Trustner

WEEKLY MARKET BRIEF

The 2,000-Point Crash That Never Happened: Five Minutes Inside India's New Closing Auction — and a Week in Which Everything That Moved Your Money Was Decided in America

Your weekly compass through the financial markets

Week of August 24 – August 30, 2026 | Vol. 1, Issue 26

Trust. Protect. Grow.

DOWN WEEK ▼ Nifty −0.31% to 24,175.65 · Sensex −0.36% to 77,264.51 — a third straight weekly fall, and the smallest of the three

NIFTY 50	SENSEX	INDIA VIX	CRUDE (MCX)
24,176	77,265	~10.5	₹7,978
▼ −0.31%	▼ −0.36%	▼ ~6% wk	▼ −3.94% wk

THE AIR POCKET	THE BEST DAY	THE AFTER-HOURS SHOCK
>2,000 pts	IT +3.51%	~50%
fell and came back inside five minutes on Thursday	India's finest session, made in Santa Clara	odds of a US rate *hike*, priced after Mumbai shut

Indian Equities — Three Down Weeks, Each Smaller Than the Last

A 76-point loss that took two rallies and three declines to produce

The **Nifty 50 fell 0.31% to 24,175.65**, down 76.35 points from the previous Friday's 24,252.00, while the **Sensex lost 0.36% to 77,264.51**, down 276.32 points. That is a third consecutive weekly decline — and it is worth noticing the sequence, because the three of them read −0.83%, then −0.47%, then −0.31%. A downtrend that shrinks by roughly a third each week is not the same animal as one that accelerates, and the distinction rarely survives the headline.

The path was genuinely two-sided. Monday drifted (−32.95), Tuesday rallied hard (**+115.50**), and then Wednesday and Thursday gave back more than all of it (−126.80 and **−116.90**) before Friday recovered 84.80 points on a technology rally imported wholesale from the United States. The Bank Nifty ended at **57,496.30** and the Fin Nifty at **26,286.50**, both close to flat. Thursday, the monthly derivatives expiry, was the week's real event — and the most extraordinary part of it did not show up in the closing price at all.

THE WEEK'S PATH — UP, DOWN, AND BACK A THIRD OF THE WAY

Nifty 50, Friday 21 August close through Friday 28 August close · every point an independently verified daily close

Daily changes: Mon −32.95, Tue +115.50, Wed −126.80, Thu −116.90, Fri +84.80. Thursday's close of 24,090.85 is corroborated independently by agency reports settling the Nifty "at 24,091".

THE RECONCILIATION WE RUN BEFORE WE WRITE A WORD

24,252.00 − 32.95 + 115.50 − 126.80 − 116.90 + 84.80 = **24,175.65**. On the Sensex: 77,540.83 − 171.72 + 286.98 − 183.15 − 539.35 + 330.92 = **77,264.51**. Both land exactly on Friday's reported closes, starting from the closes *we* published last Saturday — the third week running that all five sessions have been independently verifiable and summed to the point on both indices. It settled two disagreements this week. One roundup called this the "second consecutive" down week; our own record says it is the **third**. Another put the falls at −0.44% and −0.47%; against verified bases they are **−0.36% and −0.31%**. The number nobody bothers to check is the number nobody notices is wrong.

Mutual Fund Pulse — The Sensex Fell 2,000 Points on Thursday. It Was Over Before You Could Read About It.

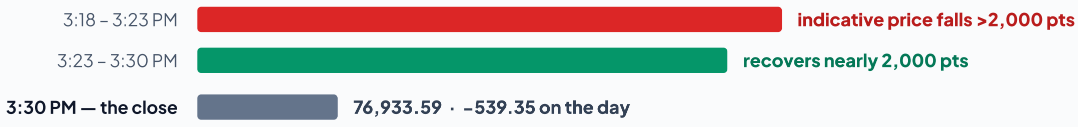
The new Closing Auction Session met its first monthly expiry, and the price that flickered was not the price that counted

At **3:18 PM on Thursday 27 August** — the first monthly derivatives expiry since India changed how closing prices are set — the Sensex's *indicative* equilibrium price inside the Closing Auction Session fell by more than **2,000 points**. By 3:23 PM it had bottomed; by 3:30 PM it had recovered nearly all of it. Reliance Industries flickered from about **₹1,280 to ₹1,250 and closed at ₹1,288**. HDFC Bank, ITC and Bharti Airtel moved sharply in the same window.

The printed close, when it came, was **76,933.59 — down 539.35 points, or 0.70%, on the day**. A perfectly ordinary bad Thursday. The 2,000-point crash existed for roughly five minutes, in a number that was never anybody's transaction price, and then it stopped existing.

FIVE MINUTES ON THURSDAY, AND WHAT ACTUALLY PRINTED

Sensex indicative equilibrium price during the 3:15–3:30 PM closing auction, 27 August 2026



Bar lengths are proportional to points moved. One report put the fall above 2,200 points and the recovery near 2,000; we state the lower, twice-reported figure. Only the 3:30 PM uniform price is a dealable, NAV-relevant price.

WHY THIS IS A STORY ABOUT NAV, AND WHY THE ANSWER IS "NOTHING CHANGES"

Since **3 August** the closing price of every derivatives-eligible stock has been set by a 20-minute auction from 3:15 PM rather than by the last half-hour of ordinary trading — and because a fund's net asset value is struck off closing prices, that auction is now the mechanism your units are valued at. So it matters that you understand what the auction publishes. Throughout the window it broadcasts a running **indicative** price — a live estimate of where the auction *would* clear if it ended at that instant. It is a work in progress, it can swing violently on a single large order, and **no unit of any mutual fund is ever bought or sold at it**. At 3:30 PM the auction produces one final uniform price. That is the close. That is what your NAV uses. Thursday's air pocket touched the estimate and never touched the answer.

Two further things are worth holding together. SEBI Chairman **Tuhin Kanta Pandey** noted this week that the gap between where the indices stand at the end of regular trading and where they finally close under the auction has **narrowed since the mechanism's early days** — the system is settling down, not deteriorating. And this is now the third consecutive week in which the closing auction has produced news: it went live on 3 August, drew SEBI's first enforcement order on 19 August over the 13 August Sensex close, and met its first monthly expiry on 27 August. A new piece of national market plumbing is being stress-tested in public, in its first month, by the people best equipped to find its weak points. For a fund investor that is uncomfortable to read and genuinely good news: **the flaws are being found now, at a scale of crores among derivatives traders, rather than later and quietly.** Your SIP date, your NAV cut-off timings and your holdings are unchanged by any of it.

Sectoral Scorecard — One Foreign Earnings Report Delivered India's Best Sector Move

Metals, technology and pharma up; consumer staples, energy and autos carried the loss

The week's standout was **Nifty IT**, and essentially all of it arrived in the final session: on **Friday the index rose 3.51%**, its best day in weeks, after Nvidia's quarterly results and an upbeat outlook from Salesforce revived confidence in global technology spending. **TCS gained 4.16%, Tech Mahindra 3.53%, Infosys 2.99%, HCL Technologies 2.66% and Wipro 2.58%** on the day. Metals, pharma and healthcare also finished the week higher, while **FMCG, infrastructure, oil & gas, autos and defence each shed roughly 1%**.

SECTOR MOVES, WEEK ENDED 28 AUGUST

Weekly index moves as reported — rounded to the nearest half point by the source

Source rounding is coarse this week, so values are shown as approximations and bar lengths within each group are equal where the reported figure is identical. Infrastructure and defence also fell around 1% and are not charted separately.

WEEK'S BIGGEST GAINERS	WEEKLY	WEEK'S BIGGEST FALLS	WEEKLY
Adani Enterprises	+5.72%	Shriram Finance	−3.81%
Kotak Mahindra Bank	+5.19%	Bharti Airtel	−3.27%
Tech Mahindra	+3.59%	NTPC	−2.93%

FOR THE THIRD WEEK RUNNING, THE BROADER MARKET BEAT THE INDEX

The Nifty 50 lost 0.31%; the **Nifty Midcap 150 rose 0.42% and the Smallcap 250 rose 0.51%**. That is now a settled pattern of 2026 rather than a curiosity, and it cuts both ways. If your equity portfolio has quietly done better than the headlines all year, mid- and small-cap weight is the likeliest reason — and a weight that grew through returns rather than through a decision is precisely the kind that hurts most when the pattern reverses. The question worth asking your Relationship Manager is not whether small caps are good, but **what percentage of your equity money is in them today versus what you last agreed to**. *Index and category performance is described for illustration only; past performance is not indicative of future results, and mutual fund investments are subject to market risks.*

Global Markets

A chipmaker lifted the week; a central banker ended it

Wall Street rose for a fourth straight week — **S&P 500 +0.5% to 7,711.76**, **Nasdaq +0.8% to 26,402.42**, **Dow +0.5% to 53,559.99**, each reconciling exactly against the closes we published last Saturday. The engine was **Nvidia**, which reported quarterly revenue of **$96.2 billion, up 106% year on year** and ahead of the $92.2 billion expected, and guided the current quarter to **$108 billion** against $104.2 billion forecast. Shares initially fell on a guided decline in gross margin toward 71–72%, then rose roughly 9% in the following session, adding about $440 billion of market value — and handing Indian IT its best day of the month. Then, on Friday, new Fed Chairman **Kevin Warsh** used his first Jackson Hole keynote to call inflation too high and warn the central bank would "have work to do". He offered no forward guidance; the bond market supplied its own, moving to roughly a **50% probability of a rate *hike* in September**. All three US indices closed Friday lower. Indian markets had already shut.

Currency & Forex

The rupee's best fortnight in a while

USD/INR (Fri 28 Aug)	~₹95.4
Previous Friday	₹95.74
Two-week range	₹95.45–95.75
Move on the week	rupee firmer

The rupee steadied near **₹95.4 to the dollar**, close to a two-week high, having spent the fortnight in an unusually tight ₹95.45–95.75 band. Two forces pushed it up — **cheaper crude**, which shrinks India's largest import bill, and **continued RBI intervention** — against one pushing it down, the rising expectation of a US rate rise that makes dollars more attractive to hold. For once the domestic factors won. It is a reminder that the currency is not simply a scoreboard of foreign sentiment: an oil price falling 4% does more for the rupee in a week than most headlines do in a month.

Commodities

Oil eased; gold's run stalled at the last hurdle

Crude (MCX)	₹7,978/bbl ▼3.94%
Brent Crude	~$88–90
Gold (MCX)	₹1,58,854/10g ▼0.59%
Silver (MCX)	₹2,43,862/kg ▼0.65%
Gold (US futures)	$4,478 ▼3.25% wk

Crude fell as diplomatic noise around Iran resumed: **MCX crude dropped 3.94% to ₹7,978** a barrel, with Brent quoted between roughly **$88 and $90** on Friday depending on the source and contract. Precious metals reversed last week's surge — US gold futures fell **3.25% to $4,478.10**, the largest weekly decline since June, as Chairman Warsh's remarks lifted rate-hike expectations and with them the appeal of holding cash instead of metal. Note the divergence in the Indian numbers: **MCX gold and silver fell less than 0.7% each**, because the sharpest leg of the global fall came on Friday evening, after Indian commodity pricing for the week had largely settled. All three MCX moves reconcile exactly against the levels published here last Saturday.

Money Flows & Market Mood

Friday's foreign selling was met, rupee for rupee, at home

THE TWO SESSIONS WE CAN VERIFY

Net cash-market flows, ₹ crore · bar length = size of the flow, red = selling

Provisional NSE/BSE cash-segment figures, two sources in agreement. A verified five-day total was not available and is not published.

On Friday foreign institutions sold **₹5,039.80 crore** of Indian shares while domestic institutions bought **₹5,183.93 crore** — domestic buying exceeded foreign selling on the day, as it did on Thursday by a factor of about seventeen. That balance, repeated across most sessions of this year, is the single biggest structural change in Indian equities in a decade, and the money behind it is largely household money arriving by standing instruction. Meanwhile **India VIX slipped to around 10.5** from 11.20 — Friday quotes ranged 10.45 to 10.92 across sources, so we give the direction rather than a spurious decimal. Against a 52-week range of 8.72 to 28.91, the market's fear gauge is sitting close to the calm end of its own history, in a week that contained a 2,000-point air pocket.

Economy Watch — The Fed Changed Direction, and India's Own Verdict Lands on Monday

From "when do they cut" to "might they hike", in one speech

The most consequential economic event of the week was a speech, and it happened after Indian markets had closed on Friday. At Jackson Hole, Federal Reserve Chairman **Kevin Warsh** — delivering his first keynote in the role — said that inflation is running too high and should be the central bank's focus, that this summer's better-than-expected readings did not persuade him underlying trends had improved, and that the Fed will "have work to do" if it does not gain confidence inflation is returning to 2%. He pointedly declined to offer forward guidance, remarking that markets should not look primarily to the Fed for their next trade. Bond markets responded within hours, moving to roughly a **50% probability of a rate increase at the September meeting** — a proposition that was barely discussed a month ago.

India's own headline number arrives on **Monday 31 August**, when the National Statistics Office publishes GDP for the June quarter, the first of FY27. Forecasts are unusually spread: **ICRA sees 6.4–6.6%**, **Bank of Baroda 7.0–7.2%**, and a widely quoted economists' median sits near **7.1%**, while other analysts expect a four-quarter low on a delayed monsoon and softer services activity. A range that wide between credible houses is itself the information: nobody is confident, and we will report the actual figure next week rather than pre-commit to any of them. The repo rate remains **5.25%**, with the next MPC meeting on 5–7 October.

🌍 Geopolitical Spotlight

A corridor proposed, an "economic D-Day" promised

Oil fell about 4% this week not because the Strait of Hormuz reopened — it has not — but because two contradictory processes are now running at once. **Iran and Oman outlined a proposal for a temporary joint shipping corridor** through the strait, including mine clearance under a phased framework, though Tehran says it will not proceed until Washington honours commitments under the Islamabad memorandum. Iran's deputy foreign minister was blunt that the strait "remains closed" and that any vessel crossing does so in coordination with Iran. Simultaneously, US Treasury Secretary **Scott Bessent** promised what he called an "economic D-Day" and "the single greatest financial offensive ever" against Tehran, while a senior Iranian security official threatened a firmer blockade if neighbouring states assist that campaign. Markets, as usual, priced the possibility of talks rather than the reality of the blockade. That asymmetry is why oil headlines are so poor a basis for portfolio decisions in either direction.

🏛 IPO Watch & Digital Assets

A packed primary week; bitcoin holds a big rally

IPOs opening 24–28 Aug	**12 · ~₹3,742 Cr**
Listings in the week	**9 (6 mainboard)**
Symbiotec Pharmalab	**₹1,757 Cr · ₹938–988**
Lumino Industries	**₹700 Cr · ₹78–82**
Bitcoin (Fri 28 Aug)	**~$78,000–80,000**

The primary market was busy: **twelve issues worth about ₹3,742 crore** opened between 24 and 28 August alongside **nine listings**, led by **Symbiotec Pharmalab** (₹1,757 crore) with **Hy-Tech Engineers**, **Skyways Air Services**, **Annu Projects** (₹175 crore) and **Lumino Industries** (₹700 crore) following. *(Listing-day gains were single-source and are not quoted.)* Bitcoin held most of a very large move, trading around **$78,000–80,000** after briefly topping $81,000 on Friday, having climbed roughly 25% over the preceding ten days; it slipped about 3% late in the session as Chairman Warsh spoke. Holding a 25% gain is not the same as earning one — an asset that reprices this fast on a central banker's paragraph is a position in liquidity, not a substitute for a plan.

🔭 The Week Ahead — What We're Watching

Themes, not predictions

31 AUG — **India's Q1 FY27 GDP, and how far it lands from consensus**
Credible forecasts span 6.4% to 7.2%. The number itself matters less than the gap between it and expectations — that gap is what bond yields and the rupee will trade on, and the equity reaction usually follows the bond one.

MON OPEN — **How Mumbai prices a speech it could not react to**
Warsh spoke after India had shut. Rate-hike odds, a firmer dollar and a sharp fall in gold all arrived unpriced in Indian markets, so Monday's open is the first honest read — most visibly in gold, IT and the rupee.

CAS WATCH — **Whether the exchanges tighten the closing auction after expiry day**
An indicative price that swings 2,000 points in five minutes invites scrutiny of order limits and price bands in the auction window. The practical consequence for a fund investor remains nil — but this is the mechanism your NAV is struck on.

OIL DRIVER — **Whether the Iran–Oman corridor proposal survives the sanctions push**
A functioning corridor and an "economic D-Day" cannot both proceed. Crude is the transmission line from that question to Indian inflation, the rupee and the RBI's October decision.

🛡 The Trustner View — The Price That Flickers and the Price That Counts

On the difference between a number you can see and a number you can transact at

Thursday offered an unusually clean lesson. For five minutes the Sensex's indicative closing level fell more than **2,000 points**. Anyone watching a screen saw a crash. Anyone who acted on it acted on an estimate that no unit, share or rupee ever changed hands at. The number that mattered — the one your fund's NAV was struck from — was **76,933.59**, an ordinary 0.70% decline that told a far duller and far truer story. The whole week ran on that same distinction. India's best sector move came from an American chipmaker's results; the week's most important policy shift came from an American central banker speaking after Mumbai had gone home. **You cannot position for that, and you do not need to.** What you can do is know which prices you are entitled to act on, and how much of your money is exposed to the ones you are not.

"The stock market is a device for transferring money from the impatient to the patient." — Warren Buffett

This week's companion blog — *"The Crash That Lasted Five Minutes: Why the Number on Your Screen Is Not the Number Your Money Uses"* — explains how a closing price is actually made, and what it means for the NAV your units are bought at. Read it on **merasip.com/blog**.

✅ Three Things To Do This Week

#	ACTION	WHY IT MATTERS
1	**Learn your fund's NAV cut-off time, and stop watching intraday screens**	Your units are allotted at one price struck once a day off the 3:30 PM auction close — not at anything you see flickering at 3:20. Knowing that removes the entire emotional cost of a five-minute air pocket, and it is the single cheapest piece of investor education available this month.
2	**Write down your actual mid- and small-cap percentage today**	For the third week running the broader market beat the Nifty 50. Weight that grew by outperformance rather than by decision is the weight most likely to surprise you when the pattern turns. Compare today's number with the allocation you last consciously agreed to.
3	**Do not reposition gold or IT ahead of Monday's open**	Friday's Jackson Hole speech landed after Indian markets closed, so Monday will re-price it in one go. Acting into a known, unabsorbed gap is how retail investors most reliably buy the top or sell the bottom. If your allocation was right on Friday, it is right on Monday.

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