

Market Flash

January 05, 2026



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Markets opened slightly negative

Indian equity indices have turned slightly negative on Monday amid subdued domestic and global cues. At 9:20 AM, the frontline BSE Sensex was trading at 85,727 down 48 points or (- 0.06%). The broader Nifty50 was at 26,319 levels down 9 points or (- 0.04%).

As of January 5, 2026, the Indian Rupee (USD/INR) opened around the 90.00-90.02 level, showing stability near the psychological 90-dollar mark, supported by central bank activity and year-end flows, though markets remain watchful for sustained moves despite thin trading. The rupee had earlier rebounded from lows, finding support due to the Reserve Bank of India's interventions.

Broader indices opened mixed on Monday with the Mid Cap index trading slightly lower and Small Cap indices trading higher. The Nifty Mid Cap 100 index is down 0.08%, while the Nifty Small Cap 100 is down 0.28%. Fear gauge, India VIX, advanced over 5% today.

Sectoral indices are trading mix on Monday. The Nifty IT index has opened significantly lower with - 1.62% losses. Nifty Media index has showed reasonable gains of 0.78%. Nifty Auto, Nifty Metal, Nifty Realty have shown descent gains.

The Nifty Private Bank index is marginally up, while Nifty Financial Services is slightly down in the early morning trade.

Indian equity markets witnessed a mixed-to-weak trend during the week ended January 4, 2026, amid thin year-end volumes, cautious global cues, and profit booking at higher levels. Investors remained selective as the calendar year closed, with focus shifting towards upcoming macroeconomic data, global central bank cues, and the start of the Q3FY26 corporate earnings season.

The benchmark indices moved in a narrow range for most of the week, reflecting consolidation after recent record highs.

Weekly review - Dec 29, 2025 to Jan 4, 2026

During the holiday-shortened week, markets started on a subdued note as global equities remained range-bound and the rupee stayed weak against the US dollar. Lack of fresh domestic triggers and cautious positioning by foreign investors ahead of the new year kept sentiment muted. Sensex consolidated with a marginal negative bias. Nifty50 Traded range-bound amid profit booking. Midcap index underperformed benchmarks, Smallcap Index witnessed higher volatility and mild correction.

Among sectors, IT and FMCG stocks faced selling pressure due to valuation concerns and weak global tech cues, while selective buying was seen in metal and auto stocks on expectations of stable commodity prices and improving demand outlook. Banking and financial stocks largely moved sideways, tracking bond yields and currency movements.

Index	Last Close	1 Month change%	1 Year change %
NIFTY 50	26,329	1.14	10.89
NIFTY BANK	60,151	1.48	17.8
NIFTY 100	26,925	1.25	9.47
NIFTY 200	14,677	1.16	9.02
NIFTY 500	24,099	1.16	7.19
NIFTY MIDCAP 100	61,366	0.75	6.81
NIFTY SMALLCAP 100	17,832	0.31	-5.95

Sector Index	Last Close	1 Month change%	1 Year change %
NIFTY METAL	11,422	10.72	32.2
NIFTY COMMODITIES	9,735	5.84	19.89
NIFTY OIL & GAS	12,340	3.09	14.56
NIFTY AUTO	28,804	2.95	24.48
NIFTY ENERGY	36,276	2.3	2.39
NIFTY PSU BANK	8,700	2.17	32.89
NIFTY INDIA MANUFACTURING	15,623	2.17	12.42
NIFTY IT	38,320	2.08	-11.65
NIFTY CHEMICALS	29,055	1.95	0
NIFTY INFRASTRUCTURE	9,766	1.85	14.89
NIFTY PRIVATE BANK	28,903	1.21	16.11
NIFTY FINANCIAL SERVICES	27,899	1.21	18.12
NIFTY MNC	30,875	0.89	9.86
NIFTY REALTY	899	0.76	-13.63
NIFTY MEDIA	1,463	0.27	-20.18
NIFTY INDIA DIGITAL	9,521	0.06	-2.04
NIFTY PHARMA	22,791	-0.5	-2.85
NIFTY CONSUMER DURABLES	37,239	-0.75	-11.6
NIFTY HEALTHCARE INDEX	14,726	-1.01	-1.82
NIFTY CAPITAL MARKETS	4,683	-1.35	14.87
NIFTY INDIA CONSUMPTION	12,257	-1.63	7.23
NIFTY INDIA DEFENCE	7,787	-2.12	19.03
NIFTY INDIA TOURISM	8,660	-2.94	-6.12
NIFTY FMCG	53,079	-4.17	-6.91

Global Markets

Global equity markets remained largely steady during the week as investors assessed expectations of interest rate cuts by major central banks in 2026. Asian markets traded mixed, supported by optimism around policy easing but capped by subdued economic data from key regions.

US markets ended the week on a mixed note, with the S&P 500 and Nasdaq hovering near record levels amid low holiday volumes. European markets were also range-bound as investors awaited fresh economic cues and inflation data.

Rupee, Oil, Gold & FIIs/DIIs

Indian Rupee: The rupee remained under pressure during the week, trading near record low levels against the US dollar due to sustained dollar demand and FII outflows, partially offset by RBI intervention.

Crude Oil: Crude oil prices edged higher on geopolitical concerns and supply-side risks, though gains were capped by demand worries.

Gold & Silver: Precious metals traded volatile. Gold remained supported by expectations of rate cuts, while silver saw sharp swings due to speculative activity.

FIIs & DIIs: Foreign Institutional Investors remained net sellers during the week, while Domestic Institutional Investors continued to provide support, cushioning the impact of FII outflows.

Overall, markets are expected to remain in a consolidation phase with stock-specific action dominating, as investors await clearer cues at the start of the new calendar year.

Markets in the coming week will focus on:

- Start of Q3FY26 corporate earnings
- Domestic macro data including PMI and inflation indicators
- Global economic data and central bank commentary
- Movement in crude oil prices and the US dollar
- FII flows and rupee trajectory

Source: Bloomberg, Capital Market, MOSL & HSBC MF estimates as on January 05, 2026 or as latest available.

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