

Weekly Market

Overview

12.01.2026

The background features a stylized orange line graph with circular markers, a bar chart at the bottom, and a large orange sun on the right side. The overall color palette is orange and white.

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Market Overview

- Indian equity markets opened marginally negative, with benchmark indices down approximately **0.5%**, while the mid-cap index declined by around **0.2%**.
- The **25,600** level continues to act as a near-term support for the benchmark index.
- Market activity reflects consolidation amid heightened global developments rather than a deterioration in domestic fundamentals.

Market Performance

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NIFTY

↘ ~0.43%

S&P 500

↗ ~0.65%

NASDAQ

↗ ~0.81%

Hang Seng Index

↗ ~0.80%

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Global Market Developments

- US equity markets ended the previous week higher, with the S&P 500 gaining approximately **1.6%** and the Nasdaq rising close to **2%**. European equity markets experienced volatility amid rising geopolitical concerns.
- Indian equities witnessed one of the weaker weeks in recent months: benchmark indices declined by approximately **2.5%**; mid-cap indices fell by a similar magnitude; small-cap indices declined by over 3%.
- Commodity and yield movements remained mixed: gold prices moved higher, nearing **USD 2,450 per ounce**; silver traded around **USD 28 per ounce**; crude oil remained stable at approximately **USD 63 per barrel**.
- The US 10-year bond yield traded around **4.17%–4.18%**. The Indian 10-year bond yield remained in the range of **6.63%–6.64%**.
- The Indian Rupee traded near **₹90.24** against the US Dollar.

Geopolitical Environment

04

- Global geopolitical uncertainty remains elevated, with developments across multiple regions influencing risk sentiment.
- Ongoing geopolitical tensions in Europe and the Middle East continue to add near-term volatility.
- Recent unrest in Iran has resulted in over 500 reported fatalities, further amplifying uncertainty.
- Institutional frameworks and checks within developed markets are expected to moderate the long-term impact of aggressive policy rhetoric.
- While short-term volatility may persist, global decision-making continues to be anchored in institutional processes rather than unilateral actions.

05

India: Economic & Valuation Perspective

Indian Equities Signal Earnings Rebound

- Indian equities have underperformed global peers over the past 12 months, resulting in meaningful valuation moderation.
- Certain sectors are now trading at valuation levels not seen in nearly five years, particularly when compared with short-term interest rates.
- Inflation remains stable and is trending close to **1%**, supported by policy measures and supply-side improvements.
- Government initiatives focused on liquidity infusion, tax rationalisation, and increased consumer spending are expected to support economic revival.
- An earnings-led recovery is anticipated over the coming quarters.



Foreign Investment Flows

Foreign Outflows Hit Cyclical Lows

- Foreign institutional investors remain net sellers, with cumulative outflows of approximately **₹12,000 crore** year-to-date.
- Overall foreign investor positioning remains near cyclical lows.
- A sustained recovery in growth and earnings is expected to be the key catalyst for renewed foreign inflows.

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