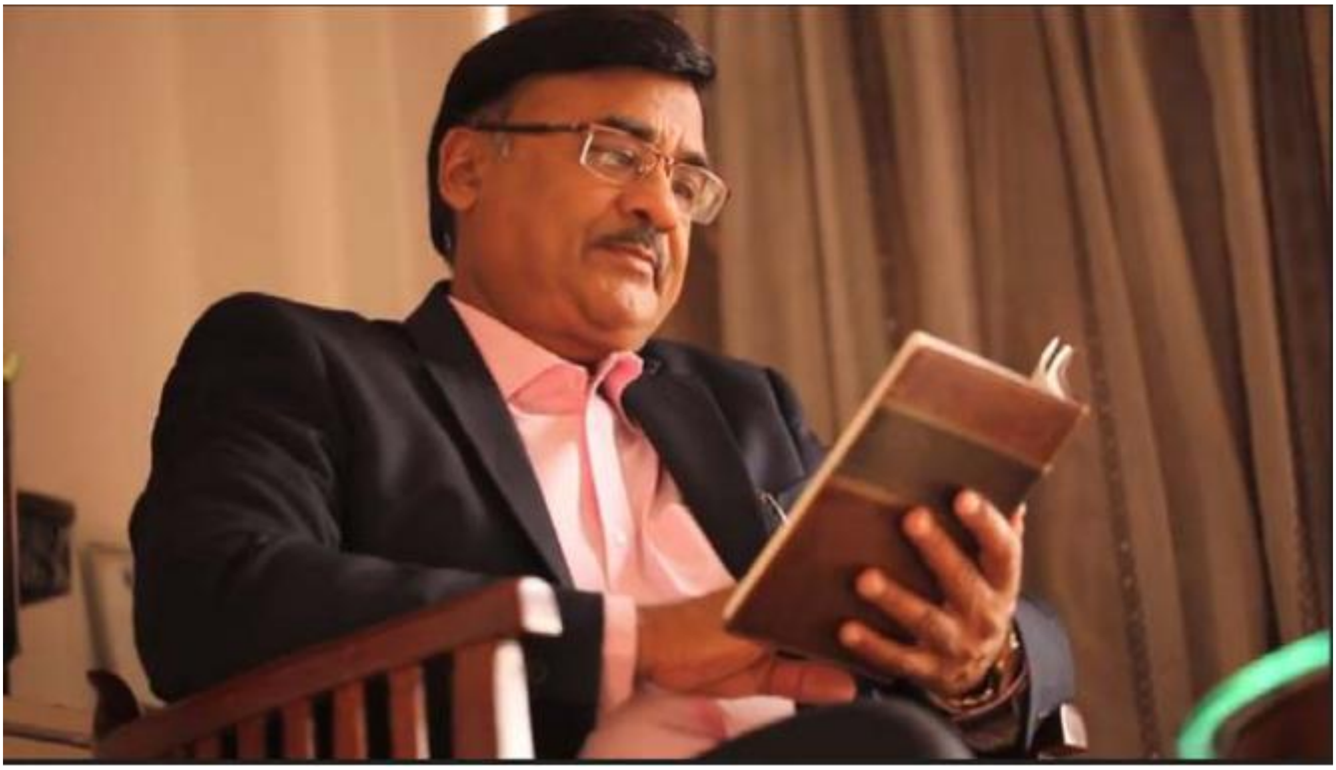

CA (Dr.) Ashok Ajmera's Weekly Column as on Aug 8th, 2026

"Nifty Ends Marginally Higher Amid Volatility; Crude and RBI Norms Cap Gains"

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equity markets had a modest weekly gain, with Nifty rising 0.77% to end this week at 24,570.65. The index opened strong on Monday with a sharp rally on falling crude prices and firm earnings, extended gains through midweek supported by IT, Auto and Pharma strength and the RBI's as-expected repo rate pause at 5.25% but gave back ground on Thursday-Friday as Brent crude climbed back above $84/barrel on renewed West Asia tensions and financials (Bajaj Finance, Bajaj Finserv, banks) came under pressure from RBI's draft NBFC credit-provisioning norms.

The top gainers in the Nifty 50 index were Hindalco (up 8.74%), Grasim (up 7.17%), SBI (up 6.79%), Shriram Finance (up 6.53%) and Eternal (up 4.15%). The major losers in the Nifty 50 index were Bajaj Finance (down 5.54%), Power Grid Corp. (down 4.45%), Max Healthcare (down 2.59%), HDFC Bank (down 2.29%) and Sun Pharma (down 2.29%).

FII and DII activity

In the week gone by, FIIs were net buyers of Rs. 2,887.69 Crores and DIIs were net buyers of Rs. 5,387.66 Crores. In the previous week FIIs were net buyers of Rs. 5,949.96 Crores and DIIs were net buyers of Rs. 7,767.37 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 PSU Bank, up by 5.01% and worst performing sector was Nifty Media, down by 3.94% in the week.

Global Market and Major Developments

US

Major US stock indexes rose this week, with several reaching new records, as generally positive corporate earnings, renewed interest in artificial intelligence (AI)-related stocks, and optimism about the potential reopening of the Strait of Hormuz boosted investor sentiment. The technology-heavy Nasdaq Composite led the way, having its best week since April, followed by the S&P 500 and Russell 2000 Indexes. The Dow Jones Industrial Average lagged, but still gained over 3%.

Particulars	Close (07/08/2026: Friday)	Open (03/08/2026: Monday)	Previous Close (31/07/2026 Friday)	Change (%)
Nifty 50	24,570.65	24,538.90	24,383.60	**0.77**
Sensex	78,499.17	78,516.08	78,094.64	**0.52**
Nifty Midcap 100	63,463.55	63,254.90	62,915.30	**0.87**
Nifty Small cap 100	19,867.80	19,848.55	19,339.65	**2.73**
		Sectoral Indices		
Nifty Bank	57,746.45	57,882.00	57,264.85	**0.84**
Nifty Auto	29,647.90	29,012.45	28,744.15	**3.14**
Nifty IT	31,547.70	31,067.05	30,708.95	**2.73**
Nifty PSU Bank	8,786.20	8,702.60	8,367.20	**5.01**
Nifty Fin Services	26,466.00	26,703.25	26,594.05	**-0.48**
Nifty Pharma	26,541.80	26,515.70	26,534.80	**0.03**
Nifty FMCG	49,435.20	49,325.20	49,121.20	**0.64**
Nifty Metal	13,189.85	13,099.05	12,719.00	**3.70**
Nifty Realty	885.95	884.20	901.45	**-1.72**
Nifty Media	1,554.95	1,550.10	1,618.65	**-3.94**
Nifty Energy	38,749.85	38,676.70	38,729.55	**0.05**
Nifty Private Bank	27,392.35	27,597.25	27,522.65	**-0.47**
Nifty Infra	9,504.15	9,425.45	9,409.25	**1.01**
Nifty Commodities	9,991.65	9,937.00	9,861.75	**1.32**
Nifty Consumption	12,197.35	12,134.40	12,081.85	**0.96**
Nifty PSE	9,922.35	9,924.30	9,941.90	**-0.20**
Nifty Serv. Sector	31,265.20	31,336.45	31,268.65	**-0.01**
Nifty Healthcare	16,708.90	16,681.70	16,755.50	**-0.28**
Nifty Oil & Gas	11,312.20	11,276.50	11,247.70	**0.57**
Nifty INDIA MFG	16,662.45	16,553.65	16,328.90	**2.04**
		US Indices		
Dow Jones	54,042.39	52,764.28	52,490.26	**2.96**
S&P 500	7,757.64	7,504.78	7,489.72	**3.58**
NASDAQ 100	29,722.30	28,278.59	28,274.20	**5.12**
		Commodities		
Gold (in Rs./ 10 gram)	1,51,820	1,43,578	1,43,376	**5.89**
Brent Crude oil	82.37	82.80	91.03	**-9.51**

Geopolitical developments appeared to largely support risk appetite. Reports of progress toward an agreement that could reopen the Strait of Hormuz helped drive a steep decline in oil prices early in the week, easing some concerns about energy-related inflation and contributing to lower Treasury yields. Optimism faded somewhat on Thursday after reports suggested that a proposed arrangement could restrict passage for US and Israeli vessels, though stock indexes ultimately held up and remained solidly higher for the week.

The Bureau of Labor Statistics (BLS) reported that US employers shed 23,000 jobs in July, well below estimates for an increase of around 80,000 and the weakest reading since February. Prior months were also revised lower: June's gain was cut to 20,000 from 57,000, while May's reading was revised to 63,000 from 129,000. July marked the fourth straight month in which the monthly change weakened. The unemployment rate unexpectedly ticked lower to 4.1% along with the labor force participation rate.

Europe

The pan-European STOXX Europe 600 Index ended the week up 1.70% in local currency terms. European equities were supported by firmer risk appetite and resilient earnings, although the geopolitical backdrop remained volatile. Hopes for a framework to reopen the Strait of Hormuz pushed crude lower and supported cyclicals early in the week, before renewed uncertainty around shipping terms lifted energy risk into Friday. Among major stock indexes, Germany's DAX closed 2.69% higher, France's CAC 40 Index advanced 2.41%, while Italy's FTSE MIB gained 2.96%. The UK's FTSE 100 Index climbed 0.30%.

Services PMI increased to 51.7—its highest level in five months—from 49.4 in June. The improvement was accompanied by stronger employment and business confidence. Selling-price pressures also moderated. The data provided some reassurance that economic activity was recovering after the energy shock earlier in the year, although underlying conditions remained uneven across the region.

Business activity improved in France and Germany, the eurozone's two largest economies, although the services PMI for both countries remained below 50. France's services PMI increased to 49.8 in July from 46.8, its strongest reading in seven months, helped by firmer domestic demand. Germany's equivalent measure rose to 49.8 from 48.6, indicating a slower contraction and improving business confidence.

Japan

Japan's stock markets advanced over the week, with the Nikkei 225 Index gaining 1.93% and the broader TOPIX Index up 1.79%. Investors assessed the impact of the prior week's currency interventions to support the yen, while speculation continued over the timing of the Bank of Japan's (BoJ's) next rate hike. The government advanced its consumption tax cut plan through Cabinet, raising fiscal concerns, while economic data suggested that improving household incomes have yet to translate into stronger consumption.

The latest economic data showed that household spending fell 3.3% year over year in June, compared with consensus expectations for a 0.9% increase and following a 0.4% contraction in May. The sharp decline points to continued caution among consumers following several years of real-income pressure and elevated food and other essential costs. Average nominal wages rose 3.4% year over year in June, matching estimates and up slightly from 3.3% in May, supported by continued strong wage settlements and a tight labor market. Real (inflation-adjusted) wages rose 1.6%, in line with consensus and stable on the prior month.

China

China equities diverged over the week, with resilient performance from mainland benchmarks contrasting with weakness in Hong Kong markets. The Shanghai Composite Index rose 2.81% and the CSI 300 Index advanced 2.32%, whereas the Hang Seng Index fell 0.84% in local currency terms, according to FactSet. Renewed strength from technology and semiconductor-related shares supported mainland markets' gains, while weakness from financial names dragged on Hong Kong amid news that Chinese tax authorities are levying taxes on offshore insurance policies.

Manufacturing activity growth in China slowed by more than expected in July, a private sector survey showed. Although it stayed in expansion territory, the RatingDog China General Manufacturing PMI eased to 50.9 in July from 51.7 in June, a four-month low. New orders and production both expanded at softer rates, though export orders returned to growth for the first time in three months. The decline added to worries about the mainland's economic momentum after the official survey last week showed factory activity falling into contraction for the first time since February.

Major Developments in Domestic Markets

1. The RBI MPC kept the repo rate unchanged at 5.25% while retaining a neutral stance, raised its FY27 GDP growth forecast to 6.7% and lowered the inflation forecast to 5.0%, signalling a cautious but mildly dovish policy stance.
2. The RBI has proposed banning most NBFCs from offering revolving credit facilities, limiting them to term loans, while exempting NBFCs specifically authorised to issue credit cards.
3. India is set to introduce a production-linked incentive (PLI) scheme for domestic polysilicon manufacturing to reduce its dependence on China, which currently dominates global polysilicon supply, and strengthen its solar manufacturing supply chain.
4. India plans to boost domestic green ammonia supplies to the fertiliser sector by an additional 1 million tonnes annually through tenders, reducing reliance on imported grey hydrogen amid recent supply disruptions.
5. The Delhi High Court has stayed FSSAI's order prohibiting Dabur from selling products carrying "100%" claims, providing interim relief to the FMCG major pending further hearings.
6. Ola Electric reported a narrower Q1 FY27 net loss, supported by higher electric scooter sales, as the company continues to focus on improving volumes and reducing costs amid intense competition in India's EV market.
7. L&T expects revenue from its Precision Engineering and Systems division, which houses its drone and unmanned aerial systems business, to triple over the next five years, driven by capacity expansion and rising defence technology demand.
8. The government plans to replace the 86-year-old Drugs and Cosmetics Act, 1940 with a new law covering drugs, medical devices and cosmetics, aimed at modernising regulations, strengthening oversight and speeding up approvals and recalls.
9. FSSAI has rejected beverage companies' requests to extend the 90-day deadline for removing the "energy drink" label from high-caffeine beverages, raising concerns over inventory and potential product seizures.
10. India is expected to exceed its FY divestment and asset monetisation target of ₹800 billion ($8.4 billion), government sources said, providing a fiscal cushion against rising fertiliser import costs and fuel subsidies linked to the Middle East conflict.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are likely to trade with a cautious and range-bound bias in the near term, following a mixed week marked by heightened volatility. The RBI's decision to keep policy rates unchanged was largely in line with expectations, while the sharp decline in crude prices earlier in the week provided some relief to domestic sentiment. However, financial stocks, currency movements and the new closing-auction mechanism could continue to drive sharp intraday and closing-session swings, keeping investors cautious. The ongoing Q1FY27 earnings season is expected to remain a key driver of stock-specific activity, with investors focusing on earnings performance and management commentary for further cues.

2. Global cues are likely to remain important, particularly following weaker-than-expected U.S. employment data and downward revisions to earlier job gains, which have reduced expectations of an imminent Federal Reserve rate hike. A softer U.S. rate outlook could support emerging-market sentiment through lower Treasury yields and a weaker dollar, potentially aiding foreign flows into India. Nevertheless, markets are likely to remain volatile and stock-specific, with investors closely tracking FII flows, crude oil prices, U.S. monetary policy expectations, corporate earnings, and the impact of the new closing-auction mechanism.

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 including temporarily removal of interest rate ceilings on fresh and renewed FCNR(B) and NRE deposits, supporting the 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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