Trustner

WEEKLY MARKET BRIEF

India Grew 7.8%, Faster Than Anyone Forecast — and the Market Fell for a Fourth Straight Week, Because the Number That Moved It Was Priced in Dollars a Barrel

Your weekly compass through the financial markets

Week of August 31 – September 6, 2026 | Vol. 1, Issue 27

Trust. Protect. Grow.

DOWN WEEK ▼ Nifty –1.15% to 23,897.70 · Sensex –0.97% to 76,515.43 — a fourth straight fall, and the steepest of the four

NIFTY 50	SENSEX	CRUDE (MCX)	INDIA VIX
23,898	**76,515**	**₹8,625**	**10.68**
▼ -1.15%	▼ -0.97%	▲ +8.11% wk	▬ flat on wk

THE BEAT	THE SHOCK	THE CUSHION
7.8%	**~+8%**	**₹94.49**
June-quarter GDP, against the RBI's own 7.0%	crude's best week since mid-July, on a war	rupee *firmer* for a fifth straight session

📈 Indian Equities — Four Down Weeks, and This One Broke the Pattern

Three weeks of shrinking losses, then the steepest fall of the run

The **Nifty 50 fell 1.15% to 23,897.70**, down 277.95 points from the previous Friday's 24,175.65, while the **Sensex lost 0.97% to 76,515.43**, down 749.08 points. That is a fourth consecutive weekly decline — and it ends a pattern we spent three weeks pointing out. The four now read **–0.83%, –0.47%, –0.31%, –1.15%**. A downtrend that had been shrinking by roughly a third each week turned around and produced its largest fall on the fourth attempt — the Nifty's longest weekly losing streak in about five months.

The shape of it was unusually plain: **four consecutive losing sessions, then a Friday rebound**. Monday gave up 95.25 points, Tuesday drifted 24.60 lower, Wednesday lost 141.35 — the week's worst session — and Thursday shed a further 41.00, before Friday recovered 24.25 points as the Sensex snapped the streak with a 362.57-point gain. The **Bank Nifty closed at 57,369.65** and the **Fin Nifty at 26,051**, down roughly 0.2% and 0.9% against the levels we published last Saturday. Nothing in that path was made in India.

THE WEEK'S PATH — FOUR DOWN, ONE UP

Nifty 50, Friday 28 August close through Friday 4 September close · every point an independently verified daily close

Daily changes: Mon –95.25, Tue –24.60, Wed –141.35, Thu –41.00, Fri +24.25. Thursday's 23,873.45 was the week's low close; Wednesday's –0.59% was its worst session.

THE RECONCILIATION WE RUN BEFORE WE WRITE A WORD

24,175.65 – 95.25 – 24.60 – 141.35 – 41.00 + 24.25 = **23,897.70**. On the Sensex: 77,264.51 – 307.24 – 12.99 – 373.93 – 417.49 + 362.57 = **76,515.43**. Both land exactly on Friday's reported closes, starting from the closes *we* published last Saturday — the fourth week running that all five sessions summed to the point on both indices. It mattered this week: one widely syndicated roundup put the falls at **–0.61% and –0.47%**, measuring from a shorter window. Verified Friday to Friday they are **–1.15% and –0.97%** — a reader taking that roundup at face value would have understood this week as half the move it was.

🏦 Economy Watch — India Grew 7.8%, Beat Every Forecast, and the Market Sold It Anyway

The best growth surprise in years landed on Monday and moved nothing

Last Saturday we published the forecast range for India's June-quarter GDP and declined to pick a number: **ICRA at 7.0%, Bank of Baroda 7.0–7.2%, the RBI's own projection 7.0%**. On **Monday 31 August** the National Statistics Office reported **real GDP growth of 7.8%** — above the RBI's forecast by 80 basis points and above every house estimate we listed. **Real GVA grew 8.2%** and **nominal GDP 10.3%**, the fastest in eight quarters. Real GDP for the quarter was ₹81.36 lakh crore against ₹75.46 lakh crore a year earlier.

Underneath, the composition was strong rather than merely flattering. **Services grew 10.0%**, led by financial, real estate and professional services at **12.1%**; **manufacturing 9.2%**; construction 7.7%; agriculture eased to 3.6% and **mining contracted 2.4%**. On the spending side, **gross fixed capital formation rose 11.9%** — investment, not consumption, did the heavy lifting — while private consumption grew 7.1% and imports actually *fell* 1.1%.

ONE NUMBER IN THAT RELEASE DESERVES A CAVEAT, AND WE WOULD RATHER GIVE IT THAN NOT

This is the **new 2022-23 base-year series**, and the back-series has been revised: the year-ago quarter now reads **6.9%**, not the 7.8% originally printed for it in August 2025 — so comparing this week's headline with last year's headline compares two different series. Manufacturing GVA is also now computed with **double deflation**, and this quarter real manufacturing growth (9.2%) came in *above* nominal (7.7%) — possible, but unusual enough that economists split publicly over it during the week. None of this makes 7.8% wrong; it makes it a number to quote with its method attached, which is why we have.

The rest of the data was mixed in a way the headlines hide. **August GST collections were ₹1,99,853 crore, up 14.8%** — but that is gross. **Net of refunds, which jumped 67.9%, collections rose 8.3%** to ₹1,68,057 crore, with domestic collections up 9% and the gross figure flattered by a 29% surge on imports. The **manufacturing PMI fell to 52.8, its weakest since August 2021**, even as services recovered to 54.1 and hiring ran at its fastest since June 2025. The repo rate stays at **5.25%**, next reviewed **7 October**; foreign exchange reserves hit a record **$740.8 billion**.

Sectoral Scorecard — Oil Went Up, So Everything That Burns Oil Went Down

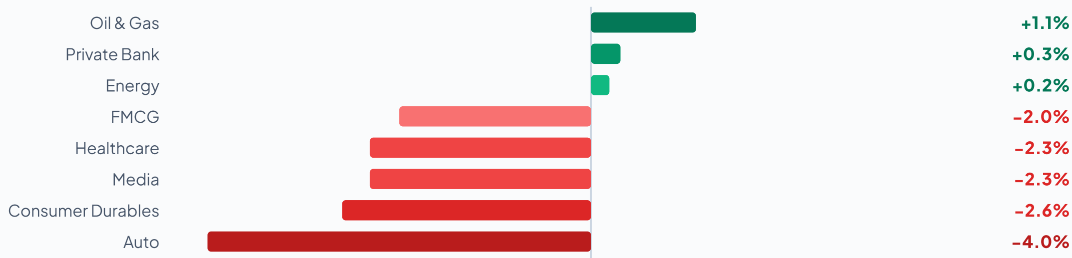
The cleanest single-cause week we have seen this year

A war premium returned to crude, and the Indian market sorted itself almost perfectly along that one axis. The only sectors to finish higher were the ones that *sell* energy: **Nifty Oil & Gas +1.1%, Private Bank +0.3%, Energy +0.2%**. Everything geared to the cost of fuel fell, led by **Auto, down 4.0%** across six consecutive losing sessions. **Consumer Durables lost 2.6%, Media and Healthcare 2.3% each, and FMCG 2.0%.**

The revealing detail is that autos fell *into a record month*. August passenger-vehicle wholesales came in near **4.42 lakh units, up roughly 35% year on year**, with **Maruti's domestic passenger vehicles up 34.8%, Tata Motors' up 56% and Mahindra's SUVs up 50%**. The market sold the sector anyway, on two arguments. Crude is an input cost and a demand tax at once. And that 35% is flattered by a weak August 2025 base, when buyers deferred ahead of the GST cut — from September the comparison flips to a punishing one, a point Maruti's own sales head made publicly. A record month and a 4% fall are not a contradiction: the market was pricing the next four quarters, not the last one.

SECTOR MOVES, WEEK ENDED 4 SEPTEMBER

Weekly index moves as reported · green right = gainers, red left = decliners



These are the eight sector indices for which a weekly figure was independently published. A complete up-versus-down count across all NSE sector indices was not available for the week and is not stated here.

A TRAP SITTING IN ALMOST EVERY FRIDAY MARKET REPORT THIS WEEK

Most Friday wraps led with the same line: *metals were the star, Nifty Metal up over 1%*. True — of **Friday alone (+1.07%)**. Across the **week**, close to close, **Nifty Metal fell 1.54%**. The trap runs in reverse on realty, reported as Friday's worst sector at −0.90% but **flat on the week at −0.10%**. On the same basis **IT fell 1.87%, Pharma 1.90%, PSU Bank 1.04%, Financial Services 0.90% and Bank Nifty 0.22%** — only the last was separately published as a weekly figure; we computed the rest from the two official Friday closes, a method that reproduces the Nifty, Sensex, Media and Healthcare weeklies exactly. A daily number wearing a weekly headline is the commonest error in market writing, and it is invisible unless you do the subtraction yourself.

The individual names tell the same story twice over. The week's **five best Nifty 50 stocks were Coal India +3.58%, Reliance Industries +2.72%, Tata Steel +1.23%, ONGC +1.03% and Grasim +0.97%** — three of the five are energy or commodity producers, and they rose *because* oil rose. The **five worst were Adani Enterprises −7.27%, Eicher Motors −5.32%, Maruti Suzuki −5.10%, Mahindra & Mahindra −4.92% and Shriram Finance −4.22%** — three of those five make or finance vehicles, and they fell for exactly the same reason. One shock, one axis, both directions.

The broader market split. The **Nifty Midcap 150 fell 1.44%** to 23,168.35, underperforming the Nifty for the first time in four weeks, while the **Smallcap 250 was almost unchanged at −0.08%** (18,481.40) and the Smallcap 100 touched a fresh all-time high intraday on Friday. Small caps making record highs in the same week the index posts its steepest fall of the run is not a contradiction — it is a reminder that "the market" is at least three different markets.

Commodities

Crude's best week since July; gold travelled $226 and came back

Money Flows & Market Mood

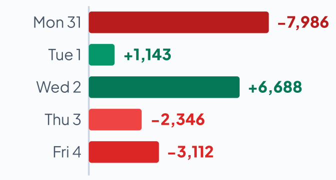
The foreign selling was one day, not five

Crude (MCX)	₹8,625/bbl ▲8.11%
Brent Crude	mid-$90s ▲~7-9% wk
Gold (US spot)	~$4,430/oz ▼0.55%
Gold (MCX)	₹1,54,425/10g ▼2.79%
Silver (MCX)	₹2,35,557/kg ▼3.41%

Crude had its strongest week since mid-July. **MCX crude rose 8.11% to ₹8,625** a barrel — reconciling exactly against the ₹7,978 we published last Saturday — while Brent finished in the **mid-$90s**, up roughly 7-9%. We give Brent as a range deliberately: four credible sources quoted Friday's level between $92.68 and $96.90 and even disagreed on the day's direction, each quoting a different contract at a different hour. The weekly direction is not in doubt; the decimal is, so we have not invented one. Gold was quieter than it looked: US spot ended near **$4,430, down 0.55%**, after travelling from a Wednesday low around $4,284 to a Thursday high above $4,510 — a $226 round trip back to where it started.

FOREIGN INSTITUTIONAL FLOWS, DAY BY DAY

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



Provisional NSE/BSE cash-segment figures, corroborated across four sources for all five sessions. Weekly totals are our own arithmetic from those five rows, not a published figure.

Foreign institutions sold a net **₹5,612 crore** on the week and domestic institutions bought **₹23,156 crore** — but the total conceals the shape. **Monday alone was -₹7,986 crore**, the heaviest foreign selling day in about three months. Across the *other four* sessions foreign investors were net **buyers** of roughly ₹2,374 crore. "Sustained foreign outflows" is the standard explanation for a week like this; the daily data says one bad Monday and four ordinary days. Domestic institutions bought on every session.

FEAR ROSE ALL WEEK AND DRAINED ON FRIDAY

India VIX daily close — began and ended the week at exactly 10.68

10.68 · 11.19 · 11.49 · 11.59 · 11.34 · 10.68. A week of rising anxiety that finished precisely where it began.

Global Markets

Wall Street shrugged; India and Japan did not

S&P 500	7,718.60 ▲0.1%
Nasdaq Composite	26,506.99 ▲0.4%
Dow Jones	53,414.25 ▼0.3%
Nikkei 225	65,020.94 ▼2.09%
FTSE 100	10,828.14 ▼0.1%

American equities barely moved, and each of the three closes reconciles against the levels we published last Saturday to the basis point. India therefore **underperformed all three US indices** — which is what an oil-importing market does when oil rises. Japan fared worse, the Nikkei losing **2.09%**. The US week came in two acts: on **Thursday** Fed Governor Christopher Waller said he was inclined to support *holding* rates in September and hike odds collapsed to roughly even; on **Friday** August payrolls printed **+162,000 against expectations near 53,000**, and the odds snapped back to around 60% for a *hike* on 15-16 September.

Currency & Fixed Income

The rupee strengthened into an oil shock

USD / INR	₹94.49 ▲ 5th straight gain
US 10-year	4.78% ▲5 bp
India 10-year G-sec	~6.96% · 12-week high
Forex reserves	$740.8 bn · record

This is the week's genuine oddity, and it worked in India's favour. An economy importing most of its crude normally watches its currency weaken when oil spikes. Instead the **rupee closed at ₹94.49, a fifth consecutive session of gains** and roughly a rupee stronger than the ₹95.4-95.5 area we reported a week earlier. The cause is largely mechanical: the RBI's special swap window drew **$136.4 billion**, overwhelmingly through FCNR(B) deposits, before closing to fresh mobilisation on 31 August. A firmer rupee is a real shock absorber — India paid for an 8% rise in dollar crude with rather less than an 8% rise in rupee crude. Bonds were less relaxed: the **Indian 10-year touched a twelve-week high**, briefly breaching 7.00% for the first time in three months.

Geopolitical Spotlight

The war premium came back, and it came back fast

After a month of relative calm, the **United States struck Iran's Larak Island** at the turn of the week and Iran retaliated against **two bases used by American forces in Jordan** — the first direct exchange since a mid-August ceasefire lapsed. On **Monday a tanker was hit by three projectiles while transiting the Strait of Hormuz**; Brent rose about 3.4% that morning alone and pressed toward $97 by Wednesday. The

IPO Watch & Digital Assets

Two debuts, and a lesson about grey-market premiums

ESDS Software (4 Sep)	+76% listing
Lumino Industries (3 Sep)	+34% listing
Symbiotec Pharmalab (1 Sep)	~flat listing

part worth holding on to is the traffic data: **Hormuz recorded 107 transits in the week to 30 August, against 121 the week before and roughly 130 a day before the war.** That physical fact sits underneath the price, and it is why this spike behaved differently from the headline-driven moves of the past two months — fewer ships actually sailed.

Bitcoin	~$80,000 ▲5.0% wk

A busy primary week produced one instructive pair. **Lumino Industries**, subscribed nearly 105 times, carried a grey-market premium implying a 46% debut and listed at **+34%**. **ESDS Software**, subscribed about 136 times, carried a premium implying 55–58% and listed at **+76%**, hitting the upper circuit. Same week, same market: the informal premium *overshot* on one and badly *undershot* the other. It is a price quoted by people under no obligation to be right. Bitcoin rose about **5% to roughly $80,000**, a third straight weekly gain.

🎯 Mutual Fund Pulse — Your Fund Owned Both Sides of This Week's Argument

Diversification is usually an abstraction. This week you could watch it work.

Most weeks it is hard to show what diversification actually does, because the effect is spread across years. This week it happened in five sessions, in public, from a single cause. One event — a war premium returning to crude — pushed **Coal India up 3.58%, Reliance up 2.72% and ONGC up 1.03%**, and in the same market pushed **Maruti Suzuki down 5.10%, Eicher Motors down 5.32% and Mahindra & Mahindra down 4.92%**. Owning only the energy producers gave you a good week for a reason you could not have predicted; owning only the carmakers gave you a bad one, for the same unpredictable reason. **A diversified equity fund owned both.** That is precisely why the Nifty 50 fell 1.15% while its best stock rose 3.58% and its worst fell 7.27% — the index absorbed a shock that individual holdings did not.

> **AND THE ECONOMY UNDERNEATH WAS THE STRONGEST IN EIGHT QUARTERS**
>
> Hold the two facts together. India reported **7.8% growth, 8.2% GVA and 11.9% growth in fixed investment** — and the index fell 1.15%. Not contradictory: they measure different things over different horizons. The economy is telling you about the next several years of corporate earnings; the market this week was telling you about the price of a barrel of oil in early September. **Your SIP is exposed to the first and merely inconvenienced by the second.** A falling market with a strengthening economy is, mechanically, an investor buying more units of the same improving businesses at a lower price.

AMFI's August data is not published until later this month, so the latest full picture remains July: **SIP contributions of ₹31,961 crore**, a four-month high and a fifth straight month above ₹30,000 crore, and **industry assets at a record ₹85.76 lakh crore**. Net inflows into actively managed equity schemes were **₹24,697 crore**, about 15% below June. We will report August's figures next week rather than estimate them now.

🔭 The Week Ahead — What We're Watching

Themes, not predictions

11 SEP — **US CPI — the input that decides the September Fed meeting**

After a week that swung from an even chance of a hike to roughly 60%, this print lands four days before the FOMC and will move the dollar, gold and the rupee more than anything domestic.

12 SEP — **India's August CPI, with an oil shock now inside it**

July's 4.45% was a nineteen-month high and a second month above the RBI's 4% target. The crude move arrived too late to show fully in August, which makes September and October the prints that matter for the 7 October MPC.

OIL DRIVER — **Whether Hormuz transit counts keep falling**

Watch the shipping numbers, not the headlines. Transits fell to 107 from 121 in a week; that figure, not the rhetoric, sets the risk premium and therefore India's import bill.

MF DATA — **AMFI's August flows, due around the 9th or 10th**

July's SIP book was a four-month high. August tests whether household standing instructions held steady through four consecutive down weeks — a better read on retail conviction than any sentiment survey.

🛡️ The Trustner View — The Voting Machine Had a Bad Week; the Weighing Machine Did Not

On what a market price is actually measuring in any given five days

On Monday, India reported its strongest set of national accounts in eight quarters — **7.8% growth, 8.2% value added, fixed investment up 11.9%** — comfortably ahead of the central bank's own forecast and every published house estimate. Over the following four sessions the market fell every day. Nothing about the first fact was undone by the second. What happened in between was that a war raised the price of crude by roughly 8%, and India buys most of its oil abroad. That is a real cost and a real reason for shares to be worth slightly less this week — and it is also, on the evidence of every previous oil shock, a temporary one, while 11.9% growth in fixed investment is not. **The week's most useful discipline was simply refusing to let a five-day price movement overwrite a five-year fact.**

"In the short run, the market is a voting machine but in the long run, it is a weighing machine." — Benjamin Graham

This week's companion blog — *"India Grew 7.8% and the Market Fell Anyway: What That Gap Is Actually Telling You"* — explains why the economy, the index and your own portfolio are three different things, and how to tell which one a headline is talking about. Read it on **merasip.com/blog**.

✅ Three Things To Do This Week

#	ACTION	WHY IT MATTERS
1	**Leave your September SIP instruction exactly as it is**	Four down weeks against an economy growing 7.8% is the precise arithmetic a monthly instalment is built for: the same businesses, improving, at a lower price per unit. Pausing converts a mechanical advantage into a decision you must time correctly twice.
2	**Check whether you own one sector or a market**	One event moved Coal India +3.58% and Maruti −5.10% in the same five days. If your equity money sits in two or three thematic or sector funds, you are exposed to which side of that coin lands. A diversified fund owned both sides. Ask your Relationship Manager to show you your actual sector concentration.
3	**Stop using grey-market premiums as a reason to apply for an IPO**	In one week it implied 46% for Lumino, which listed at 34%, and 55–58% for ESDS, which listed at 76% — wrong in both directions within three days. It is an unregulated quote, not a forecast.

Do you know how much of your portfolio is riding on the oil price?

Most investors have never seen their holdings sorted by what actually drives them — and this week showed that a single barrel of crude can move two parts of the same portfolio in opposite directions. It takes one short conversation to find out whether you own a market or an accidental bet. We will walk you through yours, in plain language. No jargon, no obligation.

Schedule a Review | Explore MeraSIP

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