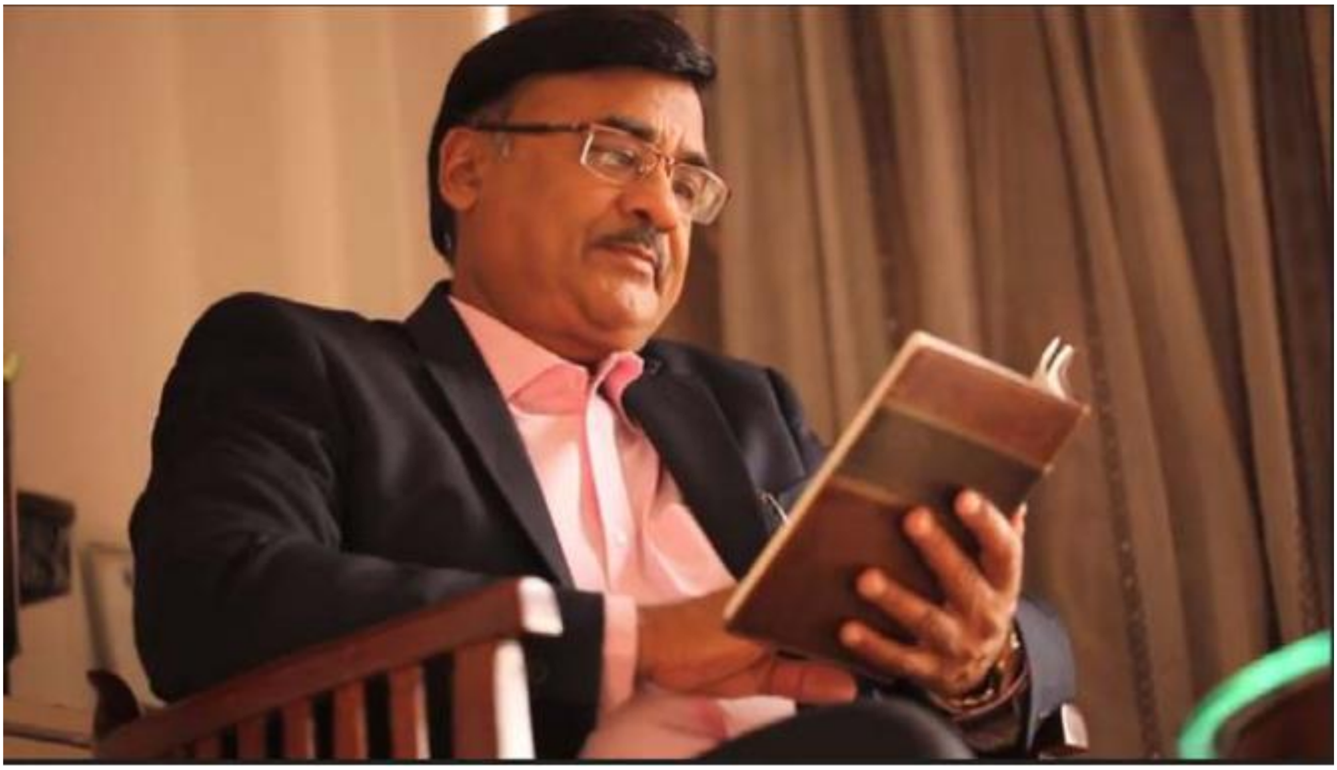

CA (Dr.) Ashok Ajmera's Weekly Column as on Aug 1st, 2026

" Indian Equities Ended the Week Firm on Earnings Optimism, Global Tailwinds and Foreign Inflows"

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equity markets closed the week higher, supported by sustained foreign portfolio inflows, positive global cues and improving investor sentiment. The Nifty 50 and BSE Sensex gained 3%, while the rupee appreciated 1% over the week to close at 95.38 per US dollar, marking its best weekly performance in nearly two years. Investor sentiment was further supported by a broadly resilient corporate earnings season, with strong results from several heavyweight companies helping offset concerns over global trade and reinforcing confidence in domestic market momentum.

The top gainers in the Nifty 50 index were Bajaj Finance (up 12.68%), Jio Finance (up 9.27%), Infosys (up 8.57%), Bajaj Finserv (up 8.12%) and Eternal (up 8.02%). The major losers in the Nifty 50 index were Bharat Elec. (down 4.23%), Adani Ports (down 4.06%), Coal India (down 3.02%), HUL (down 2.80%) and ONGC (down 2.50%).

Particulars	Close (31/07/2026: Friday)	Open (27/07/2026: Monday)	Previous Close (24/07/2026 Friday)	Change (%)
Nifty 50	24,383.60	23,928.40	23,767.45	2.59
Sensex	78,094.64	76,608.98	76,059.77	2.68
Nifty Midcap 100	62,915.30	62,109.95	61,622.35	2.10
Nifty Small cap 100	19,339.65	19,024.35	18,874.95	2.46
Sectoral Indices				
Nifty Bank	57,264.85	57,116.80	56,693.50	1.01
Nifty Auto	28,744.15	27,443.65	27,217.95	5.61
Nifty IT	30,708.95	29,181.70	28,767.95	6.75
Nifty PSU Bank	8,367.20	8,388.45	8,345.65	0.26
Nifty Fin Services	26,594.05	26,058.55	25,909.90	2.64
Nifty Pharma	26,534.80	25,639.35	25,548.15	3.86
Nifty FMCG	49,121.20	49,520.75	49,053.30	0.14
Nifty Metal	12,719.00	12,494.20	12,401.55	2.56
Nifty Realty	901.45	888.65	881.80	2.23
Nifty Media	1,618.65	1,538.75	1,527.45	5.97
Nifty Energy	38,729.55	39,038.85	38,821.80	-0.24
Nifty Private Bank	27,522.65	27,459.45	27,277.55	0.90
Nifty Infra	9,409.25	9,300.65	9,240.85	1.82
Nifty Commodities	9,861.75	9,834.40	9,764.75	0.99
Nifty Consumption	12,081.85	11,780.70	11,700.15	3.26
Nifty PSE	9,941.90	10,007.05	9,952.30	-0.10
Nifty Serv. Sector	31,268.65	30,637.60	30,442.30	2.71
Nifty Healthcare	16,755.50	16,298.95	16,236.25	3.20
Nifty Oil & Gas	11,247.70	11,153.00	11,077.00	1.54
Nifty INDIA MFG	16,328.90	15,955.60	15,844.95	3.05
US Indices				
Dow Jones	52,490.26	52,178.22	51,952.20	1.04
S&P 500	7,489.72	7,464.20	7,411.97	1.05
NASDAQ 100	28,274.20	28,412.31	28,128.34	0.52
Commodities				
Gold (in Rs./ 10 gram)	1,43,376	1,43,575	1,43,106	0.19
Brent Crude oil	91.03	88.80	98.69	-7.76

FII and DII activity

In the week gone by, FIIs were net buyers of Rs. 5,949.96 Crores and DIIs were net buyers of Rs. 5,387.66 Crores. In the previous week FIIs were net sellers of Rs. 7,182.08 Crores and DIIs were net buyers of Rs. 8,637.58 Crores. In the month of July 2026, FIIs were net sellers of equities worth Rs. 5,778.99 Crores and DIIs were net buyers of equities worth Rs. 35,099.25 Crores.

Sector Movement

The Outperforming sector in the week was Nifty IT, up by 6.75% and worst performing sector was Nifty Energy, down by 0.24% in the week.

Global Market and Major Developments

US

US equity markets ended the week on a mixed note after experiencing significant volatility driven by the Federal Reserve's policy meeting, the ongoing US-Iran conflict, and continued fluctuations in artificial intelligence (AI)-related stocks. The Nasdaq Composite, Dow Jones Industrial Average, and S&P 500 posted gains, while the S&P MidCap 400 declined and the Russell 2000 was largely unchanged. Consumer discretionary stocks outperformed, supported by a strong rally in Amazon following better-than-expected earnings, whereas utilities and real estate were the weakest-performing sectors. AI-related stocks remained under pressure early in the week amid concerns over elevated capital spending, financing, and intensifying competition, but sentiment improved sharply after Microsoft reported robust Azure cloud growth and issued an upbeat outlook, helping drive a broader recovery in technology shares.

The Federal Reserve kept the federal funds rate unchanged at 3.50%–3.75%, although a rare 9–3 vote revealed growing divisions within the central bank, with three policymakers favoring a rate hike due to persistent inflation concerns. Chair Kevin Warsh offered little guidance on the timing of future policy changes, contributing to heightened market volatility. Equities declined following the announcement, while the Treasury yield curve steepened as long-term yields climbed. The 30-year Treasury yield rose above 5.2% for the first time since 2007, reflecting investor concerns about the longer-term inflation and fiscal outlook.

Economic data painted a mixed picture. The Fed's preferred inflation gauge, the core Personal Consumption Expenditures (PCE) index, rose a softer-than-expected 0.1% in June, with annual core inflation easing to 3.3% from 3.4%, indicating gradual progress on inflation. However, headline PCE inflation remained elevated at 3.7% year over year, while personal income growth disappointed despite a modest rise in consumer spending. Meanwhile, second-quarter GDP growth slowed to an annualized 1.5%, below expectations, as weaker government spending, investment, and exports weighed on activity.

Europe

European markets ended the week higher, with the STOXX Europe 600 Index gaining 0.73% and reaching a new intraday high. Strong corporate earnings, a recovery in AI-related stocks, and Brent crude remaining below USD 100 per barrel supported sentiment. Germany's DAX, France's CAC 40, Italy's FTSE MIB, and the UK's FTSE 100 all posted weekly gains.

The eurozone economy expanded 0.4% in the second quarter, exceeding expectations as AI-related investment and government spending offset the impact of geopolitical tensions and higher energy costs. Spain led growth among major economies, while annual inflation edged up to 2.9% in July. Higher services and non-energy industrial goods inflation contributed to the modest increase.

Germany's unemployment rate rose to 6.4% in July, although its economy grew 0.2% in the second quarter, surpassing expectations. The Bank of England kept its policy rate unchanged at 3.75% while warning that renewed Middle East tensions could keep energy prices volatile. Meanwhile, the UK's Nationwide House Price Index slowed to 1.8% year-over-year in July from 2.2% in June.

Japan

Japan's equity markets ended the week lower, with the Nikkei 225 falling 0.39% and the TOPIX declining 0.20%, as investors assessed the impact of the strong Kumamoto earthquake and resulting supply chain disruptions. The Bank of Japan (BoJ) kept its policy rate unchanged at 1%, though its guidance signaled that further rate hikes remain possible as inflation moves closer to the 2% target. One member of the policy board even voted for a rate increase, underscoring growing confidence in the inflation outlook. Governor Kazuo Ueda's comments also kept expectations of a potential September policy move alive, while the BoJ modestly upgraded its 2026 growth forecast and lowered its inflation projection due to government subsidies.

The 10-year Japanese government bond yield fell below 2.8%, while a sharp appreciation in the yen fueled speculation that authorities had intervened in the foreign exchange market to support the currency. Officials reiterated their readiness to act against excessive currency volatility if needed. Economic data showed Tokyo core inflation accelerated to 1.9% year over year in July, reflecting broadening price pressures, while nationwide retail sales growth slowed sharply to 0.5%, highlighting softer consumer demand despite improving inflation dynamics. Investors continued to monitor the impact of geopolitical risks and exchange rate movements on Japan's economic outlook.

China

China's equity markets delivered mixed performance during the week as weakness in AI-related shares weighed on mainland markets, while Hong Kong outperformed on the back of gains in large internet companies. The CSI 300 declined 1.31%, the Shanghai Composite rose 0.47%, and the Hang Seng Index gained 3.69%. Mainland technology stocks initially rallied after memory-chip maker ChangXin Memory Technologies (CXMT) made a strong market debut, but concerns over elevated AI valuations and capital spending later triggered broad selling across semiconductor and related technology shares. Hong Kong remained resilient as investors rotated into internet leaders and defensive sectors such as banks and consumer staples.

China's Politburo reiterated its commitment to proactive fiscal and accommodative monetary policies, emphasizing targeted support for domestic demand, AI, and other strategic industries rather than broad-based stimulus. Meanwhile, economic indicators pointed to slowing momentum, with both manufacturing and non-manufacturing Purchasing Managers' Index (PMI) readings slipping into contraction territory in July. Weaker production, new export orders, and subdued domestic demand highlighted persistent economic challenges, despite policymakers' efforts to support growth. Investors continue to watch for additional targeted measures to stabilize economic activity and market sentiment

Major Developments in Domestic Markets

1. RBI's forex mobilization schemes attracted $40.81 billion in inflows, including $36.7 billion through Foreign Currency Non-Resident (FCNR) deposits, with additional inflows coming via swap facilities for External Commercial Borrowings (ECBs) and Overseas Foreign Currency Borrowings (OFCBs).
2. India's GST collections rose 15.4% year-on-year to Rs 2.11 lakh crore in July 2026, driven by strong domestic revenues and a 28.8% increase in import tax collections.
3. India's fiscal deficit reached ₹3.1 lakh crore, or 18.2% of the FY27 target of ₹16.96 lakh crore, with higher capital spending contributing, while the full-year deficit target remains 4.3% of GDP.
4. The Union Cabinet approved the ₹84,084 crore Samudra Manthan National Offshore Exploration Scheme to boost offshore oil and gas exploration and strengthen India's energy security through FY2030-31.
5. NSE paid the remaining ₹714.74 crore to SEBI, completing the ₹1,491.21 crore settlement of the colocation and dark fibre cases, clearing a key hurdle ahead of its planned IPO.
6. India's foreign exchange reserves rose by $6.12 billion to $682.35 billion in the week ended July 24, driven by higher foreign currency assets.
7. India's Cabinet approved a ₹3.16 trillion extension of the PM-KISAN cash support scheme through FY2031, continuing annual ₹6,000 direct payments to eligible farmer families.
8. Jet fuel (ATF) prices for domestic airlines were increased by ₹5 per litre from August 1, marking the second consecutive monthly hike amid rising global fuel costs.

9. India's renewable energy generation rose 30% year-on-year to a record 36.25 billion kWh in July, reducing coal's share of the power mix to a one-year low of 65.7% despite overall electricity generation increasing 10.4%.
10. Sun Pharma's Q1 FY27 net profit rose 6% year-on-year to ₹2,901 crore, while revenue increased 10.5% to ₹15,300 crore, driven by strong India and specialty medicines business despite continued pressure in the US generics segment.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are expected to remain range-bound in the coming week amid a mix of domestic earnings and evolving global macro developments. While the ongoing Q1FY27 earnings season is likely to keep stock-specific action elevated, the Reserve Bank of India's MPC meeting will be closely watched for its policy stance and commentary on growth and inflation. Investors will also track FII flows, movements in the rupee and crude oil prices, as these remain key indicators of near-term market sentiment.

2. Investors will also watch key domestic and global macroeconomic indicators, including PMI data, US unemployment figures, and trade data, for fresh cues on economic momentum. Additionally, evolving geopolitical situation will remain in focus, particularly for their impact on crude oil prices and overall risk appetite.

3. We continue to recommend accumulation in selective fundamentally strong stocks across sectors such as Railways, defence, logistics & tourism, banking and financial sector, FMCG, food processing, fertilisers, agro-based industries, infrastructure, IT many of which are attractively valued amid the current geopolitical situation. Special emphasis should be given to some small & midcap stocks having great stories.

Medium - and Long-term view

1. We believe that in spite of whatever is happening globally, the Indian economy is still strongly placed as compared to the global peers due to higher GDP estimates, still manageable inflation, pro-active RBI policies & managing the oil crisis well, while the rupee remains the near-term concern. Post, the recent correction many stocks have become attractive to take position from Medium to long term point of view as we believe that any adversity brings with it a greater opportunity, which has been proved time and again in the past.

2. Our faith remains in the Equity as the best asset class in the World but advice caution to the investors to be selective & remain invested in fundamentally strong companies, taking timely decisions.

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For research related queries,

Contact: Divya Makwana - Research Analyst at - research@ajcon.net

Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062