HSBC Mutual Fund

Market Flash

Aug 31, 2026

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Sensex falls 400 points on weak global cues; Nifty Metal, IT underperform

The benchmark indices fell as rising oil prices and concern about a rate hike in the US dented risk sentiment.

At 09:55 AM, the frontline BSE Sensex was trading at 76,864 down 400 points or (0.52%).The broader Nifty50 was at 24,017 levels down 159 points or (0.66%).

In the broader markets, the Nifty Mid Cap and the Nifty Small Cap were trading 0.53 per cent and 0.73 per cent down, respectively.

Sector-wise, the Nifty Metal, the Nifty IT, the Nifty Cement, and the Nifty Media underperformed, while the Nifty Bank and the Nifty Private Bank outperformed.

The rupee opened 10 paise lower against the US dollar at 95.49, compared to Friday's close of 95.39 a dollar, according to data on Bloomberg.

For the coming week, the trading sentiment week will be largely guided by the domestic GDP data announcement, crude oil prices, and the US non-farm payrolls report. Auto sales numbers and trading activity of foreign investors would also guide movement in the market going ahead.

WEEKLY REVIEW – AUGUST 24, 2026 – AUGUST 28, 2026

Domestic equity benchmarks witnessed a volatile week, with geopolitical tensions, elevated crude oil prices and concerns over US inflation weighing on investor sentiment. The market recovered on Tuesday but declined over the next two sessions amid profit booking and expiry-related volatility. 5

The week's final session remained largely range-bound, with buying picking up towards the close. IT stocks were the biggest support, with the Nifty IT index gaining more than 3 per cent. Pharma and metal shares also gained, while weakness in select banking and consumer stocks capped the upside.

In the week ended on Friday, 28 August 2026, the barometer index, the S&P BSE Sensex declined 276.32 points or 0.36% to 77,264.51.The Nifty 50 index dropped 76.35 points or 0.31% to 24,175.65.The BSE 150 Mid-Cap index added 0.30% to close at 17,335.13.The BSE 250 Small-Cap added 0.17% to end at 7255.27.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	77,264.51	0.43	0.65	-9.34
Nifty 50	24,175.65	0.35	0.79	-7.48
S&P BSE 200	11,382.16	0.24	1.21	-3.61
S&P BSE 500	36,794.04	0.26	1.77	-1.73
S&P BSE Midcap	49,412.94	0.23	2.82	5.24
S&P BSE Smallcap	58,646.05	0.44	5.38	13.82
S&P BSE Auto	63,737.20	-0.17	4.28	1.89
S&P BSE Bankex	64,963.48	1.01	0.9	-2.69
S&P BSE Cap Goods	79,514.98	-0.04	4.56	18.48
S&P BSE Consumer Durables	65,066.70	-0.26	1.05	8.44
S&P BSE FMCG	17,761.55	-0.23	-2.63	-12.7
S&P BSE Healthcare	51,594.97	0.55	2.82	17.79
S&P BSE IT	29,978.87	3.32	2.6	-18.39
S&P BSE Metal	42,969.35	0.71	7.65	16.73
S&P BSE Oil & Gas	25,977.70	-0.28	-0.72	-9.51
S&P BSE Power	7,512.83	-0.24	-0.93	15.52
S&P BSE Realty	7,077.86	-0.29	-1.58	3.98

***Data as of Aug 27**

GLOBAL MARKETS

Share markets slid on Monday in Asia as fresh fighting broke out between the US and Iran, lifting oil prices, while bond yields stayed elevated after investors narrowed the odds on a US rate hike.

Brent futures climbed 2.8 per cent to $90.60 a barrel after US forces struck two of Iran's launchers on its island of Larak on Sunday. In response, Iran was attacking US forces stationed in Jordan.

Markets reacted by lifting the probability of a September rate increase to 57 per cent, shoving short-term Treasury yields sharply higher and flattening the curve.

The inflation threat is expected to spur New Zealand's central bank to hike rates for a second straight meeting on Wednesday, while the Bank of Canada is seen on hold, given the damage a trade war with the US could do to the economy.

Higher yields combined with geopolitical stress to push Japan's Nikkei down 1.6 per cent, while South Korean stocks fell 2.2 per cent. MSCI's broadest index of Asia-Pacific shares outside Japan lost 1.2 per cent.

Chinese blue chips eased 0.7 per cent as the official manufacturing purchasing managers' index (PMI) picked up to 49.8 in August from 49.2 in July, pointing to activity that remains subdued.

In Europe, EUROSTOXX 50 futures dropped 0.5 per cent, while DAX futures eased 0.4 per cent. On Wall Street, S&P 500 futures dipped 0.4 per cent and Nasdaq futures shed 0.5 per cent.

The US stock futures were trading lower on concern about possible rate hike post US Federal Reserve Chair Kevin Warsh's speech and break in the relative calm in West Asia. The S&P 500 and the Dow Jones futures were trading 0.36 per cent and 0.32 per cent down, respectively.

Last Friday, the Dow Jones Industrial Average and the S&P 500 ended 0.02 per cent and 0.3 per cent down, respectively. The Nasdaq Composite settled 0.52 per cent lower.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The Indian rupee ended the week on a positive note, snapping a two-week losing streak, and closed at 95.38 against the US dollar on Friday, up 16 paise from the previous session. The rupee recorded a weekly gain of 0.33%, trading within a narrow band between 95.38 and 95.75, helped by central bank intervention, said market participants. Over the past two weeks, the daily movement averaged at 14 paise.

Crude Oil: Crude oil prices rose more than $1 a barrel on Monday after the latest US-Iran exchange heightened concerns about energy supplies through the Strait of Hormuz. Brent crude futures climbed 1.23 percent to $89.18 a barrel, while US West Texas Intermediate crude advanced 1.10 percent to $84.32 a barrel.

FPIs & DIIs: Foreign institutional investors (FIIs) sold Indian equities worth more than Rs 5,000 crore on Friday, adding another potential headwind as global risk sentiment deteriorates. Domestic institutional investors (DIIs), however, bought equities worth Rs 5,183 crore, extending their buying streak to a 14th consecutive session and largely offsetting the foreign outflows.

Gold & Silver: Gold and silver prices remained largely flat on August 31 as weakness in international bullion markets weighed on domestic rates. Gold prices stood at 156,850 per 10 gm, whereas silver rates hit ₹242,190 per kg.

On the Multi Commodity Exchange (MCX), gold futures were down by 1.63% at ₹1,56,400 per 10 gm, whereas silver futures fell by 2.07% at around ₹2,42,670 per kg at the time of writing this story.

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Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA*	53,569.44	0.2	2.6	11.46
Nasdaq Composite*	26,541.35	1.57	6.45	14.2
Nikkei 225 (Japan)	66,405.56	0.41	6.48	31.92
Straits Times (Singapore)	5,699.93	0.28	1.49	22.68
Hang Seng (Hong Kong)	25,584.79	0.07	1.08	-0.18
Kospi Composite (Seoul)	6,788.88	-1.79	12.7	61.1
FTSE 100 (London)	10,792.54	-0.79	0.1	8.67
Cac 40 (France)*	8,319.87	-1.68	-1.03	2.09
Xetra Dax (Germany)*	26,367.24	0.31	3.97	7.66
S&P 500 (US)*	7,730.99	0.72	4.29	12.94
Shanghai (china)	3,952.18	-0.11	3.64	-0.42
MICEX (Russia)*	2,099.60	0.3	-4.18	-24.11
Bovespa (Brazil)*	1,75,135.41	0.31	-0.11	8.7
JCI (Indonesia)	6,518.12	-0.06	6.32	-23.66
SET (Thailand)	1,588.22	-0.78	-2.23	26.08

***Data as of Aug 27**

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
27-Aug	17,261.00	16,386.00	875	29,568.00
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	31,434.00	28,577.00	2,857.00	
6 Months average	3,45,690.45	3,81,817.15	-36,126.71	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
27-Aug	183	811	-628	-1,833.00*
Jul-26	313494.65	298027.32	15467.33	
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	13,498.00	8,926.00	4,572.00	
6 Months average	3,11,540.95	2,66,345.40	45,195.55	

-MF data as of Aug 13

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WEEK AHEAD

Domestic equities enter the week of 31 August-4 September 2026 on a cautious footing. The Nifty 50 held the 24,100 mark, while the Sensex has closed above 77,250 level. Both indices are facing their fourth consecutive weekly decline. Elevated crude prices, geopolitical concerns and uncertainty over global interest rates remain the key headwinds.

The biggest domestic trigger comes on 31 August, when India releases Q1 FY27 GDP data.

Manufacturing PMI for August is due on 1 September, followed by Services PMI on 3 September.

Monthly automobile sales will also start coming in from the beginning of September.

Investors will therefore watch passenger vehicles, two-wheelers and tractors for signs of improving consumer and rural demand.

The global trigger of the week will be the US non-farm payrolls report on 4 September.

Crude oil will remain another important variable.

For India, sustained weakness in crude would be positive for inflation, the rupee and corporate margins.

FII flows will also remain under the microscope.

Overall, the market enters the week with a cautious bias.

Source: Bloomberg, Morningstar, Capital Market, MOSL & HSBC MF estimates as on August 31, 2026 or as latest available.

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