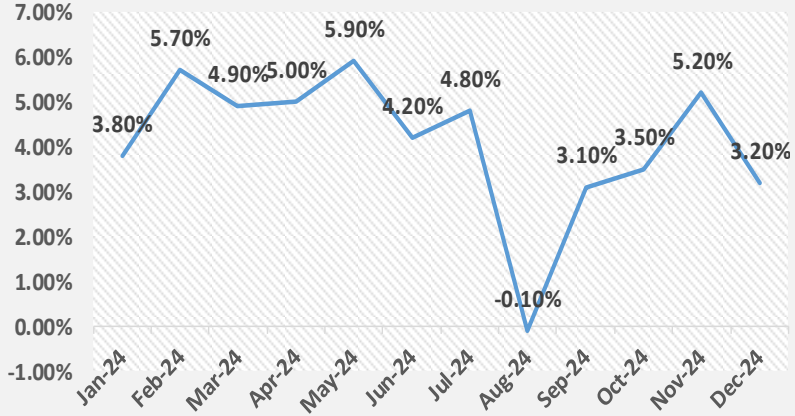
Symbol	LTP	%Change (WoW)	%Change (MoM)
UltraTech Cement Ltd.	10128.5	-10.27	-9.89
Tech Mahindra Ltd.	1487.85	-10.25	-10.04
Tata Motors Ltd.	620.65	-10.02	-12.96
M&M	2585.1	-8.96	-8.71
TCS	3483.25	-7.84	-14.31

FII & DII Investment Flow Vs NIFTY50

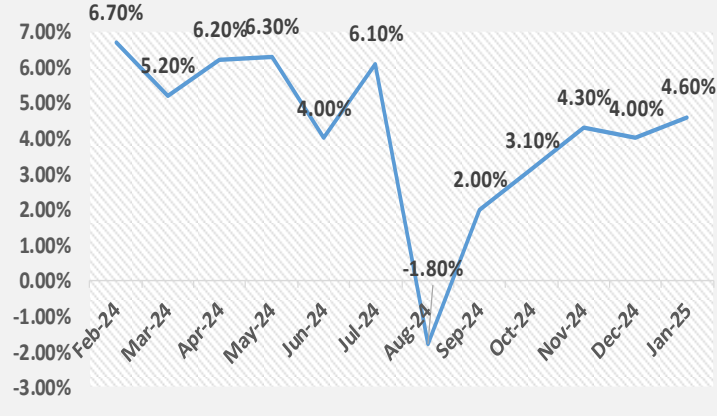


Macro-Economic Performance: India

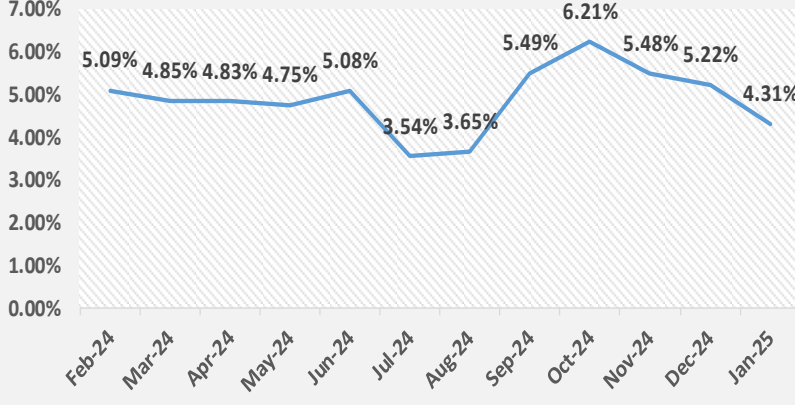
IIP (YoY)



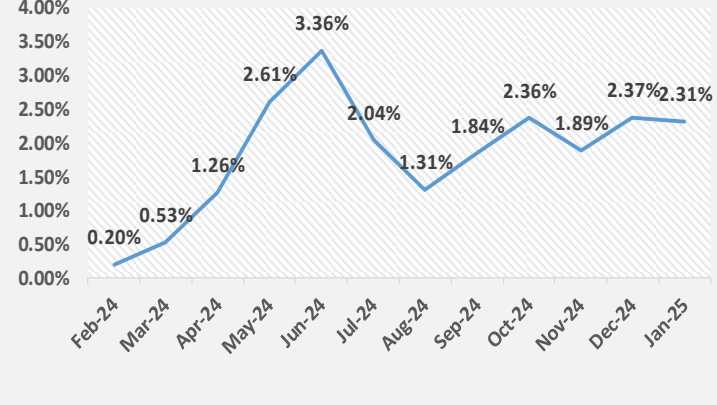
Infrastrucutre Output (YoY)



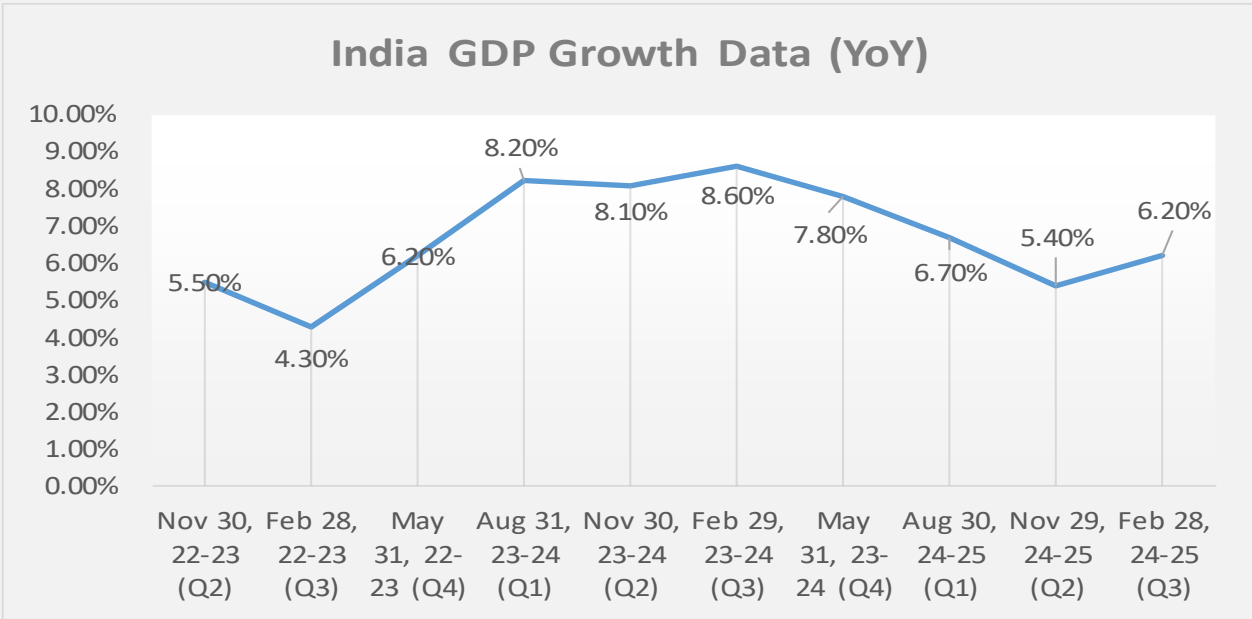
CPI (YoY)



WPI (YoY)



Market View from Research Desk:



**NIFTY (22114.70):** The Indian economy recovered in the December quarter to grow at 6.2% after sinking to a seven-quarter low of 5.6% in the July-September period. Fiscal deficit widened to Rs 11.7 lakh crore, or 74.5 percent of the full-year target, in the first 10 months of the year, despite capex spending lagging behind. Indian markets tumbled on February 28, reflecting a global equity selloff, as all sectors faced broad declines. Sectoral indices experienced widespread losses, with the Nifty IT index leading the downturn, falling by over 4%. Both the Nifty Auto and Nifty Media indices saw declines of more than 3.4%.

Nifty experienced a significant decline on Friday, shedding over 400 points after a consolidation breakdown. The RSI remains bearish but has entered the oversold zone. The index failed to maintain support at the crucial 22500 level, breaking below it and triggering a cautious sentiment among investors, it closed at 22,125 almost down by 2%. Technically speaking, the index has given a breakdown from the upward sloping channel on weekly chart suggesting negative bias in short to medium term scenario. On the downside, key support levels to watch are at 22030 and 21930. A further breakdown below 21930 could unleash increased selling pressure, potentially driving NIFTY towards the 21820-780 and 21445 levels. On the upside, any recovery could see the index testing 22560/22610, with further resistance at 22810 and 23050. The broader mid-cap index confirmed a bear market trend, falling more than 20 per cent from its September 24 record close, pressured by poor earnings, lofty valuations, looming US tariff concerns and persistent foreign outflows.

Turning to the NSE sectoral performance, the Bank Nifty is likely to remain within a consolidation range, carrying a negative bias. A breakout above 49300 could pave the way for an extended rally towards 49500 and beyond. However, if the index trades below 47950/47800, it could signal the next wave of selling pressure, with potential support levels at 47500 and 47300. The IT index has dropped nearly 8% so far this week, compared to a fall of just over 2% in the Nifty 50. In the upcoming week the domestic equity indices are expected to remain highly volatile. With Q4 earnings, global economic data, and trade policy developments in focus, the coming months could see sharp swings in market direction.

Monthly Options Expiry Strategy:

Bear Put Spread on NIFTY (27<sup>th</sup> March 2025)

Price	No. of Trades	Action (Buy/Sell)	Strike Price	Option Type	Premium/Price	Contract Size	Imp. Vol
Future : 22280	Option Trade 1	Buy (1 Lot)	22300	PE	324	75	13.33
Spot : 22124	Option Trade 2	Sell (1 Lot)	22000	PE	205	75	13.80

Strategy Insight

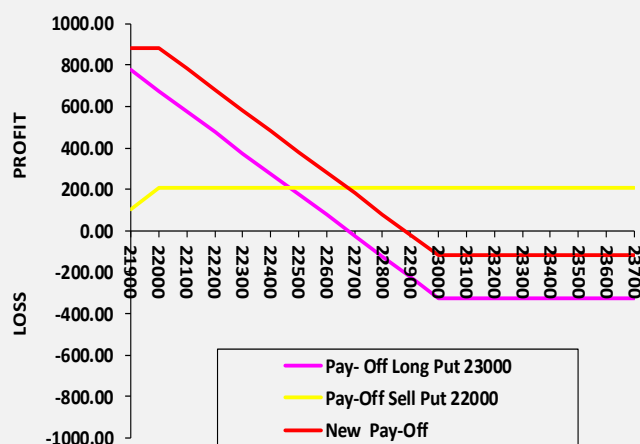
Expiry Date: 27<sup>th</sup> March 2025

The increase in outstanding positions of NIFTY futures, accompanied by a decline in the cost-of-carry, points to a buildup of short positions, and reflects the bearish view among traders. The time value portion of the options premium may remain positive as it can be expected to decline in near term. A bearish put spread using 22300PE (Long) and 22000PE (Short) strikes provides a cost-effective, limited-risk approach to profit from further downside while mitigating exposure to extreme market volatility. Hence we suggest, volatility traders are advised to construct bear put spread on NIFTY using Long 1 lot of NIFTY 22300 PE(March) @ 315 – 335 and Short 1 lot of 22000 PE @ 195-220. Hold it till expiry.

Risk Vs Reward

Stock at Expiration	Pay- Off	Pay-Off	New Pay-Off
	Long Put	Sell Put	
	23000	22000	
21900	776.00	105.00	881.00
22000	676.00	205.00	881.00
22100	576.00	205.00	781.00
22200	476.00	205.00	681.00
22300	376.00	205.00	581.00
22400	276.00	205.00	481.00
22500	176.00	205.00	381.00
22600	76.00	205.00	281.00
22700	-24.00	205.00	181.00
22800	-124.00	205.00	81.00
22900	-224.00	205.00	-19.00
23000	-324.00	205.00	-119.00
23100	-324.00	205.00	-119.00
23200	-324.00	205.00	-119.00
23300	-324.00	205.00	-119.00
23400	-324.00	205.00	-119.00
23500	-324.00	205.00	-119.00
23600	-324.00	205.00	-119.00
23700	-324.00	205.00	-119.00

Pay-Off Diagram



Potential Profit & Loss\*:

Total Premim Paid	324.00
Total Premium Received	205.00
Net	119.00
BEP	22181.00
<b>Maximum Profit</b>	<b>13575.00</b>
<b>Maximum Loss</b>	<b>8925.00</b>

**Potential Profit & Loss\*:** When the index level is below the break-even Point (BEP- 22181) on the day of monthly Expiry, the maximum profit opportunities are limited (Rs .13575 Per Lot). Alternatively, if Nifty closes above BEP on the day of expiry; one may sustain a loss of Rs. 8925.

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