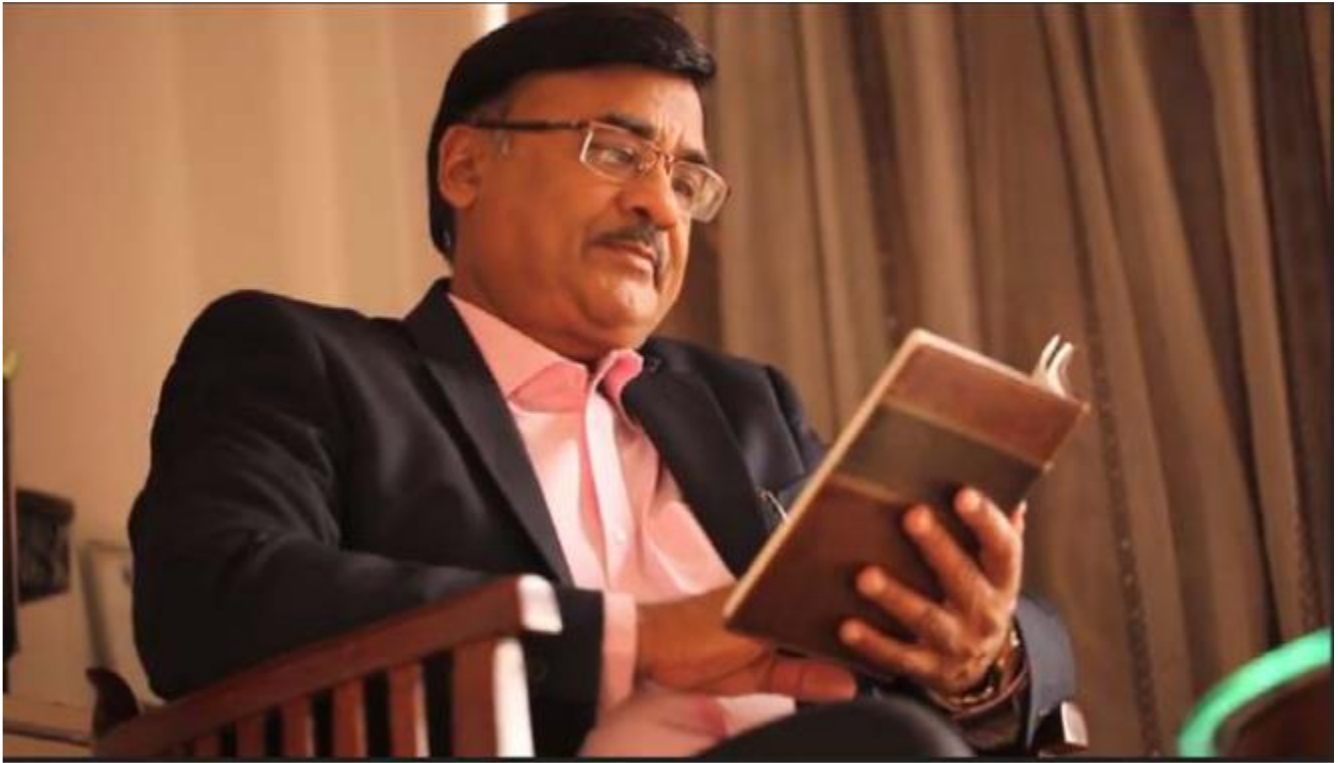




CA (Dr.) Ashok Ajmera's Weekly Column as on October 17th, 2026

" Indian Equities Rally on IT Gains, Rupee Strengthens"



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equity markets ended the week on a strong note on October 16, 2026, posting their best weekly performance in six months, supported by strong IT earnings, value buying and improved investor sentiment. The Nifty 50 rose 2.8% to 23,146.15, while the Sensex gained 3.1% to 74,729.27. The Nifty IT index surged 11.7%, its biggest weekly gain in 18 years. The rupee strengthened around 2% to ₹94.96 per US dollar, its best weekly performance in seven months, aided by RBI measures to curb dollar demand. However, elevated Brent crude prices near \$106 per barrel and inflation concerns remained key headwinds, with investors eyeing major bank earnings and the \$3.2 billion Jio Platforms IPO scheduled for October 21.

The top gainers in the Nifty 50 index were Tech Mahindra (up 19.64%), HCL (up 17.26%), TCS (up 14.33%), Infosys (up 13.46%) and Bajaj Auto (up 6.41%). The major losers in the Nifty 50 index were Nestle (down 5.06%), Max Healthcare (down 3.14%), Indigo (down 2.62%), L&T (down 2.06%) and SBI Life Ins. (down 1.53%).

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 8,990.50 Crores and DIIs were net buyers of Rs. 7,812.81 Crores. In the previous week FIIs were net sellers of Rs. 30,294.29 Crores and DIIs were net buyers of Rs. 30,313.48 Crores. In the month of September 2026, FIIs were net sellers of equities worth Rs. 44,012.82 Crores and DIIs were net buyers of equities worth Rs. 76,030.84 Crores.

Sector Movement

The Outperforming sector in the week was Nifty IT, up by 11.72% and worst performing sector was Nifty Healthcare, down by 1.08% in the week.

Global Market and Major Developments

US

US stock markets ended the week mostly lower as a sharp sell-off in artificial intelligence (AI)-related stocks, higher-than-expected inflation, and the beginning of third-quarter earnings season influenced investor sentiment. The Nasdaq Composite declined 4.48%, while the Russell 2000 fell 3.05%. In contrast, the Dow Jones Industrial Average gained 0.67%, reflecting a shift toward value-oriented and defensive stocks. The Russell 1000 Value Index outperformed its growth counterpart by more than 5.50 percentage points. Concerns over AI investment sustainability, high valuations, financing requirements, and uncertain returns pressured semiconductor and memory stocks. Meanwhile, escalating Middle East tensions supported oil prices and boosted the energy sector.

Inflation data remained a major concern, as the Consumer Price Index (CPI) rose 3.7% year over year in September, exceeding expectations of 3.6% and August's 3.4% increase. Core CPI accelerated to 2.6% from 2.4%, while gasoline prices surged 9.1% month over month. The Producer Price Index (PPI) increased 6.3% annually, above forecasts of 5.4% and marking its largest rise since December 2022. Retail sales increased 0.8% in September, although higher gasoline receipts contributed significantly, while control group sales rose only 0.1%. Labor market conditions remained relatively stable, with initial jobless claims at 199,000 for the fifth consecutive week below 200,000.

Despite hotter-than-expected inflation, US Treasury bonds advanced as investors sought safer assets amid weakness in technology stocks. The 10-year Treasury yield declined to approximately 5.09% from 5.24% the previous week, as bond prices rose. Investment-grade corporate bonds also gained, outperforming Treasuries during most of the week, while high-yield bonds experienced increased selling pressure following the inflation report.

Particulars	Close (12/10/2026: Friday)	Open (16/10/2026: Monday)	Previous Close (09/10/2026 Friday)	Change (%)
Nifty 50	23,146.15	22,532.40	22,520.45	2.78
Sensex	74,729.27	72,340.95	72,472.33	3.11
Nifty Midcap 100	59,129.75	59,001.65	58,787.30	0.58
Nifty Small cap 100	19,129.80	19,154.85	19,153.70	-0.12
Sectoral Indices				
Nifty Bank	55,844.00	54,840.65	55,256.65	1.06
Nifty Auto	25,768.50	25,412.20	24,859.90	3.65
Nifty IT	31,924.10	28,656.20	28,574.90	11.72
Nifty PSU Bank	8,094.95	8,003.05	8,126.35	-0.39
Nifty Fin Services	25,387.10	24,736.05	24,968.50	1.68
Nifty Pharma	25,781.65	26,263.95	25,962.05	-0.69
Nifty FMCG	44,616.15	44,070.30	44,864.25	-0.55
Nifty Metal	12,133.20	12,532.50	12,000.75	1.10
Nifty Realty	825.95	834.45	803.95	2.74
Nifty Media	1,648.25	1,557.80	1,553.30	6.11
Nifty Energy	36,190.85	36,565.15	35,786.50	1.13
Nifty Private Bank	27,700.55	26,859.55	27,222.55	1.76
Nifty Infra	8,725.60	8,629.70	8,574.45	1.76
Nifty Commodities	9,099.50	9,166.20	8,923.40	1.97
Nifty Consumption	11,054.65	10,866.45	10,903.45	1.39
Nifty PSE	9,247.30	9,240.90	9,077.75	1.87
Nifty Serv. Sector	30,481.85	29,099.95	29,090.70	4.78
Nifty Healthcare	15,683.55	16,028.65	15,855.55	-1.08
Nifty Oil & Gas	10,556.75	10,505.15	10,345.30	2.04
Nifty INDIA MFG	15,174.10	15,228.30	14,953.05	1.48
US Indices				
Dow Jones	52,007.21	51,770.18	51,660.18	0.67
S&P 500	7,659.44	7,813.04	7,811.54	-1.15
NASDAQ 100	29,187.55	30,796.04	30,883.15	-5.49
Commodities				
Gold (in Rs./ 10 gram)	1,47,918	1,51,596	1,51,499	-2.36
Brent Crude oil	109.94	104.95	104.53	5.18

Europe

European stock markets ended higher, with the STOXX Europe 600 rising 2.09%, the UK's FTSE 100 gaining 3.13%, Germany's DAX advancing 2.13%, and France's CAC 40 increasing 1.97%. Italy's FTSE MIB edged up 0.22% as investors focused on corporate earnings and geopolitical developments. Rising Middle East tensions, attacks on Saudi infrastructure, and shipping disruptions near the Strait of Hormuz kept energy prices elevated.

Concerns over AI infrastructure financing, company revenues, and investment returns triggered selling in European semiconductor stocks. However, technology shares recovered toward the end of the week, while corporate earnings remained mixed. Disappointing luxury-sector results and high expectations limited the positive market reaction to otherwise solid semiconductor earnings.

Spain's annual inflation stood at 4.9%, while France's inflation rate was revised upward to 3.1%, partly due to higher energy costs. Eurozone industrial production fell 0.5% in August, marking its third consecutive monthly decline. In contrast, UK GDP grew 0.1% in August, exceeding expectations of a contraction. UK manufacturing and industrial production rose 1.2% and 0.8%, respectively, while the monthly trade deficit narrowed.

Japan

Japanese stock markets declined during the holiday-shortened week, with the Nikkei 225 falling 5.37% and TOPIX declining 0.95%. Weakness in AI and semiconductor stocks, higher-than-expected US inflation, and concerns over AI investment financing weighed on investor sentiment. Elevated oil prices and Middle East tensions further increased market uncertainty. The 10-year Japanese government bond yield fell to 2.94% from 3.01%, reaching a five-week low amid demand for safe-haven assets. The Bank of Japan signalled concerns about inflation risks, while investors expected rates to remain unchanged at its October meeting.

The yen remained broadly stable around JPY 158 per US dollar as investors assessed future interest rate decisions in Japan and the United States. Japan's corporate goods prices rose 6.8% year over year in September, below expectations and down from 7.6% in August. Despite moderating producer price pressures, inflation remained elevated. Core machinery orders increased 5.2% month over month in August, exceeding expectations and reversing July's 3.7% decline. Overall, market sentiment remained cautious amid global uncertainty, inflation concerns, and expectations of further Bank of Japan monetary tightening.

China

Chinese equities declined over the week, with the CSI 300 falling 3.40%, the Shanghai Composite dropping 2.56%, and the Hang Seng Index edging down 0.10%, mainly due to selling in AI and semiconductor stocks. Investor concerns over AI investment returns, higher US inflation, and mutual fund redemptions weighed on market sentiment, while financial stocks performed relatively better. China's Producer Price Index (PPI) rose 5.0% year over year in September, up from 3.8% in August, while consumer inflation edged up to 0.9%. Exports surged 36.3% year over year in September, exceeding expectations and accelerating from August's 25.0% growth. Imports increased 31.0%, pushing the trade surplus to a record USD 133.5 billion. Strong global demand for semiconductors and data-processing equipment supported export growth despite ongoing market uncertainties.

Major Developments in Domestic Markets

1. India has directed oil marketing companies to eliminate sugar diversion for ethanol production in 2026/27, excluding ethanol made from sugarcane juice, sugar syrup and B-heavy molasses from their latest tender.
2. SEBI will introduce a revised 3:30 pm–3:40 pm closing auction session for the equity cash market from December 2026, with phased order entry, updated derivatives settlement price calculations, and new rules for unexecuted orders while preserving time-priority distinctions.
3. S&P Global Ratings said the Supreme Court's decision to reinstate Yes Bank's ₹8,415-crore AT1 bonds, previously written off during its 2020 rescue, is unlikely to affect the bank's credit ratings but could pressure earnings and reduce its core capital ratio by around 250 basis points.
4. India's merchandise trade deficit widened to \$30.21 billion in September 2026 from \$26.86 billion in August as imports rose to \$74.61 billion, outpacing exports of \$44.40 billion, despite strong year-on-year export growth.
5. India's unemployment rate for people aged 15 and above remained unchanged at 5% in September 2026, below the 5.2% forecast in a Reuters poll, according to government data.
6. India's insurance regulator IRDAI will ensure a smooth transition to proposed rules capping insurance commissions and tightening expense limits to reduce policy costs and curb mis-selling, with the new norms potentially taking effect in January or April 2027.
7. The Reserve Bank of India clarified its new forex hedging curbs, specifying that the 20% Foreign Exchange Risk Reserve applies to eligible rupee-linked derivatives exceeding \$2 million for current-account hedging, while exempting certain transactions to ease market confusion.
8. India's wholesale inflation surged to 11.39% year-on-year in September 2026 from 9.92% in August, exceeding market expectations of 10.18%, driven by a sharp rise in fuel, food and manufactured goods prices amid higher global oil costs.
9. India's services exports declined 0.87% year-on-year to \$36.35 billion in September 2026, as rising AI adoption, weaker overseas demand and global trade disruptions weighed on the sector, despite nearly 9% growth in exports during the first half of FY2026–27, according to GTRI.
10. Several major Indian mutual funds, including HDFC, Kotak Mahindra and UTI, have suspended bulk subscriptions to gold ETFs ahead of the festive season, reportedly following discussions with SEBI amid concerns over rising gold imports and pressure on the rupee, while redemptions remain unaffected.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are likely to maintain a cautiously positive bias next week, with the Q2 results of major private-sector banks, including HDFC Bank, ICICI Bank and Axis Bank, setting the tone for financial stocks. Investors will closely track earnings performance and management commentary for cues on loan growth, net interest margins, deposit mobilisation and asset quality. The Jio Platforms IPO, opening on October 21, will also remain in focus, with subscription demand and potential liquidity implications shaping near-term sentiment. The broader Q2 earnings trend and foreign investor flows will remain key determinants of market direction, while any earnings disappointment against elevated expectations could trigger profit-booking.
2. Global cues are expected to remain mixed, as concerns over stretched AI valuations and the sustainability of technology spending, persistent inflationary pressures and fluctuations in US Treasury yields continue to influence investor sentiment. Developments in the global tech sector and shifts in risk appetite will remain key factors shaping market direction.
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 high domestic consumption leading to higher GDP estimates, still manageable inflation, pro-active RBI policies including the recent removal of interest rate ceilings on fresh and renewed FCNR(B) and NRE deposits amassing over 136 billion USD, supporting the rupee & managing the high oil crisis well. The continued correction, has given the opportunity to accumulate many of the fundamentally good stocks from medium term point of view as we believe that any adversity brings with it a greater opportunity, which has been proved right, 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.

Disclaimer

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provides any assurance of returns to investors.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations, 2014.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking Company. It may therefore have commercial relationship for the above said services with the Company covered in this Report. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited. While we would endeavor to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

It is confirmed that CA (Dr.) Ashok Ajmera or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, CA (Dr.) Ashok Ajmera, research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

For research related queries,

Contact: Divya Makwana - Research Analyst at - research@ajcon.net

Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062