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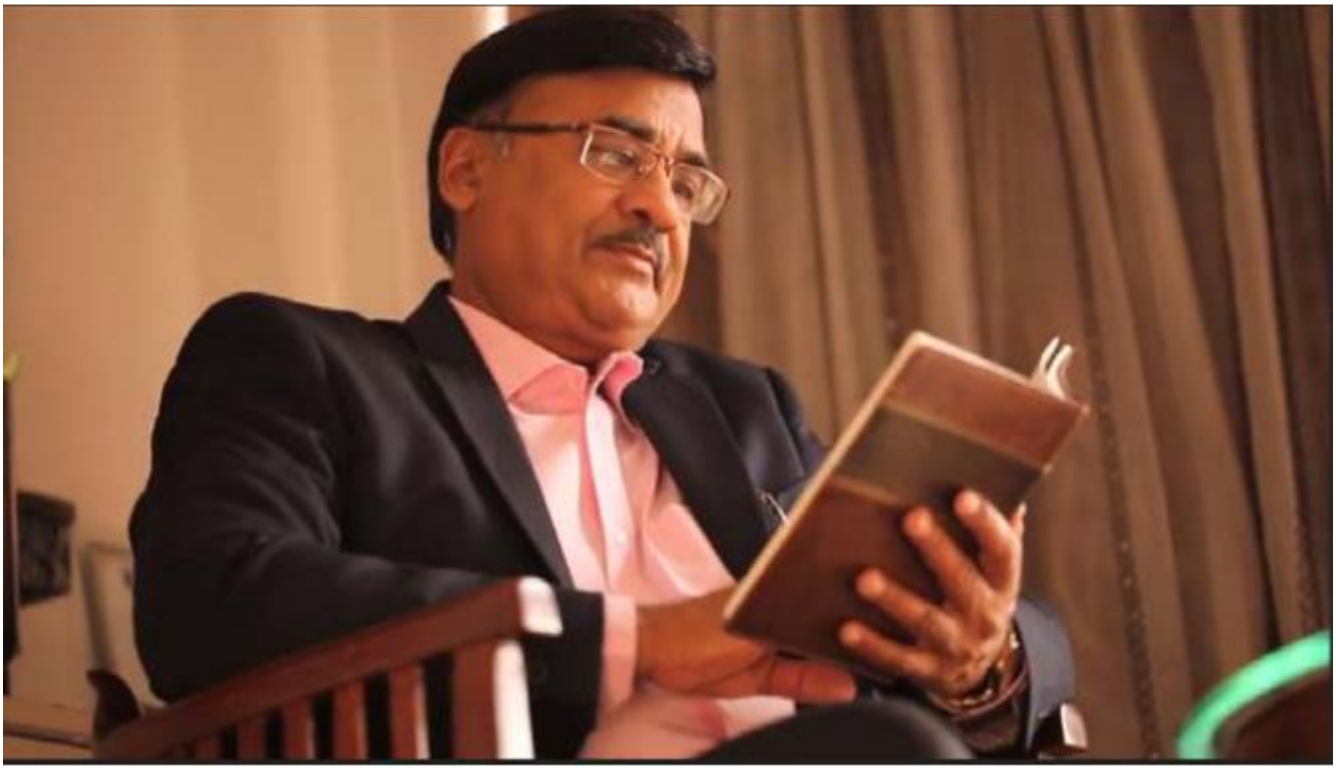

CA (Dr.) Ashok Ajmera's Weekly Column as on Aug 15th, 2026

"Indian equities ended the week on a cautious note as heightened geopolitical tensions weighed on investor sentiment"

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equities ended the week on a cautious note, with the Nifty 50 declining 0.8% to 24,366 and the Sensex easing 0.6% to 78,009, breaking a two-week winning streak as rising crude prices and heightened geopolitical uncertainty weighed on risk appetite. The rupee remained under pressure around ₹95.4/$, with elevated oil prices, foreign outflows and geopolitical risks offsetting support from RBI intervention. Brent crude gained around 4–5% on the week to trade near $87/bbl, as stalled US-Iran negotiations and the prospect of an extended US naval blockade of Iran revived concerns over supply disruptions and kept a geopolitical premium embedded in oil prices.

The top gainers in the Nifty 50 index were Bharat Elec (up 2.44%), Dr Reddy's Lab (up 2.39%), Titan Company (up 2.33%), Bharti Airtel (up 1.64%) and Eternal (up 1.11%). The major losers in the Nifty 50 index were Max Healthcare (down 5.74%), Ultra Tech Cement (down 4.0%), TCS (down 3.74%), TMPV (down 3.60%) and SBI Life Insurance (down 3.26%).

FII and DII activity

In the week gone by, FIIs were net buyers of Rs. 1,228.24 Crores and DIIs were net buyers of Rs. 9,285.63 Crores. In the previous week FIIs were net buyers of Rs. 2,887.69 Crores and DIIs were net buyers of Rs. 5,387.66 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 Media, up by 2.26% and worst performing sector was Nifty Metal, down by 1.88% in the week.

Global Market and Major Developments

US

Major US stock indexes finished the week mixed, with investors weighing easing concerns about inflation and Federal Reserve policy, as well as some positive artificial intelligence (AI)-related earnings news, against rising oil prices, continued uncertainty around the Strait of Hormuz, and weaker-than-expected consumer data.

Particulars	Close (14/08/2026: Friday)	Open (10/08/2026: Monday)	Previous Close (07/08/2026 Friday)	Change (%)
Nifty 50	24,366.00	24,581.25	24,570.65	-0.83
Sensex	78,009.25	78,501.59	78,499.17	-0.62
Nifty Midcap 100	63,782.15	63,628.50	63,463.55	0.50
Nifty Small cap 100	19,738.55	19,840.70	19,867.80	-0.65
		Sectoral Indices		
Nifty Bank	57,491.10	57,812.30	57,746.45	-0.44
Nifty Auto	29,207.90	29,696.15	29,647.90	-1.48
Nifty IT	31,357.75	31,611.55	31,547.70	-0.60
Nifty PSU Bank	8,738.80	8,818.10	8,786.20	-0.54
Nifty Fin Services	26,213.65	26,489.15	26,466.00	-0.95
Nifty Pharma	26,445.55	26,588.25	26,541.80	-0.36
Nifty FMCG	48,615.05	49,421.75	49,435.20	-1.66
Nifty Metal	12,941.70	13,220.45	13,189.85	-1.88
Nifty Realty	895.65	887.35	885.95	1.09
Nifty Media	1,590.10	1,565.95	1,554.95	2.26
Nifty Energy	38,554.20	38,844.80	38,749.85	-0.50
Nifty Private Bank	27,247.25	27,374.80	27,392.35	-0.53
Nifty Infra	9,419.10	9,498.45	9,504.15	-0.89
Nifty Commodities	9,822.75	9,996.75	9,991.65	-1.69
Nifty Consumption	12,142.85	12,196.50	12,197.35	-0.45
Nifty PSE	9,844.95	9,921.00	9,922.35	-0.78
Nifty Serv. Sector	31,128.25	31,299.70	31,265.20	-0.44
Nifty Healthcare	16,505.30	16,733.70	16,708.90	-1.22
Nifty Oil & Gas	11,200.05	11,313.60	11,312.20	-0.99
Nifty INDIA MFG	16,545.30	16,680.00	16,662.45	-0.70
		US Indices		
Dow Jones	53,737.38	54,078.41	54,042.39	-0.56
S&P 500	7,785.76	7,751.74	7,757.64	0.36
NASDAQ 100	30,046.14	29,709.49	29,722.30	1.09
		Commodities		
Gold (in Rs./ 10 gram)	1,54,506	1,51,793	1,51,820	1.77
Brent Crude oil	88.81	83.70	82.37	7.82

Inflation data were a major focus during the week. On Wednesday, the Bureau of Labor Statistics (BLS) reported that its consumer price index (CPI) rose 0.1% in July and 3.4% over the prior 12 months, in line with consensus estimates. Core CPI which excludes food and energy costs increased 0.2% month over month and 2.5% year over year, also in line with estimates. July marked the second consecutive month in which both headline and core CPI inflation eased on a year-over-year basis, with both measures declining 0.1 percentage point from June.

Data from the Census Bureau showed that U.S. retail sales fell 0.6% month over month in July, missing estimates for a 0.1% increase and down from June's 0.2% rise. This was the largest monthly drop since May 2025. Control group sales—which exclude several categories and feed into the gross domestic product (GDP) calculation—fell 0.4% from the prior month.

Europe

The pan-European STOXX Europe 600 Index ended the week down 0.36% in local currency terms. Investors weighed resilient regional economic data and generally solid corporate earnings against persistent geopolitical uncertainty surrounding the U.S.-Iran conflict and the Strait of Hormuz. Among major stock indexes, Germany's DAX gained 0.46%, France's CAC 40 Index fell 0.9%, and Italy's FTSE MIB declined 0.25%. The UK's FTSE 100 Index dropped 1.39%.

Sector leadership shifted through the week, although energy and other cyclical shares benefited at times from higher oil prices and improving risk appetite, while defensive sectors generally lagged early in the week. European gas and fuel costs rose higher, causing disruption in industrial logistics. Energy market developments remained an important backdrop throughout the week. Oil prices rebounded sharply early in the period as hopes for an agreement to reopen the Strait of Hormuz faded, although energy shares later gave back some of their gains.

The Sentix Economic Index measure of Eurozone investor confidence returned to positive territory in August and posted its fourth consecutive monthly increase, adding to evidence that the regional economy has remained relatively resilient despite elevated energy prices and the conflict in the Middle East.

Japan

Japan's stock markets registered substantial gains over the week, with the Nikkei 225 rising 4.74% and the broader TOPIX Index up 3.00%. Strong technology earnings, led by memory companies, were a key driver of market momentum. Japan's export-oriented industries were boosted by the yen's retreat, which weakened to around JPY 159 against the US dollar from about JPY 157.9 at the end of the previous week, despite authorities' recent currency interventions. Bank shares benefited from reports signaling that an interest rate hike by the Bank of Japan (BoJ) could be imminent. The yield on the 10-year Japanese government bond rose to 2.87% from the prior week's 2.79%, as oil price volatility exacerbated inflation concerns and added to the case for further BoJ policy tightening.

Among the week's economic data releases, Japan's corporate goods price index rose 7.2% year over year in July, below estimates for 7.4% and June's revised 7.3%. While July's reading pointed to a minor cooling in cost pressures, it still showed producer prices rising near the fastest pace in over three years.

China

China equities were choppy but ultimately ended the week lower, with Hong Kong shares underperforming. In the mainland, the Shanghai Composite Index edged lower by 0.33%, while the CSI 300 Index fell by 0.61% in local currency terms, according to FactSet. Markets started the week well, led by strength from the consumer and property segments, but the momentum faded amid losses for precious metals stocks. That said, optical component companies fared well on the back of strong forecasts from US AI firms. Meanwhile, Hong Kong's Hang Seng Index dropped 2.15%, driven by weakness from internet heavyweights and mixed corporate earnings updates.
China's consumer and producer inflation softened by more than expected in July as the impact of the oil price shock triggered by the U.S.-Iran war appeared to recede. The CPI rose 0.5% from a year earlier in July, declining from 1% in June and falling to a six-month low. According to the National Bureau of Statistics, the deceleration was primarily driven by slowing gasoline fuel price increases, while food prices also weakened. Core consumer inflation, which strips out both food and energy costs, also edged lower to 0.9%.

Major Developments in Domestic Markets

1. India's Russian crude oil imports hit a record 50.83% of total imports in July, at 2.47 million barrels per day (bpd)—up 62.4% year-on-year but down 4.8% from June.
2. India's banking system deposits surged by ₹11 trillion ($115.25 billion) over three fortnights to July 31, hitting a record ₹269.4 trillion, driven mainly by dollar inflows under the RBI's FCNR scheme.
3. China will continue anti-dumping duties on Indian single-mode optical fibre imports for another 5 years, with rates unchanged at 7.4%–30.6% depending on the exporter.
4. India's edible oil imports jumped 33.3% to 1.48 million tonnes in July, a 10-month high, driven by refiners stocking up ahead of the festival season, with palm oil imports up 50% to 730,965 tonnes.
5. India's merchandise trade deficit widened to a six-month high of $31.98 billion in July, as imports rose to $76.22 billion while goods exports hit a record $44.24 billion, amid higher oil prices and rising electronics and gold imports.
6. India's retail inflation rose to 4.45% year-on-year in July, from 4.38% in June, driven mainly by higher food prices, but remained within the RBI's 2%-6% tolerance band.
7. India's passenger vehicle sales hit a record 457,810 units in July, up 34% year-on-year, while two-wheeler sales rose 23% and three-wheeler volumes increased 33%, supported by improved affordability and strong CNG demand.
8. BRICS nations are discussing linking their fast payment systems and central bank digital currencies (CBDCs) to reduce cross-border payment costs, RBI Governor Sanjay Malhotra said, with the proposal still at the discussion stage.
9. Sebi proposed a mandatory six-level, colour-coded Credit Risk-o-Meter for debt securities to simplify credit-risk assessment, with issuers and online bond platforms required to display it and public feedback on the proposal expected by September 3.
10. India's wholesale inflation rose 9.78% year-on-year in July, easing slightly from 9.87% in June and below the 9.95% Reuters economists' forecast, mainly due to lower energy inflation.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are likely to remain range-bound with a cautious bias in the near term, as elevated crude oil prices and persistent uncertainty around the US–Iran conflict continue to weigh on risk appetite. Brent crude's recent rise to around $87/bbl has renewed concerns over inflation, corporate margins and India's external balances, limiting the scope for a sustained market rally. With the quarterly earnings season largely ahead of expectations, the positive earnings backdrop should provide some downside support.

2. However, the near-term market direction is likely to remain highly event-driven, with crude prices and geopolitical developments being the key swing factors. Any meaningful progress in U.S.–Iran peace talks could ease oil prices and trigger a relief rally, while further escalation or prolonged supply disruptions could increase volatility. Overall, investors are likely to remain selective, with markets unlikely to see a clear unidirectional move until there is greater clarity on the geopolitical and crude oil outlook.

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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