



BGSE FINANCIALS LTD

Newsletter



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Weekly Takeaway

Weekly Takeaway

Indian equity markets outperformed global peers this week, with the Sensex surging 965 points and the Nifty closing above 24,300, driven by robust Q1 earnings, strong buying in IT and private banking stocks, and improving domestic sentiment despite a sharp sell-off across global markets.

Indian Markets Defy Global Rout

Indian benchmark indices ended the week on a strong note, shrugging off weakness across global equity markets as investors cheered better-than-expected corporate earnings and strong buying in heavyweight stocks.

- **Sensex: 78,151.45 (+964.58 points)**
- **Nifty 50: 24,334.30 (+261.55 points)**

The rally was broad-based, with IT and private banking stocks leading the gains, while investor confidence remained supported by resilient domestic fundamentals and improving earnings momentum.

Top Contributors to the Rally

The market advance was led by buying in large-cap heavyweight stocks.

Top Gainers

- Tech Mahindra
- TCS
- Reliance Industries
- Kotak Mahindra Bank
- ICICI Bank
- HDFC Bank
- Axis Bank
- Infosys
- Bajaj Finance
- Mahindra & Mahindra

Under Pressure

- Sun Pharma
- Trent
- Bharti Airtel
- UltraTech Cement

Five Key Reasons Behind the Market Rally

1. Strong IT Earnings Boost Sentiment

The IT sector emerged as the biggest driver of this week's rally after **Tech Mahindra** reported stronger-than-expected Q1 FY27 results, with net profit rising **28% YoY** to ₹1,465 crore.

Adding to the positive sentiment, **HCL Technologies** announced a seven-year strategic partnership with **The Guardian Life Insurance Company of America** to accelerate AI-led digital transformation, reinforcing confidence in India's technology sector.

2. Q1 Earnings Momentum Strengthens

The ongoing earnings season continued to support investor confidence.

Key highlights included:

- **Jio Financial Services** reported a **155% YoY** jump in consolidated net profit to **₹830 crore**, emerging as one of the top performers on the Nifty.
 - Investors also accumulated **Reliance Industries** and leading private banks ahead of their quarterly earnings announcements, expecting steady operational performance.
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3. Rupee Recovery Supports Market Sentiment

The Indian Rupee appreciated **14 paise** to **96.28 per US Dollar**, helping improve investor confidence.

A relatively stable currency reduces imported inflation pressures and supports foreign investment flows, although markets continue to monitor crude oil prices and geopolitical developments closely.

4. Technical Breakout Signals Renewed Momentum

After several sessions of consolidation, benchmark indices witnessed a technical breakout supported by improved market breadth and strong institutional participation.

The breakout indicates strengthening buying momentum, although analysts expect short-term volatility before a clearer directional trend emerges.

5. Strong Domestic Fundamentals Offset Global Weakness

Despite significant declines across major global markets, Indian equities remained resilient due to:

- Strong domestic earnings growth
 - Healthy participation in large-cap stocks
 - Continued optimism surrounding India's economic outlook
 - Expectations of stable credit growth and resilient corporate profitability
-

Sector Performance

Top Performing Sectors

- Information Technology
- Private Banks
- Financial Services

Underperforming Sector

- Pharmaceuticals

The rotation towards IT and financials reflects improving confidence in earnings growth and institutional buying.

Volatility Watch

The **India VIX** rose approximately **3%** during the week to **13.24**, indicating a modest increase in market volatility.

While volatility has picked up, it remains well below historical stress levels, suggesting that investors continue to maintain a constructive outlook.

Corporate Highlights

- **JSW Steel** reported a **100% increase** in Q1 net profit to **₹4,696 crore**, reflecting improved operational performance.
 - **MakeMyTrip India** confidentially filed its Draft Red Herring Prospectus (DRHP) with SEBI, marking another significant development in India's capital markets.
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Takeaway

Indian equities demonstrated remarkable resilience this week, outperforming major global markets despite a broad-based international sell-off. Strong Q1 earnings, renewed buying in IT and private banking stocks, improving technical momentum, and stable domestic fundamentals helped drive benchmark indices to fresh weekly highs. As the earnings season gathers pace, corporate performance and management commentary are expected to remain the primary catalysts for market direction.

Weekly Market Compass | – Market Pulse

Market Pulse

Trend, Momentum & Institutional Activity

Indian equity markets extended their upward momentum during the week, with benchmark indices posting strong gains despite weakness across global markets. Positive earnings surprises sustained buying in IT and private banking stocks, and resilient domestic fundamentals helped investors look past external headwinds.

Market Trend

Indicator	View
Overall Trend	● Bullish
Momentum	● Strengthening
Market Breadth	● Positive
Volatility (India VIX)	● Moderately Elevated (13.24)
Market Sentiment	● Constructive

The market continues to exhibit a higher high–higher low structure, indicating that the primary trend remains positive despite intermittent bouts of volatility.

Institutional Activity

Investor participation remained selective, with buying concentrated in large-cap stocks, particularly in the IT and financial sectors.

Key Observations

- Robust participation in frontline stocks supported the rally.
- Q1 earnings optimism encouraged fresh institutional buying.
- Market participants remained cautious ahead of earnings from major private banks and Reliance Industries.
- Foreign fund flows and rupee movement will continue to influence market direction in the coming week.

Sector Performance

Outperformers

- Information Technology
- Private Banks
- Financial Services

Underperformer

● Pharmaceuticals

Technology stocks rallied after better-than-expected earnings from Tech Mahindra, while private banks gained ahead of their quarterly results. Profit booking in pharmaceutical stocks led to sectoral underperformance.

Market Drivers

The week's rally was supported by several domestic factors:

- **Strong Q1 earnings** from key corporates boosted confidence.
- **IT stocks** led the market after encouraging earnings and positive business outlook.
- **Rupee appreciation** improved sentiment and reduced near-term currency concerns.
- **Technical breakout** above recent consolidation levels attracted momentum buying.

These positive domestic developments helped Indian markets outperform most global peers.

Technical Outlook

Index	Support	Resistance
Nifty 50	24,100 – 24,200	24,500 – 24,700
Bank Nifty	56,800-57,200	59,000 – 60,000

Technical View

- The Nifty has broken out of its recent consolidation range, indicating improving momentum.
- Sustaining above the immediate support zone will keep the bullish bias intact.
- A decisive move above **24,700** could pave the way for further upside, while failure to hold support may result in short-term consolidation.

Market Sentiment Meter

Parameter	Status
Trend	● Bullish
Earnings Outlook	● Positive
Institutional Confidence	● Improving
Domestic Economy	● Resilient
Global Environment	● Cautious

Takeaway

The domestic market continues to demonstrate resilience, supported by healthy corporate earnings, leadership from IT and financial stocks, and a favourable technical setup. While global markets remain under pressure due to concerns surrounding technology valuations and geopolitical developments, India's strong domestic fundamentals continue to provide a solid foundation. Investors should remain focused on earnings quality and sector leadership as the reporting season gathers momentum.

Weekly Market Compass | Macro & Global Cues

Global Volatility Rises as India Remains Resilient

While Indian equities closed the week on a strong note, global markets witnessed heightened volatility as investors grappled with concerns over technology valuations, geopolitical tensions, and the sustainability of massive AI-related capital expenditure. Despite these headwinds, India's domestic economy and corporate earnings continue to provide a supportive backdrop for equities.

Global Markets Under Pressure

Global equity markets ended the week sharply lower, led by heavy selling in technology and semiconductor stocks.

Weekly Highlights

- US semiconductor stocks entered bear market territory, with the Philadelphia Semiconductor Index falling more than **20%** from its June peak.
- Nasdaq declined nearly **3%** for the week as investors booked profits in AI-related stocks.
- S&P 500 and Dow Jones also ended the week lower amid rising risk aversion.
- Japan's Nikkei slipped into correction territory, while Taiwan and Hong Kong recorded sharp losses as weakness in chipmakers intensified.
- European technology stocks also came under pressure following strong gains earlier this year.

The correction reflects increasing caution around elevated valuations in the global technology sector rather than a deterioration in broader economic fundamentals.

AI Boom Faces Valuation Scrutiny

Investor sentiment towards artificial intelligence cooled during the week after concerns emerged over the pace of returns from massive investments by global technology companies.

Adding to the debate, Chinese AI startup **Moonshot** unveiled what it claims is the world's largest open-weight AI model, intensifying competition within the AI ecosystem and raising fresh questions about future profitability and capital expenditure across the industry.

While AI remains a long-term structural growth theme, investors are becoming increasingly selective after the sharp rally witnessed in semiconductor and technology stocks this year.

Geopolitical & Commodity Watch

Geopolitical tensions between Iran and the United States continued to keep energy markets on edge.

Key Developments

- Crude oil prices remained firm amid concerns over potential supply disruptions.
- Higher oil prices continue to pose inflationary risks for oil-importing economies, including India.
- Markets remain sensitive to any escalation in geopolitical tensions that could impact global trade or energy supplies.

Although these developments increased uncertainty globally, Indian markets largely shrugged off the external weakness due to strong domestic earnings and resilient investor confidence.

Domestic Macro Indicators

India's macroeconomic environment continues to remain supportive.

Positive Domestic Factors

- Robust Q1 corporate earnings have strengthened investor confidence.
- The Indian Rupee appreciated during the week, providing temporary support to market sentiment.
- Domestic consumption and banking activity remain healthy.
- Expectations of steady economic growth continue to attract long-term investment interest.

These factors have helped Indian equities outperform several major global markets despite an uncertain international backdrop.

What Global Investors Are Watching

Over the coming weeks, global markets are expected to closely monitor:

- Sustainability of AI-driven earnings growth.
- US corporate earnings, particularly from major technology companies.
- Crude oil price movements.
- Geopolitical developments in the Middle East.
- US Treasury yields and inflation trends.

These factors will influence global risk appetite and foreign investment flows into emerging markets.

Takeaway

Global markets experienced a broad-based correction this week as investors reassessed technology valuations, AI spending, and geopolitical risks. In contrast, Indian equities remained resilient, supported by strong corporate earnings, healthy domestic fundamentals, and continued investor confidence. While external uncertainties warrant caution, India's structural growth story remains intact, positioning it relatively well against the current global backdrop.

Weekly Market Compass | Sector Radar

Sector Rotation Driven by Earnings & Stock-Specific Opportunities

Sectoral performance this week was largely influenced by the ongoing Q1 FY27 earnings season. Strong earnings surprises and optimistic management commentary led to buying in Information Technology and Private Banking stocks, while profit booking weighed on the pharmaceutical sector. Going forward, earnings quality is expected to remain the key driver of sector rotation.

Sector Performance This Week

Sector	Outlook	Key Drivers
Information Technology	● Positive	Strong Q1 earnings, AI deal wins, improving outlook
Private Banks	● Positive	Earnings optimism, healthy credit growth
Financial Services	● Positive	Strong Q1 results from Jio Financial Services
Oil & Gas	● Watch	Reliance Industries' Q1 results in focus
Pharmaceuticals	● Weak	Profit booking after recent outperformance

Information Technology – Leadership Returns

The IT sector emerged as the week's strongest performer after delivering encouraging quarterly earnings and positive business updates.

Key Highlights

- Tech Mahindra reported a 28% YoY increase in Q1 net profit, exceeding market expectations.
- HCL Technologies announced a seven-year AI-led digital transformation partnership with Guardian Life Insurance, reinforcing confidence in long-term technology spending.
- Investors responded positively to improving earnings visibility and strong deal wins across the sector.

Outlook

Despite global concerns over AI valuations, Indian IT companies continue to benefit from healthy order pipelines, digital transformation initiatives, and resilient enterprise technology spending.

View: ● Positive

Private Banking – Earnings in Focus

Private banking stocks witnessed strong buying ahead of their quarterly earnings announcements.

Stocks in Focus

- HDFC Bank
- ICICI Bank
- Kotak Mahindra Bank
- Axis Bank

Healthy credit growth, improving asset quality, and expectations of stable profitability have supported investor confidence.

Outlook

Management commentary on loan growth, deposit mobilisation, and net interest margins will be closely watched.

View: ● Positive

Financial Services – Strong Earnings Momentum

The financial services space remained in focus after Jio Financial Services reported an impressive 155% YoY jump in consolidated net profit to ₹830 crore.

The results reinforced confidence in the company's growth trajectory and highlighted the broader strength within the financial services segment.

View: ● Positive

Oil & Gas – Reliance Industries in Spotlight

Reliance Industries remained one of the market's key focus stocks ahead of its quarterly earnings announcement.

Market participants expect:

- Stable performance in the Oil-to-Chemicals (O2C) business.
- Continued strength in Digital Services.
- Steady contribution from the Retail segment despite a relatively softer consumption environment.

The company's results and management guidance are likely to influence broader market sentiment in the coming week.

View: ● Neutral to Positive

Pharmaceuticals – Temporary Underperformance

The pharmaceutical sector underperformed this week as investors booked profits following its recent rally.

The weakness appeared largely sentiment-driven rather than reflective of any deterioration in business fundamentals.

With stable earnings visibility and defensive characteristics, the sector remains attractive from a medium-term perspective.

View: ● **Neutral**

Sector Allocation Strategy**Overweight**

- Information Technology
- Private Banks
- Financial Services

Neutral

- Oil & Gas
- Capital Goods
- Automobiles
- Pharmaceuticals

Watchlist

- Metals (following strong JSW Steel results)
- Consumer & Retail
- Infrastructure

Takeaway

The earnings season has triggered a clear sector rotation, with investors favouring companies delivering stronger-than-expected financial performance and positive forward guidance. Information Technology and Private Banking have emerged as market leaders, while Financial Services gained momentum following robust earnings. Going forward, stock selection and earnings quality are expected to play a greater role than broad sector trends, making a selective investment approach increasingly important.

Weekly Market Compass | Market Risks & What Can Go Wrong

Balancing Optimism with Emerging Risks

While Indian equities displayed remarkable resilience this week, investors should remain mindful of both domestic and global risks that could influence market direction. With the Q1 earnings season underway and global uncertainty persisting, volatility is expected to remain elevated in the near term.

Domestic Risks

1. Foreign Institutional Investor (FII) Selling

After turning net buyers earlier this month, Foreign Institutional Investors (FIIs) have resumed selling.

- FIIs sold equities worth ₹4,206 crore during the latest session.
- Persistent FII outflows could weigh on market sentiment if global risk aversion intensifies.

2. Rupee Weakness

Although the rupee recovered during Friday's session, it has been one of the weakest-performing Asian currencies this week, declining over 1%.

Contributing factors include:

- Higher US bond yields
- Lower-than-expected FCNR(B) deposit mobilisation
- Increased demand for the US Dollar

A sustained depreciation could impact foreign fund flows and raise imported inflation risks.

3. Earnings Expectations

The market has priced in strong earnings from several large-cap companies.

Investors will closely monitor:

- Reliance Industries
- HDFC Bank
- ICICI Bank
- Kotak Mahindra Bank
- Axis Bank

Any disappointment in earnings or management guidance could trigger short-term volatility.

Global Risks**AI & Technology Valuations**

The sharp correction in global semiconductor stocks reflects growing concerns over whether AI-related investments can justify current market valuations.

Continued weakness in global technology stocks could affect investor sentiment toward the broader technology sector.

Geopolitical Developments

Tensions between the **United States and Iran** continue to keep energy markets volatile.

Any escalation could lead to:

- Higher crude oil prices
- Inflationary pressures
- Increased market volatility
- Foreign capital outflows from emerging markets

Global Equity Weakness

Major global indices ended the week lower as investors booked profits in technology stocks.

Weakness in global markets may lead to intermittent volatility in Indian equities despite strong domestic fundamentals.

Risk Heat Map

Risk Factor	Current Impact	Outlook
Q1 Earnings	● Medium	Closely Monitor
FII Flows	● Medium	Volatile
Rupee Movement	● Medium	Sensitive
Crude Oil Prices	● High	Key Risk
US-Iran Geopolitics	● High	Uncertain
Global Tech Correction	● Medium	Watch Closely
Domestic Economic Growth	● Low Risk	Supportive

Positive Offsets

Despite these risks, several domestic factors continue to support the market:

- ✓ Strong Q1 earnings momentum

- ✓ Healthy banking system
- ✓ Resilient domestic consumption
- ✓ Continued government focus on infrastructure and capital expenditure
- ✓ Improving participation in quality large-cap stocks

These factors are helping Indian markets outperform many of their global counterparts.

Risk Management Strategy

For Investors

- Stay invested in fundamentally strong companies.
- Diversify across sectors to reduce concentration risk.
- Avoid reacting to short-term market noise.

For Traders

- Maintain strict stop-loss discipline.
- Avoid excessive leverage during the earnings season.
- Monitor key support and resistance levels before initiating fresh positions.

Takeaway

Although the near-term outlook for Indian equities remains constructive, investors should remain vigilant as the market navigates a busy earnings season alongside global uncertainties. Corporate results, FII activity, rupee movement, crude oil prices, and geopolitical developments will be the key factors shaping market direction in the coming weeks. A disciplined, selective, and risk-aware approach remains essential.

Weekly Market Compass | Core Portfolio Stock Ideas

High-Conviction Stock Picks (1week -1 Month)

The following stocks have been selected based on a combination of technical strength, sector outlook, and fundamental quality. The analysis incorporates price action, moving averages, RSI, support and resistance levels, global and domestic market developments, and earnings visibility.

1. Tata Consumer Products

- **Buy:** ₹1,088.60 or CMP
- **Target:** ₹1,150 – ₹1,250
- **Stop Loss:** ₹1,026

Summary

Tata Consumer Products continues to exhibit a healthy technical setup, supported by constructive price action and key moving averages. The company benefits from resilient domestic consumption trends and a diversified product portfolio. Stable fundamentals and favourable macroeconomic conditions make it an attractive investment for both short- and medium-term investors.

2. Oil India Limited

- **Buy:** ₹435.35 or CMP
- **Target:** ₹455 – ₹470
- **Stop Loss:** ₹415.50

Summary

Oil India is expected to benefit from elevated crude oil prices amid ongoing geopolitical tensions in the Middle East. Technically, the stock is approaching the confluence of its 50-day and 200-day moving averages near the ₹450 zone, which could act as a momentum trigger. Improving commodity prices and supportive sector dynamics provide additional upside potential.

3. Adani Energy Solutions

- **Buy:** ₹1,722.60 or CMP
- **Target:** ₹1,850 – ₹1,925
- **Stop Loss:** ₹1,594

Summary

Adani Energy Solutions is witnessing positive price momentum with strong technical indicators supporting the prevailing trend. With quarterly results around the corner, investor sentiment remains optimistic. Backed by robust business fundamentals and India's long-term power infrastructure growth story, the stock remains an attractive investment candidate.

4. ICICI Prudential Asset Management Company

- **Buy:** ₹3,182.80 or CMP
- **Target:** ₹3,300 – ₹3,415
- **Stop Loss:** ₹3,005

Summary

The stock is showing signs of technical recovery, with the RSI improving towards the neutral 50 level and the 50-day moving average positioned near ₹3,268. Consistent earnings, healthy inflows into the mutual fund industry, and strong long-term growth prospects continue to support the company's fundamental outlook.

5. Suzlon Energy

- **Buy:** ₹51.99 or CMP
- **Target:** ₹55 – ₹59
- **Stop Loss:** ₹46.50

Summary

Suzlon has corrected from recent highs and is currently trading near an important support zone, offering a favourable risk-reward opportunity. The stock could witness a technical rebound towards its key resistance and moving average levels around ₹55. Strong policy support for renewable energy and improving sector sentiment add to its medium-term appeal.

Research Methodology

The above recommendations are based on a combination of:

Technical Analysis

- ✓ Price Action Analysis
- ✓ 50-Day & 200-Day Moving Averages
- ✓ Relative Strength Index (RSI)
- ✓ Support & Resistance Levels

Fundamental Analysis

- ✓ Stable Quarterly Earnings
- ✓ Business Quality & Earnings Visibility
- ✓ Sector & Industry Outlook
- ✓ Global and Domestic Macroeconomic Factors

Takeaway

The recommended stocks represent opportunities across consumer, energy, infrastructure, financial services, and renewable energy sectors. Each company combines favourable technical positioning with sound fundamentals, offering investors a balanced mix of growth potential and risk management. As the earnings season progresses, disciplined stock selection and adherence to stop-loss levels remain critical for successful investing.

Disclaimer – Stock Recommendations

The stock recommendations provided in this report are based on a combination of technical analysis (including moving averages, Bollinger Bands, Fibonacci retracement, volume and price action) and fundamental analysis (including quarterly performance and financial ratio analysis).

These recommendations are intended solely for informational and educational purposes and should not be construed as an offer, solicitation, or recommendation to buy or sell any securities.

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- Conduct their own independent research
- Assess their risk tolerance and financial objectives
- Consult with a qualified financial advisor before making any investment decisions

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Weekly Market Compass | Tactical & Trading Opportunities

Tactical & Trading Opportunities

Technical Outlook & Short-Term Trading Strategy

Indian equity markets concluded the week with a decisive breakout above the **24,300** mark, supported by strong buying in IT and private banking stocks. While the broader trend remains positive, traders should expect increased volatility as the Q1 earnings season gathers momentum and global markets remain unsettled.

NIFTY 50 – Bullish Bias Intact

The Nifty has broken out of its recent consolidation range, indicating renewed buying momentum. Sustaining above the breakout zone will be crucial for extending the current rally.

Key Technical Levels

Level	Range
Immediate Support	24,150 – 24,200
Major Support	24,000
Resistance	24,500 – 24,650
Breakout Confirmation	Above 24,650

Trading View

- A sustained move above 24,650 could trigger fresh buying towards higher levels.
- Any pullback towards the 24,150–24,200 zone may provide buying opportunities.
- A breach below 24,000 could lead to short-term consolidation.

BANK NIFTY – Earnings Will Dictate Direction

Private banking stocks have regained leadership ahead of quarterly earnings announcements from major lenders.

Key Technical Levels

Level	Range
Support	56,300 – 57,300
Resistance	59,000 – 60,200

A positive earnings outcome from leading private banks could provide the next leg of the rally, while weaker-than-expected results may lead to stock-specific volatility.

Options Strategy

With **India VIX at 13.24**, volatility has increased moderately but remains below historical stress levels.

Preferred Strategies

- ✓ Bull Call Spread
- ✓ Bull Put Spread (for experienced traders)
- ✓ Buy-on-Dips in quality stocks
- ✓ Momentum trades after confirmed breakouts

Avoid

- ✗ Aggressive naked option selling ahead of major earnings.
- ✗ Overleveraged overnight positions during result announcements.

Stocks & Sectors to Watch**Positive Momentum**

- Information Technology
- Private Banks
- Financial Services
- Energy
- Capital Goods

Watch for Reversal Opportunities

- Pharmaceuticals
- Renewable Energy
- Consumer Goods

Focus on companies delivering strong earnings, positive management guidance, and breakout price structures.

Trading Checklist

Before entering any trade:

- ✓ Trade in the direction of the prevailing trend.
- ✓ Wait for confirmation before chasing breakouts.
- ✓ Maintain a minimum Risk-Reward Ratio of 1:2.
- ✓ Strictly follow stop-loss levels.

✓ Reduce position size during high-volatility earnings events.

Market Sentiment Meter

Indicator	Status
Trend	● Bullish
Momentum	● Improving
Earnings Sentiment	● Positive
Volatility	● Moderate
Global Cues	● Cautious

Takeaway

The domestic market continues to trade with a positive bias, supported by improving technicals and encouraging corporate earnings. However, elevated global uncertainty and the ongoing earnings season are likely to keep volatility high. Traders should focus on quality setups, follow strict risk management, and remain selective rather than chasing every market move.

Market Compass | Events, Macro & Levels

Key Events, Earnings & Market Outlook

The coming week is expected to be driven primarily by Q1 FY27 corporate earnings, institutional fund flows, and developments in global markets. While Indian equities have demonstrated resilience, investors should remain watchful as several market-moving events unfold both domestically and internationally.

Domestic Events to Watch

1. Q1 Earnings Season Picks Up Pace

Corporate earnings will remain the biggest catalyst for the market.

Investors will closely monitor:

- Reliance Industries – Management commentary on Retail, Jio and O2C businesses.
- HDFC Bank
- ICICI Bank
- Kotak Mahindra Bank
- Axis Bank

The quality of earnings and future business outlook will largely determine sectoral leadership in the coming weeks.

2. Institutional Flows

Foreign Institutional Investors (FIIs) have turned cautious after recent selling activity.

Key monitorable include:

- FII & DII investment flows
- Rupee movement against the US Dollar
- Bond yields
- Liquidity conditions

Sustained foreign inflows would provide additional support to the ongoing market rally.

3. Corporate Developments

Investors should also keep an eye on:

- JSW Steel, after reporting a strong 100% YoY growth in Q1 net profit to ₹4,696 crore.
 - MakeMyTrip India, following its confidential Draft Red Herring Prospectus (DRHP) filing with SEBI, signalling potential activity in the primary market.
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Global Events to Watch**AI & Technology Sector**

Global markets will continue to monitor:

- Performance of semiconductor stocks.
- Corporate commentary on AI spending.
- Technology earnings from major global companies.

Any further correction in global technology stocks may influence investor sentiment across emerging markets.

Geopolitical Developments

Markets will closely watch:

- US–Iran developments
- Crude oil price movement
- Shipping disruptions
- Global energy supply concerns

Any escalation could increase volatility across global financial markets.

US Economic Indicators

Investors will also focus on:

- Inflation data
- US Treasury yields
- Federal Reserve commentary
- Global bond market movements

These factors will influence capital flows into emerging markets, including India.

Key Technical Levels

Index	Support	Resistance
Nifty 50	24,150 – 24,200	24,500 – 24,650
Bank Nifty	56,300 – 57,300	59,000 – 60,200

Technical Outlook

- Holding above immediate support keeps the bullish structure intact.
 - A decisive breakout above resistance could extend the ongoing rally.
 - Failure to sustain above support may result in short-term consolidation before the next directional move.
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Strategy for the Week**For Investors**

- ✓ Focus on companies delivering consistent earnings growth.
 - ✓ Prefer quality businesses with strong balance sheets and long-term growth visibility.
 - ✓ Use market corrections to gradually accumulate fundamentally strong stocks.
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For Traders

- ✓ Follow the trend rather than attempting to predict reversals.
 - ✓ Monitor earnings announcements for stock-specific opportunities.
 - ✓ Maintain disciplined stop-losses and appropriate position sizing.
 - ✓ Avoid excessive leverage during periods of elevated volatility.
-

Economic & Market Checklist

Investors should closely monitor:

- I. Q1 corporate earnings
 - II. FII & DII activity
 - III. Crude oil prices
 - IV. Rupee movement
 - V. Global technology stocks
 - VI. Geopolitical developments
 - VII. India VIX and market volatility
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Takeaway

The Indian market enters the new week with strong momentum and improving domestic fundamentals, but global uncertainties continue to warrant caution. The trajectory of the market will largely depend on corporate earnings, institutional flows, and developments in crude oil and global technology stocks. Investors should remain selective, maintain a disciplined approach, and focus on fundamentally strong companies capable of delivering consistent earnings growth.

Weekly Market Compass | Conclusion & Positioning

Market Outlook

Indian equity markets concluded the week with remarkable resilience, defying a sharp global sell-off to post strong gains. The Sensex surged 965 points, while the Nifty closed above 24,300, reflecting renewed investor confidence backed by robust corporate earnings and strong domestic fundamentals.

Although global markets remained under pressure from concerns surrounding technology valuations, AI-related capital expenditure, and geopolitical tensions, Indian equities continued to outperform, highlighting the strength of the country's economic and corporate landscape.

Key Themes of the Week

Strong Earnings Drive Market Leadership

The Q1 FY27 earnings season got off to a healthy start, with several companies reporting better-than-expected results.

- Tech Mahindra delivered a strong earnings surprise, lifting the IT sector.
- Jio Financial Services reported a 155% YoY rise in net profit, reinforcing confidence in the financial services space.
- Investors also positioned themselves ahead of earnings from Reliance Industries and leading private sector banks.

Earnings quality has now become the primary driver of stock selection.

India Outperforms Despite Global Weakness

While major global indices declined amid a sharp correction in semiconductor and technology stocks, Indian markets remained supported by:

- Healthy domestic liquidity
- Stable economic fundamentals
- Improving corporate profitability
- Continued investor participation in quality large-cap stocks

This divergence highlights the relative strength of the Indian equity market in the current global environment.

Investment Strategy Going Forward

We maintain a **constructive outlook** on Indian equities while recommending a disciplined and selective investment approach.

Preferred Themes

- Information Technology
- Private Banking & Financial Services

- Power & Energy
- Consumer Businesses
- Infrastructure & Capital Goods

These sectors are well-positioned to benefit from improving earnings visibility, sustained domestic demand, and long-term structural growth.

Key Factors to Monitor

Domestic

- Q1 corporate earnings and management guidance
- FII & DII investment flows
- Rupee movement
- Corporate announcements
- Market volatility

Global

- US–Iran geopolitical developments
- Crude oil prices
- AI and semiconductor sector performance
- US inflation and bond yields
- Global risk sentiment

Our View

The Indian market continues to demonstrate resilience despite an uncertain global backdrop. While intermittent volatility is likely as the earnings season progresses, the broader trend remains constructive, supported by healthy corporate performance and favourable domestic fundamentals.

For investors, this environment offers an opportunity to focus on fundamentally strong businesses rather than reacting to short-term market fluctuations. For traders, disciplined risk management and adherence to technical levels will remain essential.

Final Thoughts

Markets reward patience, discipline, and informed decision-making. While global uncertainties may create short-term volatility, India's long-term growth story remains intact, supported by strong domestic demand, improving corporate earnings, and ongoing economic reforms.

A balanced portfolio, prudent risk management, and a focus on quality businesses continue to be the most effective strategy for navigating today's dynamic market environment.

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