

# Bazaar beats



## KEY HIGHLIGHTS

- Elevated geopolitical tensions (US-Iran) + potential AI impact continue to cloud equity markets
- US Economy Holds Firm, Delaying Global Rate Cut Cycle
- Inflation eases led by lower food prices
- RBI Maintains Status Quo, Signals “Wait & Watch” on Rate Cuts.
- FII Outflows Persist, Domestic Investors Absorb the Shock

1

Elevated geopolitical tensions, particularly between the US and Iran, along with ongoing global trade policy uncertainty, concerns around artificial intelligence (AI)-led disruption and mixed corporate performance contributed to risk-off phases, resulting in Indian equities closing February with a marginal monthly rise.

2

US inflation was ~ 2.4% (YoY) , still above the comfort level of 2%. Unemployment: ~4.4% — low enough to indicate a still-stable labour mkt. **Job Openings: ~6.9 mil. (Jan 2026)** — showing demand for labour persists. All this indicate that despite some cooling, the US economy is **not weak enough** to justify aggressive rate cuts. Forcing the Fed to stay cautious.

3

India’s CPI inflation eased to around **~4.8% in January 2026**, down from ~5.7% in December, primarily due to a sharp correction in vegetable prices. However, **core inflation (ex-food & fuel)** remains relatively sticky at **~3.8–4.0%**.

4

RBI kept the **repo rate unchanged at ~6.50%**, marking an extended pause since early 2023, while maintaining a neutral stance. System liquidity stayed moderately tight. With inflation still slightly above the 4% target and liquidity not overly easy, RBI is in no hurry to cut rates, keeping borrowing costs relatively stable in the near term.

5

Feb’ 26 saw **FII net outflows of ~₹25,000–30,000 crore** in Indian equities, largely driven by elevated US bond yields (~4.2–4.4%) and a stronger dollar. In contrast, **DII**s remained strong buyers with inflows of **~₹35,000–40,000 crore**, Domestic flows are now cushioning external shocks, but markets remain sensitive to global yield movements and FII sentiment shifts.

# Bazaar beats

## READING THE WAVES



UPS AND DOWNS AREN'T NOISE;  
THEY'RE THE RHYTHM OF

**Growth**

S.No.	Index	Opening Value*	Closing Value*	%age Change
1	NIFTY 50	25320.65	25178.65	-0.56%
2	NIFTY MID CAP 150	21490.9	21847.35	1.66%
3	NIFTY SMALL CAP 250	15763.45	15881.05	0.75%
4	NIFTY BANK	59610.45	60529	1.54%
5	NIFTY IT	38036.15	30603.85	-19.54%
6	NIFTY AUTO	26750.35	28158.85	5.27%
7	NIFTY INDIA CONSUMPTION	11469	11537.1	0.59%
8	NIFTY PHARMA	21715.1	22952.35	5.70%
9	SILVER	333292	268009	-19.59%
10	GOLD	164389	158588	-3.53%
11	NASDAQ	23461.82	22668.21	-3.38%
12	DOWJONES	48892.47	48977.92	0.17%

- Indian equities ended marginally Lower in Feb-26, navigating a volatile environment shaped by domestic policy developments and global uncertainties.
- The BSE Sensex dropped 1.19% and NIFTY 50 dropped by 0.56%. Broader market ended slightly positive with NSE Midcap index up 1.8% and BSE Smallcap index up 0.5% for the month.
- Power was the best performing sector for the month. Most other sectors – Healthcare, Capital Goods, Oil & Gas, Autos, and Banks were positive and significantly outperformed the Nifty
- Precious metal especially Silver, saw massive downtrend with ~20% correction. FMCG was almost flat and Realty was slightly down. IT sector was, however, down sharply by 19% for the month driven by concerns on potential impact of AI.
- Global markets were also either flat or gave a negative returns in February.

*\*opening & closing values are closing value of last Trade day of previous & current month respectively*

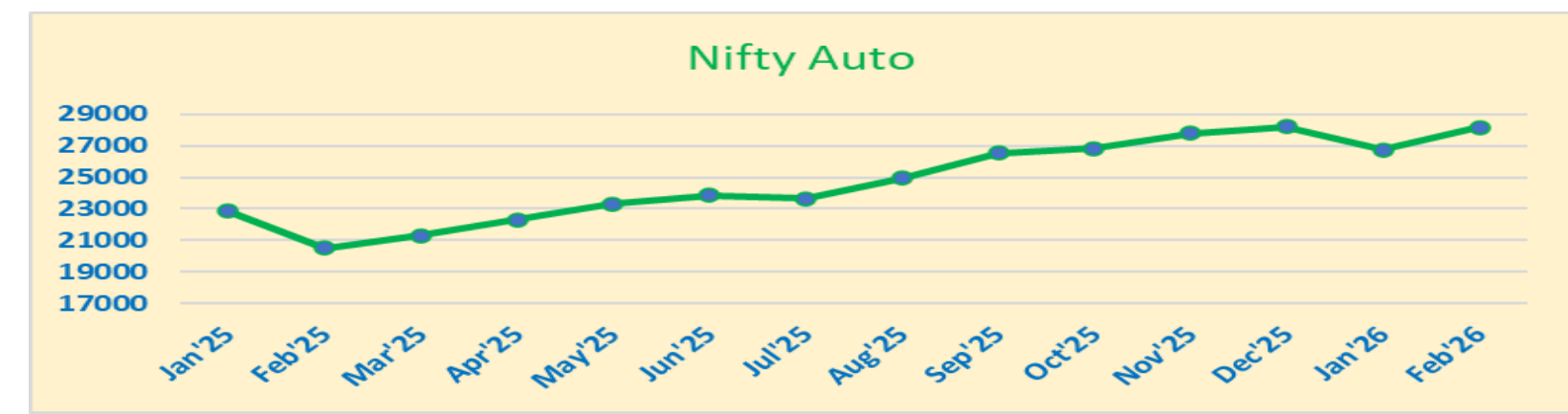
# Bazaar beats

**Movers & Shakers**



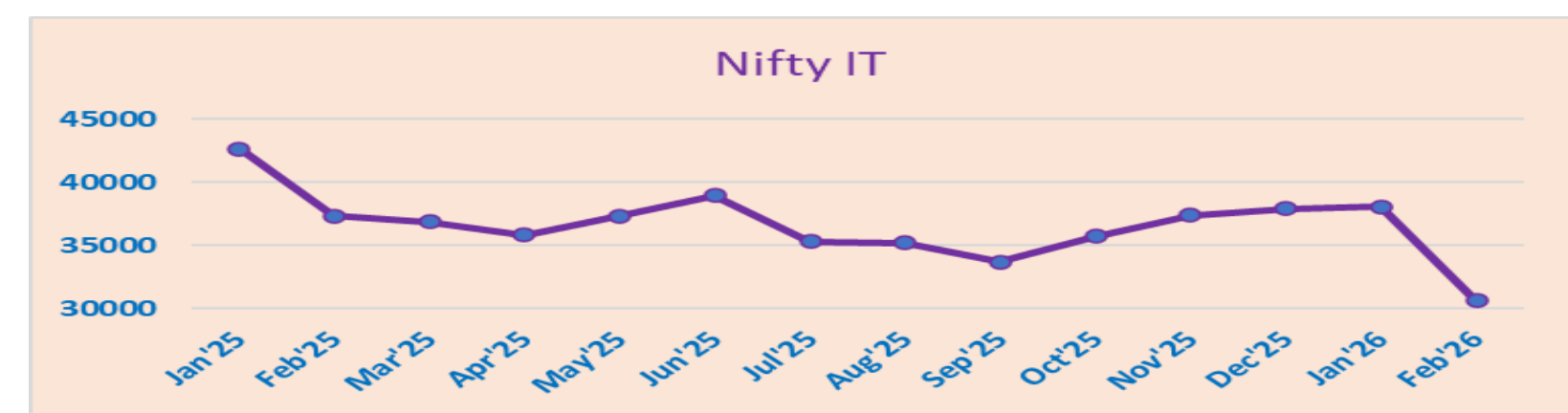
## Auto

Since GST cuts in last Sept., auto sector is giving good positive returns. In January this effect seemed to waned off completely. Auto index shown a downward trend in January. As vehicle financing eases and rural/urban demand normalizes. However, in Feb, it rebounded riding on rural demand improvement and high passenger vehicles sales . Moreover, DII fund flowed in auto sector which offered earnings stability compared to IT or global-facing sectors, where instability is currently very high.



## IT

IT was the biggest loser in February. It index lost ~20% driven by the huge nervousness and anxiety on adverse impact on IT sector due to AI deployment across IT services. There are major apprehensions on the future revenues, margins and manpower employability in IT. Especially major disruptions AI can create for ITES and outsourcing Co. In the short run IT is a big worry for all investors.



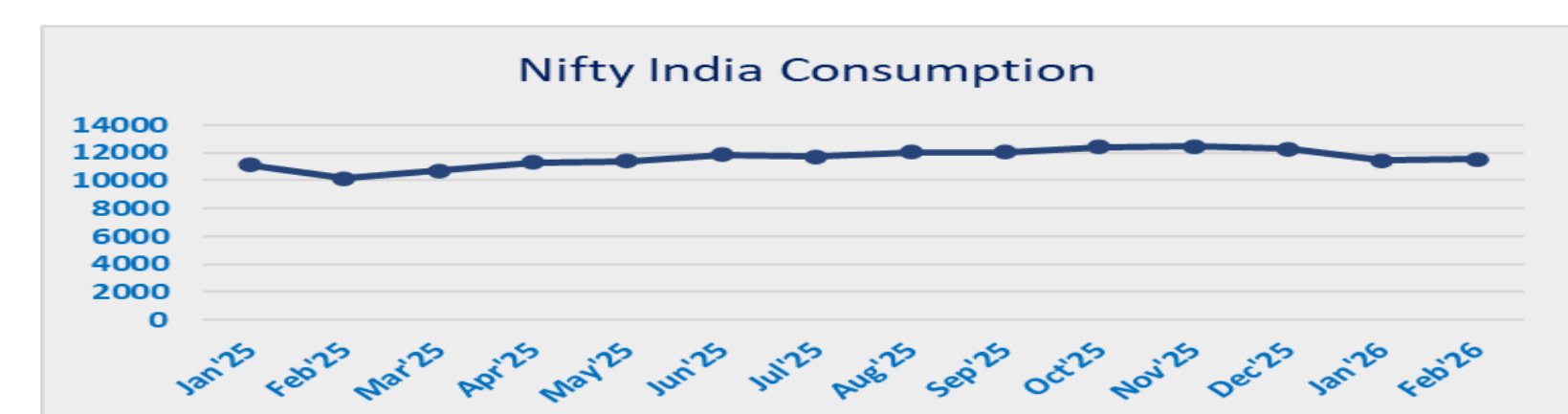
## Silver

After a spectacular bull run fuelled by speculation and investors rush, Silver corrected sharply by ~20% in February. It gave 4x returns in on year (From Last Jan to this Jan). It rose sharply in Dec and Jan, as it really got the fancy of retail investors. Since equities have traded almost flat in last one year, it was considered a positive option for investment. Now in Feb, major profit booking by the investors who were invested from last 5-6 months have dragged the silver prices down significantly.



## Consumption

In February 2026, the index showed mild positive traction, supported by easing food inflation and early signs of rural demand revival. Companies with strong distribution and premium product mix outperformed peers. However, volume growth remains modest (~4–6%), and margin expansion is limited due to competitive pricing and selective demand recovery. Consumption is moving from a slow recovery phase to gradual normalization, not a sharp rebound. Rural demand and income recovery will be the key trigger—until then, expect steady but unspectacular returns.



# Bazaar beats

## WHAT'S NEXT?

- On a macro level, Fiscal Deficit is well under control, inflation outlook is benign given supply side reforms, demand environment continues to remain robust. Aided by subdued inflation, low crude oil prices, steady tax collections, devalued rupee (making export competitive) and strong efforts by RBIs to keep liquidity in market (thru CRR reduction of 25 basis points) , bodes well for already healthy demand environment for last quarter of FY25-26.
- Indian markets have underperformed global peers significantly in recent times, cooling-off valuations. Rupee has also depreciated – making a case for FII comeback. However, despite recent corrections from its peak in 2024, the overall market valuations continue to remain in the neutral zone.
- Global markets have delivered a positive returns in February. With positive results on inflation, unemployment's and PMIs, US economy seems to be pretty protected from upheavals caused by Trump's punitive tariff driven trade policies. So, US should continue to drive global demand in the upcoming months as well.
- Consistent SIPs turns market volatility into opportunity; therefore, it will not be a bad idea to review and realign your SIP portfolio. Infact raising your SIPs will give you better returns .

### Tactical Way

Extreme volatility anticipated after unrest in Middle east, may give us opportunity to buy in select pocket. Stay vigilant of development. Silver correction can be seen on account of lower industrial activity across.  
High demands like oil/ food/ fertilizer ----> necessities may be safe space to be in till war does not subside.

### Not to Miss

Index fund are good to buy in volatile markets, with trading opportunities and set stop loss/ targets

### The Core

Respect Asset allocation. Always add specially during turbulence. Buying at low when asset allocation is disturbed, will help in long run.

Views expressed above are indicative and should not be construed as investment advice or as a substitute for financial planning. Due to the personal nature of investments, investors are advised to seek professional advice before investing.

# Bazaar beats

## Quote of the month

**“Risk is not volatility. Risk is making decisions without a framework.”**



## Funny bone

**“Every time I feel intelligent, the markets remind me to stay humble.”**