Trustner

WEEKLY MARKET BRIEF

The Oil Shock Arrives: Brent Tops $100 for the First Time Since May, India Suffers Its Worst Week in Months — and This Time the Banks Broke First

Your weekly compass through the financial markets

Week of July 20 – July 26, 2026 | Vol. 1, Issue 21

Trust. Protect. Grow.

RISK-OFF ▼ Nifty −2.33% to 23,767 · Sensex −2.68% to 76,060 — five straight down sessions as Brent crossed $100 on the US–Iran conflict and HDFC Bank slid 9.4% after a margin miss

NIFTY 50	SENSEX	INDIA VIX	BRENT CRUDE
23,767	76,060	14.03	~$96.8
▼ −2.33%	▼ −2.68%	▲ up from 13.15	▲ +12% wk (risk)

THE TRIGGER	WHAT BROKE	THE FLOOR HELD
Brent > $100	HDFC Bank −9.4%	DII +₹5,454 Cr
first time since 26 May	worst week in ~2.5 years	Friday, absorbing FII selling

Indian Equities

A one-way week — five down sessions, no rebound

Last week we wrote about India decoupling from the world's troubles. This week the world's trouble arrived on India's doorstep, and there was no decoupling from it. **Every single trading session of the week closed lower** — a five-session losing streak that delivered the market's **worst week in months**. The **Nifty 50 fell 2.33% to 23,767.45**, shedding about 567 points from the previous Friday's 24,334.30, while the **Sensex dropped 2.68% to 76,059.77**, down roughly 2,091 points. On Friday alone both benchmarks slipped a further 0.43% (Nifty −102.15 points, Sensex −331.62 points), the Nifty having opened 203 points lower at 23,666 before clawing back to a high of 23,823.

The cause came from outside: **Brent crude crossed $100 a barrel for the first time since 26 May** as the US–Iran conflict escalated into attacks on tankers in the Strait of Hormuz. For an economy importing over 80% of the oil it burns, $100 crude is not a headline — it is a line item running straight through inflation, the trade deficit, the rupee and corporate margins. But the domestic wound was self-inflicted: **Q1 results from the largest private banks disappointed on margins**, and financials — the index's heaviest weight — did the most damage.

THE WEEK'S PATH — FIVE SESSIONS, ALL OF THEM DOWN

The Nifty 50 lost ground every single day; there was no Friday rescue this time

Anchored to verified closes: prior week 24,334.30 · Fri 24 Jul close 23,767.45 (−102.15 on the day, implying a Thursday 23 Jul close of ~23,869.60). Intra-week Mon–Wed points are indicative; all five sessions of the week were reported lower.

THE HONEST READ — THIS ONE WAS A REAL HIT

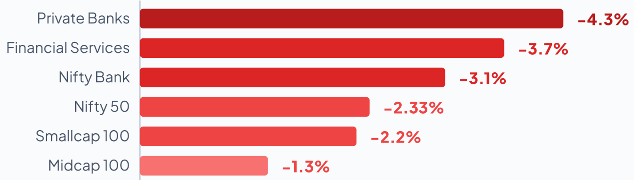
We will not dress this up: a 2.33% weekly fall with five consecutive down sessions is a genuinely bad week, and it followed a 2026 that has already been difficult (the Sensex is down about 10.7%, or roughly 9,161 points, so far this calendar year). But notice **what** fell and **who** was buying. The damage was concentrated in banks reacting to one quarter's margin numbers, and domestic institutions bought heavily into the selling. A market that falls on identifiable, specific causes — an oil price and a margin miss — is behaving rationally, not breaking down.

Where The Damage Was — Banks Broke First

13 of 16 sectoral indices ended the week negative

WEEKLY DAMAGE MAP — THE PRIVATE BANKS TOOK THE WORST OF IT

Financials, the index's heaviest weight, drove the bulk of the market's decline



Week-on-week index moves per weekly market wraps. Bars are drawn to scale on a common axis.

THE WEEK'S LOSERS

- **HDFC Bank −9.4%** — its worst week in about two and a half years, after a Q1 margin miss
- **Axis Bank −7.6%** — caught in the same margin-compression story
- **Private banks −4.3%**, financials −3.7%, Nifty Bank −3.1%
- **Autos, metals and energy** — pressured all week by the crude spike

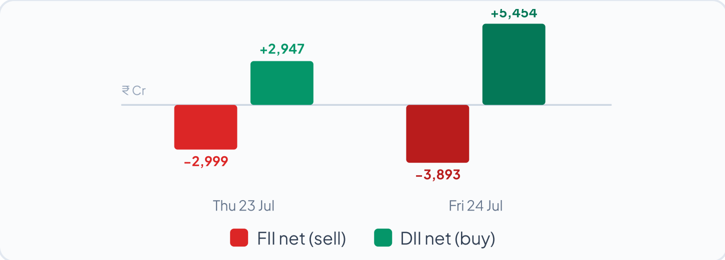
WHERE MONEY HID

- **Bajaj Auto +6.6%** — the week's standout large-cap gainer
- **IT held firm** — Nifty IT rose 0.8% on Friday as the rupee's weakness helps exporters
- **Nestlé India +1.1%** — classic defensive bid
- **Media +1.8%** and PSU banks +0.5% on Friday

The key point is that **the fall was concentrated, not universal**. **HDFC Bank alone fell 9.4%** — and as the index's largest constituent, that one stock explains a meaningful slice of the whole market's decline. The trigger was specific and knowable: Q1 net interest margin compressed 13 basis points QoQ to 3.4%, net interest income of ₹33,535.95 Cr missed the ₹34,353 Cr consensus, and profit at ₹19,060 Cr came in ~5% below expectations — despite healthy loan growth of 15.4%. The stock fell over 7% in two sessions, erasing roughly ₹80,000 Cr of market value. Meanwhile IT, a currency-sensitive exporter, actually *benefited* from the same rupee weakness that hurt importers. **That is diversification earning its keep in real time** — and why owning one sector, or one stock, is a very different risk from owning a diversified fund. *(Weekly sector and stock moves per weekly market wraps; Friday-only moves are labelled as such.)*

Money Flows

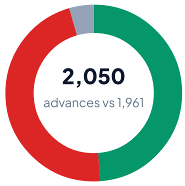
Foreigners sold hard — and domestic India bought it all



This is the week's most reassuring chart. Foreign investors sold aggressively into the oil shock — a verified net **−₹2,999 Cr on Thursday and −₹3,893 Cr on Friday** in the cash segment. Domestic institutions absorbed every rupee of it, buying **+₹2,947 Cr and +₹5,454 Cr** on the same two days; Friday's DII buying *exceeded* FII selling by over ₹1,500 Cr. And despite this late-month reversal, **foreign investors remain net buyers of over ₹15,000 Cr in July as a whole** — the first positive month after four months of heavy selling. *(Verified daily NSE/BSE provisional cash prints for 23 and 24 July; a precise five-day total could not be confirmed and is not stated.)*

Market Mood & Breadth

Nervous — but nowhere near panic



India VIX (Fri close)	14.03 ▲4.1%
Advances / Declines	2,050 / 1,961

advancing declining

Here is a detail most reports missed. Even on Friday — the fifth straight down day — **more stocks rose than fell** (2,050 advances against 1,961 declines, 196 unchanged). The *indices* fell because a handful of very large financial stocks fell hard; the *average* stock was close to flat. Meanwhile India VIX rose 4.1% to **14.03**, up from 13.15 a week earlier — more alert, but far from the 20-plus readings that mark genuine stress. Nervous, not panicked. *(Breadth and VIX are verified Friday 24 July figures.)*

Global Markets

Wall Street fell too — this was not an India problem

Unlike last week's decoupling, this sell-off was **global**. All three major US indices ended the week lower, **led by a 2% drop in the Nasdaq**. The damage was concentrated on **Thursday 23 July**, when the S&P 500 slid 1.2% to 7,408.30, the Dow lost 1.0% to 51,711.65 and the Nasdaq tumbled 2.2% to 25,137.69 — driven by the same oil shock plus continuing anxiety over AI infrastructure spending. Friday brought a partial stabilisation: the Dow rose 0.5% and the S&P was essentially flat (+0.1%), though the Nasdaq slipped another 0.6%. When New York, London and Mumbai all fall together on the same catalyst, that is a **macro event**, not a verdict on Indian companies.

Currency & Forex

The rupee slid past 96

USD/INR (Friday)	~₹96.55
Level	one-month low
RBI	likely intervened

The rupee **slid past the 96-per-dollar mark to a one-month low, ending Friday around ₹96.55**, with traders reporting likely RBI intervention to smooth the move. The arithmetic is simple and unforgiving: India imports over 80% of its crude, so a 12% jump in oil in one week directly widens the import bill and the current account deficit, which pulls the rupee down, which in turn makes the same oil *more* expensive in rupee terms. That loop is the real transmission channel from a Middle East conflict to an Indian household's budget. *(USD/INR per weekly market wraps; sources differ on the exact paisa.)*

Commodities

Oil was the whole story

Brent Crude	~$96.8 (▲ ~12% wk)
Weekly peak	above $102
Gold (spot)	~$4,056 (▲ ~1% wk)
Silver (spot)	~$58.40 (▲ 2% Fri)

Brent crossed $100 for the first time since 26 May, closing above that mark mid-week and peaking above **$102** on Thursday after missiles struck tankers in the Strait of Hormuz. It then **fell almost 4% on Friday to settle near $96.78** on reports that Pakistan, with Chinese backing, was attempting to revive US-Iran negotiations — still leaving Brent **up more than 12% on the week**. Precious metals played their traditional role as ballast: **gold firmed to about $4,056/oz** (up roughly 1% on the week) and **silver to about $58.40**, compressing the gold-silver ratio to around 69.5.

Economy & Rates

$100 oil lands on an already-hot inflation base

CPI (June, latest)	4.38%
WPI (June, latest)	9.87%
US Fed (28–29 Jul)	hold expected

No major new domestic macro print landed this week, which means the macro backdrop is still June's: **retail inflation at 4.38%**, an 18-month high, and **wholesale inflation at 9.87%**. That is precisely why $100 crude matters so much right now — the oil shock is landing on an **already-elevated** inflation base rather than a benign one, further narrowing the RBI's room to cut rates. Across the Pacific, the US Federal Reserve meets on **28–29 July**, with economists widely expecting rates to be held at 3.50–3.75% for a fifth consecutive meeting. *(June CPI/WPI per MoSPI and the Office of the Economic Adviser; Fed expectations per a FactSet economist poll.)*

Mutual Fund Pulse — The SIP Floor, and India's Largest AMC Goes Public

Latest AMFI print: June 2026 · SBI Funds Management listed 21 July

MONTHLY SIP (JUNE, LATEST)

₹31,781 Cr

a record monthly high — the floor that absorbed this week's selling

SBI FUNDS MANAGEMENT IPO

₹9,813 Cr

listed 21 Jul at ₹574 · subscribed 41.7× · ~6% listing gain

The week's standout primary-market event was one every mutual fund investor should note: **SBI Funds Management — India's largest asset management company by assets — listed on 21 July**. The ₹9,813 Cr offer was a pure offer-for-sale by State Bank of India and Amundi (no new money raised by the company), priced at ₹574 a share, valuing the AMC at roughly ₹1.17 lakh Cr. It drew about ₹2.98 lakh Cr in bids for a **41.7× subscription** and listed at a gain of about 6%. Caliber Mining and Logistics also listed on 24 July.

What it means for you: nothing about your funds changes. An AMC listing its own shares is a corporate event for that company's shareholders — it does not alter how your SBI schemes are managed, what they charge, or what they own. It is a useful signal about the industry, though: investors valued India's largest fund manager at over ₹1 lakh crore precisely *because* of the durability of that record **₹31,781 Cr monthly SIP flow** and **₹82.22 lakh Cr** of industry assets. The market is putting a price on the discipline of Indian savers — the very discipline that bought this week's dip. *(AMFI figures are the June 2026 release; the July print is due mid-August.)*

Geopolitical Spotlight — The Strait of Hormuz

The one chokepoint that sets the price of everything

The escalation was concrete, not rhetorical. **Iranian missiles struck two UAE tankers in Omani waters in the Strait of Hormuz**, killing a crew member, and the IRGC reported a further tanker fire on what it called a mined route south of the strait. President Trump responded that the US would **"destroy one bridge or power plant" each time Iran targets a ship** transiting the waterway; US forces had already struck 95 locations across 12 Iranian cities in the preceding ten days. With an earlier interim agreement collapsed, **shipping through the strait has largely come to a standstill** — and roughly a fifth of the world's seaborne oil normally passes through it. Hence $100 crude.

By Friday a thread of de-escalation appeared: reports that **Pakistan, with Chinese support, was working to revive US–Iran talks** knocked almost 4% off oil in a single session, even as Iran's foreign ministry maintained it had no plans to negotiate. In risk assets, **Bitcoin eased to about $64,100**, with spot Bitcoin ETFs seeing $225 mn of net outflows on Thursday, breaking a week-long inflow streak of roughly $999 mn. Two lessons sit inside that one Friday session: geopolitical risk premia can **unwind as violently as they build**, and no one can tell you in advance which way the next headline breaks.

The Week Ahead — What We're Watching

Themes, not predictions

29 JUL — **US Federal Reserve decision**
The FOMC meets 28–29 July. Economists broadly expect a fifth straight hold at 3.50–3.75%, but with oil at $100 the language on inflation will matter more than the rate itself.

OIL GEO — **Hormuz: escalation or negotiation?**
The single biggest swing factor for Indian markets right now. Whether the Pakistan-brokered talks gain traction, or tanker attacks resume, drives crude, the rupee, inflation and the RBI's room to act.

Q1 EARNINGS — **Results season continues**
After a bruising set of bank margins, the remaining Q1 FY27 results will show whether margin pressure is a banking-sector story or a broader one. Read them for context on your funds' holdings — not as a cue to trade.

₹ RUPEE — **The rupee and RBI intervention**
With USD/INR past 96, watch whether the RBI continues to smooth volatility. A weaker rupee is a headwind for importers and a tailwind for IT and pharma exporters.

The Trustner View — A Bad Week Is Not a Broken Plan

What actually changed, and what didn't

Let us be straight with you: this was a bad week. The Nifty fell 2.33% across five consecutive down sessions, and if you check your portfolio today it will be lower than it was seven days ago. **That is real, and pretending otherwise would insult your intelligence.** But ask the question that matters: what *changed* about the businesses you own? A war premium was added to oil — one that had already unwound almost 4% by Friday afternoon on a single diplomatic headline. And one very large bank reported margins 13 basis points lower than a quarter ago. **Neither alters the twenty-year case for owning Indian companies.** Note who was buying while foreigners sold: domestic institutions, funded by SIP money like yours, absorbed more than the entire foreign outflow on Friday. When a fall is driven by an oil price nobody can forecast, the answer is not to trade around it — it is to keep owning a diversified core and let your instalments buy these lower prices.

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

This week's companion blog — *"When Oil Crossed $100: Why a Bad Week Is Not a Broken Plan"* — walks through what an oil shock actually does to an Indian portfolio, and why your SIP is quietly working *harder* in a week like this. Read it on **merasip.com/blog**.

Three Things To Do This Week

#	ACTION	WHY IT MATTERS
1	**Do not stop your SIP — this is the week it works hardest**	Your instalment just bought units 2.33% cheaper than last week. Stopping now converts a temporary paper decline into a permanent loss of the units you would have bought at the low.
2	**Check your diversification, not your daily returns**	Banks fell 3–4% while IT rose and Bajaj Auto gained 6.6%. If a single sector or stock drove most of your week's pain, that is a concentration signal worth a conversation.
3	**Keep an emergency fund so you never sell into a week like this**	The only truly damaging outcome of a 2.33% week is being forced to sell during it. Six months of expenses in liquid form is what makes market falls survivable rather than costly.

Did this week's fall feel worse than it should have?

If a 2.33% week caused real anxiety, that is useful information about your allocation — not a character flaw. Let's have a calm, no-jargon look at your portfolio's risk level, so the next oil shock is something you can sit through.

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