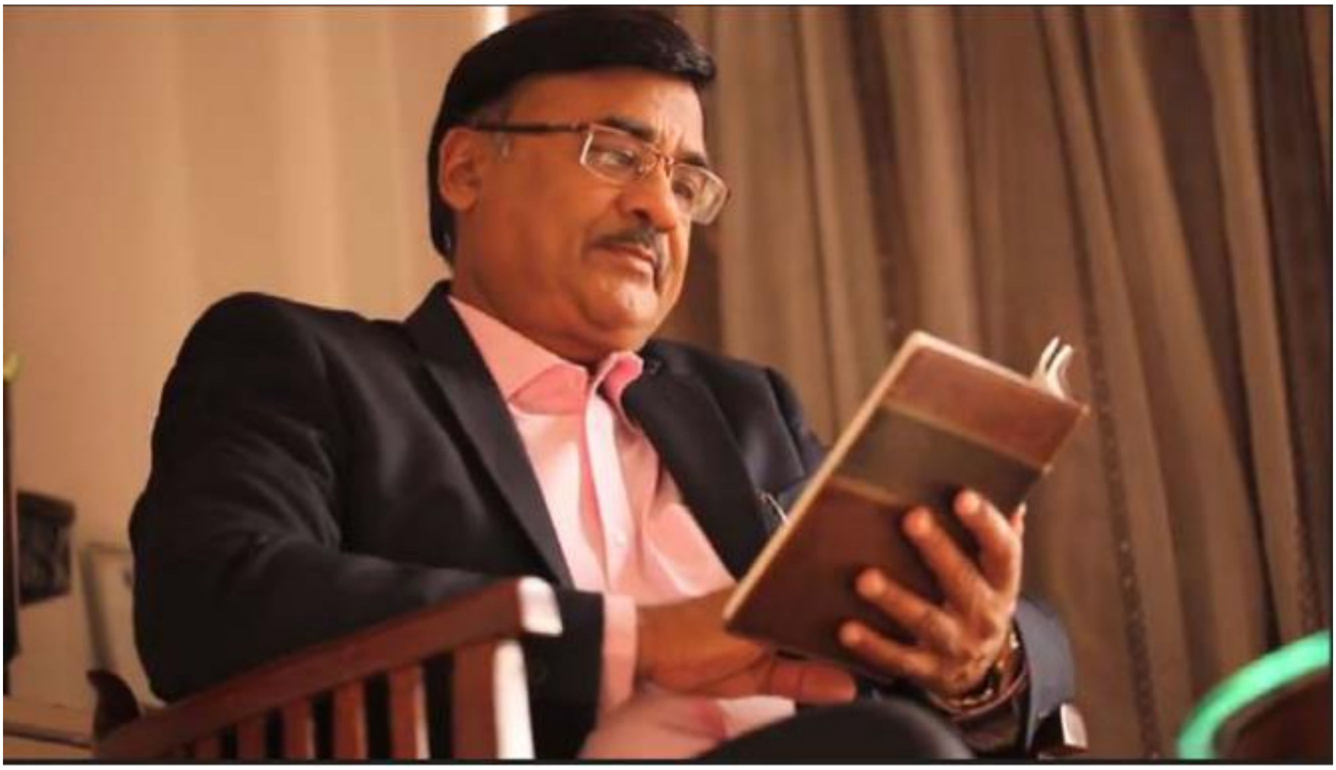

CA (Dr.) Ashok Ajmera's Weekly Column as on August 22nd, 2026

"Indian Equities Slip as Crude oil Surge and Rising Bond Yields Weigh on Sentiment"

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equities ended largely posted weekly losses, as elevated crude oil prices and rising global bond yields kept investors cautious. The Nifty and Sensex declined 0.5% and 0.6%, respectively, over the week, as the escalating Middle East conflict pushed crude prices higher, reinforcing inflation concerns and driving global bond yields upward. Higher bond yields could increase borrowing costs and reduce the attractiveness of emerging-market equities, potentially weighing on foreign portfolio flows. Meanwhile, IT stocks declined 2.6%, pressured by concerns over rising US inflation, given the sector's significant exposure to the US market. Overall, market sentiment remained subdued amid persistent geopolitical and macroeconomic uncertainties.

The top gainers in the Nifty 50 index were HDFC Life (up 2.44%), Eternal (up 2.39%), Kotak Mahindra (up 2.33%), Power Grid Corp (up 1.64%) and Axis Bank (up 1.11%). The major losers in the Nifty 50 index were TMPV (down 4.96%), HCL Tech (down 4.23%), Infosys (down 4.12%), Interglobe Avi (down 3.77%) and ITC (down 3.16%).

FII and DII activity

In the week gone by, FIIs were net buyers of Rs. 1,601.65 Crores and DIIs were net buyers of Rs. 17,316.34 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 Metal, up by 1.78% and worst performing sector was Nifty IT, down by 2.63% in the week.

Particulars	Close (21/08/2026: Friday)	Open (17/08/2026: Monday)	Previous Close (14/08/2026 Friday)	Change (%)
Nifty 50	24,252.00	24,343.45	24,366.00	-0.47
Sensex	77,540.83	77,892.92	78,009.25	-0.60
Nifty Midcap 100	63,735.75	63,723.10	63,782.15	-0.07
Nifty Small cap 100	19,977.75	19,757.30	19,738.55	1.21
		Sectoral Indices		
Nifty Bank	57,761.95	57,418.30	57,491.10	0.47
Nifty Auto	29,124.60	29,199.25	29,207.90	-0.29
Nifty IT	30,532.25	31,242.40	31,357.75	-2.63
Nifty PSU Bank	8,620.00	8,714.75	8,738.80	-1.36
Nifty Fin Services	26,261.00	26,148.65	26,213.65	0.18
Nifty Pharma	26,359.75	26,528.00	26,445.55	-0.32
Nifty FMCG	47,510.95	48,611.65	48,615.05	-2.27
Nifty Metal	13,172.60	12,947.20	12,941.70	1.78
Nifty Realty	911.60	896.50	895.65	1.78
Nifty Media	1,612.70	1,591.75	1,590.10	1.42
Nifty Energy	38,252.20	38,602.65	38,554.20	-0.78
Nifty Private Bank	27,590.65	27,227.30	27,247.25	1.26
Nifty Infra	9,362.95	9,409.05	9,419.10	-0.60
Nifty Commodities	9,804.60	9,823.95	9,822.75	-0.18
Nifty Consumption	12,018.85	12,132.20	12,142.85	-1.02
Nifty PSE	9,788.30	9,849.10	9,844.95	-0.58
Nifty Serv. Sector	30,936.50	31,055.50	31,128.25	-0.62
Nifty Healthcare	16,423.90	16,543.75	16,505.30	-0.49
Nifty Oil & Gas	11,182.75	11,212.25	11,200.05	-0.15
Nifty INDIA MFG	16,474.35	16,560.25	16,545.30	-0.43
		US Indices		
Dow Jones	53,282.32	53,668.37	54,042.39	-0.85
S&P 500	7,674.37	7,790.68	7,757.64	-1.43
NASDAQ 100	29,308.86	30,150.77	29,722.30	-2.45
		Commodities		
Gold (in Rs./ 10 gram)	1,62,438	1,56,155	1,51,820	5.13
Brent Crude oil	93.59	88.89	82.37	5.38

Global Market and Major Developments

US

Major US market indexes closed the week lower as raised Treasury yields, renewed US-Iran tensions, higher oil prices, and weakness in semiconductor and artificial intelligence (AI)-related stocks all weighed on investor confidence. Mixed takeaways from numerous retail earnings reports looked to add to the week's cautious tone. The S&P MidCap 400 Index dropped 2.46%, while the Nasdaq Composite and Russell 2000 Index fell 2.05% and 1.65%, respectively. The Dow Jones Industrial Average fared best, declining 0.85%.

Data released Friday morning indicated that US business activity accelerated sharply in August. The S&P Global Flash Composite Purchasing Managers' Index (PMI) rose to 56.0 from 54.5 in July, its highest level since April 2022. Strength was concentrated in services, where the PMI jumped to 56.8 from 54.6, while the manufacturing PMI eased to 53.2 from 53.9.

Several reports on the housing market highlighted ongoing weakness in the sector. The National Association of Realtors reported that pending home sales dropped 2.3% from the prior month in July, falling to the lowest level since January, while Census Bureau data showed that housing starts declined more than 12% from June to a seasonally adjusted annual rate of 1.239 million.

Europe

The pan-European STOXX Europe 600 Index ended the week down 0.56% in local currency terms. Investors were unnerved by the sell-off in global government bonds, inflationary pressures, and uncertainty about whether the U.S. and Iran can reach a lasting peace agreement.

Among major stock indexes, Germany's DAX closed 1.15% lower, France's CAC 40 Index fell 1.76%, and Italy's FTSE MIB declined 1.71%. The UK's FTSE 100 Index bucked the downward trend, climbing 0.62%.

The August reading of the eurozone flash composite PMI was 52.1, higher than both expectations and the 52 recorded in July. New orders in the eurozone increased, and export demand returned to growth for the first time in four and a half years.

The S&P Global Flash Composite PMI fell to 51.0 in August from 51.3 the previous month but remained in expansionary territory. The manufacturing sector showed signs that it has regained momentum, with the output index hitting a 55-month high. Services activity contracted for the fifth consecutive month. The ZEW Indicator of Economic Sentiment for Germany, which tracks investor expectations, climbed to 34.2 in August from 26.3 in July. Investor confidence improved on the back of corporate earnings, government infrastructure spending, and exports remaining fairly resilient.

Japan

Japan's stock markets declined sharply over the week, as renewed Middle East uncertainty, higher oil prices, and rising bond yields prompted a broader risk-off move, with technology and semiconductor stocks particularly weak. The Nikkei 225 Index fell 3.93%, while the broader TOPIX Index was down 3.10%. The yen fluctuated around the JPY 159 level against the U.S. dollar over the week and remained historically weak, with expectations for further Bank of Japan (BoJ) policy tightening balanced against elevated oil prices and the wide U.S.-Japan interest rate differential.

Japan's economic growth unexpectedly slowed in the second quarter, with GDP expanding 1.1% on an annualized basis, short of consensus expectations for 2.0% growth and down from a revised 1.9% in the first three months of the year. The main drag came from capital expenditure, while private consumption was also weaker than expected, likely reflecting consumers' reluctance to spend in an environment of rising living costs. Robust exports helped offset some of this domestic weakness.

China

China equities diverged over the week, with Hong Kong-listed shares outperforming mainland benchmarks. Mounting worries about faltering economic momentum weighed on sentiment in the mainland as July data showed a broad slowdown in economic activity. The Shanghai Composite Index fell 0.56% while the CSI 300 Index slid 1.01% in local currency terms, according to FactSet. Notably, semiconductor and robotics names pulled back in tandem with other chip stocks globally, despite some positive earnings updates and the stellar performance of humanoid robotics company Unitree Robotics following its stock market debut. In contrast, Hong Kong's Hang Seng Index advanced 3.55%, led by strength from health care stocks.

China's economy began the second half of 2026 on a soft note as activity data moderated across the board in July. Industrial output grew 4.5% year over year, lagging expectations and falling from 5.3% in June despite continued resilience in production of high-tech products. Retail sales increased 0.6%, down from 1% in June, reflecting persistently sluggish domestic demand. China's property sector continued to drag on economic activity, with real estate investment shrinking by 19.2% year over year through the first seven months, steepening from the 18% drop over the first half. At the same time, new home prices dipped by 0.1% in July from the prior month, matching June's pace. That said, the rate of declines narrowed modestly on an annual basis.

Major Developments in Domestic Markets

1. India has received 29 foreign direct investment proposals worth 48.95 billion rupees ($511.5 million) under a new automatic route that allows investors from land-bordering countries, including China, to hold non-controlling stakes of up to 10%, the government said on Friday.
2. India's Paras Defence expects export revenue to at least double this fiscal year as the Middle East conflict fuels demand for its defence engineering products, a top executive told Reuters.
3. India's Tata Motors Passenger Vehicles will raise prices of cars and SUVs across its portfolio by up to 25,000 rupees ($261.23) from September 1, the car maker said on Friday, with the extent of the hike varying by model and variant.
4. India's private sector activity edged slightly higher in August from an over four-year low as a rebound in services growth offset the weakest expansion in the factory industry in half a decade, a survey showed.
5. Indian Oil Corp, the country's top refiner, has finalised a deal with Algeria's Sonatrach to import liquefied petroleum gas (LPG) in 2027, three trade sources aware of the matter said.
6. India's infrastructure output expanded 5.4% year-on-year in July, slowing a tad from the previous month, according to the second release under a revised series, as iron ore and electricty output moderated.
7. India is considering offering low-cost loans to renewable energy producers to compensate them for losses they have incurred because inadequate transmission infrastructure limited how much they could supply, four industry sources said.
8. India's unemployment rate for people aged 15 years and above fell to 5.1% in July, matching its lowest level in four months, government data showed on Monday.
9. India said on Monday that it had signed a contract with General Atomics Aeronautical Systems to lease two MQ-9B Sea Guardian high-altitude long-endurance drones for the Indian Navy for a period of 30 months at a cost of 19.43 billion rupees ($203 million).
10. India is considering measures to bolster sugar supplies and rein in record prices, such as limited duty-free imports and curbs on the amount of stocks held by bulk traders, potentially allowing in overseas shipments for the first time in nearly a decade.

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, rising global bond yields and ongoing Middle East tensions continue to weigh on risk appetite. Higher oil prices could reinforce inflationary pressures and increase concerns around India's external balances, while elevated bond yields may raise borrowing costs and limit foreign investor flows into emerging markets. The options market's preference for downside protection also indicates that investors remain cautious about further geopolitical escalation rather than taking a strong directional view.

2. However, the downside could be partly cushioned by improving domestic earnings prospects, particularly in the banking sector. Positive views from global brokerages on lenders, supported by strong liquidity and expectations of improving nominal credit growth, could provide stock-specific support. Overall, markets are likely to remain volatile and selective, with the near-term direction largely dependent on crude oil prices, Middle East developments, global bond yields and 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 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.

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