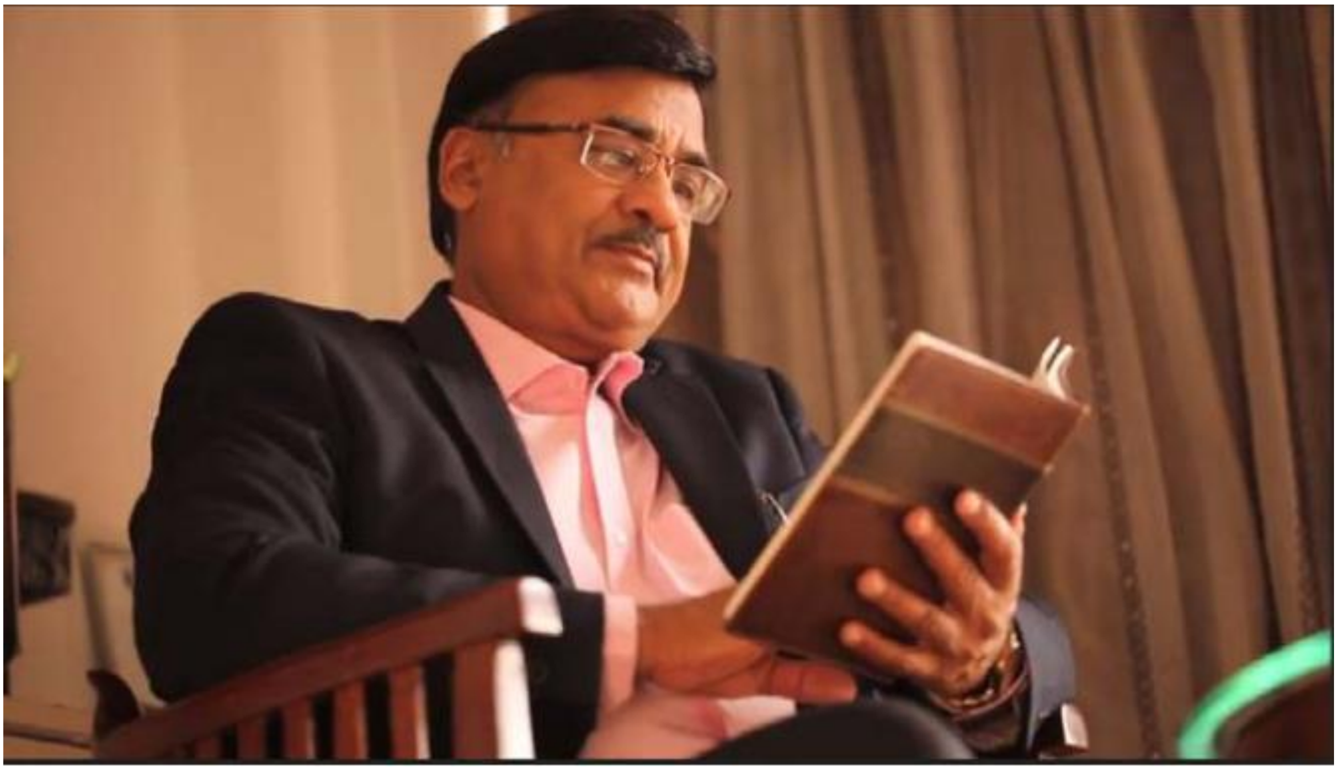

CA (Dr.) Ashok Ajmera's Weekly Column as on April 4th, 2026

" Indian equities closed marginally lower in the volatile week, as persistent geopolitical tensions outweighed support from currency strength"

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equities ended marginally lower after a volatile session, with the Nifty 50 and Sensex recovering from early losses, as support from a sharp rebound in the rupee helped limit declines despite persistent global risk-off sentiment. The rupee surged around 1.8% on Thursday — its strongest daily gain in over a decade—after aggressive measures by the RBI to curb speculative positions, helping ease pressure on foreign flows and import costs. However, gains remained capped amid escalating geopolitical tensions following fresh threats by US President Donald Trump against Iran, which pushed crude oil prices higher and kept investors cautious about inflation and growth.

The top gainers in the Nifty 50 index were ONGC (up 6.29%), Hindalco (up 5.48%), Wipro (up 3.10%), TCS (up 3.08%) and Tech Mahindra (up 2.34%). The major losers in the Nifty 50 index were HDFC Life. (down 7.64%), Shriram Finance. (down 6.74%), Dr. Reddys Labs (down 6.41%), Bajaj Finance (down 6.33%) and Bajaj Finserv (down 6.04%).

Particulars	Close (02/04/2026: Thursday)	Open (30/03/2026: Monday)	Previous Close (27/03/2026 Friday)	Change (%)
Nifty 50	22,713.10	22,549.65	22,819.60	-0.47
Sensex	73,319.55	72,565.22	73,583.22	-0.36
Nifty Midcap 100	53,677.05	53,383.45	54,097.80	-0.78
Nifty Small cap 100	15,650.50	15,435.40	15,620.00	0.20
		Sectoral Indices		
Nifty Bank	51,548.75	51,527.90	52,274.60	-1.39
Nifty Auto	24,089.65	23,969.10	24,351.95	-1.08
Nifty IT	30,441.45	29,225.60	29,541.65	3.05
Nifty PSU Bank	8,134.40	8,098.90	8,249.45	-1.39
Nifty Fin Services	24,041.55	24,012.40	24,373.20	-1.36
Nifty Pharma	21,808.40	22,412.90	22,565.60	-3.36
Nifty FMCG	46,232.15	46,141.70	46,427.20	-0.42
Nifty Metal	11,456.60	11,154.90	11,161.65	2.64
Nifty Realty	672.10	661.80	670.15	0.29
Nifty Media	1,303.35	1,275.00	1,294.20	0.71
Nifty Energy	35,299.40	34,893.65	35,214.80	0.24
Nifty Private Bank	24,665.75	24,632.95	24,986.70	-1.28
Nifty Infra	8,630.10	8,612.85	8,720.40	-1.04
Nifty Commodities	9,216.80	9,169.30	9,223.85	-0.08
Nifty Consumption	10,527.25	10,427.15	10,559.05	-0.30
Nifty PSE	9,666.90	9,585.15	9,676.40	-0.10
Nifty Serv. Sector	28,979.45	28,758.70	29,158.00	-0.61
Nifty Healthcare	13,934.35	14,315.35	14,433.55	-3.46
Nifty Oil & Gas	10,842.35	10,720.75	10,830.40	0.11
Nifty INDIA MFG	14,182.90	14,126.55	14,293.10	-0.77
		US Indices		
Dow Jones	46,504.67	45,283.06	45,166.64	2.96
S&P 500	6,582.68	6,403.37	6,368.86	3.36
NASDAQ 100	24,045.53	23,307.75	23,132.77	3.95
		Commodities		
Gold (in Rs./ 10 gram)	1,49,680	1,46,850	1,44,282	3.74
Brent Crude oil	109.23	107.75	106.28	2.78

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 29,425.34 Crores and DIIs were net buyers of Rs. 29,274.93 Crores. In the previous week FIIs were net sellers of Rs. 24,596.46 Crores and DIIs were net buyers of Rs. 26,897.05 Crores. In the month of March 2026, FIIs were net sellers of equities worth Rs. 1,22,540 Crores and DIIs were net buyers of equities worth Rs. 1,42,960 Crores.

Sector Movement

The Outperforming sector in the week was Nifty IT, up by 3.05% while the worst performing sector was Nifty Healthcare, down by 3.46% in the week.

Global Market and Major Developments

US

US stock markets ended a volatile, holiday-shortened week on a positive note, with major indexes posting strong gains. The Nasdaq Composite led the rally, recording its best weekly performance since November, while the S&P 500 and Dow Jones Industrial Average rose 3.36% and 2.96%, respectively. Markets initially declined on Monday but rebounded strongly midweek after President Donald Trump indicated a possible reduction in US military involvement in Iran. However, uncertainty resurfaced following his Wednesday address, which lacked a clear de-escalation timeline, briefly pressuring equities and pushing oil prices higher before markets recovered by Thursday.

In fixed income markets, US Treasury prices rose as yields declined, with the 10-year Treasury yield falling from 4.44% to around 4.31%. Investor sentiment was supported not only by geopolitical developments but also by comments from Federal Reserve Chair Jerome Powell, which helped ease inflation concerns. Meanwhile, labor market data presented a mixed picture: ADP reported moderate job growth of 62,000 in March, and initial jobless claims came in lower than expected. However, continuing claims increased, and job openings declined to 6.9 million, indicating some softening in labor demand, with hiring dropping to its lowest level since 2020.

Economic indicators showed modest improvement in consumer sentiment and manufacturing activity. The Conference Board's Consumer Confidence Index rose slightly to 91.8 in March, marking a second consecutive monthly increase, though the broader trend remains downward since 2021. In the manufacturing sector, the ISM Purchasing Managers' Index increased to 52.7, signaling expansion for the third straight month, driven by gains in new orders and production. Despite this, employment in manufacturing continued to contract, and price pressures climbed to their highest level since mid-2022, highlighting ongoing cost challenges.

Europe

European markets had a strong week, with the STOXX Europe 600 Index rising 3.92% as sentiment improved on hopes that Middle East tensions may ease sooner than expected. Major indexes also posted solid gains: Germany's DAX climbed 3.89%, Italy's FTSE MIB surged 5.18%, France's CAC 40 Index added 3.48%, and the UK's FTSE 100 Index rose 4.70%. Markets were closed Friday for Good Friday, capping a shortened but positive trading week.

Inflation in the eurozone accelerated to 2.5% in March, driven largely by a sharp 4.9% rise in energy costs linked to geopolitical tensions. At the same time, price pressures eased across services, industrial goods, and food categories. In Germany, economic prospects weakened as leading institutes—including the Ifo Institute—cut their 2026 growth forecast to 0.6% from 1.3%, citing the energy shock. Elsewhere, manufacturing in Spain contracted, with the S&P Global Spain Manufacturing PMI falling to 48.7, signaling declining activity.

Other parts of Europe showed more resilience. In Sweden, manufacturing strengthened, with the Swedbank Manufacturing PMI rising to 56.3—its highest level since 2022—supported by gains in employment and inventories. Switzerland reported modest retail growth of 0.9% year over year, led by nonfood sales, though food-related sales declined. In the United Kingdom, the S&P Global UK Manufacturing PMI was revised down to 51.0, with output slipping for the first time in six months despite improving orders. Meanwhile, housing data from the Nationwide House Price Index showed annual price growth accelerating to 2.2% in March, indicating renewed strength in the property market.

Japan

Japan's equity markets declined over the week, with the Nikkei 225 Index falling 1.7% and the broader TOPIX Index down 1.0%. After a brief rally midweek on hopes of easing geopolitical tensions, sentiment weakened when US signals suggested a prolonged conflict with Iran and no clear resolution for disruptions in the Strait of Hormuz. Rising oil prices, particularly Brent crude, added further pressure, given Japan's dependence on Middle Eastern energy imports. At the same time, expectations grew that the Bank of Japan may raise interest rates at its April meeting, as higher oil prices fuel inflation concerns. Governor Kazuo Ueda emphasized monitoring yen movements, while the 10-year government bond yield rose to 2.39%.

The Japanese yen strengthened to around 159.3 per US dollar, supported by comments from currency official Atsushi Mimura suggesting possible intervention to counter speculative movements. On the economic front, inflation data was slightly softer than expected, with Tokyo core CPI rising 1.7% year over year in March. Industrial production fell 2.1% month over month, in line with forecasts, while retail sales dropped 2.0%, worse than expected, reflecting weaker consumer demand. Overall, the data pointed to a mixed economic picture, with cooling inflation but softening activity in key sectors like manufacturing and consumption.

China

China's markets were mixed, with the CSI 300 Index down 0.53% and the Shanghai Composite Index up 0.14%, while the Hang Seng Index gained 0.66%, as investors balanced stronger domestic data with external risks; activity was also affected by the Qingming Festival. PMI data showed improvement, with manufacturing and services returning to expansion and the S&P Global China General Manufacturing PMI rising to 50.8, signaling steady momentum, though rising input costs pointed to margin pressures.

Meanwhile, China and Pakistan proposed a ceasefire plan for Middle East tensions, emphasizing the role of the United Nations, while China also removed export tax rebates on clean energy products like solar components and batteries from April 1, a move likely to raise export costs, pressure margins, and accelerate consolidation in affected industries.

Major Developments in Domestic Markets

1. India's manufacturing sector grew at its slowest pace in nearly four years in March, with the HSBC India Manufacturing Purchasing Managers' Index (PMI) falling to 53.9 from 56.9 in February as Middle East tensions disrupted supply chains, dented demand, and rising oil prices increased input costs.
2. India's defence exports surged over 62% to a record ₹384.24 billion ($4.11 billion) in the fiscal year to March, highlighting rapid growth in domestic manufacturing and global demand for Indian military equipment.
3. India's LPG imports plunged over 40% in March, creating a supply gap as Middle East shipments fell due to the Iran war, while increased supplies from the US and Iran along with higher domestic output helped partially offset the shortfall.
4. India may cut import duties and regulate exports to ensure adequate domestic supply of essential goods disrupted by the Middle East war, according to the Head of foreign trade.
5. HDFC Bank reported Q4 growth with advances rising 12% YoY and deposits also increasing, with loan growth outpacing deposits, in line with a similar trend seen across PNB, Union Bank, and IDFC FIRST Bank.
6. The Reserve Bank of India has capped banks' net open rupee positions at $100 million per day from April 10, 2026, to curb currency volatility and limit speculative forex trading.
7. India capped monthly increases in aviation turbine fuel (ATF) prices for domestic flights at 25% to shield passengers from sharp fare hikes amid surging global oil prices triggered by the Middle East war.
8. India has scrapped import taxes on 40 petrochemical products until June 30 to ease supply shortages and rising costs caused by the Middle East war, after diverting domestic chemicals for LPG production strained local industry.
9. Dubai-based Emirates NBD has received approval from the Reserve Bank of India to acquire up to 74% stake in RBL Bank for about $3.05 billion, marking one of the largest cross-border deals in India's financial sector.
10. India is set to face a second consecutive sugar deficit as output is expected to stay below 28 million tonnes against demand of 28.5–29 million tonnes, with lower cane yields forcing early mill closures and tightening domestic supplies.

11. India's clearing house imposed an additional 20% volatility margin on dollar-rupee forward trades amid sharp market swings triggered by RBI curbs on speculation, which drove up yields and widened forward premiums.
12. India will impose higher penalties on wind and solar power producers from April 2027—delayed by a year—for deviating from scheduled electricity supply to improve grid stability, even as industry warns of potential revenue impact.

Ajcon Global's observations and view:

Short term view:

1. Markets are expected to remain cautious in the near term amid persistent geopolitical tensions and elevated crude oil prices, which continue to pose inflationary risks. Investors will closely track the upcoming MPC meeting for cues on the interest rate trajectory.

2. On the domestic front, the earnings season will be a monitored closely, with provisional updates from select PSU banks indicating credit growth outpacing deposit growth, potentially supporting near-term sentiment in the banking space. While RBI intervention has lent some support to the rupee, FIIs remain persistent net sellers in Indian equities, reflecting concerns around inflation and external macro headwinds.

3. We continue to recommend accumulation in selective fundamentally strong stocks across sectors such as PSUs, defence, banking and financial sector, FMCG, food processing, fertilisers, agro-based industries, infrastructure, engineering , IT many of which are attractively valued amid the current geopolitical situation. **These are the times to take some contrarian and bold decisions to make big money later.**

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, manageable inflation, softening RBI policy & managing the oil crisis well, though the weakening rupee is a cause of concern in short run. 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 but advice caution to the investors to be selective & remain invested in fundamentally strong companies, taking timely decisions.

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