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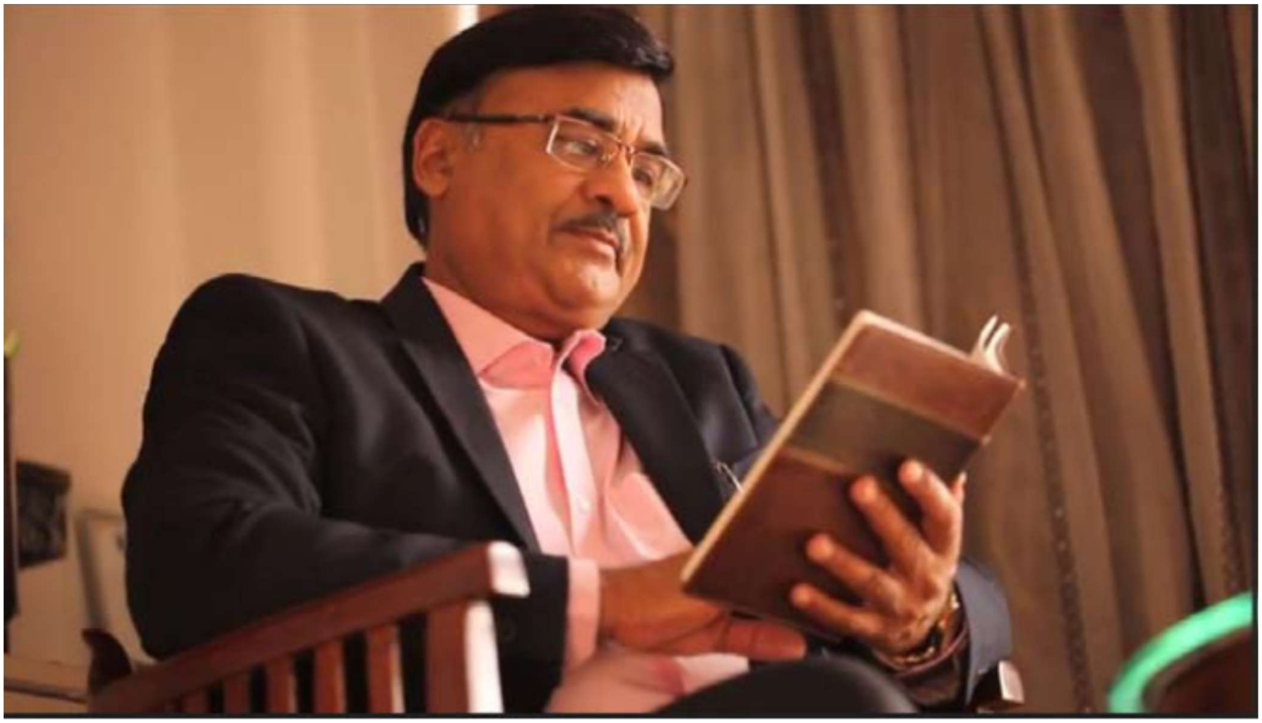

CA (Dr.) Ashok Ajmera's Weekly Column as on July 11th, 2026

" Indian Equities Ended Lower as Global Headwinds Outweigh Earnings Optimism”

CA (Dr.) Ashok Ajmera's Weekly Column

Indian markets ended the week marginally lower, snapping a four-week winning streak as geopolitical tensions in the Middle East and elevated crude oil prices weighed on sentiment. However, a strong rebound on Friday, driven by better-than-expected TCS earnings, helped the benchmark indices trim losses, with the Nifty 50 and Sensex closing the week down 0.3% each after gaining 1.02% and 1.08%, respectively, on the final trading day. IT stocks outperformed on Friday, with the Nifty IT index rising 2%. Broader markets remained resilient, with the mid-cap and small-cap indices advancing 1.4% and 1.3%, respectively, as investors balanced earnings optimism against lingering geopolitical risks.

The top gainers in the Nifty 50 index were SBI Life Ins. (up 4.15%), Bajaj Auto (up 3.79%), Tech Mahindra (up 3.17%), ONGC (up 2.99%) and HDFC (up 2.98%). The major losers in the Nifty 50 index were Trent (down 13.11%), Dr. Reddys Lab (down 9.45%), Kotak Mahindra (down 4.83%), Max Healthcare (down 3.93%) and Maruti Suzuki (down 3.56%).

Particulars	Close (10/07/2026: Friday)	Open (06/07/2026: Monday)	Previous Close (03/07/2026 Friday)	Change (%)
Nifty 50	24,206.90	24,306.85	24,270.85	**-0.26**
Sensex	77,569.39	77,940.90	77,763.91	**-0.25**
Nifty Midcap 100	63,036.80	62,341.15	62,190.30	**1.36**
Nifty Small cap 100	19,416.50	19,186.25	19,175.10	**1.26**
		Sectoral Indices		
Nifty Bank	58,045.90	57,983.90	57,938.50	**0.19**
Nifty Auto	26,860.75	27,047.50	26,988.10	**-0.47**
Nifty IT	28,010.40	27,489.85	27,439.40	**2.08**
Nifty PSU Bank	8,451.60	8,409.65	8,407.60	**0.52**
Nifty Fin Services	26,831.05	26,910.30	26,875.05	**-0.16**
Nifty Pharma	25,674.10	25,805.85	25,745.15	**-0.28**
Nifty FMCG	49,310.60	50,121.60	50,096.40	**-1.57**
Nifty Metal	12,688.90	12,648.20	12,598.45	**0.72**
Nifty Realty	938.60	898.45	890.80	**5.37**
Nifty Media	1,484.30	1,514.85	1,512.30	**-1.85**
Nifty Energy	39,242.05	39,255.30	39,178.60	**0.16**
Nifty Private Bank	28,083.95	28,207.40	28,215.45	**-0.47**
Nifty Infra	9,429.45	9,481.85	9,473.50	**-0.46**
Nifty Commodities	9,891.45	9,911.10	9,889.55	**0.02**
Nifty Consumption	11,737.75	11,810.80	11,795.70	**-0.49**
Nifty PSE	9,911.25	10,022.10	10,011.90	**-1.01**
Nifty Serv. Sector	31,168.35	31,129.05	31,075.90	**0.30**
Nifty Healthcare	16,337.80	16,473.60	16,441.45	**-0.63**
Nifty Oil & Gas	11,177.45	11,149.90	11,136.20	**0.37**
Nifty INDIA MFG	15,939.00	16,006.40	15,966.60	**-0.17**
		US Indices		
Dow Jones	52,642.27	52,833.28	52,905.28	**0.50**
S&P 500	7,575.39	7,506.96	7,483.25	**1.23**
NASDAQ 100	29,825.11	29,575.57	29,329.21	**1.69**
		Commodities		
Gold (in Rs./ 10 gram)	1,43,478	1,47,135	1,47,378	**-2.65**
Brent Crude oil	75.22	71.90	71.93	**4.57**

FII and DII activity

In the week gone by, FIIs were net buyers of Rs. 4,669.88 Crores and DIIs were net buyers of Rs. 8,275.62 Crores. In the previous week FIIs were net sellers of Rs. 4,003.84 Crores and DIIs were net buyers of Rs. 12,633.54 Crores. In the month of June 2026, FIIs were net sellers of equities worth Rs. 49,028.63 Crores and DIIs were net buyers of equities worth Rs. 85,800.14 Crores.

Sector Movement

The Outperforming sector in the week was Nifty Realty, up by 5.37% and worst performing sector was Nifty Media Banks, down by 1.85% in the week.

Global Market and Major Developments

US

US stock markets ended the week with mixed results. The Nasdaq Composite (+1.74%) and the S&P 500 (+1.23%) gained, supported by a late rebound in semiconductor and AI-related stocks, while the Dow Jones Industrial Average (-0.50%) and the Russell 2000 (-0.61%) declined. Growth stocks outperformed value stocks, with information technology, energy, and communication services leading sector gains, while materials and health care lagged. Trading volumes remained relatively light as investors awaited key events, including the start of the second-quarter earnings season, inflation data, and the June retail sales report.

The Federal Reserve's June meeting minutes revealed differing views among policymakers, with a few officials favoring a rate hike but ultimately agreeing to keep interest rates unchanged. Most members supported removing language that suggested a bias toward future rate cuts, reflecting continued uncertainty about the economic outlook. Economic data were mixed: the ISM Services PMI eased slightly to 54.0 but remained in expansion territory, initial jobless claims edged lower to 215,000, continuing claims increased modestly, and existing home sales fell 2.4% in June as high mortgage rates and home prices continued to weigh on affordability.

US Treasury prices declined as higher oil prices, driven by renewed geopolitical tensions in the Middle East, and the Fed's relatively hawkish tone pushed bond yields higher. The 10-year Treasury yield rose to approximately 4.56% from 4.49% the previous week. Investment-grade corporate bonds underperformed Treasuries despite strong demand for new issuances, while high-yield bonds faced pressure midweek due to rising inflation concerns linked to higher energy prices before stabilizing toward the end of the week.

Europe

Europe's equity markets ended the week lower, with the STOXX Europe 600 Index declining 1.79% as renewed geopolitical tensions between the U.S. and Iran weighed on investor sentiment. Concerns over the potential inflationary impact of higher energy prices led markets to increase expectations for further European Central Bank policy tightening. Major regional indexes also posted losses, with Germany's DAX (-2.76%), France's CAC 40 (-1.99%), Italy's FTSE MIB (-0.39%), and the UK's FTSE 100 (-1.70%) all closing lower.

Economic data across Europe presented a mixed picture. Germany's annual inflation eased to 2.3% in June, while exports unexpectedly rose 0.9% in May, supported by stronger shipments to the U.S. In the Netherlands, household consumption grew 1.8% year over year in May, the strongest increase in over a year, driven by higher spending on durable goods. Sweden's economy expanded for a third consecutive month, with GDP rising 0.9% in May, while inflation moderated slightly to 0.7% in June.

In the UK, Andy Burnham secured overwhelming support from Labour MPs to succeed Keir Starmer as party leader, potentially paving the way for him to become Prime Minister later in July. Meanwhile, the UK housing market remained subdued, with the Royal Institution of Chartered Surveyors reporting continued weakness in buyer demand and agreed home sales during June. Although sentiment improved marginally, elevated borrowing costs continued to weigh on housing market activity.

Japan

Japan's equity markets ended the week lower, with the Nikkei 225 Index falling 1.70% and the broader TOPIX Index declining 0.70%. Investor sentiment was pressured by renewed geopolitical tensions in the Middle East, rising oil prices, and profit-taking in technology stocks after recent gains. However, reports that the U.S. and Iran would continue peace negotiations helped improve market sentiment toward the end of the week and limited further losses. Meanwhile, the 10-year Japanese government bond yield ended largely unchanged at around 2.78%, while the yen strengthened after comments supporting greater domestic investment by pension funds.

Economic data pointed to persistent inflationary pressures alongside moderating income growth. Producer prices rose 7.1% year over year in June, driven by higher fuel and metals costs as businesses passed on rising input prices. At the same time, nominal wage growth slowed to 3.2%, while real wage growth eased as inflation reduced purchasing power gains. Household spending fell 0.4% year over year in May, although the decline was smaller than expected, indicating that consumer demand remained relatively resilient despite ongoing inflationary pressures.

China

China's equity markets delivered mixed performance during the week, with mainland indexes declining while Hong Kong outperformed. The CSI 300 and Shanghai Composite fell as profit-taking in semiconductor stocks offset earlier gains driven by optimism around AI and technology self-sufficiency. In contrast, the Hang Seng Index rose strongly, supported by gains in large internet, healthcare, and materials stocks.

Economic data showed consumer inflation remained subdued, reflecting weak domestic demand, while producer prices accelerated due to higher commodity and upstream industrial costs. Meanwhile, the People's Bank of China reiterated its commitment to an accommodative monetary policy, emphasizing support for domestic demand, technology innovation, and small businesses without announcing broad-based stimulus measures.

Major Developments in Domestic Markets

1. Australia and India signed a deal for Australian uranium exports to support India's target of 100 GW of nuclear energy capacity by 2047, while expanding cooperation in renewables, critical minerals and green hydrogen.
2. ONGC will build a 1.75 million metric ton (about 13 million barrels) strategic petroleum reserve in Mangalore after the Strait of Hormuz disruption exposed risks to India, the world's third-largest oil importer, through which about 20% of global energy supplies transit.
3. India's equity mutual funds saw inflows jump 26.5% month-on-month in June, extending the record net inflow streak to 5 years and 4 months amid easing Middle East tensions and a stabilising rupee.
4. India's consumer inflation likely rose above the RBI's 4% medium-term target in June for the first time in 16 months, driven by higher food and fuel prices, the U.S.-Iran conflict and a weak monsoon.
5. India has scrapped 7.5% and 5% import duties on select components used in mobile phones and electronics, benefiting manufacturers such as Apple and Xiaomi.
6. Indian exporters booked a record $46.3 billion in forex hedges in June, up 45% year-on-year and 46% from May, while importers bought nearly $74 billion of protection, up 55% year-on-year and 5% month-on-month.
7. India expects peak power demand to rise from a record 271 GW to 276–280 GW this year and nearly 300 GW in 2027, prompting calls to accelerate domestic clean-energy supply chains.
8. TCS reported 13.9% YoY revenue growth and a 5% rise in net profit, declared an interim dividend of ₹12 per share, with AI driving growth despite margin pressure from wage hikes and AI investments.
9. India and Japan agreed to deepen cooperation in artificial intelligence, energy, defence and critical minerals, strengthening long-term investment and technology collaboration between the two countries.
10. Battery storage tariffs in India are expected to rise as high input costs make low-priced projects increasingly difficult for developers to sustain.

Ajcon Global's observations and view:

Short term view:

1. Markets are expected to witness earnings-led, stock-specific movements as the Q1 FY27 reporting season gathers pace. Management commentary on demand trends, margin outlook and growth guidance will be closely tracked, while Reliance Industries' results on July 17 could have a meaningful impact on broader market sentiment.

2. Apart from corporate earnings, investors will monitor June CPI inflation data, progress on the India–US trade agreement ahead of the July 24 tariff deadline and ongoing geopolitical tensions in the Middle East. Any escalation in geopolitical conflicts leading to higher crude oil prices, inflation surprises, or adverse trade-related developments could elevate market volatility, while favourable outcomes may support investor sentiment and foreign fund 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 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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