

Weekly Equity Market Outlook

Tariffs Kick In – Will It Create a New RIC Alliance?

1st Sept-2025 - 5th Sept-2025

The Week That Was (25th Aug – 29th Aug) : GST bonanza fails to excite markets as tariff impact looms large

- **The Nifty 50 ends lower, erases gains made since 11-Aug** : Indian equities closed out August with a second month of losses on a trot, with the Nifty50 falling 1.38% in a month and recording the weakest two-month stretch since early 2023. This is even as we entered holiday season. On a weekly basis, the Nifty 50 lost 1.78% as the markets wiped off all the bullishness it showed after the massive GST announcements as FIIs continued their relentless selling, offloading more than ₹21,121 cr of equity. As always DIIs supported with a massive buying of ₹28,645 cr.
- **An Eventful Weekend** : Even as the 50% Tariffs kicked-in on 27-Aug, the weekend turned out to be an eventful one, with the PM's visit to Japan (on route to the SCO meet in Tianjin, China) resulting in a pledge to invest US\$68 billion in India, with a focus on semiconductors and AI, over the next 10 years. Earlier, on Friday, India's Q1FY26 GDP Growth print came as a positive surprise clocking 7.8% as against expectations of around 7.0%. This bumper jump was led by Government Spending which grew a massive 9.7% in Nominal Terms. The Tertiary Sector comprising Hotels, Transport, Real Estate and Financials grew at an impressive 9.3%.
- **The RIC Triad at the SCO** : The much awaited Modi-Xi meeting took place in Tianjin on Sunday and was marked by a cautious approach from both sides, but emphasized the need to co-operate and co-exist, marking the beginning of a thaw in diplomacy and business relations. India runs a trade deficit with China of close to US\$100 billion. A trade deal with China could help salvage this situation.
- **Sectoral Indices witness a fall across the board** : The Nifty Capital Markets Index was biggest loser of the week, losing more than 7%. The other major losers were the Nifty Realty Index, the Nifty Defence Index, Nifty Tourism Index and the Nifty PSU Bank Index. The Nifty FMCG Index gained less than 1%.
- **Gold and Silver Outshine** : As global tariff risks increased, together with the raging wars in Ukraine and Gaza, Gold and Silver both gained more than 2% during the week.

Interesting Chart Last Week

USDINR- BULLISH



USD/INR has given a multi-month breakout, hitting a new record high. Momentum indicators and oscillators have also signaled a buy crossover on the daily chart. The trend remains strong with upside targets of 88.8 and 90 in the near term, while immediate support is placed at 87.5. CMP: 88.10.

The Week Ahead (1st Sep – 5th Sep) : GST Council Meeting on 3-4 Sep holds the key

- **The GST Council Meets on 3-4 Sep** : The Goods and Services Tax (GST) Council has scheduled its 56th meeting for September 3–4, where the recommendations of the GOM are likely to be reviewed. This event will be closely watched, as an implementation before the beginning of the peak festival season is essential for it result in earnings in Q2FY26. Delays will lead to postponement of consumption.
- **India Auto Sales Data** : The August auto sales numbers will be released today. Data from the Vahan portal showed a 3 per cent drop in sales in August (till 30th) compared to July — total automobile retail sales were 1,916,350 units in August versus 1,970,559 units in July. Automobile dispatches and retail sales were hit in the second half of August as anticipation of GST a cut held customers back temporarily.
- **Global Markets** : It will a Labour Market oriented week the US, in this week truncated by the Labour Day Holiday on Monday. JOLTS on Wednesday, ADP Non-Farm Payroll on Thursday, Initial Jobless Claims on Thursday and the August Jobs Report on Friday. The only other data for the week is the ISM Manufacturing PMI on Tuesday. Asian and Emerging Markets are expected to remain under pressure due the continuing tariff impasse and the sell-off in US tech stocks.

Nifty 50 Technical Outlook



- The markets remained under pressure through the week, with persistent selling seen at higher levels.
- The Nifty index has slipped below all key short-term moving averages, while momentum indicators have turned negative on both daily and weekly charts.
- Nifty rollovers rose to 83.63%, up from 75.71% in the previous series and comfortably above the three-month average of 78.11%, signaling short positions have been carried into September.
- Going forward, consolidation is likely to persist within the broader range of 24,100–24,700 with a negative bias.

Nifty Bank Technical Outlook



- The Bank Nifty too remained under pressure throughout the week, forming a large bearish candle on the weekly chart.
- It underperformed the Nifty index, slipping below its 100-DMA at 55,480 and trading beneath all major short-term moving averages.
- Rollovers improved to 80.90%, higher than last month's 77.98% and the three-month average of 77.67%, indicating a greater carryover of short positions.
- On the weekly timeframe, momentum indicators and oscillators have turned bearish with a sell crossover.
- For now, the index stays weak, and a breakdown below 53,500 could open the gates for a further decline towards 52,400

Global Markets

Developed Markets

US (S&P 500)	-0.10%
Germany (FSE DAX)	-1.89%
UK (FTSE 100)	-1.44%
Eurozone (Eurostoxx 50)	-2.39%
Japan (Nikkei 225)	+0.20%

Emerging Markets

Indonesia (IDX Composite)	-0.36%
India (Nifty 50)	-1.78%
China (CSI 300)	+2.71%
South Korea (KOSPI 100)	+0.29%
Brazil (Bovespa)	+2.50%

Sectoral Gainers and Key Commodities

Sectoral Indices

Nifty FMCG – TRI	+0.73%
Nifty PSU Bank – TRI	-3.46%
Nifty India Tourism Index – TRI	-3.48%
Nifty India Defence – TRI	-3.99%
Nifty Realty – TRI	-4.28%
Nifty Capital Markets Index – TRI	-7.56%

Commodities

Gold	+2.25%
Silver	+2.18%
Brent Crude	-0.37%

Stock in Radar : RBL BANK

LTP : INR 260



Source: Tradingview

- The stock prices continues to move in higher top & higher bottom formation after the rounding bottom formation retesting its neckline near 220 levels covered on 18-june-2025.
- The trend continues to remain bullish with prices moving in a triangle pattern on weekly time frame. Immediate support is near 245 on closing basis & a break above 270 will add bullish breakout confirmation.
- The pattern target is near 300-320 levels in near term.

Stock in Radar: CREDITACC

LTP : INR 1395



Source: Tradingview

- The stock prices has given a bullish breakout from a well-formed Rounding Bottom pattern, surpassing the neckline resistance at ₹1,355 and closing near ₹1,398. The breakout is supported by strong momentum, with the stock trading comfortably above its long-term 200-day SMA at ₹1,073.
- Momentum indicators also reinforce the positive setup, with the RSI at 64, signaling a healthy uptrend without overbought stress, immediate support is placed at ₹1,355, which now acts as a key demand zone, followed by a stronger base around ₹1,250.
- On the upside, resistance levels and projected targets are placed at ₹1,500–₹1,550, aligning with the pattern projection.

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*Depository Participant (DP)
CDSL DP ID: 12012200
Single SEBI Regn. No.: IN-DP-537-2020*

*Portfolio Manager SEBI Regn No.: INP000004383
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