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EMBRACE FINANCIAL FREEDOM

(AMFI Registered Mutual Fund Distributor)
ARN 321370

Bazaar Beats

Monthly Market Outlook

KEY HIGHLIGHTS

US economic growth slowed to 1.5% in Q2CY26, while the Eurozone and UK improved to 1.2%. Japan's growth moderated to 1.4%.

Upward inflation movement driven by rising crude/gas prices due to middle east tesnions, led to a broad developed market interest rates hiking across US, EU and Japan.

India maintained strong growth momentum despite global economic uncertainties, supported by domestic demand and services-sector activity, Major global agencies upgraded India FY-27 GDP forecast to around 7%.

Indian equity markets saw sharp broad based correction in Sept., Nifty- 50 down by ~ 6.% and the Sensex declined by ~ 5.8%. All sub indices also ended in red.

IT and Auto declined the most with 11% and 9% respectively. Capital Goods, Realty and Bank Index fell 6% each. FMCG and Utilities outperformed the market, falling 3% and 1%

Global Markets

Index	Sept Close (30 Sep 2026)	Monthly Change (MoM)
S&P 500 (USA)	7651.54	-0.45%
Nasdaq (USA)	26861.06	+1.86%
Nikkei 225 (Japan)	66753.72	+0.67%
Hang Seng (China)	24574	-3.88%
FTSE 100 (UK)	10606	-2.02%

Indian Market

Index	Sept Close (30 Sep 2026)	Monthly Change (MoM)
Nifty 50	22620.45	-6.06%
Sensex	72480.29	-5.82%
Bank Nifty	54633.05	-5.85%
Nifty Midcap 100	59332.05	-7.62%
Nifty Smallcap 100	19245.70	-3.44%

Key Economic Indicators

Indicator	Latest (Sep 2026)	Previous (August 2026)
CPI Inflation	5.54%	4.82%
Service PMI	55.2	54.10
Manufacturing PMI	55.1	52.8
Repo Rate	5.25 %	5.25 %
Brent Crude	116.80	90.49
Rupee (USD)	95.98	95.17

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Economic Factors Impacting Indian Financial Market

Global macro factors weighed heavily on Indian financial market. Renewed Middle East tensions, rising global energy prices, upward inflation trajectory, broad developed market interest hiking cycle (by 0.25%) across US, Japan, ECB and other economies negatively impacted the market sentiments.

Despite India recording robust GDP growth of 7.8% in Q1 FY27, economic concerns persisted as GVA growth moderated to 8.2%, while rising energy, transportation and other input costs threatened corporate profit margins and increased inflationary pressures. Bond yield movement and weaker INR further pushed the negative sentiment.



Global Developments Influencing Indian Financial Market

Global equities experienced a weak performance in September 2026 as rising US Treasury yields, a stronger US dollar and renewed geopolitical tensions weighed on investor sentiment. Risk appetite remained subdued across major markets, with AI-related stocks being a notable exception.

Taiwan and South Korea benefited from continued demand for semiconductors, memory and AI-related technologies, although volatility persisted. Japan's market remained relatively resilient, while Chinese equities faced pressure from weak consumer demand and mixed economic indicators. These global developments could influence Indian financial markets through foreign investor flows, currency movements, commodity prices and overall risk sentiment.



Indian Equity Market

The Indian equity market remained under significant pressure in September 2026, with a broad-based correction driven by global uncertainties, rising bond yields and concerns over the US interest-rate outlook. The Nifty 50 declined 6.1% for the month, while the Nifty Midcap 150 fell 7.1% and the BSE SmallCap index dropped 1.8%, reflecting weakness across market segments.

All major sectoral indices ended the month in negative territory. IT and Auto declined the most with 11% and 9% respectively. Capital Goods, Realty and Bank Index fell 6% each. Defensives like FMCG and Utilities outperformed the market, falling 3% and 1% respectively. Expectations of slower GDP growth for FY27, coupled with concerns over below-normal monsoon conditions and their potential impact on food inflation and rural demand, further weighed on investor sentiment.

Uncertainty surrounding proposed insurance-sector regulatory changes and continued volatility in global markets also reduced risk appetite.

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- Rising food and energy prices are likely to remain key concerns, with India's retail inflation reaching 5.54% in September.
- September-quarter results will be closely watched for signs of earnings growth, margin pressure and the impact of higher input costs.
- Continued foreign investor selling could weigh on Indian equities, while domestic institutional participation may help cushion volatility.
- US inflation and bond yields will remain important drivers of global liquidity, emerging-market flows and investor sentiment.
- India's economic growth remains resilient, but higher borrowing costs, energy prices and input costs could challenge future growth and corporate profitability.

TACTICAL VIEW

Focus on value investing in equities. Keep an eye on emerging opportunities in debt as yields become increasingly compelling

LINAC INSIGHT

Align your risk exposure with your financial capacity, not just your willingness to take risks.

THE CORE

Investment decisions should reflect your ability to absorb volatility, not just your willingness. Align risk exposure with real financial capacity.

QUOTE OF THE MONTH

Compounding works best when investors resist the urge to interrupt it.



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