HSBC Mutual Fund

Market Flash

July 20, 2026

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Sensex falls 600 points as US – Iran tension intensifies; Nifty below 24,200

Benchmark indices fell sharply tracking subdued global cues as escalating tensions between the US and Iran, coupled with Brent crude oil climbing above $90 a barrel, dampened risk appetite.

Brent crude topped the $90-per-barrel level on the Intercontinental Exchange as the US entered the ninth consecutive night of strikes against Iranian targets, while reporting a casualty due to the operations.

Further, the US investigators recovered unidentified remains near the site of an Iranian attack in Jordan, which left two US personnel dead earlier.

Indian rupee opened 13 paise lower at 96.41 per dollar on Monday versus previous close of 96.28.

At 9:35 AM, the frontline BSE Sensex was trading at 77,528 down 625 points or (0.80%). The broader Nifty50 was at 24,175 levels down 160 points or (0.66%).

In the broader markets, the Nifty Mid Cap and the Nifty Small Cap were trading 0.02% and 0.09% down, respectively.

Sector-wise, the Nifty Private Bank declined the most. The Nifty Financial Services and the Nifty Bank also underperformed. Meanwhile, the Nifty PSU Bank rose the most.

WEEKLY REVIEW – JULY 13, 2026 – JULY 17, 2026

Indian equity benchmarks ended the week with solid gains, supported by strong quarterly earnings from several major companies, particularly in the IT and financial sectors. Positive global cues, including softer US inflation data and expectations of a less aggressive monetary policy stance, boosted investor sentiment. The India-UK trade agreement further improved optimism over export growth and economic opportunities. However, gains were capped by concerns over rising inflation, a widening trade deficit and delayed monsoon progress, which raised concerns over food prices and rural demand.

Meanwhile, the India VIX, the fear gauge, extended its uptrend for another week, rising 7.33% to 13.15.

The week gone by delivered a pair of pivotal inflation prints that would set the macro tone for the week ahead. India's CPI surged to 4.38% in June, which is the highest reading since December 2024 and above the widely reported estimate of 4.30%.

At the wholesale level, the WPI hit a fresh all-time high of 9.87% in June under the new series, driven by food articles, mineral oils, and basic metals, even as fuel and power inflation moderated slightly to 27.41% from 30.33%.

In the week ended on Friday, 17 July 2026, the BSE Sensex jumped 582.06 points or 0.75% to settle at 78,151.45. The Nifty 50 index added 127.4 points or 0.52% to settle at 24,334.30. The BSE 150 Mid Cap index shed 0.05% to close at 16,992.46. The BSE 250 Small Cap index fell 0.80% to close at 7,095.60.

On the energy front, US Prez declared the US-Iran ceasefire "over" at the NATO summit in Ankara this week. Further, the US struck an Iranian oil tanker near the country's main export terminal. As a result, the Brent had climbed to $85.95 per barrel levels, up over 10% for the week, and tanker traffic through the Strait of Hormuz fell to two-month lows.

For India, a resumption of the Hormuz crisis would directly pressure the import bill, the rupee, and corporate margins across energy-dependent sectors.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	78,151.45	1.25	1.29	-8.3
Nifty 50	24,334.30	1.09	1.03	-6.87
S&P BSE 200	11,352.01	0.69	0.9	-3.87
S&P BSE 500	36,505.40	0.48	1.05	-2.51
S&P BSE Midcap	48,157.70	-0.28	1.57	2.56
S&P BSE Smallcap	56,113.62	-0.85	2.01	8.9
S&P BSE Auto	59,713.61	1.03	1.26	-4.54
S&P BSE Bankex	66,194.59	1.58	1.99	-0.85
S&P BSE Cap Goods	78,121.89	-1.34	-5.11	16.41
S&P BSE Consumer Durables	63,383.37	-0.07	3.93	5.63
S&P BSE FMCG	18,205.18	0.5	-0.98	-10.52
S&P BSE Healthcare	49,790.32	-1.25	5.82	13.67
S&P BSE IT	28,226.33	1.38	0.32	-23.16
S&P BSE Metal	40,118.32	-0.31	-4.27	8.98
S&P BSE Oil & Gas	26,536.71	0.7	-0.94	-7.57
S&P BSE Power	7,786.48	-0.96	-3.86	19.73
S&P BSE Realty*	7,171.61	1.39	12.76	5.36

Data as of Jul 17

GLOBAL MARKETS

Asian share markets slipped on Monday as the escalating conflict in the Gulf lifted oil prices and fanned fears of inflation, while a packed week of major tech earnings will further test investor faith in the AI trade.

Brent crude climbed above $90 a barrel for the first time in more than a month as the US military started a ninth straight day of attacks against Iran, which in turn struck targets across the region. Just a handful of ships transited the Strait of Hormuz on Sunday and one was reported to be on fire.

Brent duly added 2.6% to $90.40 a barrel, while U.S. crude rose 2.3% to $84.39.

The jump in fuel costs has revived worries about inflation even as US consumer price data surprised on the downside last week, leading futures markets to price in 29 basis points of Federal Reserve rate hikes by year-end.

Futures imply a 60% chance of a rate rise as early as September, pushing yields on 30-year Treasuries back above the psychological 5.0% barrier.

S&P 500 futures hold steady while Nasdaq futures edged up 0.1%. In Europe, EUROSTOXX 50 futures were little changed, while DAX futures and FTSE futures eased 0.1%.

Japan's Nikkei was closed for a holiday, having shed 6.4% last week in a tech-led rout. MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.3%, while Chinese blue chips rose 1.4%.

The euro was flat at $1.1433, having spent more than a week trading between $1.1377 and $1.1482. The dollar was steady at 162.39 yen, just below the recent 40-year peak of 162.84 as Japanese authorities flag the threat of intervention should the yen weaken quickly.

In commodity markets, the rise in yields pressured non-interest-paying gold which fell 0.5% to $3,998 an ounce.

The US stock futures were trading on a mixed note on Monday morning as oil prices rose after the US and Iran tension escalated, raising concerns about inflation outlook. The S&P 500 futures were up 0.09%, and the Dow Jones futures were down 0.06%.

Last Friday, the Dow Jones Industrial Average and the S&P 500 settled 0.77% and 1.01% down, respectively. The Nasdaq Composite ended 1.4% lower.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The Indian rupee logged its sharpest weekly drop since May, with Friday's uneventful trading session closing out the week, as elevated oil prices and strong merchant dollar demand renewed worries about the currency's trajectory.

The rupee closed at 96.28 per dollar, down about 1% week-on-week, stung by a 13% rise in Brent crude oil prices as fighting between the US and Iran intensified, choking energy supplies through the Strait of Hormuz yet again.

Crude Oil: Oil prices jumped 3% on Monday, with Brent surpassing $90 a barrel, as the United States and Iran expanded attacks in the West Asia that have curbed energy shipments in the Strait of Hormuz.

Brent crude futures climbed $2.69, or 3.05%, to $90.79 by 2343 GMT, touching the highest since June 11, extending gains after rising 15.9% last week, its biggest weekly gain since April.

FPIs & DIIs: Foreign institutional investors remained net sellers for a fifth consecutive session on Friday, although the pace of outflows eased as they sold Indian equities worth Rs 376 crore. Domestic institutional investors continued to provide support, purchasing shares worth more than Rs 1,000 crore and extending their buying streak to eight consecutive sessions.

Gold: Gold prices edged lower on Monday (July 20), extending last week's losses, as rising expectations of higher US interest rates outweighed safe-haven demand triggered by escalating tensions in the West Asia. Silver, however, traded higher in early Asian hours.

Spot gold slipped about 0.4% to around $4,000.55 per ounce, while COMEX gold futures for August delivery eased to $4,005.70 per ounce, down 0.33% from the previous close.

Silver bucked the trend, with COMEX silver rising 0.70% to $56.72 per ounce, after touching an intraday high of $57.13 an ounce. The decline in gold comes after the metal posted a 2.5% weekly loss last week, its weakest performance in two weeks.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA*	52,552.97	-0.2	1.06	9.34
Nasdaq Composite*	25,881.95	-1.47	-1.87	11.36
Nikkei 225 (Japan)	64,141.12	-4.03	-8.24	27.42
Straits Times (Singapore)	5,509.43	-0.54	6.43	18.58
Hang Seng (Hong Kong)	24,562.24	-1.78	1.03	-4.17
Kospi Composite (Seoul)	Closed	NA	NA	0
FTSE 100 (London)	10,572.24	0.54	0.74	6.45
Cac 40 (France)*	8,377.86	-0.05	-0.82	2.8
Xetra Dax (Germany)*	24,915.49	-0.34	0.02	1.74
S&P 500 (US)*	7,533.77	-0.51	0.3	10.05
Shanghai (china)	3,764.15	-3.05	-8.37	-5.16
MICEX (Russia)*	2,011.05	-0.55	-19.07	-27.31
Bovespa (Brazil)*	1,73,825.27	-1.24	2.46	7.88
JCI (Indonesia)	6,175.54	1.1	-0.73	-27.67
SET (Thailand)	1,639.04	0.23	3.27	30.12

Data as of 17 July 2026

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FII equity investments, Rs cr

	Buy	Sell	Net	MTD
16-Jul	14,823.00	18,003.00	-3,180.00	13,678.00
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	
Jan-26	2,99,461.12	3,41,314.56	-41,853.44	
Last Close	13,778.00	14,260.00	-482	
6 Months average	3,34,149.93	3,81,140.85	-46,990.92	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
16-Jul	13,248.00	11,173.00	2,075.00	6,435.00*
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	
Jan-26	351510.94	305054.58	46456.36	
Last Close	13,248.00	11,173.00	2,075.00	
6 Months average	3,17,876.99	2,67,516.61	50,360.39	

-MF data as of Jul 10

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Week Ahead

Corporate earnings and their comments focusing on the fallout from the US-Iran war would be closely monitored by the investor community.

The Foreign Exchange Reserves position for the period ended on July 17 would be made public on Friday.

In China, the Loan Prime Rate for one-year and five-year tenors would be would be announced on Monday (20 July 2026).

In the United States, the ADP Employment Change Weekly figures would be released on Tuesday (21 July 2026).

On Wednesday (22 July 2026), the API Crude Oil Stock Change for the period ended on July 17 would be announced.

On Thursday (23 July 2026), the Chicago Fed National Activity Index for June 2026 would be unveiled.

On Friday (24 July 2026), the flash reading for the S&P Global Manufacturing PMI, the S&P Global Services PMI and the S&P Global Composite PMI would be made public.

Lastly, the New Home Sales for the month of June would also be released on Friday.

Source: Bloomberg, Morningstar, Capital Market, MOSL & HSBC MF estimates as on July 20, 2026 or as latest available