

Weekly Equity Market Outlook

Geopolitical Tensions and AI Risks Keep Markets on Edge

2nd Mar 2026 – 6th Mar 2026

The Week That Was (23rd Feb – 27th Feb) : Markets move to risk-off mode even as FIIs make a comeback

- **Indian equities post a decline amidst mixed cues from global markets** : The week was marked by mixed momentum early on, but strong late-week selling, leading to benchmark declines and heightened volatility. Markets reacted to global risk aversion, geopolitical tensions and foreign fund selling, while the IT sector remained under pressure on AI disruption narratives. Defensive sectors such as pharma outperformed, and select cyclical names saw tactical interest earlier in the week. The IT index continued to grapple with heavy selling pressure, extending its monthly slump — part of a broader decline driven by AI-related disruption concerns — with declines of nearly 20% in February, its worst monthly bout in decades. The **tech sell-off**, though partially offset by selective buying, remained a dominant negative force on headline indices. The week started with positive momentum and broad participation, led by banking, consumption and select cyclical pools, indicating continued investor interest after the recent consolidation. Profit booking from higher levels in heavyweight stocks (Reliance, SBI, ICICI Bank) during mid-week and late week capped gains and reinforced caution.
- **US-Iran standoff heightened towards the end of the week** : Persistent uncertainty in US-Iran nuclear talks and geopolitical risk in the Middle East region exerted further pressure on risk assets globally — and weighed on Indian equities particularly on Friday. The continued lack of progress on geopolitical negotiations kept defensive positioning elevated among investors, reinforcing safe-haven flows.
- **FPIs return, but fail to provide adequate momentum** : FPIs turned net buyers in February, recording ₹22,600 cr of inflows — the highest monthly figure in 16 months — but their participation waned late in the week amid renewed risk aversion.
- **Commodities last week** : The geopolitical “risk-off” was palpable. Gold surged this week gaining 3.40%, driven mostly by geopolitical risk, safe-haven buying, and yield dynamics. Silver was particularly stronger than gold this week (up close to 11%), driven by both safe-haven and industrial demand narratives, along with tariff-related market speculation. As tensions in the Gulf peaked, crude gained over 2%.

Interesting Charts ... that speak a thousand words

US 10 YR BOND BREAKING TREND LINE



HANGSENG CONJUNCTION CONTINUES



Over the Weekend & The Week Ahead : WAR IN THE GULF, WORLD ON THE EDGE AGAIN

The escalation in the US-Israel conflict with killing of the Ayatollah Ali Khomeini and Iran's retaliation has raised geopolitical risk premiums globally, with a direct spillover into Indian markets. The biggest *economic* risk is now the potential closure of the Strait of Hormuz, the “crude chokepoint”, which sees the transit of 20% of the world's crude oil. **India is especially at risk as over 50% of Indian crude imports pass through Hormuz.** Any disruption could be especially harmful for India.

Near-term sentiment drivers include:

- *Uncertainty over how protracted the conflict becomes*
- *Risk aversion among foreign institutional investors (FIIs)*
- *Rising safe-haven flows into gold/silver and safe assets*
- *Crude oil price shock raising inflation concerns*

OUTLOOK : Nifty is expected to remain under pressure as the week opens. Likely underperformers this week include (1) Airlines & travel — fuel costs + risk off, (2) Autos & consumer discretionary — input cost pressures, (3) Paints/chemicals — raw material inflation drag and (4) OMCs and downstream cos — input cost pressures. Likely gainers include upstream oil exploration companies such as ONGC, Oil India Ltd. Defensive sectors such as Pharma should be in focus. Defence stocks are expected to be among the major gainers.

Nifty 50 Technical Outlook



Source: Tradingview

- The markets remained under pressure for yet another session amid broad-based selling across indices. The Nifty slipped below its crucial 200-DMA placed at 25,350, which is now expected to act as an immediate resistance zone.
- The index continues to exhibit a lower top and lower bottom formation on the daily chart, reflecting a weakening trend. Momentum indicators remain cautious, with the MACD signaling a sell crossover and the RSI gradually drifting lower.
- Meanwhile, India VIX moved up by 5% to around 13.50, and any further rise in volatility could intensify downside risks.
- The key psychological support is now seen at the 25,000 mark, and the overall structure points towards continued weakness, with pullbacks likely to face selling pressure.

Nifty Bank Technical Outlook



Source: Tradingview

- The Bank Nifty also saw profit booking from higher levels; however, it continued to relatively outperform the Nifty index.
- The index found support near its 21-DMA placed at 60,500, and a decisive break below this level could open further downside towards the 60,000 mark.
- Momentum indicators signal caution, with the MACD turning bearish and the RSI beginning to trend lower, indicating potential short-term weakness.
- On the upside, immediate resistance is now placed around 61,000.

Global Markets

Developed Markets

US (S&P 500)	-0.44%
Germany (FSE DAX)	+0.09%
UK (FTSE 100)	+2.09%
Eurozone (Eurostoxx 50)	-0.02%
Japan (Nikkei 225)	+3.56%

Emerging Markets

Indonesia (IDX Composite)	-0.44%
India (Nifty 50)	-1.54%
China (CSI 300)	+1.08%
South Korea (KOSPI 100)	+8.98%
Brazil (Bovespa)	-0.92%

Sectoral Gainers and Key Commodities

Sectoral Indices

Nifty Pharma – TRI	+2.23%
Nifty Metal – TRI	+2.09%
Nifty PSU Bank – TRI	+1.60%
Nifty IT – TRI	-4.38%
Nifty Realty – TRI	-4.89%

Commodities

Gold	+3.40%
Silver	+10.87%
Brent Crude	+2.20%

Centrum Finverse Ltd (“Centrum”) is registered with the Securities and Exchange Board of India (SEBI) as a Stock Broker, Depository Participant, and Research Analyst. SEBI RA Registration No.: INH000018337. The information and research content available on this website are for informational and educational purposes only and do not constitute investment advice, solicitation, or recommendation to buy or sell any securities.

All information, including market data and third-party content, is provided on an “as is” basis. Centrum does not guarantee the accuracy, completeness, or timeliness of any data and shall not be liable for any loss or damage arising from the use of, or reliance on, such information. Users should independently verify all information and consult professional advisers before making investment decisions.

Investments in securities markets are subject to market risks. Past performance is not indicative of future results. Centrum, its associates, and employees may have positions or business relationships with the companies mentioned in research reports, as disclosed therein.

This website and its content are not intended for distribution to or use by any person in the United States, United Kingdom, Canada, or any jurisdiction where such distribution is unlawful.

“Investment in securities market are subject to market risks. Read all related documents carefully before investing.”

Link to Disclaimer (RA) :

<https://www.centrumgalaxc.com/wp-content/uploads/2026/01/CFL-RA-Disclaimer.pdf>

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

*Depository Participant (DP)
CDSL DP ID: 100900
Single SEBI Regn. No.: IN-DP-788-2024*

*Research Analyst SEBI Registration No. INH000018337
Mutual Fund Distributor AMFI Regn No. ARN- 300129*

*Website: www.centrumgalaxc.com
Investor Grievance Email ID: ig@centrum.co.in*

*Compliance Officer Details:
Mangesh Salesa
(022) 69559036; Email ID: finversecomp@centrum.co.in*

Centrum Finverse Ltd. (CIN : U66120MH2023PLC411440)

Registered and Corporate Office:
Centrum House, C.S.T. Road,
Vidyanagari Marg, Kalina,
Santacruz (East) Mumbai – 400098
Tel.: - +91 22 4215 9000

Email : info@centrum.co.in