

Weekly Equity Market Outlook

Oil Above \$100, Rising Yields and AI Capex Fears Roil Global Equities

27th July 2026- 31st July 2026

The Week That Was (20th Jul to 24th Jul) : Geopolitics and oil pressures drag markets lower

- Indian equities witnessed a weak week, with the Sensex and Nifty declining for five consecutive sessions as investors turned cautious amid escalating geopolitical tensions in West Asia, rising crude oil prices, and concerns around prospective US tariff actions. Brent crude briefly moved above US\$90/bbl following the worsening US-Iran conflict, raising fears of higher inflation, pressure on India's current account, and further foreign investor outflows.
- Domestic macros were mixed. India's flash Composite PMI eased to 54.3 in July, indicating a moderation in growth momentum, particularly in services. However, the RBI highlighted that India's external sector remains resilient, supported by comfortable foreign exchange reserves, which increased to about US\$676 billion. The rupee remained under pressure during the week due to elevated oil prices, though RBI intervention helped contain volatility.
- Sectorally, Banking and Financials underperformed after disappointing market reactions to Axis Bank and HDFC Bank earnings, with concerns around margin compression and profitability outlook. Autos, Metals and Realty also witnessed selling pressure amid the risk-off environment. In contrast, IT stocks showed relative resilience, supported by rupee weakness and their defensive appeal during periods of uncertainty. Utilities and select pharma names also held up better than the broader market.
- Among stock-specific developments, Axis Bank and HDFC Bank were the biggest drags on the indices, falling sharply after earnings. Infosys and other IT stocks outperformed the broader market. Sun Pharma remained in focus after Organon shareholders approved its proposed US\$11.75 billion acquisition transaction, while CG Power and Welspun Corp reported healthy quarterly earnings.
- Overall, market sentiment shifted from earnings optimism to geopolitical risk management. Strong domestic institutional buying provided support, but foreign investors remained cautious. Going into the next week, investors will closely monitor developments in the US-Iran conflict, crude oil prices, FII flows, and the ongoing Q1FY27 earnings season.

Interesting Charts ... that speak a thousand words

US 10YR BOND YIELD- A fresh breakout



BRENT CRUDE- A Pause in the trend!



The Week Ahead (27th Jul to 31st Jul) : Earnings to Drive Markets Amid Global Uncertainty

- Indian equities are likely to remain volatile and earnings-driven this week. Investor sentiment will be guided by developments in the US-Iran conflict, crude oil prices, and the US Fed policy meeting. Any easing in geopolitical tensions and oil prices could support a market recovery.
- On the macro front, markets will watch India's June IIP data, forex reserve trends, and key US data including GDP and Fed commentary, which could influence FII flows and risk appetite.
- The key domestic trigger will be the Q1FY27 earnings season. Results from HUL, L&T, Tata Steel, ITC, Adani Enterprises, Adani Ports, Mahindra & Mahindra, Bajaj Finance, Sun Pharma, BEL and Coal India will provide direction for the broader market.
- Sectorally, IT may remain relatively resilient, while capital goods, infrastructure and defence could be in focus due to L&T and BEL results. FMCG earnings will offer insights into consumption trends, while banks, autos and metals are likely to remain stock-specific.
- Overall, expect a range-bound market with stock-specific action, driven by earnings.

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Nifty 50 Technical Outlook



Source: Tradingview

- The Nifty remained under pressure for the fifth consecutive session, slipping below the 23,800 mark. The index is now trading near the lower boundary of a triangle pattern, with a crucial support placed at 23,600.
- As long as this support is defended, the possibility of a technical pullback towards 24,000, followed by 24,200, remains intact.
- On the upside, the confluence of the 50-DMA and 100-DMA around the 23,850 zone is likely to act as an immediate and strong resistance.
- Momentum indicators continue to reflect a cautious bias, with the MACD witnessing a bearish crossover and the RSI slipping below the 50 mark on the daily chart, indicating weakening momentum.

Nifty Bank Technical Outlook



Source: Tradingview

- The Bank Nifty snapped its four-session losing streak and formed a bullish candlestick on the daily chart, indicating buying interest at lower levels.
- The index briefly slipped below its 200-DMA, placed around 57,400, which is now likely to act as an immediate resistance.
- On the downside, it successfully defended its 50-DMA near the 56,300 mark, reinforcing it as a strong support zone.
- With the monthly F&O expiry scheduled next week, the possibility of a short-covering rally cannot be ruled out. As long as the index sustains above the 56,300 support, it may witness a recovery towards the 57,500 level in the near term.

Global Markets

Developed Markets

US (S&P 500)	-0.61%
Germany (FSE DAX)	+1.08%
UK (FTSE 100)	+1.28%
Eurozone (Eurostoxx 50)	+0.89%
Japan (Nikkei 225)	+0.73%

Emerging Markets

Indonesia (IDX Composite)	+0.34%
India (Nifty 50)	-2.33%
China (CSI 300)	+2.65%
South Korea (KOSPI 100)	-2.40%
Brazil (Bovespa)	+0.19%

Sectoral Gainers and Key Commodities

Sectoral Indices

Nifty FMCG – TRI	+0.63%
Nifty Auto – TRI	+0.52%
Nifty India Tourism – TRI	-2.81%
Nifty Bank – TRI	-3.12%
Nifty Realty – TRI	-4.01%

Commodities

Gold	+0.89%
Silver	+4.00%
Brent Crude	+9.85%

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*Member (NSE and BSE)
Single SEBI Regn. No.: INZ000317534*

*Depository Participant (DP)
CDSL DP ID: 12012200
Single SEBI Regn. No.: IN-DP-788-2024*

*Research Analyst SEBI Registration No. INH000018337
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