

# MONTHLY OVERVIEW

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Dec-25

## Key Observations of Nov 2025

The Indian stock market exhibited strong momentum in November 2025, driven by global optimism surrounding potential US Fed rate cuts and dovish signals from the RBI in October. This combination, along with easing inflation and festive tailwinds, helped the market break 14-month highs. The first half of the month saw a sharp rebound, with the Nifty surging past 26,000 on November 11 and the Sensex climbing to 84,466, largely driven by strong Q2 earnings from IT and telecom sectors. The late-November rally was even more noticeable, with the Sensex gaining 1,022 points on the 26th to reach 85,609 and the Nifty hitting a record high of 26,310. This recovery was bolstered by domestic economic resilience, positioning the markets for sustained growth into December, despite the rupee weakening to 89.52/USD.

### The Marco highlights during the Nov month:

- Inflation Hits Historic Low: October's Consumer Price Index (CPI) fell to a historic low of 0.25 % (released mid Nov), the lowest ever recorded, driven by a sharp decline in food prices and favorable base effects. The RBI's November bulletin highlighted robust economic activity, with manufacturing (PMI 59.2) and services (PMI 58.9) showing strong performance, while core inflation remained steady at around 3.8%.
- Mid-November data confirmed that India has become the world's 4th largest economy, with its nominal GDP surpassing Japan's at approximately USD 4.1 trillion. This achievement was driven by a strong 7.8% growth in Q1 FY26, robust services exports, trade surpluses, and a significant increase in gold reserves, with around Rs 2 lakh crore added. This milestone enhances global investor confidence in India's economic trajectory

### AUTO:

The Nifty Auto index climbed 3.6% in November 2025, building on October's 1.01% advance amid festive spillover demand and year-end schemes. Passenger vehicle dispatches rose 6% YoY and two-wheelers 9%, with improved stock availability and fresh model launches driving gains in Eicher Motors and Hero MotoCorp. Stable crude prices and rural recovery signs cushioned against inventory buildup.

### BANKS:

The Nifty Bank index advanced 3.42% in November 2025, extending October's 5.75% rally to scale a record high of 59,897 on November 28. Axis Bank, HDFC Bank, and ICICI Bank led the charge amid 15% YoY credit growth and falling deposit costs from disinflation, with all 12 constituents trading higher. The index oscillated in a 59,200-60,000 range, supported by higher highs/lows and Q2 NIM resilience.

### Pharma:

The Nifty Pharma index rose 3.71% in November 2025, steady from October's 3.36% gain. Sun Pharma and Divi's Labs propelled volumes up 8-10% QoQ via USFDA approvals and GLP-1 generic launches, with bullish sentiment surging 10% on biosimilar/CDMO inflows. The defensive surge was fueled by domestic healthcare spending and innovation in specialty drugs.

## SECTORAL UPDATES

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### IT:

The Nifty IT index rose 4.74% in November 2025, rebounding from October's 6.11% gain to reach 37,405.50 by November amid US Fed rate-cut optimism and Q2 earnings resilience. Deal wins in AI/digital transformation and rupee depreciation boosted USD revenues by 3-5% QoQ, while all 10 constituents traded higher.

### SECTORAL SNAP SHOT:

In November 2025, major stock indices ended the month on a positive note, despite the volatility surrounding the mid-month expiry. The IT sector saw a notable surge, rising by 4.74%, followed by a solid performance from Public Sector Undertaking (PSU) banks, which advanced by 4.03%. The Pharma sector also posted a healthy gain of 3.71%, while the Auto sector saw a robust increase of 3.60%. The Banking sector, overall, remained positive, climbing 3.42%, supported by credit expansion.

On the downside, the Media sector lagged behind, falling 4.56%, primarily due to a slowdown in advertising revenues. The Metal sector experienced a decline of 3.01%, impacted by ongoing commodity volatility. Additionally, FMCG stocks edged down by 1.09%, reflecting broader market pressures.

### INSTITUTIONAL ACTIVITY:

In November 2025, Foreign Institutional Investors (FIIs) remained net sellers, pulling out a provisional Rs 3,765 crore from the Indian equity markets amid global rebalancing and US Fed signals that tempered inflows after October's brief buying phase. In contrast, Domestic Institutional Investors (DIIs) sustained their bullish stance, continuing their strong buying momentum with provisional net investments of Rs 77,083.8 crore. This reflects the unwavering confidence of domestic institutions in the Indian market, even as FIIs paused their inflows.



**Nifty Outlook – December 2025**

The month of November remained volatile for Nifty. The index started the month near the 25,700 mark and soon encountered notable selling pressure, dragging it towards the 25,300 zone during the first half. Despite the weakness, market sentiment improved as it had a strong support near 25,300 where strong buying demand emerged which is 50% Fibonacci retracement of the previous rally from 24,587 to 26,104 and coincides with 50 DEMA levels. This recovery phase helped Nifty scale higher and eventually registers a new all-time high of 26,310 highlighting the underlying strength in the broader market.

Technically, Nifty has confirmed a Cup and Handle breakout on the monthly timeframe, a bullish continuation pattern that signals sustained positive momentum. The index has crossed above its previous record high of 26,277 after 14 months which validate the breakout on closing basis indicates the potential for continued upward movement.

Looking ahead, the structure of higher highs and higher lows suggests that Nifty could extend its up move towards the 27,000–27,500 zone in the coming month. On the downside, the 25,800 and 25,500 level is expected to act as a strong support area as it is 50% and 78.6% Fibonacci retracement of the previous rally of 25,318 to 26,310 cushioning any short-term dips. Overall, the trend remains firmly positive, and a buy-on-dips approach continues to be the preferred strategy for both traders and long-term investors.

**Given the current market structure, here are some of the quality mid-to-large-cap names that look promising from the next 3-4 month perspective: APLAPOLLO, BHEL, CANBK, CHOLAFIN, CUB, HINDCOPPER, LTF, NLCINDIA, SBICARD, TATACONSUM.**

Nifty Outlook	
Short Term - Daily	Positive
Medium Term - weekly	Positive
Long Term - Monthly	Positive

Nifty Technical Data	
Monthly Closing	26,202
Monthly High	26,310
Monthly Low	25,318
Monthly Bias:	Positive
Support Level:	25,500 25,000
Resistance Level:	27,000 27,500
Moving Averages	
50 DSMA	25,553
200 DSMA	24,578
200 WEEK MOVING AVG.	21,017



### Bank Nifty Outlook – December 2025

Bank Nifty outperformed the broader Nifty index in the month of November. The index began the month near the 57,700 mark and witnessed some initial profit booking during the early sessions. However, the declines were well absorbed, and strong buying interest emerged from lower zones near its 20 DEMA around 57,150 levels. This triggered a smart recovery, allowing the index to resume its upward trajectory and eventually scale towards a new all-time high of 59,897. From its opening levels, Bank Nifty delivered an impressive gain of nearly 3.5% for the month, reflecting heightened strength in the banking space.

From a technical standpoint, Bank Nifty has been forming a series of higher highs and higher lows for three consecutive months and also trading in a rising channel, a classic bullish price structure that indicates sustained demand and accumulation at lower levels. This price behaviour highlights strong market sentiment and continued interest in heavyweight banking stocks.

Looking ahead, the overall trend remains firmly positive, and the index appears well positioned to head towards new lifetime high zones of 61,500 and 62,000 in the coming month. On the downside, immediate supports are placed at the 58,800 which is also near its 20 DEMA and 58,500 levels, which are expected to cushion any short-term dips. With the trend structure intact, traders and investors are advised to accumulate quality banking stocks on declines, as the sector continues to display robust relative strength.

Bank Nifty Outlook	
Short Term - Daily	Positive
Medium Term- Weekly	Positive
Long Term- Monthly	Positive
Banking Sector Performer	
Top Outperformer	CANBK AUBANK
Top Underperformer	IDFCFIRSTBNK BANKBARODA

Bank Nifty Technical Data		
Monthly Closing	59,752	
Monthly High	59,897	
Monthly Low	57,157	
Monthly Bias:	Positive	
Support Level:	58,000	57,000
Resistance Level:	61,500	62,000
Moving Averages		
50 DSMA	57,302	
200 DSMA	54,737	
200 WEEK MOVING AVG.	46,380	

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