Market Flash

March 23, 2026

HSBC Mutual Fund

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Sensex tanks 1,500 points as geopolitical tension heightens; Nifty PSU Bank slumps

The Nifty50 and the Sensex slumped, tracking losses in global equities as geopolitical tension continued to increase.

At 10:10 AM, the frontline BSE Sensex was trading at 73,045 down 1,598 points or (2.14%). The broader Nifty50 was at 22,604 levels down 504 points or (2.21%).

The rupee opened 12 paise lower at a new low of 93.83 against the US dollar on Monday. The domestic unit settled at 93.71 against the greenback on Friday.

The NSE Nifty India Volatility index jumped 10% to 25.09, indicating a sudden spike in uncertainty among investors.

In the broader markets, the Nifty Mid Cap and the Nifty Small Cap indices were trading 1.90 per cent and 2.18 per cent down, respectively.

Sector-wise, the Nifty PSU Bank slumped nearly 3 per cent to become the worst-performer. The Nifty Bank and the Nifty Metal also underperformed.

Brent crude rose after US President warned that they would obliterate Iran's power plans if the country didn't open the Strait of Hormuz within 48 hours. In retaliation, Iran also threatened to strike energy infrastructure in the Middle East.

Investors lost ₹7.33 trillion in wealth shortly after the Sensex and the Nifty50 plunged, tracking negative global cues amid heightening tension between the US and Iran.

The market-cap of all the BSE-listed companies was at ₹421.43 trillion as of 9:25 AM, as against ₹428.78 trillion market-cap at Friday’s close.

WEEKLY REVIEW – MARCH 16, 2026 – MARCH 20, 2026

The key equity indices witnessed marginal losses during the week amid weak global cues, persistent selling pressure and volatility in crude oil prices. Investor sentiment remained cautious due to escalating geopolitical tensions in the Middle East and concerns over the global growth outlook.

The ongoing conflict in the region also overshadowed key domestic macroeconomic data, including trade deficit and wholesale inflation figures. Market participants also tracked policy signals from major central banks such as those of U.S, Switzerland, the UK, Japan and the Eurozone. The Nifty ended the week below the 23,150 mark.

In the week ended on Friday, 20 March 2026, the BSE Sensex shed 30.96 points or 0.04% to settle at 74,532.96. The Nifty 50 index dropped 36.60 points or 0.16% to settle at 23,114.50. The BSE 150 Mid Cap index rose 0.01% to close at 14,844.43. The BSE 250 Small Cap fell 0.19% to end at 5,864.23.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	74,532.96	0.44	-10	-12.54
Nifty 50	23,114.50	0.49	-9.61	-11.54
S&P BSE 200	10,549.88	0.53	-9.11	-10.66
S&P BSE 500	33,423.61	0.51	-8.86	-10.74
S&P BSE Midcap	42,138.48	0.77	-8.13	-10.26
S&P BSE Smallcap	45,224.97	0.39	-7.8	-12.23
S&P BSE Auto	54,717.71	0.71	-11.41	-12.53
S&P BSE Bankex	60,173.31	0.07	-12.54	-9.87
S&P BSE Cap Goods	67,344.39	0.18	-3.26	0.35
S&P BSE Consumer Durables	54,751.36	0.73	-7.54	-8.75
S&P BSE FMCG	17,320.21	0.46	-8.83	-14.87
S&P BSE Healthcare	42,306.40	1.45	-1.81	-3.41
S&P BSE IT	28,226.61	2.08	-9.1	-23.16
S&P BSE Metal	37,708.20	1.41	-4.66	2.44
S&P BSE Oil & Gas	25,977.38	0.27	-10.35	-9.51
S&P BSE Power	6,923.81	0.98	0.58	6.47
S&P BSE Realty	5,417.77	-0.92	-15.05	-20.41

Data as of 19 March 2026

GLOBAL MARKETS

Share markets slid in Asia on Monday and the dollar firmed as the United States and Iran traded escalating threats and Israel planned for "weeks" more fighting, sending oil prices on another roller-coaster ride.

Iran said on Sunday it would strike the energy and water systems of its Gulf neighbours if U.S. President followed through with a threat to hit Iran's electricity grid in 48 hours, extinguishing any hope of an early end to the war, now in its fourth week.

US President on Sunday said Iran had 48 hours to open the vital Strait of Hormuz, which is effectively closed for most vessels with little prospect of naval protection for shipping.

Stock markets in Australia and New Zealand were down 1.7% and 1.1%, respectively, in early trade, while Japan's Nikkei futures were trading down at 50,850 compared to a cash close of 53,372 on Friday.

On Wall Street, S&P 500 futures dipped 0.1%, while Nasdaq futures lost 0.2% as investors weighed risks posed by the conflict and its impact on energy prices.

Oil prices were again choppy in Asia with early gains quickly lost, leaving Brent down 0.3% at $111.82 a barrel, but still up 55% on the month so far. U.S. crude slipped 0.2% to $98.01.

Ten-year U.S. Treasury yields were at 4.3856%, having climbed 42 basis points since the war began.

The heightened volatility in markets has tended to benefit the U.S. dollar as a store of liquidity. The dollar was trading 0.2% firmer at 159.44 yen, just off a 20-month top of 159.88, with investors wary in case a break of 160.00 triggers intervention from Japan.

The euro was a shade lower at $1.1545, threatening a breach of major support at $1.1409 and $1.1392.

US stock market ended sharply lower on Friday, with the S&P 500 closing at its lowest in six months, as the US-Israeli war against Iran entered its fourth week,

The Dow Jones Industrial Average declined 0.96% to 45,577.47, while the S&P 500 plunged 1.51% to end the session at 6,506.48, its lowest since September. The Nasdaq closed 2.01% lower at 21,647.61. For the week, the S&P 500 lost 1.9%, while the Nasdaq and Dow slumped just over 2%.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The rupee crashed 82 paise, or nearly 1%, to settle at an all-time low of 93.71 (provisional) against the US dollar on Friday, weighed down by persistent foreign fund outflows and a steep rise in crude oil prices amid mounting geopolitical tensions.

Crude Oil: Brent crude rose after US President warned that they would obliterate Iran's power plans if the country didn't open the Strait of Hormuz within 48 hours. In retaliation, Iran also threatened to strike energy infrastructure in the Middle East.

Brent's May future contract was trading 0.66 per cent higher at $107.11 per barrel.

FPIs & DIIs: Foreign Portfolio Investors (FPI) sold Indian equities worth more than 1 lakh crore in 2026 so far. According to NSDL data, FPI outflows from the Indian stock market since the beginning of this year touched 1,01,527 crore. In March so far, FPI selling was 88,180 crore. Domestic institutional investors (DIIs), however, offset the outflows, purchasing shares worth Rs 5,706.23 crore on Friday.

Gold: Gold fell sharply and was close to wiping out this year's gains, as the war in the West Asia entered its fourth week and the US and Iran traded threats of new attacks.

Bullion plunged as much as 3.8 per cent to near $4,320.30 an ounce — less than a dollar above where it ended last year. Since the conflict began, surging oil prices have raised inflationary risks and reduced prospects for near-term interest-rate cuts by the US Federal Reserve and other central banks.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA*	46,021.43	-0.44	-6.83	-4.25
Nasdaq Composite*	22,090.69	-0.28	-2.61	-4.95
Nikkei 225 (Japan)	Closed	NA	NA	0
Straits Times (Singapore)	4,948.68	-0.38	-1.37	6.51
Hang Seng (Hong Kong)	25,277.32	-0.88	-4.3	-1.38
Kospi Composite (Seoul)	5,781.20	0.31	-0.47	37.18
FTSE 100 (London)	10,063.50	-2.35	-5.3	1.33
Cac 40 (France)*	7,807.87	-2.03	-7.04	-4.19
Xetra Dax (Germany)*	22,839.56	-2.82	-8.8	-6.74
S&P 500 (US)*	6,606.49	-0.27	-3.72	-3.49
Shanghai (china)	3,957.05	-1.24	-3.06	-0.3
MICEX (Russia)*	2,864.89	-0.14	3.03	3.55
Bovespa (Brazil)*	1,80,270.62	0.35	-4.38	11.88
JCI (Indonesia)	Closed	NA	NA	0
SET (Thailand)	1,432.99	1.1	-3.16	13.76

Data as of 19 March 2026, *Data as of 16 March 2026,

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
18-Mar	23,753.00	34,718.00	-10,965.00	-82,712.00
Feb-26	3,82,778.64	3,65,631.19	17,147.45	
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	
Last Close	12,212.00	16,488.00	-4,276.00	
6 Months average	3,11,988.19	3,21,785.18	-9,796.99	

-FII data as of 16 March 2026

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
18-Mar	13,067.00	9,090.00	3,977.00	65,834.00*
Feb-26	265900.68	266296.14	-395.46	
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	
Last Close	18,632.00	10,929.00	7,703.00	
6 Months average	2,64,646.27	2,31,961.28	32,684.99	

-MF data as of 17 March 2026

Week Ahead

Dalal Street heads into the new week walking a tightrope, with investor sentiment remaining fragile amid escalating geopolitical tensions in the Middle East.

Globally, developments in the Iran-US-Israel conflict and the movement of crude oil prices will remain the dominant drivers of market sentiment.

Domestic Cues:

On 24 March 2026, India will release HSBC flash PMI data for March, including Composite, Manufacturing and Services PMI, offering an early snapshot of business activity.

On 28 March 2026, India will release industrial production (YoY) and manufacturing production (YoY) data for February, offering a gauge of economic and industrial activity.

Global Cues:

On 23 March 2026, the United States will release the Chicago Fed National Activity Index for February, offering a broad gauge of economic activity and growth momentum.

On 24 March 2026, Japan will be in focus with key inflation data, including Inflation Rate YoY and Core Inflation Rate YoY for February, along with flash PMI readings for manufacturing and services for March. Later in the day, the United States will release ADP Employment Change data, followed by S&P Global flash PMI readings for manufacturing, services and composite activity, providing early signals on business conditions.

On 25 March 2026, attention will shift to US energy and macro data, including API crude oil stock change early in the day and EIA crude oil and gasoline inventories later. Japan will also release minutes of its latest Bank of Japan monetary policy meeting. Additionally, the US will report MBA 30-year mortgage rates, current account balance for Q4, and import and export price data for February.

On 26 March 2026, the United States will publish initial jobless claims for the week, a key indicator of labour market health.

On 27 March 2026, the US will release Michigan consumer sentiment (final) for March, along with advance estimates of retail and wholesale inventories for February, providing insight into consumption trends and business stock levels.

Source: Bloomberg, Capital Market, MOSL & HSBC MF estimates as on March 23, 2026 or as latest available.