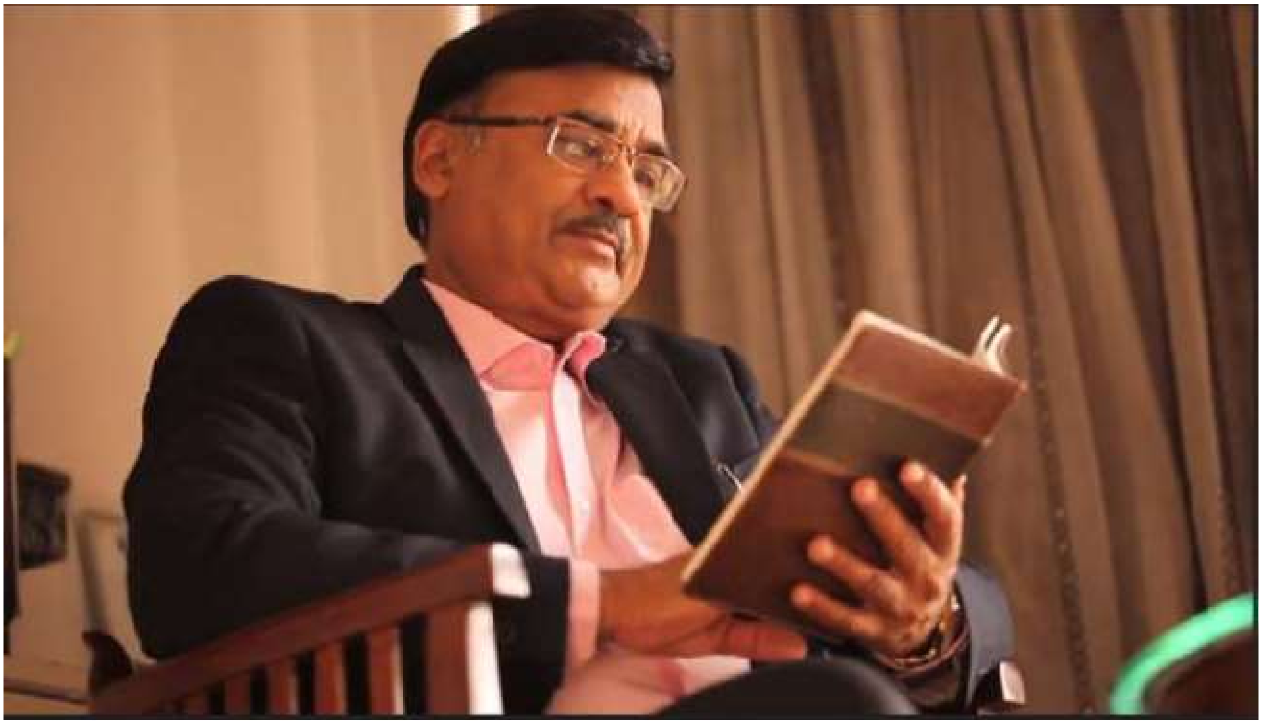

CA (Dr.) Ashok Ajmera's Weekly Column as on September 5th, 2026

"Indian Equities Extend Losing Streak as Oil Prices and Global Yields Weigh on Sentiment"

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equities ended the week on a weak note, with both benchmark indices posting weekly declines of 1.2% and 1%, respectively, marking their fourth consecutive weekly fall and longest losing streak in five months. Elevated crude oil prices remained the key overhang, with Brent rising about 8% during the week amid intensifying U.S.-Iran tensions, while higher global bond yields further weighed on market sentiment despite strong domestic growth and tax-collection data. Meanwhile, the rupee ended at 94.4850 per dollar, gaining 0.9% for the week—its strongest weekly performance in five weeks—supported by RBI intervention and more than $136 billion of inflows into special schemes.

The top gainers in the Nifty 50 index were Coal India (up 3.58%), Reliance (up 2.72%), Tata Steel (up 1.73%), ONGC (up 3.04%) and Grasim (up 0.97). The major losers in the Nifty 50 index were Shriram Finance (down 3.81%), Bharti Airtel (down 3.27%), NTPC (down 2.93%), ONGC (down 2.62%) and Jio Financial (down 2.53%).

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 5,611.94 Crores and DIIs were net buyers of Rs. 23,156.38 Crores. In the previous week FIIs were net sellers of Rs. 2,060.24 Crores and DIIs were net buyers of Rs. 19,309.93 Crores. In the month of August 2026, FIIs were net sellers of equities worth Rs. 7,531.84 Crores and DIIs were net buyers of equities worth Rs. 58,268.15 Crores.

Sector Movement

The Outperforming sector in the week was NiftyOil & Gas, up by 1.08% and worst performing sector was Nifty Auto, down by 3.95% in the week.

Global Market and Major Developments

US

U.S. stock indexes ended the week narrowly mixed as investors assessed renewed U.S.-Iran tensions, higher oil prices, stronger-than-expected employment data, and changing expectations for Federal Reserve policy. The Dow fell 0.27%, while the Nasdaq gained 0.40%, with the S&P 500, Russell 2000, and S&P MidCap 400 little changed. Growth stocks outperformed value stocks by the widest margin in a month, while the energy sector led the S&P 500 as oil prices climbed amid renewed Middle East tensions.

Particulars	Close (04/09/2026: Friday)	Open (31/08/2026: Monday)	Previous Close (28/08/2026 Friday)	Change (%)
Nifty 50	23,897.70	24,117.55	24,175.65	-1.15
Sensex	76,515.43	77,130.73	77,264.51	-0.97
Nifty Midcap 100	63,079.05	63,980.40	64,069.50	-1.55
Nifty Small cap 100	20,095.45	20,061.15	20,080.00	0.08
		Sectoral Indices		
Nifty Bank	57,369.65	57,353.75	57,496.30	-0.22
Nifty Auto	27,710.90	28,772.55	28,851.80	-3.95
Nifty IT	30,695.15	31,225.50	31,281.70	-1.88
Nifty PSU Bank	8,514.85	8,561.00	8,604.30	-1.04
Nifty Fin Services	26,051.00	26,204.40	26,286.50	-0.90
Nifty Pharma	26,478.10	27,001.85	26,991.85	-1.90
Nifty FMCG	45,892.75	46,706.00	46,815.00	-1.97
Nifty Metal	13,317.45	13,425.80	13,525.35	-1.54
Nifty Realty	907.90	905.80	908.85	-0.10
Nifty Media	1,565.45	1,603.50	1,602.90	-2.34
Nifty Energy	38,067.85	37,998.35	38,003.65	0.17
Nifty Private Bank	27,824.50	27,672.35	27,737.20	0.31
Nifty Infra	9,197.80	9,216.20	9,242.70	-0.49
Nifty Commodities	9,803.85	9,777.40	9,809.15	-0.05
Nifty Consumption	11,597.70	11,879.35	11,904.20	-2.57
Nifty PSE	9,710.15	9,681.45	9,689.25	0.22
Nifty Serv. Sector	30,575.55	30,851.50	30,900.20	-1.05
Nifty Healthcare	16,408.05	16,806.70	16,798.50	-2.32
Nifty Oil & Gas	11,187.65	11,040.80	11,067.70	1.08
Nifty INDIA MFG	16,221.40	16,502.00	16,558.45	-2.04
		US Indices		
Dow Jones	53,419.33	53,468.35	53,565.35	-0.27
S&P 500	7,718.60	7,697.52	7,711.75	0.09
NASDAQ 100	29,544.16	29,404.29	29,433.43	0.38
		Commodities		
Gold (in Rs./ 10 gram)	1,52,767	1,55,000	1,56,281	-2.25
Brent Crude oil	95.84	89.45	88.28	8.56

Oil prices and Treasury yields rose early in the week after the U.S. and Iran exchanged strikes near the Strait of Hormuz, reviving concerns over supply disruptions and inflation. The 10-year Treasury yield briefly approached 4.82% on Wednesday before easing after Fed Governor Christopher Waller indicated he could support keeping rates unchanged if disinflation continues. Yields moved higher again following Friday's stronger-than-expected jobs report, which raised expectations of a potential near-term Fed rate hike.

The U.S. labor market showed greater resilience than expected, with employers adding 162,000 jobs in August versus estimates of about 55,000, while June and July figures were revised higher. The unemployment rate remained at 4.1%, and labor force participation increased to 61.6%. Other indicators were mixed, with job openings rising modestly and ADP reporting only 38,000 private-sector jobs added. Meanwhile, both manufacturing and services PMI surveys indicated continued economic expansion, although elevated prices pointed to persistent inflationary pressures.

Europe

European equities ended the week lower, with the STOXX Europe 600 falling 0.81%. Renewed U.S.-Iran tensions pushed oil and natural gas prices higher, raising inflation concerns and government bond yields. Germany's DAX fell 1.97%, France's CAC 40 declined 1.46%, and Italy's FTSE MIB dropped 0.98%, while the UK's FTSE 100 was broadly flat. Technology stocks gained support from renewed optimism around artificial intelligence.

Higher energy prices increased concerns that inflation could remain elevated for longer, putting pressure on European sovereign bonds and rate-sensitive sectors. Sentiment improved later in the week as oil prices and bond yields stabilized. Eurozone retail sales fell 0.6% month on month in July, marking their sharpest decline since May 2025, while producer prices jumped 1.6%, driven largely by higher energy costs.

UK markets also faced domestic fiscal uncertainty, with reports of potential windfall taxes on banks and energy companies weighing on financial stocks. Despite broader economic concerns, UK new car registrations increased 13.7% year on year in August, extending their growth streak to nine consecutive months.

Japan

Japan's stock markets declined over the week, with the Nikkei 225 falling 2.09% and TOPIX losing 1.05%. Rising government bond yields and growing expectations of a near-term Bank of Japan rate hike pressured growth stocks, while a stronger yen weighed on exporters. The 10-year JGB yield briefly surpassed 3.0%, its highest level since 1996, before easing to around 2.9%. The yen strengthened to about JPY 156 per U.S. dollar as expectations for tighter BoJ policy increased.

Economic data highlighted continued weakness in domestic consumption, with household spending falling 3.6% year over year in July, worse than expected and following a 3.3% decline in June. The drop reflected weaker spending on food, utilities, and transport and communication. In contrast, industrial production remained resilient, rising 4.1% year over year in July after a 4.9% increase in June. Markets may remain focused on the BoJ's September 17–18 meeting and signals regarding the timing of further monetary tightening.

China

China's equity markets were mixed, with the CSI 300 falling 1.33% and Shanghai Composite declining 0.56%, while Hong Kong's Hang Seng gained 0.26%. Weakness in AI and semiconductor stocks weighed on mainland markets as oil prices and global bond yields rose. Traditional sectors such as consumer staples, agriculture, and media performed relatively better. Hong Kong rebounded 1.74% on Friday after Fed comments eased concerns about an imminent U.S. rate hike, lifting technology, consumer, and property shares.

China also introduced tighter property presale rules to reduce risks and strengthen homebuyer protection, initially pressuring developer stocks. Economic data remained mixed, with the official manufacturing PMI improving to 49.8 but staying below 50, while the nonmanufacturing PMI remained weak at 49.0. In contrast, private surveys showed stronger momentum, with the RatingDog manufacturing PMI rising to 51.5 and services PMI to 51.4. Overall, the data pointed to pockets of resilience but an uneven economic recovery.

Major Developments in Domestic Markets

1. India's forex reserves hit a record $740.80 billion for the week ended August 28, rising for the 9th straight week, with over $136 billion in dollar inflows—mostly from NRI deposits—while foreign-currency assets reached $600.67 billion and gold reserves $116.41 billion.
2. India's IMD forecasts below-average September rainfall and above-normal temperatures after June rains were 35% below normal, raising risks to cotton, soybean, corn, rice and winter crops, potentially making 2026 India's weakest monsoon in nearly 20 years, while food inflation was already 5.52% in July.
3. RBI will conduct a ₹7 trillion ($74.09 billion), 30-day VRRR auction on Sept. 7 with an early-exit option, as India's banking-system liquidity surplus hit a record ₹10.3 trillion on Sept. 3.
4. India proposes making battery storage mandatory for all new government solar and wind projects from July 2027, to store and dispatch renewable power when needed and improve grid reliability.
5. India has stalled Alipay+'s January 2026 proposal to link with UPI over national-security, data-privacy, money-laundering and cyber-fraud concerns, in the first major China-linked financial-services proposal since the 2020 India-China border clash.
6. India's services purchasing managers' index (PMI) rose to 54.1 in August 2026 from 53.3 in July, remaining near a four-year low as subdued new business weighed on growth, while service sector hiring climbed to a 15-month high.
7. Cleaner-fuel vehicles' share increased to 42% of India's passenger-car sales in August, surpassing petrol's record-low 41%, while CNG rose to 25% and electric cars reached 7.7% penetration.
8. Banks are deploying surplus liquidity through semi-fixed home loans, with HSBC offering 3- and 5-year fixed rates at 7.50% and 8.25%, while Kotak Mahindra Bank offers 7.60% fixed for 65 months, before switching to floating rates; banks are also considering government securities.
9. The government is boosting coal supplies from captive mines and Coal India subsidiaries to address critically low stocks at several power plants amid rising electricity demand, while pushing companies to improve loading and coordinating production and logistics to ensure uninterrupted power supply.
10. Indian drugmakers are opposing an NPPA proposal to hold manufacturers solely liable for medicine overpricing while exempting retailers, hospitals and nursing homes, arguing that accountability should also cover those who set the final price paid by patients..

Ajcon Global's observations and view:

Short term view:

1.Indian equities are likely to remain range-bound with a mildly negative bias and elevated volatility in the coming week, as markets digest the stronger-than-expected US labour market data and await the August US CPI printwhere a hotter-than-expected reading could further strengthen the case for a rate hike, keeping US bond yields and the dollar elevated and potentially weighing on FII flows into emerging markets including India.Conversely, softer inflation could ease rate-hike expectations and provide some relief to global equities.

2.Elevated crude oil prices and persistent Middle East-related uncertainty are likely to remain key domestic overhangs, keeping India's inflation, current account and rupee trajectory in focus.Overall, we expect markets to remain volatile and stock-specific, with near-term direction largely dependent on the US CPI print, Fed rate-hike expectations, US bond yields, crude oil prices, the rupeeand FII flows.

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 better than expected GDP numbers, still manageable inflation, pro-active RBI policies including temporarily removal of interest rate ceilings on fresh and renewed FCNR(B) and NRE deposits thereby collecting almost 136 billion dollars giving support to rupee & managing the oil crisis well. 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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