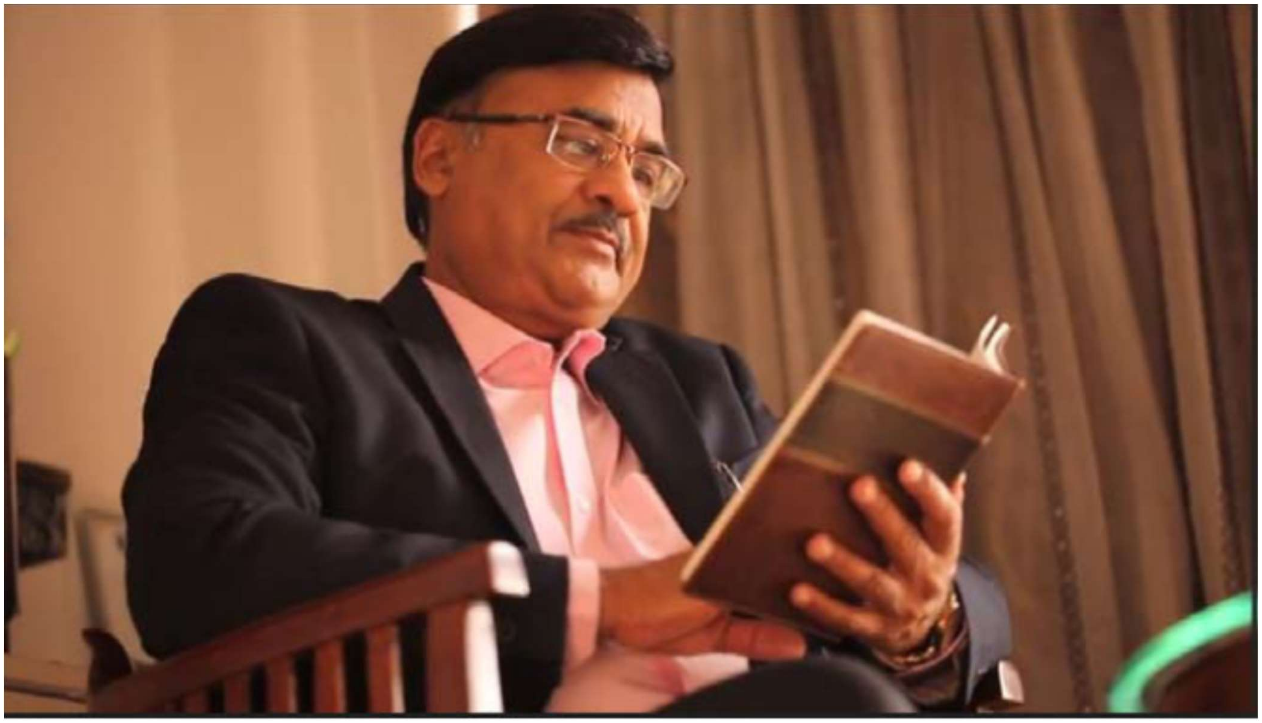

CA (Dr.) Ashok Ajmera's Weekly Column as on August 29th, 2026

"Indian Markets Remain Cautious Amid Expiry Volatility and Fed Uncertainty"

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column

Indian equities ended the week largely steady, with the Nifty 50 edging down 0.3% and the Sensex slipping 0.4%, marking their third consecutive weekly decline and the longest such streak in five months. Market sentiment remained cautious amid concerns over volatility triggered by the new closing-auction mechanism, particularly around monthly derivatives expiry, while uncertainty ahead of Federal Reserve Chair Kevin Warsh's speech also kept investors on edge. IT stocks provided some support, during the week following upbeat Nvidia results, while small- and mid-cap stocks gained 0.5% each, helped by lower crude prices and sustained domestic buying. The rupee strengthened 0.3% over the week to 95.3775 per dollar, supported by improved dollar liquidity and inflows linked to the MSCI index rebalancing.

Particulars	Close (28/08/2026: Friday)	Open (24/08/2026: Monday)	Previous Close (21/08/2026 Friday)	Change (%)
Nifty 50	24,175.65	24,285.05	24,252.00	**-0.31**
Sensex	77,264.51	77,629.56	77,540.83	**-0.36**
Nifty Midcap 100	64,069.50	63,828.75	63,735.75	**0.52**
Nifty Small cap 100	20,080.00	20,021.95	19,977.75	**0.51**
		Sectoral Indices		
Nifty Bank	57,496.30	57,828.15	57,761.95	**-0.46**
Nifty Auto	28,851.80	29,143.90	29,124.60	**-0.94**
Nifty IT	31,281.70	30,579.60	30,532.25	**2.45**
Nifty PSU Bank	8,604.30	8,612.80	8,620.00	**-0.18**
Nifty Fin Services	26,286.50	26,272.30	26,261.00	**0.10**
Nifty Pharma	26,991.85	26,336.70	26,359.75	**2.40**
Nifty FMCG	46,815.00	47,604.20	47,510.95	**-1.46**
Nifty Metal	13,525.35	13,250.00	13,172.60	**2.68**
Nifty Realty	908.85	909.70	911.60	**-0.30**
Nifty Media	1,602.90	1,617.60	1,612.70	**-0.61**
Nifty Energy	38,003.65	38,328.35	38,252.20	**-0.65**
Nifty Private Bank	27,737.20	27,644.60	27,590.65	**0.53**
Nifty Infra	9,242.70	9,373.45	9,362.95	**-1.28**
Nifty Commodities	9,809.15	9,831.20	9,804.60	**0.05**
Nifty Consumption	11,904.20	12,022.65	12,018.85	**-0.95**
Nifty PSE	9,689.25	9,802.05	9,788.30	**-1.01**
Nifty Serv. Sector	30,900.20	30,963.65	30,936.50	**-0.12**
Nifty Healthcare	16,798.50	16,412.70	16,423.90	**2.28**
Nifty Oil & Gas	11,067.70	11,200.30	11,182.75	**-0.99**
Nifty INDIA MFG	16,558.45	16,499.30	16,474.35	**0.28**
		US Indices		
Dow Jones	53,565.35	53,267.33	53,282.32	**0.53**
S&P 500	7,711,76	7,663.38	7,674.37	**0.49**
NASDAQ 100	29,433.43	29,042.72	29,308.86	**0.43**
		Commodities		
Gold (in Rs./ 10 gram)	1,56,281	1,62,052	1,62,438	**-3.79**
Brent Crude oil	88.28	91.90	93.59	**-5.67**

The top gainers in the Nifty 50 index were Kotak Mahindra (up 6.63%), Adani Ent. (up 5.80%), JSW Steel (up 3.18%), Tech Mahindra (up 3.07%) and Infosys (up 2.05%). The major losers in the Nifty 50 index were Shriram Finance (down 3.81%), Bharti Airtel (down 3.27%), NTPC (down 2.93%), ONGC (down 2.62%) and Jio Financial (down 2.53%).

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 2,060.24 Crores and DIIs were net buyers of Rs. 19,309.93 Crores. In the previous week FIIs were net sellers of Rs. 1,601.65 Crores and DIIs were net buyers of Rs. 17,316.34 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 2.68% and worst performing sector was Nifty FMCG, down by 1.46% in the week.

Global Market and Major Developments

US

U.S. stocks ended the week mixed, with the S&P 500 and Nasdaq Composite advancing while mid- and small-cap indexes edged lower amid generally light trading volumes. Investor sentiment was supported by strong NVIDIA earnings and softer oil prices, while markets also focused on Federal Reserve Chair Kevin Warsh's speech at the Jackson Hole monetary policy conference. Warsh struck a hawkish tone, emphasizing the Fed's firm 2% PCE inflation target and warning that further tightening could be warranted if inflation fails to move toward the target at a sufficient pace. He also called for a "quieter Fed" with less forward guidance and highlighted AI-driven investment and productivity as potential drivers of long-term economic growth.

Technology stocks rallied following NVIDIA's latest results. The chipmaker reported a 106% year-over-year surge in fiscal second-quarter revenue and issued stronger-than-expected guidance for the following quarter, signaling continued robust demand for AI infrastructure. NVIDIA shares rose 8.7% on Thursday, helping lift the broader technology sector. Meanwhile, the Treasury yield curve flattened after Warsh's remarks, with the two-year yield rising as investors increased expectations for a potential near-term rate hike.

Economic data presented a mixed picture. Headline PCE inflation rose 0.2% in July and 3.7% year over year, while core PCE increased 0.2% monthly and 3.3% annually, in line with expectations. Consumer sentiment weakened as inflation and economic concerns persisted, with both the University of Michigan and Conference Board measures declining. At the same time, durable goods orders grew a stronger-than-expected

1.1%, while initial jobless claims fell to 203,000, indicating continued resilience in the labor market. Lower oil prices, with Brent below $90 per barrel and WTI below $81, also provided some support amid hopes of renewed energy flows through the Strait of Hormuz.

Europe

European equities ended the week broadly unchanged, with the STOXX Europe 600 rising 0.15%. Germany's DAX outperformed with a 1.66% gain, while France's CAC 40 fell 0.98%; the FTSE 100 was nearly flat. Investor sentiment was influenced by mixed economic data, Middle East developments, and hopes of an interim framework supporting shipping through the Strait of Hormuz, which also weighed on oil prices. Strong AI-related earnings provided additional support to technology stocks.

Eurozone economic sentiment improved for the fourth consecutive month in August, reaching its highest level since January and exceeding expectations. Confidence strengthened among both businesses and consumers, with Germany, France, and Italy showing improvement. Germany's outlook also brightened as GDP grew 0.3% in the second quarter, ahead of expectations, while the Ifo business climate index rose to 88.8, its strongest level in a year.

France and Spain, however, continued to face inflationary pressures and economic challenges. France's economy stagnated in the second quarter, while inflation accelerated to 2.4%. Spain's inflation also climbed sharply to 4.3%, despite easing core inflation. Meanwhile, weak UK consumer activity remained a concern, with the CBI retail trade index falling sharply to -48 in August, pointing to subdued spending conditions.

Japan

Japanese equities recovered during the week, with the Nikkei 225 rising 0.59% and the broader TOPIX gaining 1.95%, helped by softer oil prices and improved investor sentiment. Strong NVIDIA results and an upbeat AI outlook supported confidence in global technology demand, although Japanese semiconductor and technology stocks remained volatile. The yen weakened toward JPY 160 per U.S. dollar as expectations for further Bank of Japan (BoJ) tightening were largely priced in. BoJ Deputy Governor Ryozo Himino highlighted persistent inflation risks and the need for timely policy adjustments, keeping expectations for further tightening elevated.

Japanese government bond yields also moved higher, with the 10-year JGB yield rising to 2.93% from 2.88%. Tokyo core inflation accelerated to 1.8% in August, while underlying measures and services producer prices remained firm, reinforcing expectations of a possible near-term BoJ rate hike. Meanwhile, Prime Minister Sanae Takaichi sought to reassure markets that increased government spending would remain consistent with fiscal discipline. Plans to temporarily reduce the consumption tax on food and potential use of foreign-exchange reserves kept fiscal policy and financing concerns in focus.

China

Chinese equities were mixed, with the Shanghai Composite rising 1.21%, while the CSI 300 fell 0.21% and Hong Kong's Hang Seng declined 1.63%. Mainland markets benefited from strong rallies in semiconductor and AI-related stocks following NVIDIA's upbeat results, while Alibaba's HKD 80 billion equity placement initially weighed on technology shares. Alibaba plans to use the proceeds to expand AI computing and cloud infrastructure, highlighting both the growth potential and rising capital requirements of China's AI sector.

China's AI ecosystem continued to expand, with companies launching lower-cost models and reporting strong revenue growth, although investors remained selective on monetization prospects. Industrial profit growth slowed to 11.2% year over year in July from 15.1% in June, pointing to an uneven recovery. Technology and electronics manufacturing remained strong, while sectors such as automobiles and electrical machinery saw weaker profits, reinforcing the divergence between AI- and export-driven industries and areas reliant on domestic demand.

Major Developments in Domestic Markets

1. India has signed an agreement with the U.S. to purchase Javelin anti-tank missile systems, though the deal's value and quantity were not disclosed.
2. Temasek, Singapore Airlines' majority shareholder, backed its investment in loss-making Air India despite growing scrutiny over the airline's financial exposure.
3. India's market regulator SEBI is considering tighter rules for small-company IPOs, including reserving up to 50% of shares for institutional investors, requiring average three-year profits of at least ₹30 million ($0.34 million), and raising the SME listing market-cap threshold to ₹10–40 billion.
4. India's NBFC industry body FIDC has urged the RBI to ease proposed restrictions on revolving credit, warning that a blanket ban could hurt working-capital financing for MSMEs and increase borrowing costs.
5. India's forex reserves surged $12.4 billion to a record $729.33 billion in the week ended August 21, boosted by sustained capital inflows, including nearly $73 billion raised through RBI measures since June.
6. India's market regulator has approved Jio Platforms' $3.8 billion IPO, which could become the country's largest-ever listing, with the company planning to issue 270 million shares and use about $3.3 billion of the proceeds to repay debt.
7. India's industrial output grew 6.7% year-on-year in July, slowing from a revised 8.8% in June, as mining contracted 0.9% while manufacturing and electricity growth also eased.
8. BRICS finance ministers will discuss digital currencies and increasing trade in members' own currencies on September 1–2, as countries seek to reduce reliance on the US dollar and lower cross-border transaction costs.
9. India's August auto retail demand strengthened ahead of the festive season, with passenger vehicles expected to grow 9–10%+, two-wheelers 18–20%, and commercial vehicles posting double-digit growth, led by strong Onam demand in southern markets.
10. The NPPA has proposed making drug manufacturers solely responsible for overpricing essential medicines, potentially protecting chemists and hospitals from prosecution, while drugmakers are likely to oppose the move.

Ajcon Global's observations and view:

Short term view:

1. Indian equities are likely to remain range-bound to mildly volatile in the coming week, with the Q1FY27 GDP print and the August auto sales numbers setting the near-term tone. A moderation in GDP growth from the 7.8% clocked in Q4FY26 is largely built into expectations, so markets are likely to react more to the magnitude of the slowdown and to commentary around private consumption and investment than to the headline number itself. Elevated crude oil prices and lingering Middle East-related uncertainty continue to be a key overhang, keeping India's external balance and inflation trajectory in focus.

2. Adding to the caution, rising US rate-hike expectations ahead of the September FOMC meeting could keep global bond yields elevated and weigh on FII flows into emerging markets including India, alongside a firmer dollar. Overall, we expect markets to remain volatile and selective, with near-term direction largely dependent on crude oil prices, US rate trajectory, 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.

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