



Front Wave Focus:

Are We At The Start Of A Festive-Season Rally?

Quick Take

- **Base case:** Nifty tends to find footing between **Jul–Oct**, with a positive drift into the festive stretch (Onam → Ganesh Chaturthi → Navratri/Dussehra → Diwali).
- **This year's kicker:** Better consumer sentiment, rising credit offtake, declining unemployment, and tax refunds/relief landing into wallets just as the shopping cycle starts.
- **Implication:** Probability of a **tradable bottom** forming in late-summer rises—especially for domestic consumption plays (durables, electronics, jewellery, 2W/entry PVs, home electricals).

Market lore often suggests that Indian equities find their footing in July and rally through the festive season (around Diwali).

Is This Pattern Supported By Historical Data?

We dive into the Nifty 50's monthly return **heatmap (2009–2024)** to analyze Monthly performances and extract seasonal insights.





Historical monthly returns for Nifty 50 (2009–2024). Green indicates positive returns, red indicates negative.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly Returns
Average Monthly Performance	-0.11%	-1.35%	1.99%	2.64%	2.38%	1.63%	2.22%	-0.07%	1.82%	1.19%	1.04%	1.16%	
2025	-0.58%	-5.89%	6.30%	3.46%	1.71%	3.10%	-2.93%	-1.64%*					
2024	-0.03%	1.18%	1.57%	1.24%	-0.33%	6.57%	3.92%	1.14%	2.28%	-6.22%	-0.31%	-2.02%	8.80%
2023	-2.45%	-2.03%	0.32%	4.06%	2.60%	3.53%	2.94%	-2.53%	2.00%	-2.84%	5.52%	7.94%	20.03%
2022	-0.08%	-3.15%	3.99%	-2.07%	-3.03%	-4.85%	8.73%	3.50%	-3.74%	5.37%	4.14%	-3.48%	4.33%
2021	-2.48%	6.56%	1.11%	-0.41%	6.50%	0.89%	0.26%	8.69%	2.84%	0.30%	-3.90%	2.18%	24.12%
2020	-1.70%	-6.36%	-23.25%	14.68%	-2.84%	7.53%	7.49%	2.84%	-1.23%	3.51%	11.39%	7.81%	14.90%
2019	-0.29%	-0.36%	7.70%	1.07%	1.49%	-1.12%	-5.69%	-0.85%	4.09%	3.51%	1.50%	0.93%	12.02%
2018	4.72%	-4.85%	-3.61%	6.19%	-0.03%	-0.20%	5.99%	2.85%	-6.42%	-4.98%	4.72%	-0.13%	3.15%
2017	4.59%	3.72%	3.31%	1.42%	3.41%	-1.04%	5.84%	-1.58%	-1.30%	5.59%	-1.05%	2.97%	28.65%
2016	-4.82%	-7.62%	10.75%	1.44%	3.95%	1.56%	4.23%	1.71%	-1.99%	0.17%	-4.65%	-0.47%	3.01%
2015	6.35%	1.06%	-4.62%	-3.65%	3.08%	-0.77%	1.96%	-6.58%	-0.28%	1.47%	-1.62%	0.14%	-4.06%
2014	-3.40%	3.08%	6.81%	-0.12%	7.97%	5.28%	1.44%	3.02%	0.13%	4.49%	3.20%	-3.56%	31.39%
2013	2.20%	-5.66%	-0.18%	4.36%	0.94%	-2.40%	-1.72%	-4.71%	4.82%	9.83%	-1.95%	2.07%	6.76%
2012	12.43%	3.58%	-1.66%	-0.90%	-6.17%	7.20%	-0.95%	0.56%	8.46%	-1.47%	4.63%	0.43%	27.70%
2011	-10.25%	-3.14%	9.38%	-1.44%	-3.29%	1.57%	-2.93%	-8.77%	-1.15%	7.76%	-9.28%	-4.30%	-24.62%
2010	-6.13%	0.82%	6.64%	0.55%	-3.63%	4.45%	1.04%	0.65%	11.62%	-0.20%	-2.58%	4.64%	17.95%
2009	0.00%	-3.87%	9.31%	15.00%	28.07%	-3.55%	8.05%	0.55%	9.05%	-7.32%	6.81%	3.35%	0.00%
Positive Count%	29.41%	41.18%	70.59%	64.71%	58.82%	58.82%	70.59%	58.82%	56.25%	62.50%	50.00%	62.50%	
Negative Count%	64.71%	58.82%	29.41%	35.29%	41.18%	41.18%	29.41%	41.18%	43.75%	37.50%	50.00%	37.50%	

Source: Money Control

The Aug–Oct Period Shows Mixed Outcomes Across Years.

The Diwali Effect — Tendency, not gospel

In most “normal” years, Jul–Oct brings a lift: festive buying kicks in, companies push promos, bonuses/tax refunds fatten wallets, credit flows

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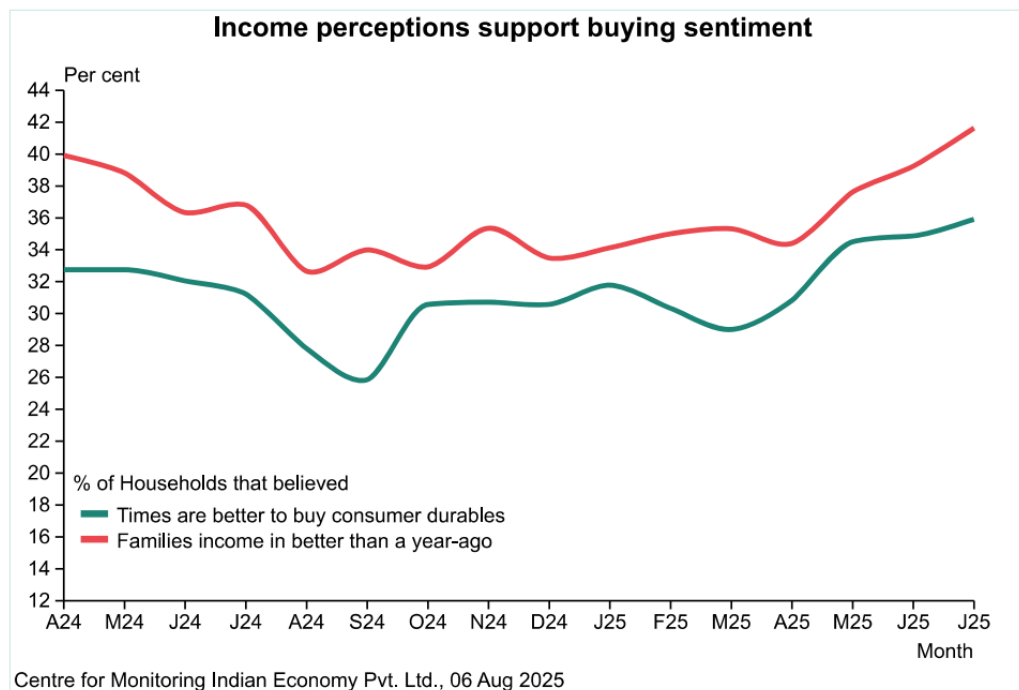


easier, and sentiment turns risk-on. *That cocktail often sees July lows give way to a run into Diwali.*

Caveat: Macro Shocks can trump seasonality, so treat it as odds, not certainty—**buy dips into late July, ride strength into Oct/Nov, and respect stops if the macro turns. No guarantees, but a favorable window.**

Real-Economy Set-Up: Why This Year Has Extra Fuel

Festive sentiment is already turning up



Households are walking into the season with a simple, powerful belief: *“It’s a good time to buy.”* **That belief is the match; festive calendars are the fuel.**

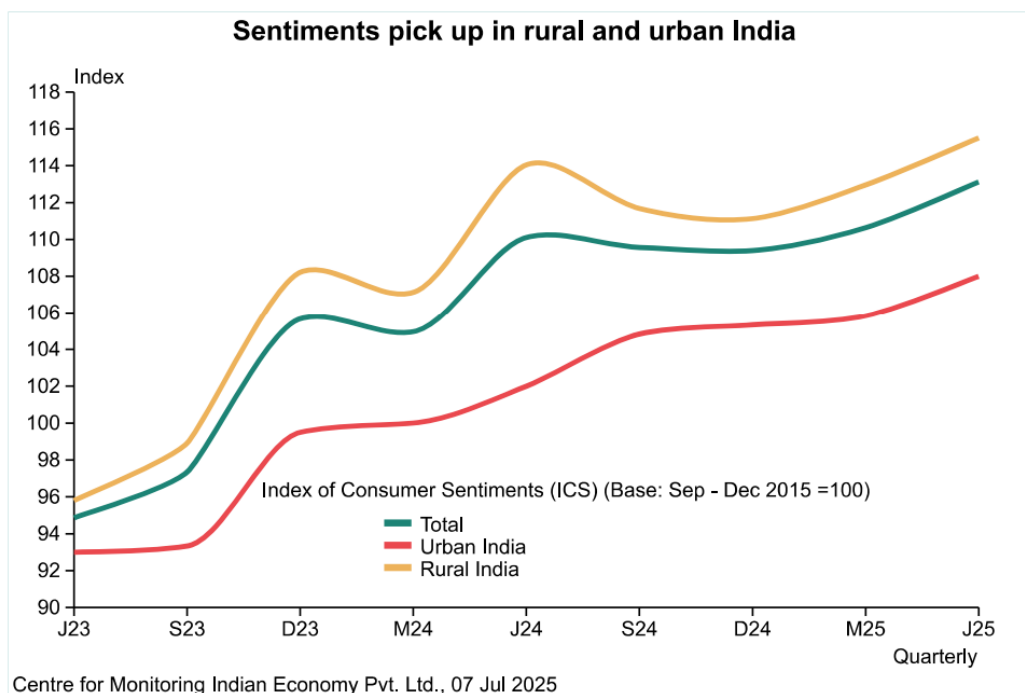
This chart captures a clear pre-festival **upswing in consumers’ “time-to-buy”** mindset—especially for durables and electronics. As we enter Aug–Oct, households typically bunch big purchases around auspicious dates while brands stack EMIs, cashbacks, and exchange offers.





Why investors should care: rising buying intent is the first domino in the consumption chain. It usually precedes a visible pickup in **sell-through**, which then pulls **sell-in** (restocking) and shows up in **operating leverage** for consumer electricals/durables, electronics, jewelry, and entry autos. Pair this sentiment turn with seasonal promos, easier checkout finance, and tax-refund cash hitting accounts in Aug–Sep—and you’ve got a credible catalyst for a **festive demand beat**.

What we’re watching next: retailer pre-bookings, weekly store conversions, card/POS run-rates, and channel commentary. If those accelerate into September, the set-up strengthens for a **Diwali drift** in consumption names.



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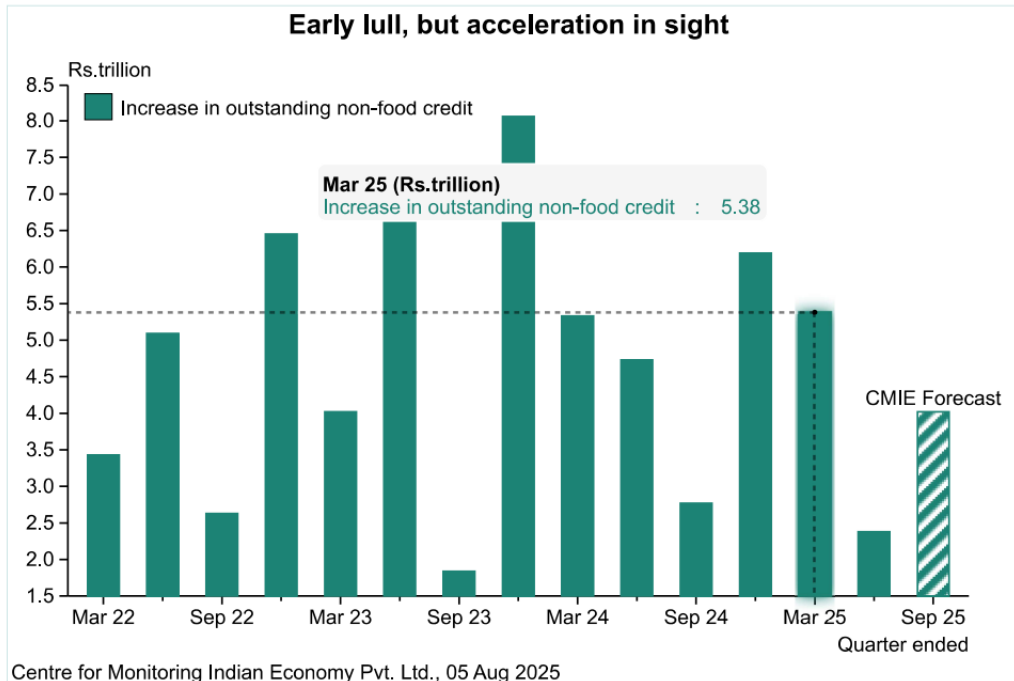
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Credit Offtake Is Rising — And Set to Accelerate

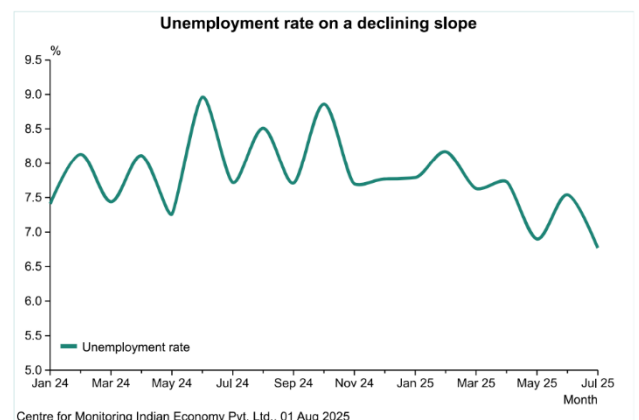


Festivals are when “want” becomes “can,” and credit is the bridge. Lenders are **signalling a pickup now and expecting further rise into the festive quarter.**

Unemployment Is Trending Down — Why That’s Bullish for Discretionary

Fewer people worried about their next paycheck = fewer “maybe later” purchases.

A falling unemployment curve usually flips repair/replace decisions into **upgrade** decisions—first in small appliances and entry smartphones, then in **2W/entry PVs** as EMI comfort returns. For brands, this means steadier





volumes with **less need to discount** and a nudge toward higher-margin SKUs.

What can break it—and how we'll know

A crude spike, a jump in global yields, or a regulatory credit squeeze can overpower seasonality. So we'll read the tape: weekly auto registrations and dealer commentary, card/POS momentum, staffing prints, retailer pre-bookings, and market Indicators.

Bottom Line & Playbook

India's biggest shopping season is colliding with a better mood, easier money, steadier jobs, and fresh cash. We remain **Neutral**. Seasonality + fundamentals argue for a **festive floor**, but we'll only press risk **when the Front Wave Technical Dashboard Upgrades Nifty to Neutral or better**.

Trigger to Act (Dashboard → Neutral+): When our dashboard confirms **breadth + trend + momentum** stabilization (Neutral or Positive), we shift to **buy-the-dip** for the Diwali drift.

FRONT WAVE A CURVE AHEAD			
Technical Dashboard			
updated at 3:30 PM on Friday, 8 th August 2025			
Index	Intraday Trend	Short-Term Trend	Expected Trend
Nifty	Weak	Weak	↓
Bank Nifty	Weak	Weak	↓
IT	Weak	Weak	↓
FMCG	Weak	Strong	↔ ↑
METAL	Weak	Weak	↓ ↑
COMMODITIES	Weak	Weak	↓
ENERGY	Weak	Weak	↓
REALTY	Weak	Weak	↓
AUTO	Strong	Strong	↑
PHARMA	Weak	Weak	↓
DXY	Weak	Weak	↓

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Sunday, 10 August 2025

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