

GIFT Nifty suggest weak opening for equities as US-China trade war tensions resurface

Market Opening Outlook: Nifty Signals Weak opening

GIFT Nifty:

GIFT Nifty September 2025 futures were trading with a cut of 172.00 points (or 0.68%) in early trade, suggesting that the Nifty 50 could open with some cuts today.

Institutional Flows:

Foreign portfolio investors (FPIs) bought shares worth Rs 459.20 crore, while domestic institutional investors (DII) were net buyers to the tune of Rs 1,707.83 crore in the Indian equity market on 08 October 2025, provisional data showed.

According to public data, FPIs had sold shares worth Rs 213.04 crore in the cash market so far in October 2025. This follows their cash sales of shares worth Rs 35,301.36 crore in September 2025.

Global Markets:

Asian markets fell on Monday after the U.S. and China tightened trade restrictions and exchanged sharp accusations, reigniting tensions between the world's two largest economies.

China's Ministry of Commerce reportedly said on Sunday that the country was "not afraid of" a trade war, responding to U.S. President Donald Trump's vow to impose punitive new tariffs on Chinese imports.

Beijing also reportedly accused Washington of a "textbook double standard" following Trump's threat to levy an additional 100% tariff after China imposed fresh export controls on rare earth minerals.

In a Truth Social post later that day, Trump appeared to temper his tone, suggesting the administration "may not follow through" with a "massive increase of tariffs" on China. However, the remarks did little to calm markets.

On Friday, U.S. equities tumbled amid escalating trade tensions. The Dow Jones Industrial Average sank 878.82 points, or 1.9%, to close at 45,479.60. The S&P 500 slid 2.71% to 6,552.51, and the Nasdaq Composite dropped 3.56% to 22,204.43 — marking the S&P's steepest one-day decline since April 10.

For the week, the Dow lost 2.7%, the S&P 500 shed 2.4%, and the Nasdaq fell 2.5%. The sell-off deepened after Trump announced plans for additional tariffs and new export controls on critical U.S.-made software, a move that sent Big Tech stocks sharply lower and reignited fears of a renewed trade war with China.

Trump's latest measures have rattled global markets and raised concerns about further deterioration in U.S.-China relations ahead of a scheduled meeting with President Xi Jinping in two weeks — a meeting Trump now says may not take place.

Domestic Market:

Benchmark indices ended sharply higher, extending gains for the second straight session. Sentiment improved on the back of renewed foreign portfolio investor (FPI) inflows seen over the past three days, while optimism ahead of the quarterly earnings season further supported the rally. The Nifty closed above the 25,280 mark, with realty, PSU bank, and pharma stocks leading the gains.

The S&P BSE Sensex, advanced 328.72 points or 0.40% to 82,500.82. The Nifty 50 index added 103.55 points or 0.41% to 25,285.35. In the two trading session, the Sensex and Nifty jumped 0.89% and 0.96%, respectively

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