



Weekly Market Brief

The Nifty fell 2.4% this week. Small caps fell 7.3%.

In a four-day week the Nifty 50 lost 2.36% to 22,600.00 and the Sensex 2.15% to 73,123.83, falling in every session. The damage was much deeper below the top: the Nifty Midcap 100 fell 5.6% and the Smallcap 100 7.3%. Brent crude settled at \$116.72 after attacks on Saudi oil sites, its highest close since April.

THE WEEK IN NUMBERS

MARKET	23 OCT	WEEK
Nifty 50	22,600.00	-2.36%
Sensex	73,123.83	-2.15%
Bank Nifty	54,287.35	-2.78%
Nifty Midcap 100	n.a.	-5.6%
Nifty Smallcap 100	n.a.	-7.3%
Nifty IT	31,995.50	+0.2%
India VIX	16.76	higher
Rupee per US dollar	94.94	flat
Brent crude, \$ per barrel	116.72	+6.2%
Gold, spot, \$ per ounce	about 4,010	about -3.5%
10-year government bond yield	7.47%	+9 bp
Foreign investors, net, 4 days	-₹2,697 Cr	
Domestic institutions, net, 4 days	+₹10,942 Cr	

Index closes NSE and BSE. Weekly changes for Bank Nifty, Midcap 100, Smallcap 100 and Nifty IT as reported by Upstox, Navia and HDFC Sky. Tuesday 20 October was a market holiday. Flows are NSE provisional figures. Brent is the December contract settlement.

FIVE THINGS THAT MATTERED

- 01 Small and mid caps had a very bad week.** The Smallcap 100 fell 7.3% and the Midcap 100 5.6%, reported as their worst week in 20 months. 43 of the 50 Nifty stocks fell.
- 02 Oil reached a six-month high.** Brent settled at \$116.72, up 6.2%, after drone and missile attacks in Saudi Arabia, including on the Shaybah oilfield.
- 03 Bank results disappointed.** HDFC Bank and Axis Bank reported higher profits that still missed estimates, and Bank Nifty fell 2.78%.
- 04 Jio Platforms' IPO was subscribed about 21 times,** with retail at 2.76 times. Listing is due on 28 October.
- 05 Bond yields rose again.** The 10-year yield reached 7.47%, and forex reserves fell a sixth straight week, to \$721.02 billion.

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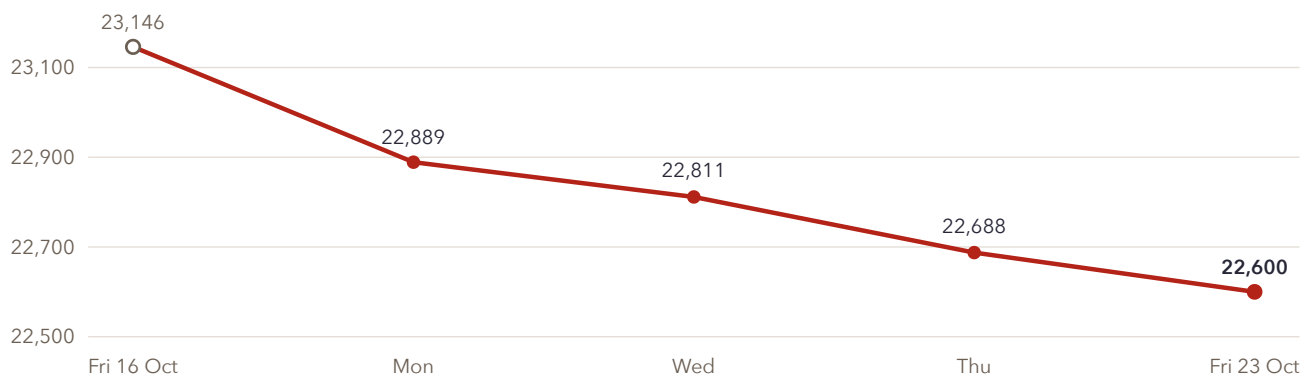
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01 · Indian equities

Four sessions, four falls, and the smaller the company the harder it fell

The market was shut on Tuesday 20 October for Dussehra. On the four days it traded, the Nifty fell every time: 257.20 points on Monday, 77.60 on Wednesday, 123.70 on Thursday and 87.65 on Friday, ending at 22,600.00. The Sensex lost 876.38, 143.21, 460.30 and 125.56 points, ending at 73,123.83. Over the week the Nifty lost 546.15 points and the Sensex 1,605.44, and each day reconciles to last week's close on both indices.



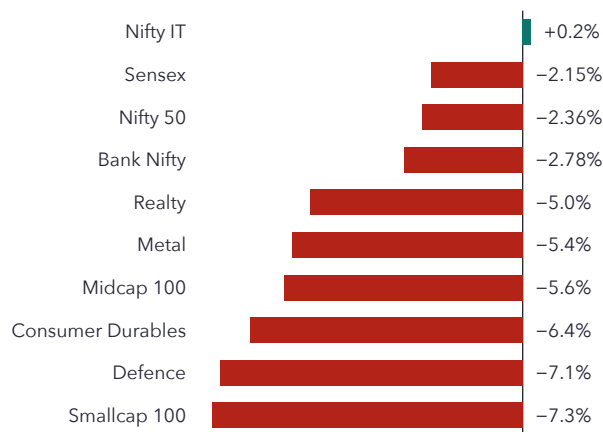
Nifty 50, daily closes. The open circle is the previous Friday's close. Tuesday 20 October was a holiday. Source: NSE.

Where the fall came from

Monday's drop followed weekend results from the two largest private banks. HDFC Bank's profit rose 4.6% to ₹19,509 crore and Axis Bank's 38% to ₹7,003 crore, but both missed estimates, and HDFC Bank fell about 5% over the week. From Wednesday the pressure was oil: Brent rose from about \$109 to \$116.72 as attacks hit Saudi Arabia, and the rupee gave back its early gains.

The largest falls were outside the Nifty 50. Swiggy lost 24.9% in the week and KEI Industries 16.9% in the Midcap 100; Himadri Speciality Chemical fell 25.5% in the Smallcap 100. Nifty IT was the only sector index to rise, by 0.2%, helped by HCLTech (+3.1%) and TCS (+2.6%).

Index moves for the week



Sector and broad-index weekly changes as reported by Upstox (24 Oct), with Navia and HDFC Sky in agreement. Nifty 50 and Sensex computed from exchange closes. Weekly figures for PSU Bank, Auto, FMCG and Pharma were not available and are not shown.

Last week the index rose more than most portfolios. This week most portfolios fell more than the index.

Good profits, falling prices

Several companies reported large profit increases and still fell. Bajaj Finance's profit rose 29% to ₹6,367 crore and the stock fell 5.4% on margin concerns. Shriram Finance's rose 59.4% and its shares lost about 8%. Hindustan Zinc's profit rose 142% and the stock slipped 3%. Figures are as reported in company filings and summarised by Kotak Neo and Upstox.

02 · Economy, rates and currency

Oil above \$115 and bond yields still rising

Brent crude settled at \$116.72 a barrel on Friday, up 6.2% on the week and its highest close since 29 April. Houthi drones and missiles struck several sites in Saudi Arabia, including the Shaybah oilfield on 21 October, and Saudi Aramco told staff at its Dhahran headquarters to work remotely. Iran's Revolutionary Guard said it had struck ships in the northern Gulf; those claims have not been independently confirmed.

India imports most of its oil, so the price feeds directly into inflation, which was already 11.39% at wholesale and 5.54% at retail in September. The 10-year government bond yield rose about 9 basis points to 7.47%. The rupee rose for eight days in a row before Thursday and ended the week at 94.94, close to where it started. Forex reserves fell \$5.01 billion to \$721.02 billion in the week to 16 October, the sixth straight fall.

INDICATOR	LATEST	PREVIOUS
Brent crude, \$ per barrel	116.72	about 110
10-year G-sec yield	7.47%	7.38%
Rupee per dollar	94.94	94.96
Forex reserves, \$ bn	721.02	726.03
Repo rate	5.50%	unchanged
Retail inflation, Sep	5.54%	4.83%
Nifty 50 P/E	19.05	19.77

CNBC, RBI, MoSPI, NSE, PTI; bond yield is a market quote. **Correction:** last week we gave Brent as about \$105. On this week's reported change it settled near \$110 on 16 October.

03 · Global markets

A small dip in New York, a large one in Asia

Wall Street moved little over the week. The S&P 500 fell 0.5% and the Nasdaq 0.7%, a second weekly decline for both, while the Dow rose 0.4% for a third straight gain. Meta fell 7% on Thursday after raising the bottom of its spending plans, and the US 10-year yield ended just under 5%. Asian markets took the oil shock harder: the Nikkei fell about 4.0% and the Hang Seng about 4.5%. The FTSE 100 lost 1.8%.

INDEX	23 OCT CLOSE	WEEK
S&P 500	7,623.68	-0.5%
Nasdaq Composite	25,955.34	-0.7%
Dow Jones	52,215.16	+0.4%
Nikkei 225	62,693.16	-4.0%
Hang Seng	23,093.37	-4.5%
FTSE 100	10,690.36	-1.8%

US closes from the Associated Press; each reconciles exactly with last week's. Nikkei and Hang Seng changes computed from closes. The DAX is not shown because our sources disagreed on its close.

04 · Money flows and mutual funds

Domestic buyers held the line again

Foreign investors sold a net ₹2,697 crore over the four sessions, selling on Monday and Thursday and buying on Wednesday and Friday. Domestic institutions bought ₹10,942 crore, on every day. Adding NSE's provisional daily figures, foreign investors have sold about ₹51,500 crore in October so far and domestic institutions have bought about ₹59,100 crore.

The **Jio Platforms IPO** closed on 23 October subscribed about 21.4 times, with institutional buyers at 67 times and retail investors at 2.76 times, as compiled by Chittorgarh from exchange data. Retail applications passed one crore. Allotment is due on 26 October. AMFI's October figures come in November; September SIP contributions were ₹32,490 crore.

05 · The week ahead

Dates to know

26 Oct	Jio Platforms allotment. The market also reacts to Kotak Mahindra Bank's results, released on Saturday.
27 Oct	Jio Platforms refunds to unsuccessful applicants and credit of shares to demat accounts.
28 Oct	Jio Platforms lists on NSE and BSE. At ₹30,213 crore it is India's largest IPO.
27 to 28 Oct	US Federal Reserve meeting. Markets put the chance of a rate rise at this meeting at about 9%, and by December at about 81%, according to CME FedWatch as reported by Reuters on 23 October.
Through the week	September-quarter results continue. Oil prices and any US decision on Iran remain the main outside risk.
Until 30 Oct	Carnelian Small Cap Fund NFO is open (minimum ₹500). Documents and a one-page summary are on merasip.com/funds/nfo .

06 · What it means for a SIP investor

The same lesson, from the other side

Last week we said a 2.78% rise in the Nifty and a 0.36% rise in small caps were two different weeks. This week the gap ran the other way, and it was wider: the Nifty fell 2.36% and the Smallcap 100 7.3%. A portfolio heavy in small and mid-cap funds will have felt this week much more than the evening news suggested. That is not a sign that something is broken. Smaller companies have always moved more than large ones, in both directions, and that is the trade an investor makes for their long-run potential.

Nothing here calls for stopping a SIP. When prices fall, the same instalment buys more units. What a week like this does show is whether the balance in a portfolio matches the investor's comfort. If this week's fall felt unbearable, the question to ask is about the mix, not the SIP. If you applied for the Jio IPO and are not allotted, the refund arrives on 27 October; let it go back to the purpose it was set aside for, not into a decision made in a hurry.

If your portfolio leans heavily to mid and small caps, or a near-term goal needs a second look, speak to your Relationship Manager.

Ram Shah, CFP · Founder, Trustner

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