

Weekly Equity Market Outlook

Global Markets Rise Despite Geopolitical and Rate Headwinds

12th October 2026- 16th October 2026

The Week That Was (5th Oct – 9th Oct) : RBI Tightening and Earnings Drive Volatile Week

- Indian equity markets experienced a highly volatile week between 5 and 9 October 2026. The week started on a positive note with bargain hunting and support from domestic institutional investors, but sentiment deteriorated mid-week following the RBI's monetary policy announcement. The Nifty and Sensex witnessed a sharp sell-off on 8 October before recovering strongly on Friday, helped by positive earnings from TCS and some easing in crude oil prices.
- The key domestic event was the RBI's decision to raise the repo rate by 25 bps to 5.50% and shift its stance to "calibrated tightening." The central bank cited inflation risks arising from elevated crude oil prices, geopolitical tensions in West Asia, and a deficient monsoon. While RBI raised its FY27 GDP growth forecast to 7.1%, it also increased its inflation outlook, reinforcing concerns that interest rates may remain higher for longer.
- Global developments remained a major headwind. Escalating tensions in West Asia, particularly the continuing Iran-related conflict, kept crude oil prices elevated and intensified inflation concerns globally. At the same time, US Treasury yields remained near multi-year highs, prompting continued foreign institutional investor (FII) selling across emerging markets, including India.
- Sectorally, IT emerged as the strongest performer, supported by robust quarterly results from TCS and optimism around AI-driven demand. Banking stocks remained relatively resilient, while FMCG attracted defensive buying. Conversely, real estate, automobiles, and other interest-rate-sensitive sectors faced pressure following the RBI's hawkish stance.
- Among stock-specific developments, TCS delivered strong Q2FY27 earnings, triggering a broad rally across the IT pack including Infosys and HCL Technologies. Defensive names such as ITC and Apollo Hospitals also outperformed, while Reliance Industries lagged amid concerns over oil-market volatility.
- Overall, despite ending the week with a sharp recovery, market sentiment remained cautious due to persistent FII outflows, elevated crude oil prices, geopolitical uncertainty, and the RBI's return to a tightening cycle. Investors' focus has now shifted to the ongoing Q2 earnings season and developments in global energy markets.

Interesting Charts ... that speak a thousand words

NIFTY IT Index- A Trend reversal on the chart!



COPPER- A new record high in the near term!



The Week Ahead (12th Oct – 16th Oct) : Earnings Season to Drive Markets Amid Global Uncertainty

- Indian equities are expected to remain range-bound with a stock-specific bias as the Q2FY27 earnings season gathers momentum. Sentiment will be influenced by corporate earnings, foreign flows, crude oil prices and the RBI's recently adopted tighter policy stance.
- Globally, markets will track US inflation and retail sales data, which could shape expectations for future Federal Reserve actions. Meanwhile, ongoing tensions in West Asia and elevated crude oil prices remain key risks for inflation and market sentiment.
- Sectorally, IT will be in focus with results from HCL Tech, Wipro and Tech Mahindra, while banking stocks may remain relatively resilient. Oil producers could benefit from higher crude prices, whereas auto and consumer sectors may face margin pressure from rising input costs.
- Overall, positive earnings commentary and stable global cues could support further recovery, while any surprise in US inflation or a fresh spike in crude oil may keep volatility elevated.

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Nifty 50 Technical Outlook



Source: Tradingview

- The Nifty index found strong support near the 22,800 mark, ending its eight-week losing streak and forming a Doji candle on the weekly chart. This pattern reflects indecision among market participants but also signals the potential for a strong pullback.
- The immediate resistance is placed at 22,800, and a decisive breakout above this level could confirm the formation of a short-term base.
- Meanwhile, India VIX declined 6% to 14.35, and a further cooling in volatility could provide additional comfort to the bulls.
- Overall, we expect the Nifty to remain rangebound in the near term, with a broader trading range of 22,200–22,800.

Nifty Bank Technical Outlook



Source: Tradingview

- The Bank Nifty index outperformed the Nifty and closed above the psychological resistance of 55,000. It also surpassed its 100-week moving average (WMA), placed near 55,230, indicating a positive undertone.
- On the upside, 55,550 remains a crucial resistance level, and a decisive breakout above this zone could trigger further gains towards 56,000.
- On the downside, the recent swing low near 54,400 serves as a key support level.
- The momentum indicator RSI reached 45 levels indicating resumption of a momentum.

Global Markets

Developed Markets

US (S&P 500)	+1.15%
Germany (FSE DAX)	-0.57%
UK (FTSE 100)	+0.86%
Eurozone (Eurostoxx 50)	-1.04%
Japan (Nikkei 225)	-0.90%

Emerging Markets

Indonesia (IDX Composite)	+0.94%
India (Nifty 50)	+0.44%
China (CSI 300)	-0.93%
South Korea (KOSPI 100)	-5.99%
Brazil (Bovespa)	+8.82%

Sectoral Gainers and Key Commodities

Sectoral Indices

Nifty Telecommunications – TRI	+3.49%
Nifty FMCG – TRI	+2.45%
Nifty PSU Bank – TRI	+2.38%
Nifty Metal – TRI	-3.65%
Nifty Realty – TRI	-3.72%

Commodities

Gold	+1.24%
Silver	+0.67%
Brent Crude	+2.12%

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