

# Weekly Market insights & Strategies



05 January 2026

Weekly Market Recap: India & Global

On Monday, the markets fell by 0.38% to close at 25942.10, due to selling in oil & gas and IT shares, foreign fund outflows and thin year-end trading. Navratna defence PSU, Bharat Electronics Limited secured additional orders worth Rs.569cr which includes radars, tank overhaul, communication equipment, fire control system, etc. RBI rate cuts and reforms will boost India’s growth in 2026 amid global financial gains. Tuesday was no different than Monday, with stock markets ended marginally lower amid thin year-end trading as persistent foreign fund outflows and a muted trend in global equities weighed on investors' sentiment. Eternal dropped the most falling by 2.21%, as the Blinkit CFO Vipin Kapooria resigned. Bajaj Auto led the gains by 2.32%. On Wednesday, India ended 2025 on a green candle, with Nifty closing 0.7% higher bouncing back in a broad-based rally on the last day of 2025, led by metal stocks after the government imposed import tariffs on some steel products. TCS dropped 1.13% to end in red as it fell 21% in 2025 marking the steepest yearly decline in nearly 17 years. The Union Cabinet has on December 31 approved a plan to freeze adjusted gross revenue dues of Vodafone Idea Ltd at Rs 87,695 crore, rescheduling the repayment over FY2032–41, while also opening the door to a reassessment of the dues by a government-appointed panel. New Year 2026 started with market closing flat, growing up by 0.06%. ITC & Godfrey Philips fell 9.7% and 17% respectively, after government imposed excise duty on cigarettes from February. The auto index advanced 1% as sales to dealers rose from a year earlier in December aided by tax cuts. Friday, the market ended with a solid growth of 0.70%, reaching all time high of 26,340, Heavy weight bank stocks rise 1.9% for the week on the optimism over strong loan growth and asset quality. Coal India surged after access to direct participation of foreign coal buyers from some countries in its e-auctions amid a decline in local demand for power generation. Globally, Dow Jones dropped -0.67%, S&P 500 fell 1.03%, Nasdaq dropped 1.52%. Nikkei 225 dropped -0.74%, Shanghai rose by +0.13%, Hang Seng was up by 2.01%, KOSPI was up by +4.36%.

Indian Equity Market Performance & Key Valuation Ratio

Index	02-01-2026	% Change (WOW)	P/E	P/B	Dividend Yield
Broader Indices					
Nifty	26328.55	1.09%	22.92	3.58	1.28
BSE Sensex	85762.01	0.84%	23.66	4.6	1.12
BSE Midcap	47539.18	1.72%	32.95	5.07	0.76
BSE Smallcap	51920.13	1.16%	32.79	3.63	0.64
BSE 250 LargeMidCap Index	11299	1.37%	24.9	4.56	1.1
Sectoral Indices					
BSE Fast Moving Consumer Goods	19520.75	-3.61%	37.33	8.16	1.86
BSE Commodities	8179.44	2.92%	26.66	3.33	0.94
BSE Consumer Discretionary	10003.35	2.00%	48.65	7.23	0.64
BSE Energy	12433.64	3.40%	11.94	2.06	2.7
BSE Financial Services	13310.89	1.62%	18.79	3.15	0.86
BSE Healthcare	44057.7	0.42%	38.88	6.65	0.53
BSE Information Technology	37136.91	-0.76%	27.95	7.79	2.26
BSE Auto	63808.86	3.45%	33.27	7.05	1.06
BSE Bankex	67483.35	2.21%	16.15	2.39	0.98
BSE Metal	37656.19	5.30%	20.75	3.22	1.38
BSE Oil & Gas	28910.2	3.37%	10.59	1.73	3.06
BSE Power	6725.89	3.54%	30.48	4.26	1.22
BSE Realty	6963.94	1.62%	44.36	5.59	0.33

Gainers

Symbol	LTP	%Change (WoW)	%Change (MoM)
NTPC Ltd	352.1	8.60	9.00
Tata Steel Ltd	182.9	8.10	9.70
Mahindra & Mahindra	3802.4	5.00	3.60
State Bank of India	999	3.40	5.40
Axis Bank Ltd	1266.9	3.20	-1.00

Losers

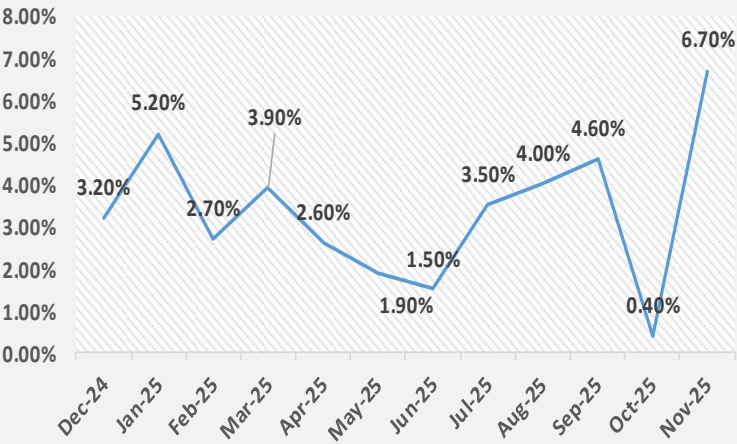
Symbol	LTP	%Change (WoW)	%Change (MoM)
ITC	350.1	-13.40	-13.20
HCLTechnologies Ltd	1640.2	-1.30	-0.90
Bajaj Finance Ltd	990.5	-1.00	-3.80
Infosys Ltd	1640.4	-1.00	2.70
Tata Consultancy Services Ltd	3250.7	-0.90	0.70

FII & DII Investment Flow Vs NIFTY50

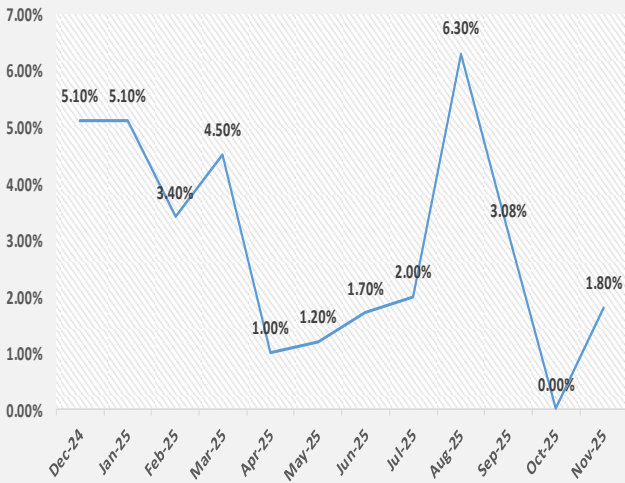


Macro-Economic Performance: India

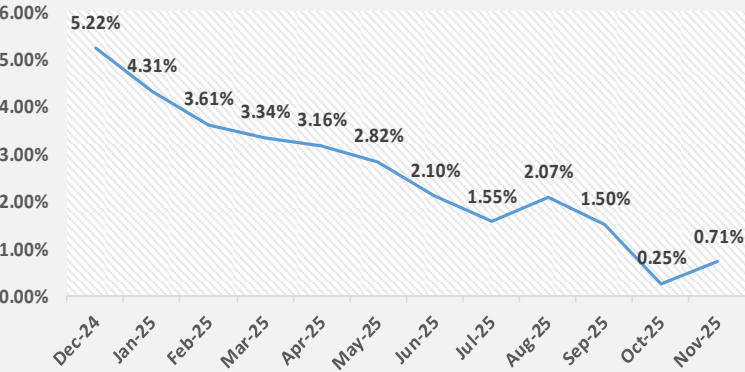
IIP (YoY)



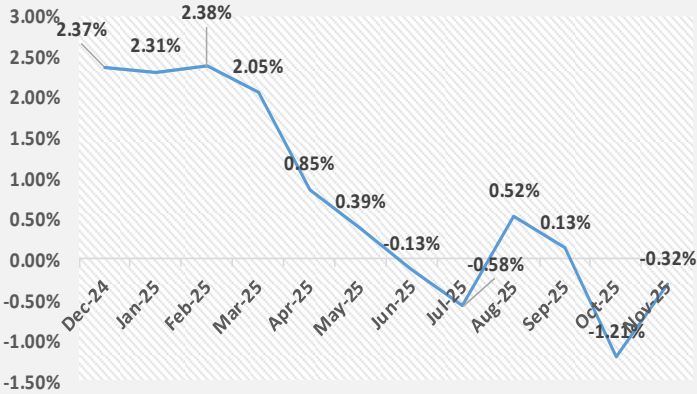
Infrastructure Output (YoY)



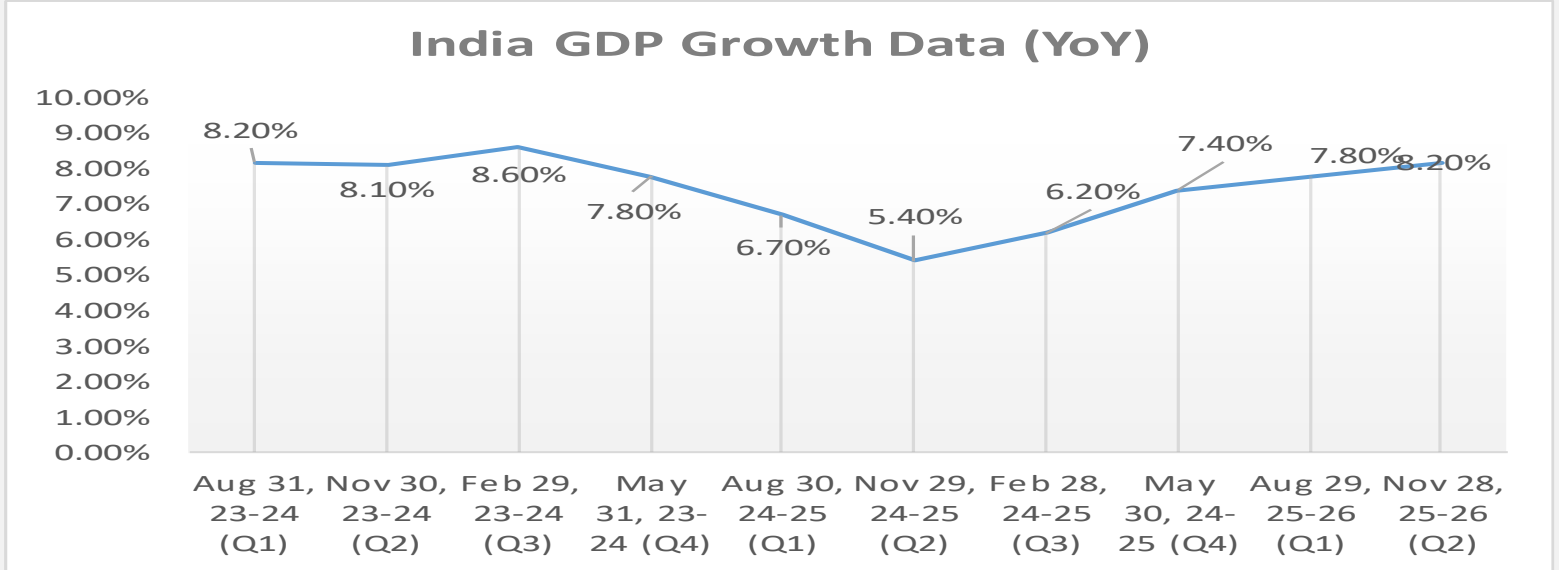
CPI (YoY)



WPI (YoY)



Market View from Research Desk:



**NIFTY (26,328.55):** From an intermarket perspective, Indian equities showed clear domestic resilience, with Bank Nifty out performing Nifty 50 despite a broad sell-off in US markets, indicating a local risk-on bias driven by domestic liquidity and credit expectations. The rise in India VIX alongside higher indices signals cautious participation and potential short-term volatility. A sharp correction across commodities reflects global risk unwinding and growth concerns, which is negative for metal stocks but positive for India as a commodity-importing economy, easing inflation pressures. Stable crude prices further support this view. The USD-INR holding near 90 and a marginal rise in the 10Y bond yield to 6.61% suggest slightly tighter financial conditions but no macro stress. Intermarket signals are positive for Banking, FMCG, Consumer Discretionary, Airlines and Paints, while Metals, Mining and other global cyclicals remain under pressure, and IT may stay subdued due to global market weakness and a firm dollar.

The index traded in a narrow but positive range during the week, at 26,328.55, marking a steady recovery after early weakness. After a decline initially, the index stabilized on 30-12-2025 and then saw three consecutive sessions of gains, rising 0.74% on 31-12-2025, followed by marginal upside on 01-01-2026, and a stronger close on 02-01-2026. Prices consistently held above the 25,900–26,000 support zone, while volumes remained healthy, indicating gradual accumulation rather than aggressive buying. Overall, the price action reflects a short-term bullish bias with improving sentiment, though upside momentum appears measured rather than impulsive. Resistance stands in between 26413-26821 and support in between 25951-25544.

US economic growth in 2026 is expected to be supported by tax cuts, AI-driven productivity and reduced tariff uncertainties. This could benefit IT and Tech services, from global tech demand and AI spending with pressuring Indian bonds and currency. South Korea’s exports are expected to rise strongly in Dec 2025, led by Semiconductors and AI related tech demand positively impacting Indian electronics sector but can also increase competition in certain tech hardware niches. India has surpassed Japan, as 4th largest economy in nominal GDP entering a goldilocks phase of high growth and lower inflation, boosting equity markets broadly, especially financials, consumer goods, infrastructure and domestic cyclicals as global investors reallocate to India. US military strikes on Venezuela have escalated geopolitical tensions in Latin America. Oil prices could rise on geopolitical risk premium and concerns over supply routes and Venezuelan export potential. The MeitY approved 22 new proposals under the Electronics components manufacturing scheme with investments of Rs.41.8k crore. India's data centre capacity set to touch 14GW by 2035.

The key global events to track this week are US ISM Manufacturing PMI and Services PMI, US Non-Farm Payrolls and unemployment data, and US CPI inflation, as these will directly influence Fed rate expectations, dollar movement and global risk sentiment. From Asia, China CPI/PPI inflation and Japan consumer confidence are important for commodity demand and regional growth cues, while India’s services PMI will offer insight into domestic economic momentum.



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