Sensex rallies over 500 pts, Nifty above 23,900; Bajaj Finserv, TCS rise 2% each

Morning Market Snapshot – 04 Sep 2026 (Friday)

Nifty:

Nifty September 2026 futures were down 36 points, indicating a negative opening for the Nifty 50.

SEBI said it will review the methodology for determining settlement prices of derivative contracts on expiry following feedback received after the introduction of the Closing Auction Session (CAS) in the equity cash segment from 3 August 2026. The regulator said the CAS-determined closing price also serves as the basis for settling derivative contracts on expiry. After monitoring the mechanism during its first month and receiving feedback from stock exchanges, brokers, traders, mutual funds, FPIs and other market participants, SEBI said it may propose changes to the settlement-price methodology and plans to issue a consultation paper in about a week.

Institutional Flows:

Foreign portfolio investors (FPIs) sold shares worth Rs 2,345.87 crore, while domestic institutional investors (DIIs) were net buyers to the tune of Rs 4,977.46 crore in the Indian equity market on 3 September 2026, according to provisional data.

FPIs sold shares worth Rs 5532.96 crore in September so far, through 2 September 2026. This follows net cash purchases of Rs 17,366 crore in August 2026, while they were net buyers of Rs 6,731.97 crore in July 2026.

Global Markets:

Asian stocks traded mostly higher on Friday, 4 September 2026, following a strong rally on Wall Street as US Treasury yields eased and expectations of a September Federal Reserve rate hike moderated.

Chinese artificial intelligence stocks rose on Friday after OpenAI launched its latest model, GPT-6 Astra, which investors viewed as a positive read-through for the country's AI developers. MiniMax gained 6.5%, Baidu 4.6%, Kuaishou Technology 4.2%, JD.com 4.1% and Xiaomi 3.9%, while Z.AI edged higher. The gains extended a recent rally in Chinese AI stocks as investors assessed the commercial potential of faster advances in large language models and more autonomous AI-agent services.

US equities rallied sharply on Thursday, with the Dow Jones Industrial Average rising 1.18% to 53,686.11, the S&P 500 gaining 1.06% to 7,747.71 and the Nasdaq Composite advancing 1.40% to 26,584.06. Technology stocks led the gains, with Microsoft, Meta Platforms and Nvidia among the major advancers. Snowflake surged 16.6% after its results, lifting the broader software segment.

Market sentiment improved after Federal Reserve Governor Christopher Waller said he would support keeping the federal funds rate unchanged if upcoming data confirms that inflationary pressures are easing. Following his comments, the probability of a September rate hike fell to around 50% from 63.2% on Wednesday, according to CME FedWatch. The US 10-year Treasury yield also retreated for a second consecutive session.

Attention has now shifted to the US nonfarm payrolls report due later on Friday. The data could influence expectations for the Fed's September 15-16 policy meeting.

Oil prices remain a key risk for global markets. Brent crude was around $95.7 a barrel on Friday and is headed for a weekly gain of about 7%, as continued US-Iran tensions raised concerns over disruptions to energy supplies through the Strait of Hormuz.

Domestic Market:

Indian equity benchmarks ended lower for the fourth straight session on 3 September 2026, with the Sensex falling 417.49 points or 0.55% to 76,152.86 and the Nifty 50 declining 41 points or 0.17% to 23,873.45, as selling in IT, auto and other sectors outweighed gains in banking and realty stocks. Elevated Brent crude near $96 a barrel and Middle East tensions kept sentiment cautious, although mid- and small-cap stocks showed resilience, while stronger foreign flows and banking-sector liquidity provided some support. Over the four sessions, the Sensex and Nifty have declined 1.44% and 1.25%, respectively.