



HSBC Mutual Fund

Market Flash

February 09, 2026



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Markets soar high on India-US trade deal; Nifty PSU Bank zooms 3%

Indian equity benchmark indices, Sensex and Nifty, witnessed a solid start on Monday, after India and the US released a joint statement on Friday, February 6, 2026, outlining a framework for the Interim Trade Agreement (ITA) following the announcement of the trade deal earlier last week.

The ITA will act as the first step toward a broader Bilateral Trade Agreement (BTA), providing near-term clarity on tariffs and laying the groundwork for deeper trade integration. Additionally, US President removed the extra 25% tariff he had imposed on Indian goods over India's purchases of Russian oil. The order also said India has committed to stopping direct and indirect imports of Russian oil, while increasing purchases of US energy products.

At 9:35 AM, the frontline BSE Sensex was trading at 83,911 up 331 points or (0.40%). The broader Nifty50 was at 25,796 levels up 103 points or (0.40%).

The Indian rupee opened 10 paise higher on February 9, as investor sentiment was positive, after further details of the US-India trade deal emerged over the weekend, which could in turn prompt foreign inflows into the country's markets. The local currency was trading at 90.56, as compared to 90.66 in the last trading session.

In the broader markets, the Nifty Mid Cap index gained 0.6 per cent, and the Nifty Small Cap index added 0.76 per cent.

Among sectors, the Nifty PSU Bank index gained over 3 per cent, while the Nifty Realty added 1.7 per cent, and the Nifty Metal index 0.9 per cent.

WEEKLY REVIEW – FEB 2, 2025 – FEB 6, 2025

Domestic equity benchmarks ended a volatile week with significant gains, as investors weighed the implications of the Union Budget 2026 and the India-US trade deal. Initial sharp losses on Sunday due to higher STT on derivatives and other tax changes were offset by strong buying from Monday onwards, supported by robust infrastructure capex, fiscal consolidation measures and foreign investment-friendly policies. The rally extended midweek, before profit booking trimmed some gains on Thursday, with minor advances on Friday helping indices close the week on a positive note. Overall, markets balanced short-term concerns with optimism on long-term growth, stable RBI policy, and strengthened trade ties.

In the week ended on Friday, 06 February 2025, the BSE Sensex jumped 1,310.62 points or 1.59% to settle at 83,580.40. The Nifty50 index rallied 373.05 points or 1.47% to settle at 25,693.70. The BSE 150 Mid Cap index fell 0.11% to close at 16,065.48. The BSE 250 Small Cap index declined 0.42% to close at 6,311.44.

GLOBAL MARKETS

Asian markets leapt higher on Monday as a resounding win for Japanese Prime Minister whetted appetites for more reflationary policies, while there was widespread investor relief at Wall Street's last gasp rebound.

A rally in chip stocks and bargain hunting in beaten-down momentum plays including silver had helped shore up sentiment, as did wagers of more rate cuts from the US Federal Reserve.

A rate cut by June is now seen as an odds-on bet, with a slew of economic data this week on jobs, inflation and spending expected to reinforce the case for stimulus.

Japan's Nikkei led the gains with a jump of 4.2 per cent to all-time highs as the government's decisive majority clears the way for more spending and tax cuts.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.0 per cent, while South Korea's tech-heavy index climbed 3.9 per cent.

S&P 500 futures rose 0.4 per cent and Nasdaq futures added 0.6 per cent, having both bounced more than 2 per cent on Friday to break a run of heavy losses.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The Indian rupee fell on Friday, singed by likely dollar outflows and traders lowering long bets, but posted its best rise in over three years.

The rupee closed at 90.6550 per dollar, down 0.3 percent on the day but up 1.4 percent on the week, its best weekly rise since January 2023.

Crude Oil: Oil prices continued to gyrate as markets waited on the outcome of talks between the US and Iran, which have so far failed to reduce the risk of a military conflict between the two countries.

Brent edged down 0.8 per cent to US\$67.52 a barrel, while US crude fell 0.7 per cent to US\$63.09 per barrel.

FPIs & DIIs: Foreign investors (FPIs/FPIs) net bought Rs 1951 crore worth of Indian equities on February 6. At the same time, domestic institutional investors (DIIs) net sold shares worth Rs 1265 crore, according to provisional exchange data.

During the trading session, DIIs purchased shares worth Rs 13,216 crore and sold shares worth Rs 14,481 crore. In contrast, FPIs bought shares worth Rs 16,719 crore but sold shares totalling Rs 14,768 crore.

For the year so far, FPIs have been net sellers of shares worth Rs 37,997 crore, while DIIs have net bought shares worth Rs 72,107 crore.

Gold & Silver: Silver added 2.4 per cent to US\$79.82, after swinging wildly from a 15 per cent loss to a 9 per cent closing gain on Friday. The metal had plunged in the last two weeks as leveraged positions were caught in a vicious squeeze triggering margin calls and forced selling.

Gold was also up 1.5 per cent at US\$5,033 an ounce, having been as low as US\$4,403 at one stage last week.

WEEK AHEAD

Indian markets head into the trading week on a cautiously constructive note, anchored by supportive monetary and trade developments. The Reserve Bank of India's Monetary Policy Committee held the repo rate at 5.25% and maintained a neutral stance, reinforcing stability after recent volatility.

Investor sentiment was also boosted by the India-US trade deal, which spurred a powerful relief rally in early February.

In India, the M3 Money Supply figures for the week ended on January 23 would be made public on Wednesday (11 February 2026).

On Thursday (12 February 2026), the Inflation Rate for the month of January 2026 would be made public.

On Friday (12 February 2026), the wholesale price inflation (WPI) figures would be announced.

Lastly, the foreign exchange reserves position for the week ended on February 06 would be unveiled on the same day.

In China, the inflation rate for January 2026 would be made public on Wednesday (11 February 2026).

Wednesday would also see the release of the producer price inflation numbers for the month of January.

On Friday (13 February 2026), the House Price Index data for January 2026 would be unveiled.

In the United States, the retail sales data for the month of December would be announced on Tuesday (10 February 2026).

On Wednesday (11 February 2026), the API Crude Oil Stock Change for the week ended on February 06 would be unveiled.

The Non Farm Payrolls data for the month of January would also be announced on Wednesday.

Wednesday would also see the release of the unemployment rate for January 2026.

On Thursday (12 February 2026), the existing home sales data for January 2026 would be made public.

Lastly on Friday (13 February 2026), the inflation rate for the month of January would be announced.

Source – NSE India, Bloomberg estimates as on February 09, 2026 or as latest available.

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