

+4%

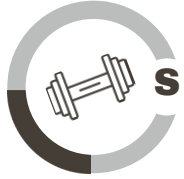
NIFTY 50

-7.0%  
**SWOT**  
**ANALYSIS**

06 April 2026

**STRENGTHS**

- **Robust GDP Momentum:** India's real GDP growth for FY26 is estimated at a leading 7.6%.
- **Strong Domestic Liquidity:** DIs remain aggressive net buyers, injecting ₹7,208 crore on April 2 alone.
- **Secondary Sector Growth:** Manufacturing recorded double-digit growth in FY26, anchoring industrial Nifty components.
- **Corporate Resilience:** Nifty companies reported 7.8% growth in Q3, showcasing operational efficiency.
- **Stable Monetary Policy:** Government retained the 4% inflation target, ensuring long-term macroeconomic stability.
- **Currency Strength:** A strengthening Rupee from all time lows of 95 level against the US Dollar has supported large-cap IT stocks.
- **Technical Support:** Nifty holding the psychological 22,000 support, showing positive price action.

**WEAKNESSES**

- **Price Move:** Nifty 50 plummeted over 11% in March, marking its worst monthly performance since 2020, due to escalating geopolitical conflict between the U.S. and Iran.
- **FII Outflows:** Foreign investors remain net sellers, offloading ₹9,931 crore in recent sessions.
- **Bearish Derivatives Data:** The Put Call Ratio (PCR) is at 0.93, indicating a mildly bearish undertone.
- **Volatility Spikes:** India VIX jumped over 10% recently, signaling rising fear and uncertainty.
- **Sectoral Pressure:** Auto and Oil & Gas sectors witnessed selling pressure in early April.
- **Short-term Noise:** Volatile global cues have caused frequent gap-down openings of 300+ points.
- **Call Writing Resistance:** Heavy call writing at 24,000 suggests a hard ceiling for bulls.
- **Global Dependency:** Weakness in Asian markets often weighs heavily on Nifty's trade.
- **High Valuations:** Nifty's current levels face "sell-on-rise" trends due to expensive historical multiples.

**OPPORTUNITIES**

- **AI Integration:** IT majors are leveraging AI advancements to protect and grow FY27 earnings.
- **Index Rebalancing:** Sustained momentum above 52,000 in Bank Nifty could pull Nifty higher.
- **Revised GDP Framework:** New 2022-23 base year better reflects India's modern, high-growth economy.
- **Digital Transformation:** Double-digit growth in communication and services (10.1%) offers new leadership.
- **Supportive Fiscal Policy:** Continued infrastructure spending in FY26 fuels construction and cement stocks.
- **Retail Participation:** Increasing systematic investment plans (SIPs) provide a permanent floor for indices.
- **Technical Upside:** Sustaining above 22,500 could open doors for a march toward 23,000 & 23500.
- **Energy Transition:** Shift toward renewable captive power projects reduces long-term costs for manufacturers.

**THREATS**

- **Geopolitical Turmoil:** Ongoing global conflicts continue to pressure client spending in IT sectors.
- **Interest Rate Hikes:** Any surprise hawkishness from global central banks could trigger FII exits.
- **Supply Chain Risks:** Fluctuations in global commodity prices threaten to erode corporate profit margins.
- **Inflation Breaches:** While target is 4%, the tolerance band remains wide at 2% to 6%.
- **Global Market Contagion:** Declining US Dow futures frequently reverse positive sentiment in India.
- **Economic Slowdown Abroad:** Weakness in primary export markets could hurt Nifty's heavy-weight exporters.
- **Uncertainty in Earnings:** Moderate revenue projections for Q4 FY26 reflect cautious corporate sentiment.
- **Technical Breakdown:** A break below the 22,000 support could accelerate sharp downside momentum.

