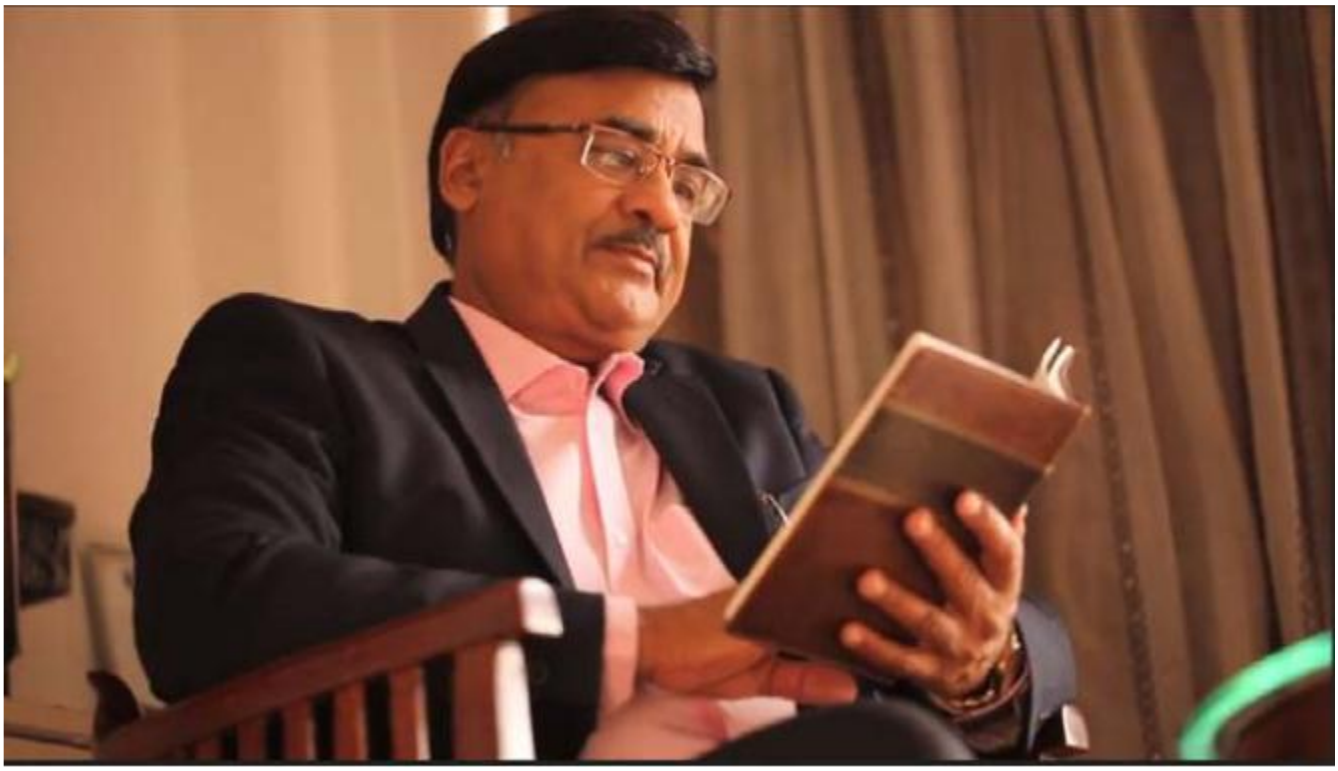
AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS



CA (Dr.) Ashok Ajmera's Weekly Column as on October 24th, 2026

" Indian Markets Slide as Crude Surges and Currency Risks Persist"

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CA (Dr.) Ashok Ajmera's Weekly Column

Indian equity markets ended the week on a weak note, with the Nifty 50 falling 2.4% and the Sensex declining 2.2% over the week, as surging Brent crude prices above $114 per barrel amid Middle East tensions and concerns over energy supply disruptions heightened inflation risks and weighed on corporate earnings prospects. Broader markets underperformed sharply, with small-cap and mid-cap indices plunging 7.3% and 5.6%, respectively, their steepest weekly declines in 20 months. The rupee fell 0.1% to ₹94.93 per dollar on Friday as rising oil prices and dollar demand offset support from Jio Platforms IPO inflows.

The top gainers in the Nifty 50 index were Tech Mahindra (up 8.48%), HCL (up 4.57%), TCS (up 2.64%), Bharti Airtel (up 2.06%) and Ultratech Cement (up 1.31%). The major losers in the Nifty 50 index were Adani Ent. (down 9.02%), Shriram Fin (down 7.97%), TMPV (down 7.82%), Trent (down 7.53%) and Nestle (down 7.15%).

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 2,697.37 Crores and DIIs were net buyers of Rs. 10,942.19 Crores. In the previous week FIIs were net sellers of Rs. 8,990.50 Crores and DIIs were net buyers of Rs. 7,812.81 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 0.22% and worst performing sector was Nifty Metal, down by 5.40% in the week.

Global Market and Major Developments

US

US stock markets ended the week mixed as concerns over artificial intelligence (AI)-related spending and financing weighed on large-cap technology stocks. The Russell 2000 led the major indexes, gaining 2.00%, followed by the Dow Jones Industrial Average, which rose 0.41%. Meanwhile, the Nasdaq Composite and S&P 500 declined 0.79% and 0.47%, respectively. Value stocks outperformed growth stocks for the third consecutive week. Oil prices also rebounded late in the week amid renewed Middle East tensions, reversing earlier losses driven by optimism over US-Iran diplomatic discussions.

Particulars	Close (23/10/2026: Friday)	Open (19/10/2026: Monday)	Previous Close (16/10/2026 Friday)	Change (%)
Nifty 50	22,600.00	23,150.85	23,146.15	**-2.36**
Sensex	73,123.83	74,849.30	74,729.27	**-2.15**
Nifty Midcap 100	55,800.65	59,101.60	59,129.75	**-5.63**
Nifty Small cap 100	17,739.45	19,133.30	19,129.80	**-7.27**
		Sectoral Indices		
Nifty Bank	54,287.35	55,827.45	55,844.00	**-2.79**
Nifty Auto	24,862.30	25,781.35	25,768.50	**-3.52**
Nifty IT	31,995.50	31,774.80	31,924.10	**0.22**
Nifty PSU Bank	8,070.70	8,151.10	8,094.95	**-0.30**
Nifty Fin Services	24,403.00	25,349.75	25,387.10	**-3.88**
Nifty Pharma	25,329.45	25,769.30	25,781.65	**-1.75**
Nifty FMCG	42,680.70	44,548.00	44,616.15	**-4.34**
Nifty Metal	11,478.20	12,141.70	12,133.20	**-5.40**
Nifty Realty	784.35	829.15	825.95	**-5.04**
Nifty Media	1,563.40	1,652.65	1,648.25	**-5.15**
Nifty Energy	34,520.05	36,172.60	36,190.85	**-4.62**
Nifty Private Bank	26,656.30	27,570.55	27,700.55	**-3.77**
Nifty Infra	8,554.25	8,739.50	8,725.60	**-1.96**
Nifty Commodities	8,792.30	9,093.95	9,099.50	**-3.38**
Nifty Consumption	10,726.75	11,063.15	11,054.65	**-2.97**
Nifty PSE	8,885.75	9,235.75	9,247.30	**-3.91**
Nifty Serv. Sector	29,934.75	30,455.35	30,481.85	**-1.79**
Nifty Healthcare	15,387.00	15,677.45	15,683.55	**-1.89**
Nifty Oil & Gas	10,380.55	10,554.65	10,556.75	**-1.67**
Nifty INDIA MFG	14,516.75	15,172.75	15,174.10	**-4.33**
		US Indices		
Dow Jones	52,220.21	51,984.20	52,007.21	**0.41**
S&P 500	7,623.68	7,702.77	7,659.44	**-0.47**
NASDAQ 100	28,957.53	29,539.31	29,187.55	**-0.79**
		Commodities		
Gold (in Rs./ 10 gram)	1,42,024	1,48,397	1,47,918	**-3.98**
Brent Crude oil	117.39	109.65	109.94	**6.78**

Technology stocks experienced heightened volatility as investors assessed AI demand, capital expenditure plans, and funding requirements. Although optimism around data center demand supported an early-week recovery, concerns about the sustainability of AI investments and elevated valuations triggered renewed selling pressure. Meta Platforms was among the notable decliners amid scrutiny of its substantial spending plans. Meanwhile, the US housing market showed signs of weakness, with the NAHB Housing Market Index falling to 29 in October, its lowest level since 2012, while pending home sales plunged 7.3% month over month to a record low. Housing starts also weakened, although initial jobless claims fell to 194,000, their lowest level since July.

US business activity continued to expand in October, although growth moderated, with the S&P Global Composite PMI easing to 57.6 from 58.4 in September. Both manufacturing and services remained resilient, but selling prices rose at their fastest pace since August 2022, indicating persistent inflationary pressures. Consumer sentiment remained subdued, with the University of Michigan's index holding at 48 in October, approximately 10% below its year-ago level. Meanwhile, year-ahead inflation expectations increased to 4.7%, while long-term

expectations edged up to 3.5%, highlighting continued concerns about inflation despite resilient business activity and improving weekly jobless claims.

Europe

European equities ended the week lower, with the STOXX Europe 600 declining 1.39% amid rising oil prices, Middle East tensions, inflationary pressures, and political uncertainty. Germany's DAX fell 1.72%, France's CAC 40 dropped 2.19%, Italy's FTSE MIB declined 2.60%, and the UK's FTSE 100 lost 1.76%. In France, widespread cost-of-living protests and civil unrest heightened investor concerns, while the 10-year government bond yield exceeded 5%, widening its spread over German bonds to the highest level since 2012. Corporate earnings remained mixed, with energy companies reporting strong profits, while luxury goods results disappointed and semiconductor stocks experienced volatility amid a global technology sell-off.

Economic indicators pointed to slowing eurozone growth and persistent inflationary pressures. The Eurozone Composite PMI declined to 51.9 in October from 53.1 in September, missing market expectations, while household inflation expectations increased to 3.1%. In the UK, unemployment unexpectedly eased to 4.7% in August, but annual inflation accelerated to 3.5% in September, strengthening expectations of a potential Bank of England rate hike. Meanwhile, UK consumer confidence plunged to -24 in October from -13 in September, reflecting concerns over rising energy and borrowing costs and uncertainty surrounding the upcoming Budget.

Japan

Japanese equities declined over the week, with the Nikkei 225 falling 4.03% and the TOPIX losing 2.46%, as concerns over AI investment sustainability and financing weighed on global technology stocks. Weakness in US semiconductor shares, rising oil prices, and Middle East tensions further dampened investor sentiment. Meanwhile, the 10-year Japanese government bond yield eased to 2.78% from 2.94% as investors shifted toward safer assets, while demand for long-dated government bonds strengthened. Japan's core inflation accelerated to 2.1% year over year in September, exceeding the Bank of Japan's 2% target for the first time since December 2025, although the central bank is expected to keep rates unchanged at its October meeting.

The Japanese yen strengthened to around JPY 156.7 per US dollar from JPY 157.9 the previous week, supported by risk aversion, declining US Treasury yields, and a weaker dollar. On the trade front, exports increased 16.7% year over year in September, slowing from 19.3% in August and falling short of expectations, amid continued support from semiconductor-related products and automobiles. Imports also moderated, rising 18.9% compared with 28.0% growth in August, indicating a slowdown in trade growth despite continued export resilience.

China

Chinese equities ended the week lower, with the CSI 300 declining 1.57%, the Shanghai Composite falling 0.69%, and Hong Kong's Hang Seng Index dropping 4.52%, amid AI investment concerns, technology-sector weakness, and rising oil prices. China's economy grew 4.5% year over year in Q3, accelerating from 4.3% in Q2 and exceeding expectations, while September industrial production rose 5.5% and retail sales increased 1.1%. However, fixed asset investment fell 7.2% during the first nine months, highlighting persistent domestic demand challenges. The People's Bank of China kept its one-year and five-year loan prime rates unchanged at 3.00% and 3.50%, respectively, while exploring potential changes to its policy-rate benchmark. Meanwhile, regulatory concerns over online product quality and proposed broader US restrictions on investments in sensitive Chinese technologies weighed on sentiment, particularly across e-commerce, technology, and biotechnology stocks.

Major Developments in Domestic Markets

1. India's private-sector business activity hit a 4-month high in October 2026, with the HSBC Flash Composite PMI rising to 56.7 from 55.9 in September, while the Services PMI climbed to 56.2 from 55.2 and the Manufacturing PMI fell to 54.9 from 55.1, as hiring nearly stalled and export orders grew at their fastest pace in 6 months.
2. Infosys reported a 10.7% rise in Q2 revenue to ₹49,244 crore and a 6.2% increase in net profit to ₹7,823 crore, while cutting FY27 growth guidance to 1%–2% despite deal wins rising to $5.2 billion.
3. India has proposed changes to its employment survey to better capture gig work and unpaid labour, amid concerns over whether official jobs data accurately reflects underemployment and job quality.
4. India's proposed free trade agreement with the European Union's 27 member states is expected to be signed by the end of 2026 and become operational within 4–5 months of signing, potentially in early 2027, Trade Minister Piyush Goyal said, aiming to boost market access, trade and investment between the two sides.
5. India's crude oil imports from the Middle East rose to 2.8 million bpd in September 2026, accounting for 54% of total imports, while Russian imports fell 14% to 1.8 million bpd, as overall crude imports increased 20% to 5.33 million bpd.
6. India extended the deadline for duty-free imports of 1 million metric tonnes (10 lakh tonnes) of raw sugar by two months, from October 31 to December 31, 2026, giving importers additional time to bring in supplies amid concerns over domestic availability.
7. India's eMudhra exited the global SSL/TLS digital certificate business after eight cryptographic keys generated in April 2025 were found vulnerable, prompting Google, Mozilla, Apple and Microsoft to block its certificates, with the issue remaining undetected for 18 months despite two audits, while the business contributed just 1% of revenue and its shares plunged 40% in two days.
8. India approved 6,500 tonnes of silver imports over six months to meet festive demand, despite weak buying, while silver premiums fell to $0.45 per ounce and import duties on gold and silver rose from 6% to 15%.
9. Gujarat urged factories to shift production outside peak hours of 5 p.m. to 11 p.m. as power demand surged, coal stocks declined 5%, and the electricity supply shortfall hit 560 million kWh in September, the highest since August 2023.
10. Jio Platforms' ₹30,213-crore IPO received over 1 crore applications, setting a reported global record for investor participation, driven by strong demand from qualified institutional buyers (QIBs) and non-institutional investors (NIIs).

Ajcon Global's observations and view:

Short term view:

1. Indian equities are likely to remain volatile in the near term, with the ongoing Q2 earnings season emerging as a key driver of market direction. Investors will closely monitor corporate earnings, revenue growth, margin trends and management commentary for cues on the underlying strength of business performance and the earnings outlook. Elevated Brent crude prices remain a key concern, given their potential implications for domestic inflation, the rupee and profitability across oil-sensitive sectors. Meanwhile, the trajectory of foreign institutional investor (FII) flows and market reactions to earnings surprises will be crucial in shaping overall sentiment.

2. Global macroeconomic developments will also play a key role in shaping near-term market trends, with the US Federal Reserve's policy decision and Q3 GDP data remaining key triggers for volatility. Developments in global technology stocks will also be important in influencing investor sentiment. Overall, the near-term direction of Indian equities will depend on the interplay between domestic earnings performance, global macroeconomic cues 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 & real estate, many of which are attractively valued amid the current geopolitical disturbances. 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, pro-active & timely actions by Govt & RBI controlling inflation & giving impetus to economy. The continued correction in the market, 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. A special note of caution to the day traders in these volatile markets.

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