Weekly Equity Market Outlook

Global Equities Rise on Strong Earnings and AI Optimism

3rd August 2026- 7th August 2026

The Week That Was *(27th Jul to 31st Jul) : Indian Equities Rebound on Strong Earnings and Lower Oil Prices*

- Indian equity markets staged a strong recovery during the week, with the Nifty 50 gaining approximately 2.6% and the Sensex rising around 2.7%, reversing a large part of the losses recorded in the previous week. Market sentiment improved as investors responded positively to easing geopolitical tensions, a sharp decline in crude oil prices, strong Q1FY27 earnings and renewed foreign institutional investor (FII) buying.
- On the global front, the key development was the de-escalation of tensions between the US and Iran, which eased concerns around disruption to oil supplies and the Strait of Hormuz. Consequently, crude oil prices retreated from recent highs, providing relief to major oil-importing economies such as India. Investors also monitored the US Federal Reserve's policy stance, which remained relatively hawkish despite no immediate rate action, keeping global markets cautious.
- Domestic macroeconomic indicators remained supportive. India's foreign exchange reserves stayed robust, while industrial production growth accelerated to 7.3% in June, reflecting continued strength in manufacturing activity. Lower crude prices also improved the outlook for inflation and the current account deficit. Meanwhile, FII flows turned positive towards the latter part of the week, complementing steady domestic institutional buying and supporting the market rally.
- Sectorally, financials and automobiles led the market higher. Strong earnings from Bajaj Finance and Bajaj Finserv boosted sentiment across the financial sector, while Mahindra & Mahindra and other auto companies benefited from continued optimism around demand trends. Infrastructure, capital goods and energy stocks also witnessed buying interest. In contrast, IT and FMCG stocks underperformed, as investors booked profits and remained cautious about global growth and technology spending trends.
- Among stock-specific developments, Bajaj Finance was the standout performer after reporting a 28% year-on-year increase in profit and improved asset quality, while Bajaj Finserv, Mahindra & Mahindra and Jio Financial Services also posted strong gains. On the other hand, large-cap IT stocks such as Infosys and TCS lagged the broader market due to profit booking.

Interesting Charts … that speak a thousand words

MIDCAP150 INDEX NEAR RECORD HIGHS

COPPER- A FRESH BREAKOUT!

The Week Ahead *(3rd Aug to 7th Aug) : RBI, Results and Oil: Three Key Drivers for Indian Markets This Week*

- Indian equities are likely to remain cautiously positive during the week, supported by the strong recovery seen last week. However, investors will remain focused on three key triggers: the RBI monetary policy decision on 5 August, earnings from several index heavyweights, and global geopolitical developments.
- On the domestic front, the RBI MPC outcome will be the most important event of the week. Markets will closely assess the central bank's views on inflation, growth and liquidity conditions. A growth-supportive stance could benefit rate-sensitive sectors such as banks, NBFCs, autos and real estate. At the same time, earnings announcements from SBI, Bharti Airtel, ONGC, Titan, Trent, Hindalco and Power Grid are likely to drive stock-specific and sectoral movements.
- From a sector perspective, banking, telecom, infrastructure and capital goods appear relatively well placed. Bharti Airtel's results will be watched for signs of telecom tariff and ARPU growth, while SBI's earnings will provide insight into the banking sector's asset quality and credit growth trends. Energy stocks could remain volatile depending on crude price movement.

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Nifty 50 Technical Outlook

Source: Tradingview

- As expected, the Nifty rebounded sharply after taking the support at the lower end of the triangle pattern placed at 23600 levels.
- It continued the formation of a higher highs and higher lows and also surpassed 24300 levels and formed a Doji candle on the daily chart, indicating a possibility of a pause in the trend.
- Momentum indicators have given a buy crossover on the daily chart, indicating positive momentum.
- The next leg of upmove can be seen if it breaks 24500 levels on the upside.
- The volatility index 'INDIAVIX' also cooled off by 16% and slipped below 12 which is giving comfort to the bulls.

Nifty Bank Technical Outlook

Source: Tradingview

- Bank Nifty witnessed a strong rebound after finding support at its rising trendline near the 56,100 level.
- The index is now approaching its key hurdle at the 200-DMA, placed around 57,600, and a decisive breakout above this level could trigger a rally towards 58,000 levels in the near term.
- On the downside, it has successfully defended its 50-DMA near 56,700, reinforcing it as a strong support zone.
- As long as Bank Nifty holds above the 56,300 support, the overall structure remains positive, with a recovery towards 58,000 likely in the near term.

Global Markets

Developed Markets	
US (S&P 500)	+1.05%
Germany (FSE DAX)	+2.11%
UK (FTSE 100)	+1.23%
Eurozone (Eurostoxx 50)	+1.36%
Japan (Nikkei 225)	-0.39%

Emerging Markets	
Indonesia (IDX Composite)	+0.64%
India (Nifty 50)	+2.59%
China (CSI 300)	-1.31%
South Korea (KOSPI 100)	-0.90%
Brazil (Bovespa)	+2.27%

Sectoral Gainers and Key Commodities

Sectoral Indices	
Nifty IT – TRI	+6.84%
Nifty NBFC – TRI	+6.08%
Nifty Media – TRI	+5.97%
Nifty Auto – TRI	+5.70%
Nifty India Defence - TRI	-0.24%

Commodities	
Gold	-0.26%
Silver	-0.92%
Brent Crude	-4.09%

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