HSBC Mutual Fund

Market Flash

October 12, 2026



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Markets turn choppy after making a positive start; Midcap & Smallcap outperform

The Indian stock market has turned volatile after making a positive start. The Nifty50 and the Sensex erased gains as IT, FMCG, and bank shares weighed.

The rupee opened at 95.73 against the US dollar on Monday, compared to Friday's close of 96.76 a dollar. The gain came after the Reserve Bank of India announced steps over the weekend to reduce demand for dollars and limit speculative trading in the currency market.

Crude oil prices were lower in early trading, but remained significantly higher than their pre-war levels, along with elevated US bond yields.

At 09:45 AM, the frontline BSE Sensex was trading at 72,407 down 61 points or (0.08%). The broader Nifty50 was at 22,528 levels up 7 points or (0.03%).

Sector-wise, Nifty Media and Nifty Auto rose the most, while Nifty PSU Bank declined the most.

In the broader markets, the Nifty Mid Cap and the Nifty Small Cap rose 0.44% and 1.04%, respectively.

WEEKLY REVIEW – OCTOBER 5, 2026 – OCTOBER 9, 2026

The key equity benchmarks ended the week with modest gains, snapping an eight-week losing streak, supported by easing crude oil prices and upbeat business updates. The RBI's decision to raise the repo rate by 25 basis points to 5.50% and shift its policy stance to calibrated tightening added to concerns over borrowing costs, although the upward revision in the FY27 GDP growth forecast provided a positive signal on economic resilience.

The central bank said the Indian economy remained resilient, with real GDP growth at 7.8% in Q1 FY27, supported by private consumption, fixed investment, a rebound in merchandise exports and sustained services exports. The RBI raised its FY27 real GDP growth forecast to 7.1% from 6.7% projected in its August policy review. It also revised upward its Q2 and Q3 growth projections to 7.2% and 6.9%, respectively, from 6.4% and 6.5% earlier.

Going ahead, market participants will track the September-quarter earnings season, which kicked off with results from GM Breweries and IT bellwether. Investors will also monitor sector-specific business updates, stock-specific developments and movements in the Indian rupee for further cues on market direction. Investors will track foreign institutional investors (FIIs) flows.

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In the week ended on Friday, 9 October 2026, the BSE Sensex jumped 562.63 points or 0.78% to settle at 72,472.33. The Nifty 50 index gained 98.50 points or 0.44% to settle at 22,520.45.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	72,472.33	1.23	-3.07	-14.96
Nifty 50	22,520.45	1.3	-3.89	-13.81
S&P BSE 200	10,559.46	1.15	-4.74	-10.58
S&P BSE 500	34,192.47	1.06	-4.81	-8.68
S&P BSE Midcap	45,196.70	1.07	-6.61	-3.74
S&P BSE Smallcap	56,359.00	0.37	-4.22	9.38
S&P BSE Auto	55,145.92	0.84	-9.79	-11.85
S&P BSE Bankex	62,159.19	1	-2.47	-6.89
S&P BSE Cap Goods	73,291.70	0.46	-6.7	9.21
S&P BSE Consumer Durables	57,153.29	0.8	-8.37	-4.75
S&P BSE FMCG	17,056.35	2.02	-1.23	-16.17
S&P BSE Healthcare	48,828.01	0.66	-5.19	11.47
S&P BSE IT	27,406.62	2.91	-1.42	-25.39
S&P BSE Metal	37,979.25	0.94	-10.62	3.17
S&P BSE Oil & Gas	24,157.89	0.24	-6.25	-15.85
S&P BSE Power	6,986.28	0.65	-7.62	7.43
S&P BSE Realty*	6,279.79	0.77	-7.95	-7.74

Data as of Oct 9

GLOBAL MARKETS

Asian share markets got off to a cautious start on Monday as earnings season loomed as a challenge to sky-high tech valuations, while oil was choppy after strikes on shipping and airports in the Gulf.

There was considerable confusion about US President announcement of an energy ceasefire between Ukraine and Russia, which neither side had confirmed.

The President's proposal for Russia to increase its exports of diesel was also under fire from Republican and Democratic senators as potentially illegal.

Brent futures started higher but soon slipped 1.1% to $103.50 a barrel, away from the recent top of $109.97, while US crude futures lost 1.2% to $90.73 a barrel.

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South Korean stocks fell 1.1%, while MSCI's broadest index of Asia-Pacific shares outside Japan was little changed.

On Wall Street, S&P 500 futures edged up 0.2%, while Nasdaq futures firmed 0.5%. In Europe, EUROSTOXX 50 futures firmed 0.4%, while DAX futures gained 0.4% and FTSE futures added 0.3%.

Trade was thin with Japan markets shut and the US on a partial holiday ahead of the earnings season with major US banks kicking off on Tuesday.

S&P 500 earnings are expected to have jumped by more than 30% in the third quarter, according to LSEG IBES, though the bulk of that comes from the tech sector.

In currency markets, the euro remained on the defensive at $1.1201 having fallen for five weeks straight amid concerns about government deficits in Europe.

The dollar index held near 17-month highs at 102.25, but has stalled on the yen at 158.15 as the threat of Japanese intervention deters speculators for now.

In commodity markets, non-interest-bearing gold rose 0.3% to $4,206 an ounce, having managed to bounce more than 1% last week.

Foreign investors turned net sellers of Asian equities in September, withdrawing $23.49 billion from regional stock markets as surging US Treasury yields, persistent inflation concerns and tighter monetary policies in developed economies dampened risk appetite.

The outflows reversed net purchases of about $4.72 billion in August, according to LSEG data covering stock exchanges in South Korea, Taiwan, India, Indonesia, Thailand, Vietnam and the Philippines, as

South Korea accounted for more than 70% of the regional outflows as foreign investors reduced their exposure to one of Asia's largest technology-heavy markets following a strong rally in artificial intelligence-linked stocks.

The US stock futures rose in early trade on Monday morning as oil prices declined. The Dow Jones and the S&P 500 futures advanced 0.35 per cent and 0.3 per cent, respectively.

Last Friday, the Dow Jones Industrial Average and the S&P 500 ended 0.83 per cent and 0.59 per cent higher, respectively. The Nasdaq Composite settled 0.64 per cent higher.

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RUPEE, OIL, GOLD & FIIs

Indian Rupee: The Indian rupee rose 5 paise to close at ₹96.73 against the US dollar on Friday, snapping a three-session losing streak as softer crude oil prices and a weaker dollar supported the currency.

Crude Oil: Oil prices slipped on Monday on expectations of more Russian supplies after US President said Ukraine and Russia had agreed to halt attacks on each other's energy facilities following a US diesel-supply deal with Moscow.

Brent crude futures fell $1.54, or 1.47%, to $103.18 a barrel while US West Texas Intermediate crude was at $90.31 a barrel, down $1.54, or 1.68%.

FPIs & DIIs: Foreign institutional investors (FIIs) remained net sellers of Indian equities throughout the week ended October 9, offloading shares worth Rs 30,294 crore, while domestic institutional investors (DIIs) stepped up purchases to absorb much of the selling pressure, provisional exchange data showed.

DIIs recorded net purchases of Rs 30,313 crore over the week, marginally exceeding the net outflows from foreign investors. The contrasting flows came as benchmark indices broke an eight-week losing streak, with a sharp rally on Friday helping the Sensex and Nifty recover ground.

On Friday, FIIs sold equities worth Rs 3,568.90 crore on a net basis, while DIIs bought shares worth Rs 4,743.26 crore. This left the market with net institutional buying of Rs 1,174.36 crore for the session.

Foreign investors purchased shares worth Rs 10,373.99 crore and sold Rs 13,942.89 crore on Friday. Domestic institutions bought equities worth Rs 15,626.53 crore and sold Rs 10,883.27 crore.

Gold & Silver: Indian gold and silver markets remained broadly unchanged on October 11 across 24-carat, 22-carat, and 18-carat purities. Benchmark gold rates stand at Rs 1,51,720 per 10 gm while silver trades at Rs 2,26,140 per kg.

On the Multi Commodity Exchange (MCX), gold futures were up by 1.27% at Rs 1,51,503 per 10 gm, whereas silver futures were edged up by 0.03% at around Rs 2,25,820 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*	51,231.64	0.1	-2.94	6.59
Nasdaq Composite*	27,193.34	-1.25	2.92	17
Nikkei 225 (Japan)	69,030.92	-0.02	5.97	37.13
Straits Times (Singapore)	5,401.89	-0.2	-5.72	16.26
Hang Seng (Hong Kong)	24,211.35	1.79	-4.21	-5.54
Kospi Composite (Seoul)	Closed	NA	NA	0
FTSE 100 (London)	10,441.60	-0.16	-3.42	5.14
Cac 40 (France)*	7,729.69	-0.51	-7.07	-5.15
Xetra Dax (Germany)*	24,806.97	-1.18	-4.62	1.29
S&P 500 (US)*	7,765.36	-0.47	1.2	13.44
Shanghai (china)	3,813.79	0.05	-3.49	-3.91
MICEX (Russia)*	2,310.65	-1.18	2.06	-16.48
Bovespa (Brazil)*	2,06,220.23	0.94	10.06	27.99
JCI (Indonesia)	6,093.76	1.04	-8.75	-28.63
SET (Thailand)	1,577.65	0.45	-2.49	25.24

*Data as of Oct 8

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
08-Oct	16,107.00	28,991.00	-12,884.00	-34,934.00
Sep-26	3,29,185.34	3,68,844.95	-39,659.61	
Aug-26	3,73,593.79	3,50,747.01	22,846.78	
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	
Last Close	13,369.00	19,525.00	-6,156.00	
6 Months average	3,53,682.17	3,76,751.06	-23,068.89	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
08-Oct	4,340.00	2,859.00	1,481.00	14,560.00*
Sep-26	284682.53	230795.04	53887.49	
Aug-26	297571.97	240097.38	57474.59	
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	
Last Close	4,340.00	2,859.00	1,481.00	
6 Months average	3,04,456.51	2,58,898.13	45,558.39	

-MF Data as of Oct 6

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WEEK AHEAD

Domestic equities are likely to remain volatile in the coming week as investors assess crude oil price movements, foreign fund flows, inflation data and the September-quarter earnings season. The market's rebound on Friday offered some relief after a prolonged losing streak, but the sustainability of the recovery will depend on global cues, the outlook for interest rates and corporate earnings.

Crude oil prices will remain a key driver. Foreign institutional investor (FII) flows will also be closely watched. Persistent foreign selling, elevated US Treasury yields and rupee weakness have contributed to the recent pressure on Indian equities. A moderation in foreign outflows could support the recovery, while continued selling may limit gains.

The Q2 FY27 earnings season will gather momentum this week. Investors will assess revenue growth, margins and management commentary for insights into consumer demand, IT spending and the broader corporate earnings outlook.

Domestic inflation data will be another key trigger. India's September consumer price index (CPI) inflation data is scheduled for release on Monday, 12 October.

Wholesale price index (WPI) inflation for September is scheduled for release on Wednesday, 14 October.

Global cues will remain important. In the US, investors will track existing home sales data on 13 October, followed by September core inflation and headline CPI data on 14 October. Producer price index (PPI) inflation and retail sales data for September are scheduled for release on 15 October. Movements in US Treasury yields and global technology stocks will also influence risk appetite.

In Asia, China will release its September inflation rate, balance of trade, exports and imports data on 14 October.

Source: Bloomberg, Morningstar, Capital Market, MOSL & HSBC MF estimates as on October 12, 2026 or as latest available.

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