

Weekly Equity Market Outlook

Crude Surge, Fed Fears Pressure Markets

15th September 2026 – 18th September 2026

The Week That Was (7th Sep – 11th Sep) : Domestic markets traded lower due to geopolitical uncertainty

Global Macro, Bond Yields, Crude & Index Moves: Global markets remained on edge through the week as Middle East tensions escalated sharply, with attacks on tankers on both sides. Brent crude surged nearly 9% for the week, briefly touching highs near \$109.97/barrel intra-week before easing on Friday to settle around \$104.47–\$104.61/barrel. US Treasury yields climbed in tandem, with the 10-year note rising almost 20 bps during the week to close near 4.96%–4.98%, its highest level since 2007, as hotter-than-expected August core CPI (+0.3% MoM) and PPI data, combined with a disappointing Treasury buyback auction, pushed the probability of a Fed rate hike at next week's FOMC meeting to around 90%. Against this backdrop, Indian equities extended their losing streak to a fifth consecutive week: the Nifty 50 fell 1.81% (close-to-close, Sep 4 to Sep 11) to 23,398.10, while the Sensex declined 1.93% to 74,781.76, both hitting three-month lows; Bank Nifty was comparatively resilient, down 0.91% to 56,606.55. US markets also ended lower for the week despite a Friday relief rally on in-line CPI data — the S&P 500 fell 0.8% to 7,656.98, the Dow dropped 1.6% to 52,573.29, and the Nasdaq slipped 0.7% to 26,333.04, as elevated yields and oil prices weighed on risk sentiment through most sessions.

Stock and Sectoral Movers: Healthcare and pharma emerged as the lone bright spots, the only sectors to post weekly gains, led by Max Healthcare Institute (+5.37%) and Apollo Hospitals (+2.15%) on defensive buying, while Adani Enterprises (+4.15%) and Adani Ports (+3.36%) rebounded from the prior week's losses. On the downside, IT stocks were the biggest casualties, logging their worst week since April: Infosys tumbled 8.17%, HCL Technologies fell 6.75% and Wipro dropped 5.10%. Sectorally, Nifty Realty was the worst performer, down 6.5%, followed by Nifty IT (-5.7%), Metal (-2.4%), Oil & Gas (-2.2%), and PSU Bank, Media and FMCG (down nearly 2% each).

Institutional Activity : FPIs decisively risk-off during the week, extending September's reversal after two months of buying. According to NSDL data, FPIs withdrew a net ₹13,138 crore from Indian equities in the first two weeks of September (up to September 11), reversing inflows of ₹20,200 crore in July and ₹29,630 crore in August. The selling was attributed largely to rising US bond yields, a firm dollar and elevated crude prices rather than India-specific factors, with the rupee weakening roughly 1% for the week, its sharpest fall since mid-May. FIIs provided a meaningful offset, recording net purchases of approximately ₹6,419 crore during the week, which helped cushion the downside and kept the Midcap and Smallcap indices relatively more resilient, down just 1.4% and 0.9% respectively. Going forward, FPI flows are expected to remain hostage to the Iran-US conflict trajectory and its impact on crude prices, alongside the upcoming US Fed decision and India's CPI/WPI prints.

The Week Ahead (15th Sep – 18th Sep) : Fed Rate decision and Gulf conflict to keep markets on edge

Global/Macro: This holiday-truncated week hinges on the US Fed's two-day FOMC meeting (Sept 15–16), where a 25-bps rate hike is widely expected, likely to sway global risk appetite and FII flows into Indian equities. Adding pressure, crude oil has spiked over 3% to ~\$103/barrel following Iran-linked strikes on a Saudi pipeline, a headwind for India's import bill and inflation-sensitive sectors (aviation, paints, tyres). Domestically, August retail inflation at 4.82% (highest in months, food-driven) keeps rate-cut hopes at bay, while elevated US bond yields continue to pressure FII sentiment.

Domestic Fundamentals/Flows: Persistent FII outflows and only selective DII support remain a key overhang on sentiment, with sector rotation likely to continue — IT (hit by weak US demand cues and a strong rupee ahead of Fed decision), Metals (softer on global growth worries) and Autos (subdued on muted festive-season commentary) may stay under pressure, while Financial Services could see relative stability on steady credit growth. Stock-specific triggers include ex-dividend actions, ongoing IPO activity (*the NSE IPO begins towards the end of the week*), and brokerage rating changes, all of which could drive differentiated, news-led moves through the week

Global Markets Last Week

Developed Markets	Country	% Change	Emerging Markets	Country	% Change
S&P 500	USA	-0.80%	KOSPI	South Korea	3.33%
CAC 40	France	-1.20%	Bovespa	Brazil	1.11%
Nikkei 225	Japan	-1.55%	Taiwan Weighted	Taiwan	-0.79%
FTSE 100	UK	-1.67%	Shanghai Composite	China	-1.07%
DAX	Germany	-1.83%	Nifty 50	India	-2.09%
Hang Seng	Hong Kong	-3.30%			

South Korea, driven by a sharp domestic rally mid-week (Sept 8 alone was +1.79%) , while the Nifty 50 (India) turned out to be one of the weakest majors (-2.09%), a steady grind lower all week rather than one bad day. Mexico, Indonesia, and South Africa all landed in a tight -1.4% to -1.5% band — broad EM softness tracking the same oil/yield headwinds hitting developed markets, without any single dramatic local trigger.

Indian Sectors Last Week

Sector	% G/L
Real Estate	-4.26%
Oil & Gas	-2.55%
Consumer Durables	-2.00%
BFSI	-1.45%
Textiles	1.26%

Commodities Last Week

Gold (USD/oz)	-1.83%
Silver (USD/oz)	-2.63%
Brent Crude (USD/bbl)	8.33%

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