

Weekly Equity Market Outlook

Bond rout, FPI selling and crude keep markets on edge

5th Oct 2026 – 9th Oct 2026

The Week That Was (28th Sep to 1st Oct) : Eighth straight weekly fall amid bond rout and heavy FPI selling

Indian Equity Markets last week : Indian markets were closed on Friday for Gandhi Jayanti and posted an eighth straight weekly fall, the longest losing streak in about 25 years. The Sensex fell 1,986.04 points (-2.69%), from 73,895.74 to 71,909.70. The Nifty 50 lost 718.55 points (-3.11%), from 23,140.50 to 22,421.95, a six-month low. Midcaps fell 3.5% and smallcaps 3.3%, India VIX jumped 13.79% to 14.44, and the rupee weakened 0.56%. In the US, the Dow fell 651.66 points (-1.26%), from 51,828.62 to 51,176.96, and the S&P 500 slipped 0.99% to 7,722.72. The Nasdaq rose 122.14 points (+0.45%), from 27,068.72 to 27,190.86, led by Nvidia.

Kotak Mahindra Bank was the top gainer (+3.30%) after the RBI approved Anup Kumar Saha as its next MD and CEO. Axis Bank, Infosys and HDFC Life also rose, with IT helped by softer US inflation data. Bajaj Auto fell 10.38% on weak September domestic sales. Max Healthcare and Apollo Hospitals slumped after the Supreme Court raised the prospect of capping medicine and medical device prices. ONGC (-6.96%) tracked softer crude, and Titan (-6.56%) fell with consumer stocks. Sectorally (TRI), Nifty IT (+0.34%) was the only gainer, while Auto (-5.03%), NBFC (-4.80%), Metal (-4.42%) and FMCG (-4.30%) led the declines.

FPIs were net sellers in every session. They sold ₹5,353.22 crore on 28 September and ₹9,980.22 crore on 29 September, then ₹10,148.41 crore on 30 September and ₹9,484.22 crore on 1 October. That makes net weekly sales of ₹34,966.07 crore. Their selling in 2026 has reached a record \$27.8 billion, as high US yields narrowed the India-US yield gap. DIIs bought over ₹28,000 crore in the last three sessions, which softened the fall.

Global cues and commodities last week: US Treasuries sold off sharply. The 10-year yield rose from 5.17% to 5.28%, after touching 5.342% on Thursday, its highest since April 2002, and the 30-year hit 5.683%. Expectations of further Fed tightening, the unresolved Middle East conflict and US fiscal worries drove the move. Friday's weak payrolls report (29,000 jobs; unemployment 4.2%) briefly pulled yields lower before they rebounded. Brent stayed near \$105 after President Trump rejected an Iranian peace proposal, then eased on a G7 plan to release up to 100 million barrels of emergency stocks, ending 2.52% lower for the week at US\$102.25/bbl. Gold (-2.32%) and silver (-4.69%) also fell. The Dollar Index rose from 100.97 to 101.93 (+0.95%), after touching a year-to-date high of 102.21.

Interesting Charts ... that speak a thousand words

USD/INR- On The Verge of a Breakout!



BRENT CRUDE Regaining the momentum!



The Week Ahead (5th Oct to 9th Oct) : RBI policy, Q2FY27 results and crude to determine market direction

- Domestic:** The RBI's decision on 7 October is the key trigger. About 60% of economists in a Reuters poll expect a 25 bp hike to 5.50%, as inflation broadens and the rupee hovers near 96.3/\$. A hike with hawkish guidance would weigh on banks, autos and realty, while a hold could spark relief buying. Q2 FY27 earnings begin with TCS on 8 October. Analysts expect one of IT's weakest quarters in three years, so deal wins and commentary on US client spending and AI-led pricing will set the sector's tone. In autos, Maruti's double-digit September growth contrasts with Bajaj Auto's 12% drop in domestic two-wheeler sales, so expect stock-specific moves ahead of the festive season.
- Global:** Brent near \$100–102 remains the biggest external risk for OMCs, paints, aviation and chemicals, with the G7's 100-million-barrel reserve release offset by West Asia tensions. Monday's US ISM services data and Wednesday's FOMC minutes will steer Treasury yields (5.28%) and Fed rate-hike expectations. Any easing in yields could slow FPI selling. Expect a volatile, event-driven week, with DII buying cushioning weakness rather than reversing it.

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Nifty 50 Technical Outlook



- The Nifty index remained under pressure for the eighth consecutive week, forming a bearish candle on the weekly chart and signalling continued weakness.
- However, the index has witnessed a pullback from the oversold zone near 22,200, with the RSI currently at 22, indicating the possibility of a relief rally towards 22,800. The Nifty also managed to close above 200-WMA placed at 22,380 levels.
- Meanwhile, India VIX jumped 18% to 14.30, and any further rise in volatility could keep the bulls cautious.
- Overall, we expect the Nifty to remain rangebound in the near term, with a broader trading range of 22,200–22,700.

Nifty Bank Technical Outlook



- The Bank Nifty remained under pressure throughout the week and formed a bearish candle on the weekly chart, indicating a weak undertone. The index is hovering near its crucial support at 53,800, which is acting as an immediate support. On the higher side, 55,200 remains the key resistance, and a decisive breakout above this level could pave the way for an upmove towards 56,000.
- With the RBI policy scheduled in the coming week, we expect the Bank Nifty to remain volatile, with a broader trading range of 53,800–55,200.

Global Markets

Developed Markets

US (S&P 500)	-0.99%
Germany (FSE DAX)	-1.85%
UK (FTSE 100)	-2.50%
Eurozone (Eurostoxx 50)	-2.00%
Japan (Nikkei 225)	+2.90%

Emerging Markets

Indonesia (IDX Composite)	-4.03%
India (Nifty 50)	-3.11%
China (CSI 300)	-1.84%
South Korea (KOSPI 100)	-1.81%
Brazil (Bovespa)	+2.03%

Sectoral Movers and Key Commodities

Sectoral Indices

Nifty IT – TRI	+0.34%
Nifty FMCG – TRI	-4.30%
Nifty Metal – TRI	-4.42%
Nifty NBFC – TRI	-4.80%
Nifty Auto – TRI	-5.03%

Commodities

Gold	-2.32%
Silver	-4.69%
Brent Crude	-2.52%

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