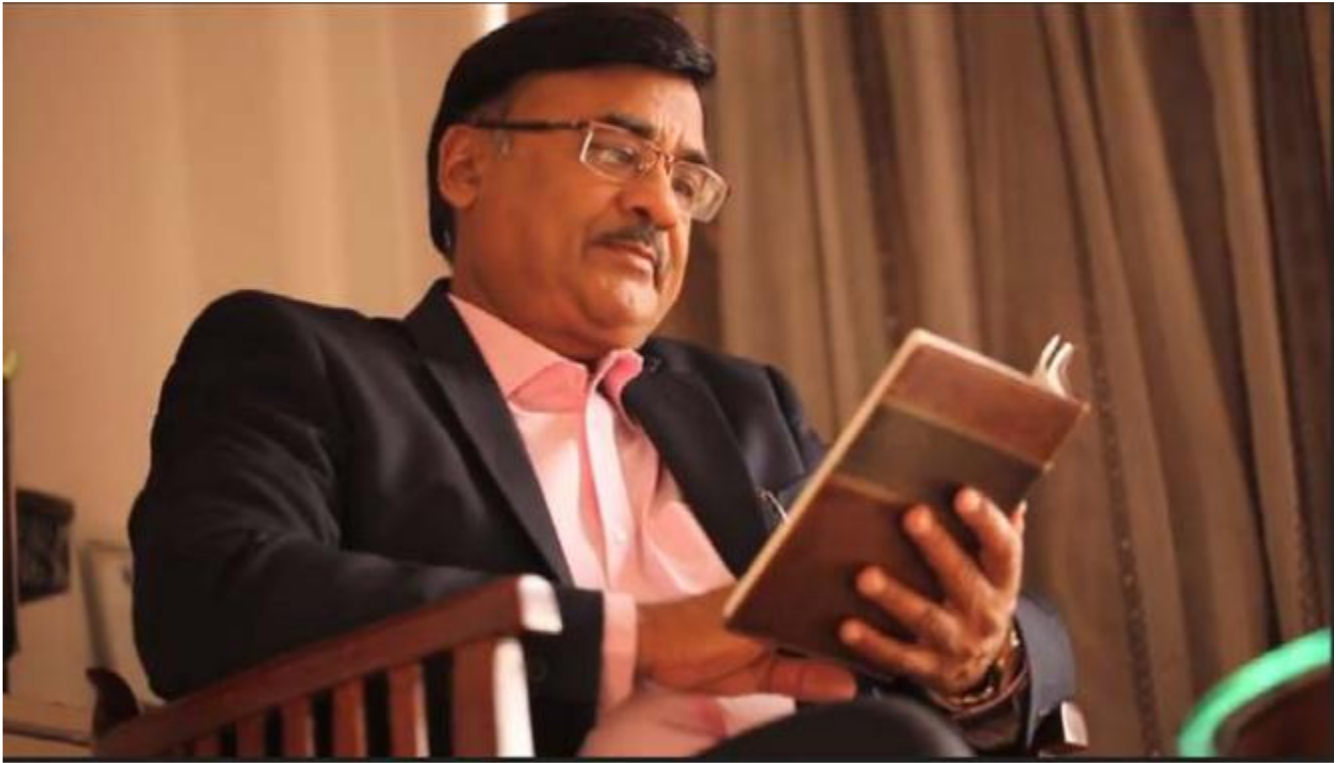




CA (Dr.) Ashok Ajmera's Weekly Column as on October 03rd, 2026

"Eighth Straight Weekly Decline Amid Foreign Outflows and Macro Headwinds"



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CA (Dr.) Ashok Ajmera's Weekly Column

Indian equities ended the holiday-shortened week under pressure, with the Nifty 50 and Sensex falling 3.1% and 2.7%, respectively, extending their losing streak to eight weeks—the longest in 25 years. Sentiment was weighed down by persistent foreign outflows, alongside Brent crude returning to \$100/barrel and the 10-year US Treasury yield rising to 5.34%. The rupee weakened 0.5% to 96.31 per dollar. Domestic markets were further weighed down by expectations of a potential RBI rate hike at the October MPC meeting, with rising concerns over imported inflation and tighter financial conditions adding to the pressure on investor sentiment.

The top gainers in the Nifty 50 index were Infosys (up 1.42%), Kotak (up 1.23%), Indigo (up 0.82%) and Dr Reddy's lab (up 0.48%). The major losers in the Nifty 50 index were Bajaj Auto (down 11.89%), Max Healthcare (down 11.22%), Apollo Hospital (down 8.74%), Jio Fin (down 8.46%) and Eternal (down 8.39%).

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 34,966.07 Crores and DIIs were net buyers of Rs. 33,455.30 Crores. In the previous week FIIs were net sellers of Rs. 11,490.03 Crores and DIIs were net buyers of Rs. 16,398.15 Crores. In the month of September 2026, FIIs were net sellers of equities worth Rs. 44,012.82 Crores and DIIs were net buyers of equities worth Rs. 76,030.84 Crores.

Sector Movement

The Outperforming sector in the week was Nifty IT, up by 0.51% and worst performing sector was Nifty Auto, down by 5.87% in the week.

Global Market and Major Developments

US

US stock indexes ended the week mixed as investors assessed weaker job growth, changing expectations for Federal Reserve policy, elevated Treasury yields, volatile oil prices, and uncertainty surrounding the US-Iran conflict. The Nasdaq Composite and S&P MidCap 400 gained, while the Dow Jones Industrial Average and S&P 500 declined; the Russell 2000 was little changed. Treasury yields reached multi-decade highs before retreating later in the week. The September jobs report showed that the U.S. economy added only 29,000 jobs, well below expectations of about 90,000. The unemployment rate edged up to 4.2%, while labor force participation remained at 61.8%. Earlier payroll data was mixed, with ADP reporting stronger private-sector job growth of 90,000 in September. BLS data also showed job openings falling to 7.08 million in August from 7.34 million in July.

Inflation remained relatively steady, with the PCE price index rising 0.3% in August and 3.4% year over year. Core PCE inflation increased 0.2% during the month and 3.0% from a year earlier, unchanged from July's revised rate. The data continued to draw attention to the balance between inflation pressures and slowing labor-market conditions. Meanwhile, second-quarter real GDP growth was revised upward to an annualized 2.2% from the earlier 1.5% estimate. The revision mainly reflected stronger investment, consumer spending, and government spending. Real final sales to private domestic purchasers rose at a 4.6% annualized pace, indicating firm underlying private demand. Initial jobless claims remained subdued at 197,000, while continuing claims declined to 1.701 million.

Manufacturing activity also remained in expansion territory during September, with the ISM PMI at 54.5. The reading marked the ninth consecutive month of expansion, as levels above 50 indicate growth. New orders and employment improved, although rising input costs emerged as a concern for manufacturers. The ISM prices index jumped 6.8 points to 77.9, its highest level since May.

Particulars	Close (01/10/2026: Friday)	Open (28/09/2026: Monday)	Previous Close (25/09/2026 Friday)	Change (%)
Nifty 50	22,421.95	23,064.90	23,140.50	-3.11
Sensex	71,909.70	73,734.83	73,895.74	-2.69
Nifty Midcap 100	58,732.00	60,783.75	60,906.00	-3.57
Nifty Small cap 100	19,058.65	19,684.65	19,715.25	-3.33
Sectoral Indices				
Nifty Bank	54,450.75	55,347.80	55,580.40	-2.03
Nifty Auto	25,384.95	26,867.05	26,967.90	-5.87
Nifty IT	28,304.70	28,214.65	28,160.90	0.51
Nifty PSU Bank	7,937.80	8,270.05	8,294.50	-4.30
Nifty Fin Services	24,556.10	24,975.00	25,094.85	-2.15
Nifty Pharma	26,311.55	26,970.95	27,003.00	-2.56
Nifty FMCG	43,789.85	45,796.45	45,941.30	-4.68
Nifty Metal	12,460.70	13,051.70	13,087.15	-4.79
Nifty Realty	835.00	867.50	869.35	-3.95
Nifty Media	1,546.30	1,549.05	1,550.65	-0.28
Nifty Energy	36,388.15	37,396.30	37,440.35	-2.81
Nifty Private Bank	26,697.25	26,742.95	26,883.20	-0.69
Nifty Infra	8,605.15	8,919.70	8,957.45	-3.93
Nifty Commodities	9,130.25	9,518.15	9,540.75	-4.30
Nifty Consumption	10,862.95	11,380.40	11,415.40	-4.84
Nifty PSE	9,208.65	9,562.60	9,572.85	-3.80
Nifty Serv. Sector	28,957.90	29,514.60	29,613.95	-2.22
Nifty Healthcare	16,095.55	16,655.45	16,678.55	-3.50
Nifty Oil & Gas	10,474.85	10,827.45	10,862.15	-3.57
Nifty INDIA MFG	15,195.90	15,839.40	15,881.90	-4.32
US Indices				
Dow Jones	51,182.11	51,653.16	51,834.17	-1.26
S&P 500	7,722.72	7,721.70	7,743.42	-0.27
NASDAQ 100	30,807.93	30,426.63	30,608.13	0.65
Commodities				
Gold (in Rs./ 10 gram)	1,50,390	1,50,100	1,50,881	-0.33
Brent Crude oil	102.60	98.62	97.61	5.11

Europe

European equities ended lower, with the STOXX Europe 600 falling 1.14%, as rising oil prices, bond yields, and inflation concerns weakened investor sentiment. Germany's DAX declined 0.70%, France's CAC 40 fell 2.24%, Italy's FTSE MIB dropped 2.67%, and the UK's FTSE 100 slipped 2.18%. Brent crude briefly rose above USD 108 per barrel before easing as oil flows through the Strait of Hormuz improved. However, elevated bond yields continued to pressure markets amid concerns over inflation and fiscal sustainability.

Eurozone inflation accelerated to 3.8% in September from 3.2% in August, exceeding expectations and strengthening expectations of restrictive ECB policy. Inflation also increased in Germany, France, Spain, and Italy, adding pressure on bond markets and rate-sensitive stocks. France faced additional fiscal concerns as uncertainty over its 2027 budget pushed borrowing costs higher, while its manufacturing PMI eased to 50.6. In the UK, second-quarter GDP growth was revised up to 0.5%, while manufacturing PMI rose to 51.9, although high gilt yields remained a concern.

Japan

Japan's stock markets were mixed, with the Nikkei 225 rising 2.93% while TOPIX fell 0.91%, as AI and semiconductor shares benefited from stronger global chip demand. Broader sentiment remained cautious amid elevated bond yields and expectations of further Bank of Japan tightening. The BoJ's September meeting showed differing views on the pace of future rate hikes, with some officials supporting faster tightening while others favored a more cautious approach. These differences reduced expectations of an immediate October hike, while the 10-year Japanese government bond yield remained around 3.09%.

The yen traded near JPY 157 per U.S. dollar as Japanese officials highlighted concerns over its weakness and sought closer US-Japan cooperation on foreign-exchange matters. The September Tankan survey showed improved sentiment among large manufacturers, although nonmanufacturer sentiment weakened. Tokyo-area core inflation accelerated to 2.7% in September from 1.8% in August, strengthening expectations of further BoJ tightening. Meanwhile, industrial production fell 1.7% month over month in August, pointing to some weakness in economic activity.

China

China equities declined during the week, with the Shanghai Composite falling 1.15% and CSI 300 dropping 1.80% through Wednesday, led by weakness in technology and semiconductor stocks. The Hang Seng Index fell 2.19% as financial and technology shares declined amid higher US bond yields and disappointment over Beijing's latest stimulus measures. Authorities introduced support including mortgage interest subsidies for eligible first-time buyers, targeted bank lending, and expanded financing through the PBOC's policy programs. The measures represented a major stimulus effort aimed at supporting economic activity and achieving the government's growth target.

However, some investors remained concerned that the measures may not fully address weak domestic demand and rising reliance on exports. Economic activity showed signs of improvement in September, with the official manufacturing PMI rising to 50.1 from 49.8, returning to expansion. The private RatingDog manufacturing PMI also increased to 52.1, supported by stronger output and new orders. The official nonmanufacturing PMI rose to 50.2, while services and construction activity returned to growth, and the RatingDog services PMI edged up to 51.6.

Major Developments in Domestic Markets

1. HDFC Bank has appointed Anup Bagchi as its next CEO for a three-year term, making him the first external candidate to lead the country's largest private lender, effective October 27, 2026.
2. US Trade Representative Jamieson Greer said the Trump administration and India are working to finalize a bilateral trade deal, following a "very constructive" discussion with Trade Minister Piyush Goyal, but stressed that an agreement is not imminent.
3. Kotak Mahindra Bank said the RBI has approved Anup Kumar Saha as its next CEO for a three-year term starting January 1, succeeding Ashok Vaswani, whose tenure ends on December 31.
4. Indian companies raised a record ₹2.43 trillion through equity markets in April–September FY27, up 75% YoY, driven by strong domestic liquidity and IPO demand, while the Nifty 50 gained just 1.3%; 78 mainboard IPOs raised a record ₹942.05 billion.
5. India's manufacturing PMI rose to 55.1 in September from 52.8 in August, marking the fastest factory-growth pace in seven months, supported by strong demand, renewed hiring and improved business confidence.
6. India's power shortages surged to 560 million kWh in September, the highest since August 2023, as surging demand, weaker hydropower generation and limited battery storage pushed coal-fired plants to operate at higher capacity for a sixth consecutive month.
7. India's gross GST collections rose 14.7% year-on-year to ₹2.04 trillion in September, according to the government.
8. India has cut windfall taxes on diesel and aviation turbine fuel (ATF) exports, with the reductions taking effect from October 1, according to a government order.
9. The Union Cabinet approved the PM DHARA scheme with an outlay of ₹1.86 lakh crore to expand renewable-energy transmission and storage infrastructure nationwide, with implementation led by State Transmission Utilities (STUs).
10. India's Supreme Court has intervened in the healthcare sector by scrutinising steep markups on cancer medicines, including a case where a drug bought by retailers for about ₹2,700 was sold at nearly ₹27,000, and has sought greater transparency in hospital drug pricing.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are likely to remain volatile with a cautious bias, as the RBI policy decision on October 7 and the US Fed minutes due the same day will be the key macro triggers. Markets will focus on the RBI's stance amid rising inflation and higher crude prices, while the Fed minutes could provide further cues on the global rate trajectory and US bond yields. Any hawkish signals from either central bank could keep pressure on rate-sensitive segments and the rupee, while a more accommodative tone could provide near-term support to risk sentiment.
2. Earnings will increasingly drive stock-specific moves, with TCS Q2 FY27 results on October 8 marking the start of the major IT earnings season. Investors will focus on revenue growth, deal wins, margins and management commentary on discretionary technology spending and AI-led demand. The combination of the RBI decision, Fed minutes and TCS results is likely to keep markets event-driven through the week, with domestic liquidity, the rupee and global yields remaining important cues for broader market sentiment.
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 high domestic consumption leading to higher GDP estimates, still manageable inflation, pro-active RBI policies including the recent removal of interest rate ceilings on fresh and renewed FCNR(B) and NRE deposits amassing over 136 billion USD, supporting the rupee & managing the high oil crisis well. The continued correction, has given the opportunity to accumulate many of the fundamentally good stocks from medium term point of view as we believe that any adversity brings with it a greater opportunity, which has been proved right, 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