

Market Flash

March 02, 2026





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Sensex sinks 700 points on escalating geopolitical tensions

Indian benchmark indices opened sharply lower, tracking losses in global equities as the US-Iran tension escalated.

The sell off worldwide took place tracking a sharp escalation in geopolitical tensions after the US and Israel launched strikes on Iran over the weekend.

At 9:45 AM, the frontline BSE Sensex was trading at 80,570 down 730 points or (0.90%). The broader Nifty50 was at 24,960 levels down 219 points or (0.87%).

Indian rupee opened lower by 28 paise at 91.25 per dollar on Monday versus Friday's close of 90.97.

Broader markets underperformed benchmark indices. The Nifty Mid Cap and the Nifty Small Cap indices were trading 1.36% and 1.86% down, respectively.

Sector-wise, the Nifty Realty was the worst performer with over 2% decline at open. The Nifty Media was the second top loser.

Meanwhile, the Nifty Metal fell the least to become the best performing index at open.

Geopolitical situation, macroeconomic data announcements, global market trends, and trading activity of foreign investors would influence investors' sentiment in a holiday-shortened week ahead.

Equity markets would remain closed on Tuesday for Holi.

WEEKLY REVIEW – FEB 23, 2025 – FEB 27, 2025

Indian equity benchmarks ended the week lower, due to sustained foreign institutional investor (FII) outflows and a sharp correction in information technology stocks. Volatility linked to the monthly F&O expiry further amplified market swings.

Additionally, weak global cues and heightened geopolitical tensions kept investor sentiment cautious. Despite brief mid-week recoveries, persistent selling in index heavyweights led to a negative weekly close.

In the week ended on Friday, 27 February 2026, the BSE Sensex tanked 1,527.52 points or 1.84% to settle at 81,287.19. The Nifty 50 index fell 392.6 points or 1.53% to settle at 25,178.65. The BSE 150 Mid Cap index fell 1.09% to close at 16,007.94. The BSE 250 Small Cap index declined 0.86% to close at 6,290.95.

The India Vix rose nearly 3 per cent to 13.44 on Friday, signalling heightened uncertainty.

Most sectoral indices ended February in positive territory. The Nifty Consumer Durables index rose 9.3 per cent and the Nifty Public Sector Bank index advanced 8.9 per cent.

Excluding IT, realty and FMCG, all other major sectoral indices posted monthly gains.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	81,287.19	-1.17	-0.7	-4.62
Nifty 50	25,178.65	-1.25	0.01	-3.64
S&P BSE 200	11,486.28	-1.19	1.28	-2.73
S&P BSE 500	36,322.56	-1.16	1.5	-2.99
S&P BSE Midcap	45,630.47	-1.04	2.73	-2.82
S&P BSE Smallcap	48,504.65	-0.89	3.47	-5.86
S&P BSE Auto	62,236.87	-1.81	5.52	-0.51
S&P BSE Bankex	68,139.54	-1.01	2.15	2.07
S&P BSE Cap Goods	70,454.47	-0.49	13.12	4.98
S&P BSE Consumer Durables	59,193.44	-0.02	5.36	-1.35
S&P BSE FMCG	18,739.32	-1.52	0.16	-7.89
S&P BSE Healthcare	43,917.47	-1.17	6.44	0.26
S&P BSE IT	29,754.94	0.27	-19.89	-19
S&P BSE Metal	40,424.48	-1.57	3.5	9.81
S&P BSE Oil & Gas	29,595.66	-0.02	9.56	3.09
S&P BSE Power	6,967.06	-0.58	14.84	7.13
S&P BSE Realty	6,067.58	-2.25	2.7	-10.86

Data as of 26 February 2026

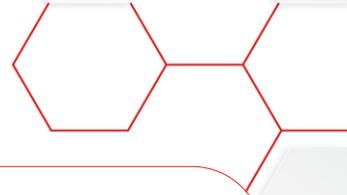
GLOBAL MARKETS

Asian stock markets began March in red, as investors reacted to increased to increasing tensions in the Middle East and stronger than expected US inflation data. The war in the Middle East escalated after Iran's Supreme Leader was killed in the US-Israel joint strikes.

Japan's Nikkei 225 fell sharply, losing over 2%, before easing to a 1.5% drop at 57,947, shedding over 900 points by 9:15. In Hong Kong, Hang Seng declined 1.7% to 26,165. Shenzhen also traded in red, down 109 points to 14,386.

Meanwhile, South Korea's markets remained shut for a public holiday.

US futures also slipped, with the S&P 500, Dow Jones Industrial Average, and Nasdaq Composite initially dropping more than 1%, though losses narrowed to 0.6% by mid-morning in East Asia. Meanwhile, gold, a traditional safe haven in times of market uncertainty, climbed sharply, with US futures surging 2.58% to \$5,382.60 per ounce.



RUPEE, OIL, GOLD & FIIs

Indian Rupee: The rupee declined 17 paise to settle at 91.08 against the US dollar on Friday weighed down by a massive outflow of foreign fund and a sharp rise in global crude oil prices amid geopolitical uncertainties.

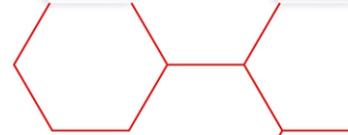
Crude Oil: Oil prices surged on Monday and shares slid as military conflict in the Middle East looked set to last weeks, sending investors flocking to the relative safety of the dollar and gold.

Brent jumped 4.5% to \$76.07 a barrel, though it had briefly topped \$82.00 at one stage, while US crude climbed 3.9% to \$69.59 per barrel.

FPIs & DIIs: Foreign investors (FIIs/FPIs) net sold Rs 7,536.4 crore worth of Indian equities on Friday, February 27. At the same time, domestic institutional investors (DIIs) net bought shares worth Rs 12,292.8 crore, according to provisional exchange data.

Foreign portfolio investors (FPIs) infused Rs 22,615 crore into Indian equities, marking the highest monthly inflow in 17 months, driven by the interim India-US trade deal, correction in domestic market valuations and robust third-quarter corporate earnings.

Gold & Silver: Gold prices rose over 2 per cent to the highest level in more than four weeks on Monday as traders flocked to the safe haven amid risk-off sentiment as they monitored the unfolding geopolitical tension between US and Iran. Gold futures were trading 2.14 per cent higher at \$5,359.9 as of 8:29 AM.



Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA *	49,499.20	0.03	0.18	2.99
Nasdaq Composite*	22,878.38	-1.18	-3.06	-1.56
Nikkei 225 (Japan)	58,850.27	0.16	10.34	16.91
Straits Times (Singapore)	4,995.07	0.62	1.46	7.51
Hang Seng (Hong Kong)	26,630.54	0.95	-1.83	3.9
Kospi Composite (Seoul)	6,244.13	-1	22.8	48.17
FTSE 100 (London)	10,846.70	0.37	6.88	9.22
Cac 40 (France)*	8,620.93	0.72	6.02	5.78
Xetra Dax (Germany)*	25,289.02	0.45	1.43	3.26
S&P 500 (US)*	6,908.86	-0.54	-0.6	0.93
Shanghai (china)	4,162.88	0.39	0.56	4.89
MICEX (Russia)*	2,799.62	0.5	0.66	1.19
Bovespa (Brazil)*	1,91,005.00	-0.13	6.87	18.54
JCI (Indonesia)	8,235.49	0	-8.29	-3.54
SET (Thailand)	1,528.26	-0.35	14.52	21.32

Data as of 26 February 2026, *Data as of 23 February 2026,

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
26-Feb	15,522.00	17,951.00	-2,429.00	22,615.00
Jan-26	2,99,461.12	3,41,314.56	-41,853.44	
Dec-25	2,61,764.94	2,85,454.91	-23,689.97	
Nov-25	3,46,249.30	3,45,916.44	332.86	
Oct-25	2,73,191.46	2,64,982.41	8,209.05	
Sep-25	3,08,483.67	3,27,411.56	-18,927.89	
Aug-25	2,83,963.33	3,21,786.37	-37,823.04	
Last Close	17,766.00	16,673.00	1,093.00	
6 Months average	2,95,518.97	3,14,477.71	-18,958.74	

-FII data as of 23 February 2026

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
26-Feb	15,206.00	10,754.00	4,452.00	-5,120.00*
Jan-26	351510.94	305054.58	46456.36	
Dec-25	270389.74	231450.95	38938.79	
Nov-25	246683	203217.86	43465.14	
Oct-25	233719.81	210656.93	23062.88	
Sep-25	219673.44	175091.24	44582.2	
Aug-25	222120.6	151586.21	70534.39	
Last Close	11,207.00	9,391.00	1,816.00	
6 Months average	2,57,349.59	2,12,842.96	44,506.63	

-MF data as of February 2026

Week Ahead

Indian equity markets enter the next week with a significant boost from domestic macro data, despite persistent global trade anxieties.

The headline event was India's Q3 FY26 GDP growth, which came in at a robust 7.8% under the newly revised 2022-23 base series, comfortably beating the widely reported estimate of 7.4%. This resilience is further supported by a cooling inflation trajectory, with January CPI settling at a multi-month low of 2.75%.

While domestic fundamentals appear rock-solid, global cues remain a mixed bag.

In India, the final reading for the HSBC Manufacturing PMI for the month of February would be unveiled on Monday (02 March 2026).

Monday would also see the release of Industrial Production data for January 2026.

On Wednesday (04 March 2026), the final reading for the HSBC Services PMI and the HSBC Composite PMI for the month of February would be made public.

On Friday (06 March 2026), the Foreign Exchange Reserves position for the period ended on February 27 would be released.

In China, the RatingDog Manufacturing PMI for February 2026 would be released on Monday (02 March 2026).

The year-to-date (YTD) Foreign Direct Investment for January 2026 would be announced on the same day.

On Wednesday (04 March 2026), the NBS Manufacturing PMI and the NBS Non-Manufacturing PMI for the month of February would be unveiled.

Wednesday would also see the publication of the RatingDog Services PMI for February 2026.

Source: Bloomberg, Capital Market, MOSL & HSBC MF estimates as on March 2, 2026 or as latest available.

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