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Weekly Market Overview

09.03.2026

01 Current Market Developments

- Global markets have experienced volatility amid a sharp rise in crude oil prices and escalating geopolitical tensions.
- Crude oil prices have moved sharply higher, crossing **$110 per barrel** in recent trading sessions.
- These developments have triggered short-term corrections across equity markets globally, with markets declining **~6–7%** over the last few days and single-day moves of **2–3%** being observed.
- Such episodes of heightened uncertainty are typically temporary, although their duration can be difficult to predict.

Market Performance

02

NIFTY	~2.74%
S&P 500	~1.33%
NASDAQ	~1.59%
Hang Seng Index	~2.55%

03 Historical Perspective on Market Corrections

- Historically, geopolitical events and conflicts have led to temporary market corrections.
- On average, equity markets have corrected by approximately **9–10%** during such periods, typically lasting around 11 weeks (roughly two to three months).
- Over the long term, these phases have often created opportunities for disciplined investors to increase allocations at more attractive valuations.
- Historical analysis suggests that after such corrections, markets have delivered **~16–17%** returns over the following one year, and **~27–37%** returns over a three to six year horizon.

Equity Market Outlook

04

- Valuations: Current market valuations have moderated and are now closer to, or slightly below, long-term averages, with markets trading around **~22x** current earnings and **~20x** forward earnings.

- Corporate Earnings:
  - BSE 500 companies have reported revenue growth of **~10%**, one of the stronger quarters in the last 2–2.5 years.
  - EBITDA growth remains healthy at **~12%**, while mid and small-cap companies have reported stronger EBITDA growth of **~18–20%**.
  - Credit Growth: Banking credit growth remains robust at **~30%**, indicating continued economic momentum.

05 Commodity and Gold Outlook

Commodities mixed: oil strong, gold steady

- **Crude Oil:**
  - Oil prices have risen sharply, with near-term spikes above **$110 per barrel**.
  - However, long-term forecasts broadly remain in the **$70–$75** range for 2026, compared to earlier expectations of **~$60–$61** per barrel.
  - Historically, the Indian economy has managed crude prices below **$80 per barrel** without significant macroeconomic disruptions.
- **Gold:**
  - Gold witnessed a strong rally in February, while silver experienced a correction.
  - Despite geopolitical tensions, gold has not made significantly new highs, indicating a potential phase of consolidation.
  - Gold continues to play an important portfolio diversification role, especially during periods of uncertainty and inflation.

Global Flows and Emerging Markets

06

Foreign investors trim exposure to Asia

- Global investors cut exposure to Asian equities amid volatility and energy price concerns.
- **~$11B** withdrawn from developing Asian equities (ex-China) in recent weeks.
- Taiwan: **~$8B** outflows; Korea: **~$1.5–2B**; India: **~$1.2B**.
- MSCI Asia Pacific Index fell **~6.5–7%** last week, one of the biggest weekly drops in years.
- India still supported by strong domestic savings and structural financialisation.
- India's equity market trades at a premium to other emerging markets due to diversified, demand-driven growth.

07 Fixed Income Outlook

Global policy supportive; yields face pressure

- Central banks globally remain broadly accommodative, although inflation and commodity prices remain key watchpoints.
- The 10-year government bond yield has moved toward **~6.75%**, reflecting concerns around higher crude prices and fiscal dynamics.
- Rising crude prices and fiscal considerations may keep bond yields somewhat elevated in the near term.

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