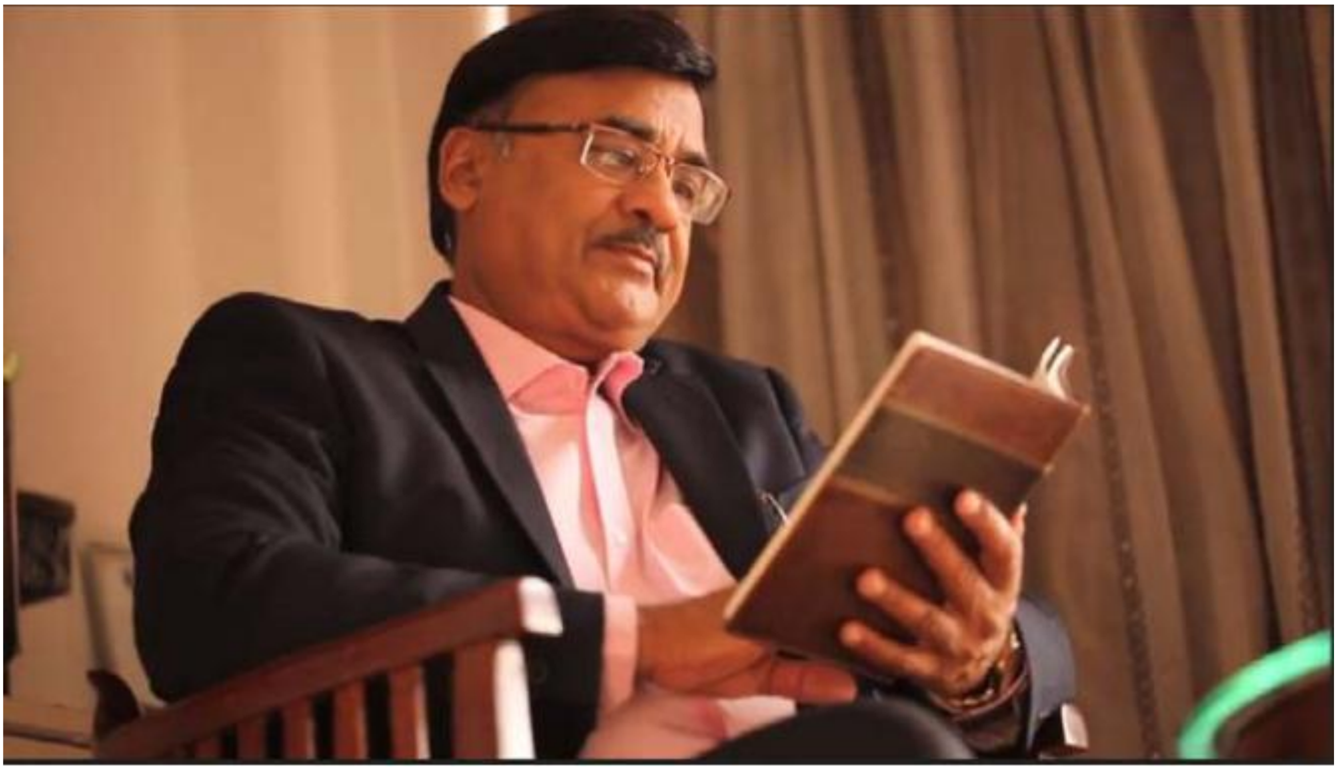

CA (Dr.) Ashok Ajmera's Weekly Column as on July 25th, 2026

" Nifty Posts Worst Weekly Fall in Four Months as Crude Rally Weighs"

CA (Dr.) Ashok Ajmera's Weekly Column

Indian markets ended the week sharply lower, with the Nifty 50 falling 2.33%—its steepest weekly decline in four months—and the Sensex dropping 2.7%, its biggest weekly loss in two months, as Brent crude briefly climbed above $100 per barrel amid escalating Middle East tensions, raising concerns over inflation and economic growth. Weak earnings further weighed on sentiment, with HDFC Bank plunging 9% and Axis Bank falling 6%, while the rupee came close to a record low before likely RBI intervention helped steady it at 96.56 per US dollar despite pressure from higher oil prices, weak equities and increased corporate hedging.

The top gainers in the Nifty 50 index were Bajaj Auto (up 7.73%), HCL Tech (up 5.57%), Tech Mahindra (up 3.26%), Power Grid Corp. (up 2.65%) and Bajaj Finserv (up 2.07%). The major losers in the Nifty 50 index were HDFC Bank (down 9.37%), Axis Bank (down 6.14%), Indigo (down 5.02%), Dr Reddy's Lab (down 4.91%) and Adani Ent. (down 4.25%).

Particulars	Close (24/07/2026: Friday)	Open (20/07/2026: Monday)	Previous Close (17/07/2026 Friday)	Change (%)
Nifty 50	23,767.45	24,190.05	24,334.30	-2.33
Sensex	76,059.77	78,151.45	78,151.45	-2.68
Nifty Midcap 100	61,622.35	62,335.75	62,428.05	-1.29
Nifty Small cap 100	18,874.95	19,274.80	19,296.30	-2.18
		Sectoral Indices		
Nifty Bank	56,693.50	57,738.25	58,521.40	-3.12
Nifty Auto	27,217.95	27,103.10	27,099.75	0.44
Nifty IT	28,767.95	29,324.45	29,226.60	-1.57
Nifty PSU Bank	8,345.65	8,397.25	8,381.75	-0.43
Nifty Fin Services	25,909.90	26,557.30	26,903.35	-3.69
Nifty Pharma	25,548.15	25,699.30	25,645.00	-0.38
Nifty FMCG	49,053.30	48,800.55	48,748.70	0.62
Nifty Metal	12,401.55	12,472.85	12,436.95	-0.28
Nifty Realty	881.80	916.00	918.70	-4.02
Nifty Media	1,527.45	1,525.40	1,521.45	0.39
Nifty Energy	38,821.80	39,273.10	39,277.00	-1.16
Nifty Private Bank	27,277.55	27,917.90	28,508.50	-4.32
Nifty Infra	9,240.85	9,354.65	9,377.35	-1.46
Nifty Commodities	9,764.75	9,840.70	9,832.10	-0.68
Nifty Consumption	11,700.15	11,693.50	11,705.00	-0.04
Nifty PSE	9,952.30	9,933.30	9,938.55	0.14
Nifty Serv. Sector	30,442.30	31,138.25	31,439.45	-3.17
Nifty Healthcare	16,236.25	16,308.40	16,282.90	-0.29
Nifty Oil & Gas	11,077.00	11,247.10	11,298.65	-1.96
Nifty INDIA MFG	15,844.95	15,916.35	15,925.65	-0.51
		US Indices		
Dow Jones	51,952.20	52,160.22	52,151.22	-0.38
S&P 500	7,411.97	7,489.18	7,457.69	-0.61
NASDAQ 100	28,128.34	28,871.16	28,592.66	-1.62
		Commodities		
Gold (in Rs./ 10 gram)	1,43,106	1,41,649	1,40,906	1.56
Brent Crude oil	98.69	89.30	88.27	11.80

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 7,182.08 Crores and DIIs were net buyers of Rs. 8,637.58 Crores. In the previous week FIIs were net sellers of Rs. 9,119.76 Crores and DIIs were net buyers of Rs. 9,808.64 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 FMCG, up by 0.62% and worst performing sector was Nifty Private Bank, down by 4.32% in the week.

Global Market and Major Developments

US

US equity markets ended the week lower as investor sentiment weakened amid concerns over the returns on significant artificial intelligence (AI) investments and a sharp rise in oil prices. The technology sector led the decline, with the Nasdaq Composite falling 1.62%, while the Dow Jones Industrial Average, S&P 500, and Russell 2000 also posted losses. The S&P MidCap 400 Index was the only major index to finish higher, gaining 0.23%. Earnings remained in focus, with 86 S&P 500 companies reporting results. Weak post-earnings performance from Alphabet and Tesla, driven by concerns over elevated AI-related capital spending and softer cash flows, added to pressure on technology stocks. Meanwhile, escalating tensions in the Middle East pushed oil prices higher, boosting energy stocks but weighing on travel and consumer sectors while reviving inflation and interest rate concerns.

Economic data presented a mixed picture of resilience and inflationary pressure. The S&P Global Flash US Composite PMI rose to an eight-month high of 53.6 in July, supported by stronger services activity that offset a moderation in manufacturing growth. Employment increased for the first time in three months, and business confidence improved, although supply chain disruptions linked to the Middle East drove supplier delays to their highest level in nearly four years. At the same time, input costs and selling prices accelerated, reflecting persistent inflationary pressures. Labor market data remained robust, with initial jobless claims falling to 187,000—the lowest level since 1969—while new home sales rose modestly from the previous month but remained below year-ago levels, with median home prices easing to $398,300.

The fixed income market also reflected growing caution, as US Treasury yields climbed on expectations that higher oil prices and persistent inflation could prompt further Federal Reserve rate hikes. The benchmark 10-year Treasury yield briefly exceeded 4.7%, its highest level since

January 2025, before ending the week around 4.68%. Rising yields resulted in negative returns for Treasury securities, while high yield bonds also declined amid a broader risk-off environment. Investor concerns over geopolitical uncertainty, sticky inflation, AI-related growth expectations, and the prospect of tighter monetary policy continued to weigh on market sentiment across asset classes.

Europe

European markets ended the week modestly higher, with the STOXX Europe 600 Index gaining 0.46% despite heightened geopolitical tensions, higher oil prices, and fresh US tariff announcements affecting the EU and UK. Germany and the UK outperformed, while France posted modest gains and Italy ended slightly lower. Strong corporate earnings helped offset broader macroeconomic and geopolitical concerns.

The European Central Bank kept interest rates unchanged, while signaling that another rate hike remains possible if energy-driven inflation persists. Eurozone business activity improved, with both manufacturing and services PMIs returning to expansion territory, reflecting strengthening economic momentum. However, German consumer confidence weakened as households remained cautious about income and financial prospects.

In the UK, newly appointed Prime Minister Andy Burnham outlined measures to reduce energy costs and announced key cabinet appointments. Economic data was encouraging, with services activity returning to growth and retail sales exceeding expectations in June. These positive domestic indicators supported investor sentiment despite ongoing global uncertainties.

Japan

Japanese equities ended the week higher, with the Nikkei 225 gaining 0.73% and the TOPIX rising 2.35%, supported by strength in financial stocks as expectations of further Bank of Japan (BoJ) policy tightening lifted bond yields. Semiconductor and AI-related stocks remained volatile amid concerns over the returns on heavy AI investments, while geopolitical tensions, higher oil prices, and new US tariffs tempered overall investor sentiment.

The Japanese government approved an economic policy blueprint focused on strategic investments in AI, semiconductors, defense, and energy, while reaffirming the BoJ's independence in setting monetary policy. Meanwhile, firmer inflation data reinforced expectations of additional rate hikes, pushing the 10-year JGB yield higher. Despite intervention warnings, the yen weakened to a 40-year low against the US dollar, pressured by geopolitical uncertainty and the wide interest rate differential with the US.

China

Chinese equities posted solid gains over the week despite a late pullback driven by renewed concerns over AI valuations, higher oil prices, and escalating Middle East tensions. The CSI 300, Shanghai Composite, and Hang Seng indices all advanced, supported by strong early-week buying led by state-backed funds, particularly in semiconductor and technology stocks. However, some of these gains were trimmed as valuation concerns resurfaced.

Investor sentiment was further supported by government measures aimed at stabilizing markets and supporting economic growth. State-backed institutions increased equity purchases, while authorities reaffirmed their commitment to maintaining orderly market conditions. In addition, the State Council called for more effective fiscal spending, and the People's Bank of China injected liquidity through its medium-term lending facility, reinforcing expectations of targeted policy support rather than broad-based stimulus.

Major Developments in Domestic Markets

1. Indian banks and insurers will launch the CKYC 2.0 common customer identification system in August, enabling customers to access financial products without resubmitting identification documents, with asset managers set to join later.
2. SBI Cards and Payment Services' Q1 profit rose 19.5% to ₹6.64 billion, driven by improved asset quality as bad-loan provisions fell, while card spending increased 27% to ₹1.18 trillion.
3. India's private sector growth slowed to a more than four-year low in July, with the HSBC Flash Composite PMI falling to 54.3 from 57.1 in June, as a sharp slowdown in the services sector outweighed resilience in manufacturing.
4. Tata Consumer Products reported a 27.84% year-on-year rise in Q1 consolidated net profit to ₹4.27 billion, beating analysts' estimate of ₹4.20 billion, driven by double-digit volume growth in its India branded business.
5. Manipal Health Enterprises plans to invest ₹40 billion to add 2,400 beds, expanding its capacity by over 18% from 13,037 beds over the next three to four years, ahead of its IPO launch next week.
6. Infosys reported Q1 revenue of ₹482.11 billion, up 14% year-on-year but below estimates, while net profit rose 12.2% to ₹77.69 billion, trimmed its FY27 revenue growth forecast to 1.5%-3.0% from 1.5%-3.5%, and named company veteran Ashiss Kumar Dash as CEO-designate.
7. India eased foreign investment rules to let e-commerce companies buy products directly from Indian sellers and sell them overseas, a policy change that benefits Amazon and comes amid India-US trade agreement negotiations.
8. India's markets regulator proposed easing compliance requirements for portfolio managers and expanding eligible investments to include to-be-listed securities, overseas listed equity and debt, and unlisted debt to improve ease of doing business.
9. Traders have stopped offering discounts on Russian crude to India as Middle East supply disruptions boosted demand for alternative grades, prompting Indian refiners to increase purchases of Russian oil.
10. India urged China to improve market access for Indian exporters, address a trade imbalance exceeding $100 billion, and ensure stable supply chains, with India having imported $132 billion worth of Chinese goods in 2025/26.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are expected to remain cautious in the near term as mixed June-quarter earnings, rising crude oil prices, fresh US tariff measures, and escalating geopolitical tensions in the Middle East continue to weigh on investor sentiment. Persistent weakness in the rupee and uncertainty surrounding the global trade environment are also likely to cap upside, although earnings-driven stock-specific opportunities may continue to emerge.

2. Markets are likely to remain range-bound and event-driven next week, with investors closely monitoring the US Federal Reserve's FOMC policy outcome on July 29 for signals on the interest rate outlook, along with India's Industrial Production (IIP) data for cues on domestic economic activity. Movements in crude oil prices, foreign institutional investor (FII) flows and further developments in the Middle East will remain key factors influencing 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 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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