HSBC Mutual Fund

Market Flash

Aug 10, 2026

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Markets choppy amid uncertainty over US and Iran deal

The benchmark indices are trading choppy amid uncertainty over a deal between the US and Iran to open the Strait of Hormuz.

At 10:15 AM, the frontline BSE Sensex was trading at 78,430 down 70 points or (0.09%). The broader Nifty50 was at 24,546 levels down 25 points or (0.10%).

In the broader markets, the Nifty Mid Cap was up 0.21%, and the Nifty Small Cap was down 0.13%.

Sector-wise, the Nifty Private Bank, the Nifty Auto, and the Nifty IT outperformed while the Nifty PSU Bank underperformed.

The rupee opened 4 paise stronger at 95.17 against the US dollar, compared to Friday's close of 95.21 a dollar.

WEEKLY REVIEW – AUGUST 3, 2026 – AUGUST 7, 2026

Indian equity markets ended the week with moderate losses as investor sentiment remained subdued
amid the rollout of the Securities and Exchange Board of India (SEBI)'s new Closing Auction Session 5
(CAS) mechanism, which triggered sharp price movements in several heavyweight stocks during the closing minutes of trade. The heightened volatility also affected the settlement of weekly derivatives contracts on both the NSE and BSE, adding to investor caution.

Investor caution was further reinforced after the Reserve Bank of India (RBI) kept the benchmark repo rate unchanged at 5.25% while retaining its neutral monetary policy stance.

Although the RBI expressed confidence in the domestic economy by raising its FY27 GDP growth forecast to 6.7% and lowering its inflation projection to 5.0%, the positive macroeconomic outlook failed to lift market sentiment. Instead, investors remained focused on near-term risks, including heightened market volatility, geopolitical developments, and uncertainty surrounding the impact of the new CAS framework on trading dynamics.

Going forward, market participants are expected to closely monitor the impact of the NSE's Closing Auction Session (CAS) on market liquidity and price discovery, the progress of the ongoing corporate earnings season, and management commentary on sector-specific demand trends. Global developments, including the evolving US-Iran conflict, movements in crude oil prices, energy market dynamics, and other international macroeconomic cues, will also remain key drivers of market sentiment in the near term.

The RBI data released on Friday showed the country's forex reserves jumped by $10.512 billion to $692.866 billion during the week ended July 31. The overall kitty had jumped by $6.118 billion to USD 682.354 billion in the previous reporting week.

In the week ended on Friday, 7 August 2026, the BSE Sensex shed 139.86 points or 0.18% to settle at 78,499.17. The Nifty 50 index declined 203.65 points or 0.82% to settle at 24,570.65. The BSE 150 Mid Cap index gained 0.96% to close at 17,240.08. The BSE 250 Small Cap jumped 1.23% to end at 7,240.15.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	78,499.17	-0.58	0.41	-7.89
Nifty 50	24,570.65	-0.27	0.7	-5.97
S&P BSE 200	11,519.14	-0.26	1.32	-2.45
S&P BSE 500	37,099.57	-0.21	1.52	-0.92
S&P BSE Midcap	49,226.42	0.18	2.69	4.84
S&P BSE Smallcap	57,653.02	-0.01	2.89	11.89
S&P BSE Auto	65,073.81	1.33	7.77	4.02
S&P BSE Bankex	65,492.23	-0.61	-0.49	-1.9
S&P BSE Cap Goods	79,282.73	0.3	1.25	18.14
S&P BSE Consumer Durables	64,972.91	-0.9	5.1	8.28
S&P BSE FMCG	18,473.74	0.18	-1.18	-9.2
S&P BSE Healthcare	51,234.81	0.5	2.96	16.97
S&P BSE IT	30,304.54	1.16	11.67	-17.51
S&P BSE Metal	42,153.13	0.16	4.13	14.51
S&P BSE Oil & Gas	26,349.18	-0.63	-0.38	-8.22
S&P BSE Power	7,660.66	0.29	-1.66	17.8
S&P BSE Realty	6,911.39	-0.44	-0.75	1.53

***Data as of Aug 6**

GLOBAL MARKETS

Asian share markets tracked Wall Street higher on Monday after a soft US jobs report pared the risk of a near-term rise in borrowing costs, though a lack of progress in Gulf peace talks saw oil prices creep higher.

Iran said on Sunday that a deal with Oman defining new shipping lanes in the Strait of Hormuz was in its final stages but reiterated that the waterway would only reopen once the United States met other conditions.

The latest revival in fuel costs raises the stakes for the US July consumer price report due on Wednesday where analysts look for a rise of 0.1% in the headline and 0.2% for the core.

Any upside surprise could rekindle speculation of a hike from the Federal Reserve next month.

The futures market has scaled back the chance of a September move to around 44%, from 67% a week ago.

The pullback in rate risk helped Treasuries rally on Friday and saw Wall Street close at record highs. Japan's Nikkei followed that lead and rose 2.0%, while South Korea added 1.1%.

MSCI's broadest index of Asia-Pacific shares outside Japan edged up 0.8%. Chinese blue chips eased 0.4% after data showed consumer and producer price inflation came in under forecasts in July, underlining the softness of domestic demand.

For Europe, EUROSTOXX 50 futures and DAX futures both dipped 0.1%, while FTSE futures fell 0.4%.

S&P 500 futures were flat, while Nasdaq futures firmed 0.2%, having climbed 5% last week amid a slew of upbeat earnings reports.

US equities rallied sharply on Friday after an unexpected contraction in July employment prompted investors to sharply scale back expectations of a near-term Federal Reserve rate hike.

The S&P 500 gained 0.62% to a fresh record close, the Nasdaq Composite outperformed with a 1.3% advance, and the Dow Jones Industrial Average added 0.28%.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The rupee closed at 95.2075 per dollar on Friday, up about 0.2% week-on-week.

Crude Oil: Brent crude added 1.0% to $84.40 a barrel as shipping through the vital waterway remained at a trickle, while U.S. crude rose 0.8% to $78.80 a barrel.

FPIs & DIIs: Foreign Institutional Investors (FIIs) remained net buyers, following net purchases of Rs 59.49 billion in the previous week with an additional Rs 29.11 billion in the current week, based on provisional exchange data.

Domestic Institutional Investors (DIIs) also maintained their buying momentum, recording net purchases of Rs 77.68 billion, with inflows observed in four of the five trading sessions.

Domestic Institutional Investors' (DIIs') net investment in the equity segment crossed Rs 5 trillion for the third straight calendar year in 2026.

DIIs, which include banks, domestic financial institutions (DFIs), insurance companies, new pension schemes and mutual funds, made a net investment of Rs 5.13 trillion in equities till August 7, stock exchange data shows. During the same period in CY25, they had invested Rs 4.48 trillion.

In all of CY25, they pumped in Rs 7.88 trillion and recorded a net inflow of Rs 5.26 trillion into the Indian stock market in CY24, BSE data shows.

Gold: Gold rates and silver rates in India are likely to be volatile on Monday, August 7, 2026, as the international bullion market pulled back from its strong weekly rally. Spot gold is down by 0.4% to trade around $4,330 per ounce, while spot silver traded narrow to hold above $63.50 per ounce.

Last week, spot gold surged 7% and silver rallied over 10% due to sharp contraction in US nonfarm payroll market to 23,000, which eased expectations of rate hike from US Federal Reserve in the upcoming policy.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA*	53,885.10	-0.85	1.56	12.11
Nasdaq Composite*	26,348.35	-0.06	0.87	13.37
Nikkei 225 (Japan)	65,606.71	-0.12	-3.88	30.33
Straits Times (Singapore)	5,698.43	1.05	6.67	22.65
Hang Seng (Hong Kong)	25,668.03	0.54	9.24	0.15
Kospi Composite (Seoul)	6,258.77	-0.6	-18.25	48.52
FTSE 100 (London)	10,867.89	-0.19	2.03	9.43
Cac 40 (France)*	8,699.71	0.35	2.59	6.75
Xetra Dax (Germany)*	26,140.13	0.05	1.25	6.74
S&P 500 (US)*	7,709.96	-0.18	2.29	12.63
Shanghai (china)	3,940.04	1.02	-1.26	-0.73
MICEX (Russia)*	2,279.13	-0.3	4.05	-17.62
Bovespa (Brazil)*	1,75,546.36	-1.23	1.8	8.95
JCI (Indonesia)	6,409.65	1.04	7.07	-24.93
SET (Thailand)	1,612.00	-0.16	0.49	27.97

***Data as of Aug 6**

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
06-Aug	16,630.00	16,164.00	466	11,570.00
Jul-26	3,68,704.21	3,45,372.36	23,331.85	
Jun-26	3,62,181.25	3,91,353.21	-29,171.96	
May-26	3,65,202.02	4,12,090.84	-46,888.82	
Apr-26	3,23,226.40	3,92,097.98	-68,871.58	
Mar-26	2,72,050.15	3,84,357.33	-1,12,307.18	
Feb-26	3,82,778.64	3,65,631.19	17,147.45	
Last Close	17,459.00	17,110.00	349	
6 Months average	3,45,690.45	3,81,817.15	-36,126.71	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
06-Aug	1,233.00	755	478	15,970.00*
Jul-26	242401.88	223925.64	18476.24	
Jun-26	348939.79	296100.29	52839.5	
May-26	295585.04	232497.6	63087.44	
Apr-26	286465.08	255871.12	30593.96	
Mar-26	337683.32	238937.33	98745.99	
Feb-26	287077.79	276638.71	10439.08	
Last Close	1,233.00	755	478	
6 Months average	2,99,692.15	2,53,995.12	45,697.04	

-MF data as of Jul 31

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WEEK AHEAD

The week gone by delivered a cautious domestic policy hold, softening activity data globally, and a tentatively constructive shift in the Hormuz corridor.

The RBI's Monetary Policy Committee (MPC) unanimously voted to keep the repo rate unchanged at 5.25% at its August meeting, with Governor saying that the committee wanted "greater clarity" on the inflation outlook before taking further policy action.

The Governor has highlighted volatile crude oil prices, an uneven monsoon and global geopolitical uncertainty as key risks, while the RBI's projections indicate that headline inflation is likely to be highest in the October–December quarter before easing thereafter.

The latest HSBC India PMI data for July 2026 indicate a broad-based slowdown in manufacturing and services activity.

On the energy front, the picture was more constructive. Brent eased toward $82 per barrel as Iran and Oman moved toward a joint management agreement for the Strait of Hormuz. The Iran's published draft, however, has placed highly restrictive conditions on ship traffic, keeping a full reopening firmly uncertain.

Amid a data-light week, the focus will remain on corporate earnings and geopolitical developments, particularly those involving the Strait of Hormuz and the volume of crude shipments.

In India, the Inflation Rate for July 2026 would be made public on Wednesday (12 August 2026).

On Friday (14 August 2026), the WPI Inflation numbers for the month of July would be made public.

Friday would witness the release of the Foreign Exchange Reserves position for the period ended on August 07.

In China, the Inflation Rate for the month of July would be announced on Sunday (09 August 2026).

On the same day, the Producer Prices Index values for July 2026 would be made public.

On Friday (14 August 2026), the preliminary reading of the Current Account for the second quarter would be released.

In the United States, the existing home sales data for the month of July would be announced on Tuesday (11 August 2026).

On Wednesday (12 August 2026), the inflation rate for July 2026 would be made public.

On Thursday (13 August 2026), the producer price inflation figures for the month of July would be unveiled.

On Friday (14 August 2026), the Retail Sales data for July 2026 would be made public.

On the same day, the preliminary reading for the Michigan Consumer Sentiment for August 2026 would be announced.

Source: Bloomberg, Morningstar, Capital Market, MOSL & HSBC MF estimates as on August 10, 2026 or as latest available.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.