

Weekly Equity Market Outlook

Global Equities Advance Despite Macro Headwinds

28th Sep 2026- 1st Oct 2026

The Week That Was (21st Jan to 25th Sep) : Volatility Dominates as Global Risks Rise

- Indian equity markets remained volatile and ended the week on a weak note as investors contended with rising crude oil prices, elevated US bond yields, persistent foreign institutional selling, and concerns surrounding proposed insurance sector regulations. Although markets witnessed a recovery on Friday, the rebound was insufficient to offset losses seen earlier in the week, resulting in another weekly decline for both the Sensex and Nifty.
- Global developments played a major role in driving sentiment. Escalating Middle East tensions and uncertainty regarding a potential US-Iran agreement kept crude oil prices elevated near \$105 per barrel, raising concerns about inflation and India's import bill. At the same time, US Treasury yields climbed above 5%, reducing risk appetite across global markets and weighing on emerging-market equities, including India.
- On the domestic front, inflation concerns resurfaced after August CPI rose to 4.82%, prompting expectations that the RBI may consider rate hikes in upcoming policy meetings. Continued FII outflows added pressure on markets, though domestic institutional investors partially offset the selling through sustained purchases.
- Sectorally, financials, insurance, and IT were among the weakest performers. Insurance-linked stocks came under pressure after proposed IRDAI commission reforms, while IT stocks suffered from rising global yields and weaker risk sentiment. In contrast, automobiles and real estate showed relative resilience, supported by value buying and improving domestic demand expectations. Coal and select energy names also outperformed amid elevated commodity prices.
- Among stock-specific developments, PB Fintech and HDFC Life witnessed sharp declines due to regulatory concerns, while Axis Bank, HDFC Bank, and Mahindra & Mahindra led Friday's market recovery. Coal India was among the week's notable outperformers, benefiting from favourable demand and earnings expectations.
- Overall, the market narrative remained dominated by crude oil, global bond yields, and regulatory developments, with investors staying cautious ahead of the upcoming RBI policy meeting and further geopolitical developments in the Middle East.

Interesting Charts ... that speak a thousand words

DXY- A Pause in trend!



US 10Y Bond Yield Nears Multi-Year Resistance



The Week Ahead (28th Sep to 1st Oct) : Global Data and Domestic Growth to Guide Market Direction

- Indian equities are likely to trade with a positive but cautious undertone, supported by resilient domestic growth and improving business activity. Investors will focus on key domestic data releases and month-end fund flows for near-term direction.
- Globally, markets will closely watch US inflation and labor market data, along with China's September PMI numbers, which could influence foreign fund flows, commodity prices, and overall risk sentiment.
- On the domestic front, August industrial production (IIP) data will be a key monitor for assessing manufacturing momentum and the strength of India's capex cycle.
- Sectorally, banking, infrastructure, defense, and capital goods are expected to remain relatively strong, while metals may react to Chinese economic data and IT stocks could be influenced by US macro developments. Reliance Industries, HDFC Bank, ICICI Bank, L&T, Bharat Electronics, and major metal companies are likely to remain in focus.

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Nifty 50 Technical Outlook



Source: Tradingview

- The Nifty index remained under pressure for the seventh 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 23,000, with the RSI currently at 34, indicating the possibility of a relief rally towards 23,300. A decisive breakout above this level could further extend the upmove towards 23,500. Meanwhile, India VIX surged 7% to 12.16, 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 23,000–23,400.

Nifty Bank Technical Outlook



Source: Tradingview

- 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 currently hovering near its crucial 100-WMA at 55,100, which is acting as an immediate support. On the higher side, 56,000 remains the key resistance, and a decisive breakout above this level could pave the way for an upmove towards 56,500.
- With the monthly F&O expiry scheduled for the coming week, we expect the Bank Nifty to remain rangebound, with a broader trading range of 55,000–56,100.

Global Markets

Developed Markets

US (S&P 500)	+1.21%
Germany (FSE DAX)	+0.41%
UK (FTSE 100)	+0.34%
Eurozone (Eurostoxx 50)	+1.07%
Japan (Nikkei 225)	+2.07%

Emerging Markets

Indonesia (IDX Composite)	-3.09%
India (Nifty 50)	-0.88%
China (CSI 300)	-1.51%
South Korea (KOSPI 100)	+3.11%
Brazil (Bovespa)	-0.95%

Sectoral Gainers and Key Commodities

Sectoral Indices

Nifty Realty – TRI	+2.98%
Nifty Consumer Durables – TRI	+1.16%
Nifty Pharma – TRI	+1.10%
Nifty IT – TRI	-2.40%
Nifty NBFC – TRI	-3.95%

Commodities

Gold	-2.12%
Silver	-2.94%
Brent Crude	-6.19%

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