August 2026

MONTHLY REPORT

Data as on July 30, 2026
Source: Bloomberg

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CONTENTS

NIFTY 50
Closing- 24383.60
PE – 20.78
PB – 2.99x
Div Yield – 1.22%

NIFTY MIDCAP 150
Closing –23138.45
PE – 30.41
PB – 4.67x
Div Yield – 0.62%

NIFTY SMALL CAP 250
Closing –17919.90
PE – 34.25
PB – 3.56x
Div Yield – 0.64%

10 Yr. GOI Yield
6.83%

CRUDE
90.12
$/bbl

USD/INR
95.39

GOLD
4,107
$/Oz

Source: Bloomberg, W2W Research

Indicators	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25
Sensex	2.11%	2.28%	-2.78%	6.90%	-11.31%	-1.19%	-3.46%	-0.57%	2.11%	4.57%	0.57%	-1.69%	-2.90%
Nifty 50	2.17%	1.35%	1.87%	7.46%	-11.49%	-0.56%	-3.10%	-0.28%	1.87%	4.51%	0.75%	-1.38%	-2.93%
Nifty Midcap 150 Index	1.60%	0.90%	2.60%	13.22%	-11.06%	1.66%	-3.53%	-0.53%	1.59%	4.79%	1.39%	-2.86%	-2.85%
Nifty SmallCap 250 Index	1.13%	4.29%	1.56%	17.10%	-10.30%	0.75%	-5.52%	-0.29%	-3.36%	3.72%	1.13%	-3.72%	-3.67%
S&P 500 Index	-0.13%	-1.06%	5.15%	10.42%	-5.09%	-0.87%	1.37%	-0.05%	0.13%	2.27%	3.53%	1.91%	2.17%
Nifty 50 EPS TTM (Rs)	1173	1160	1161	1146	1138	1143	1149	1209	1210	1128	1127	1128	1122
Nifty 50 Price/Earnings (PE Ratio)	21	21	20	21	20	22	22	23	23	23	22	22	22
Nifty Midcap 150 (PE Ratio)	30	29	29	33	31	33	32	34	33	34	33	32	33
India Economic Indicator													
Bank Credit Growth (YoY%)	17.71%	17.65%	16.23%	13.67%	14.57%	13.73%	13.09%	15.55%	11.42%	11.50%	10.29%	10.22%	9.82%
Bank Deposit Growth (YoY%)	12.68%	12.01%	12.24%	10.96%	11.11%	10.92%	10.61%	12.65%	10.25%	9.50%	9.84%	10.06%	10.15%
Debt Market Indicator													
RBI Repo Rate (%)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50	5.50	5.50
G-sec 10 year Yield (%)	6.83	6.75	7.00	7.02	6.96	6.66	6.70	6.59	6.53	6.53	6.68	6.57	6.37
Corp Bond 10 Yr AAA Yield (%)	7.42	7.50	7.90	7.70	7.74	7.37	7.46	7.30	7.22	7.25	7.29	7.39	7.19
Corp Bond 10 Yr AA Yield (%)	8.22	8.11	8.45	8.2	8.47	8.05	8.35	8.19	8.16	8.18	8.17	8.27	8.06
Corp Bond 10 Yr A Yield (%)	9.4	9.39	9.79	9.59	9.63	9.26	10.06	9.64	9.51	9.46	9.58	9.64	9.37
Corp Bond 5 Yr AAA Yield (%)	7.33	7.23	7.72	7.62	7.57	7.20	7.29	7.10	6.92	6.94	6.92	7.09	6.81
Corp Bond 1 Yr AAA Yield (%)	7.33	7.08	7.93	7.31	7.43	6.95	7.19	6.83	6.60	6.65	6.65	6.60	6.42
CD 1 Yr (%)	7.10	6.98	7.83	7.27	7.19	6.91	7.00	6.68	6.35	6.40	6.35	6.35	6.29
Commodity & Currency													
Gold Price (USD)	4,107	4,039	4,593	4,630	4,672	5,278	4,865	4,319	4,239	4,093	3,859	3,448	3,290
Gold (Rs/10gm)	141,824	141,286	155,964	149,777	146,733	162,062	181,804	132,640	126,033	120,450	114,761	101,967	98,068
Crude($)	90.12	72.92	92.05	114.01	118.35	72.48	70.69	60.85	63.27	65.07	67.02	68.12	72.53
INR/1 USD	95.39	94.67	95.01	94.91	93.49	91.37	91.69	89.88	89.36	88.77	88.79	88.17	87.60
INR/1 EURO	109.97	108.12	110.78	111.35	108.01	107.60	108.66	105.49	103.62	102.76	104.32	103.04	100.15
Flows													
FII-Equity (Rs.cr)	20200	-49340	-32963	-60847	-117775	22615	-35962	-22611	-3765	14610	-23885	-34993	-17741
FII-Debt (Rs.cr)	29212	30620	-99.87	-7671	6304	5380	-7308	717	-3969	3507	1085	6766	-234
MF-Equity (Rs.cr)	61	-177	167	245	-107	252	481	5,157	43,465	24,690	38392	70534	43720
MF-Debt (Rs.cr)	22	14	-321	196	-335	14	42	1992	-72201	52794	-28225	-65288	-33716

Summary:-

- As of 30th July 2026, Nifty 50 was trading at a PE of 20.78x, and Nifty Midcap 150 was trading at a PE of 30.41x.
- India's CPI inflation in June 2026 surged to 4.38%, compared to 3.93% in May 2026. Meanwhile, India's wholesale inflation surged to 9.87% in June 2026, up from 9.68% in May 2026, as mineral oils, food articles, manufacture of basic metals, and manufacture of chemicals and chemical products have been major drivers of WPI inflation in June 2026.
- Bank credit growth increased to 17.71% year-over-year as of 31st July 2026, compared to 17.65% on 30th June 2026. However, the growth of bank deposits increased to 12.68% year-over-year.
- GST revenue rose to Rs. 2.11 lakh crore in July 2026, compared to Rs 1.95 lakh crore in June 2026.
- India's Manufacturing PMI eased to 53.5 in July 2026 from 54.5 in June 2026. India's Services PMI decreased to 53.3 in July 2026 from 57.4 in June 2026.

Debt Market Review

- The US bond market experienced volatility in July 2026, with 10-year Treasury yields rising sharply to 4.75% amid persistent inflationary pressures, concerns over energy prices, and uncertainties over the Federal Reserve's monetary policy outlook. At the July meeting, the FOMC kept its benchmark rate unchanged at 3.50%–3.75%. However, Fed Chair Kevin Warsh refrained from providing explicit forward guidance, leaving investors uncertain about the future policy trajectory and leading long-term Treasury yields to rise. Meanwhile, escalating geopolitical tensions in the Middle East led to a rise in volatility in oil prices, further reinforcing inflation concerns and influencing bond market sentiment.
- The German bond yields climbed to 3.20%, driven by rising oil prices, persistent inflation concerns, and a sharp sell-off in US Treasuries. The European Central Bank held its deposit rate steady at 2.25%, maintaining a data-dependent approach while warning that lingering energy price pressures could trigger future hikes, which kept the bond yield elevated. UK bond yields rose after the Bank of England held interest rates steady at 3.75% for the fifth consecutive meeting, but it indicated that it could raise them if the war in Iran escalates. The 10-year bond yield rose to approximately 5.05% by month-end, reflecting ongoing sensitivity to policy announcements and steady inflation expectations.
- The 10-year Japanese Government Bond yield rose to 2.86% on July 9, its highest since September 1996, driven by concerns over fiscal expansion, imported inflation, and expectations of additional policy tightening. At its July 31 Policy meeting, the Bank of Japan maintained its interest rate at 1.0% as inflation accelerated to 1.7% in June, driven by higher fuel and import costs due to geopolitical tensions in the Middle East, reinforcing expectations that the BOJ could continue its policy normalization, which kept the bond yield elevated. Japan's 10-year bond yield remained elevated at 2.79% at the end of the month.
- China's bond market witnessed improving demand and declining yields in July 2026, driven by weaker economic data and expectations of continued policy accommodation. The benchmark 10-year government bond yield declined to a one-month low of 1.71%. Investors closely monitored Hong Kong's initiative to introduce localized Chinese government bonds, aimed to enhance market liquidity and improving hedging opportunities, which supported the bonds.
- The benchmark 10-year Government Security yield rose to 6.83%, driven by higher inflation due to firmer crude oil prices. India's CPI inflation increased to 4.38% in June 2026, up from 3.93% in May, surpassing the RBI's 4% target, raising concerns over inflationary pressures and higher bond yields. Despite this, liquidity conditions remained comfortably accommodative, with market participants shifting their focus toward the RBI's management of surplus system liquidity and its implications on the bond market. India's WPI hit a 44-month high of 9.87% in June, compared to 9.68% in May, driven by mineral oils, food articles, manufacture of basic metals, and manufacture of chemicals and chemical products. India's IIP data accelerated to 7.3% in June, up from 5% in May, driven by steady manufacturing activity and growth in the electricity and gas supply segment.

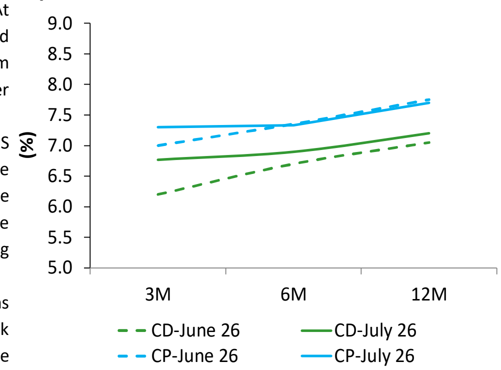
Debt Market Outlook

- The US bond market outlook for August 2026 may remain bearish, with yields expected to stay elevated amid a hawkish Fed, persistent inflation concerns, and increased Treasury issuance. The Fed is widely expected to maintain interest rates at current levels while signaling that policy will remain restrictive for longer, keeping markets cautious over the possibility of additional rate hikes later in the year. Investors may focus on upcoming US inflation data, labor market trends, and Federal Reserve communication. Any signs of easing inflation or weaker economic activity could provide relief to bond yields, while stronger economic data may reinforce expectations of restrictive monetary policy.
- The European bond market outlook is likely to remain constructive, amid elevated yields and evolving macroeconomic conditions. However, persistent inflationary pressures, heavy sovereign bond issuance, and reduced reliance on central bank support are expected to keep bond yields volatile. As the ECB adopts a more data-dependent approach, investors are likely to focus on economic growth, inflation trends, and fiscal developments. The UK bond market outlook may remain defensive, as the BOE is expected to maintain its current interest rate while continuing to emphasize a data-dependent approach, as inflation is above its 2% target and wage growth remains relatively stable. Investors will closely monitor UK inflation data, labor market indicators, and BOE policy guidance for the timing of any future rate adjustments.
- The Japanese bond market outlook may remain bearish, as rising yields and persistent currency pressures reshape the bond market. The Bond yield may remain elevated on expectations of further monetary policy normalization by the BOJ and a reduction in its bond purchase program. Investors will closely monitor BOJ policy guidance, inflation trends, wage negotiations, and currency movements for indications of the pace of further normalization.
- The China bond market outlook remains constructive, supported by the historic launch of offshore 5-year China Government Bond futures, stable sovereign bond yields, and continued expansion of sustainable financing through Panda and Dim Sum bond markets, which are expected to enhance market liquidity and broaden international investor participation. Market participants will continue to monitor China's economic recovery, fiscal stimulus measures, and property sector developments, which could influence bond market sentiment.
- On the domestic front, India's bond market outlook for August 2026 is expected to remain range-bound, influenced by fluctuations in crude oil prices and evolving global fixed-income market trends. At its MPC meeting, the RBI kept the repo rate unchanged at 5.25% for the fourth consecutive policy meeting while maintaining its 'neutral' policy stance. The SDF rate was maintained at 5.00%, while both the MSF rate and the Bank Rate remained unchanged at 5.50%. The RBI revised its FY27 CPI inflation forecast downward to 5.0%, 5.3% in Q1, 4.7% in Q2, 5.9% in Q3, and 5.5% in Q4 of FY27. RBI raised its FY27 real GDP growth projection to 6.7%, 7.0% in Q1, 6.4% in Q2, 6.5% in Q3, and 6.8% in Q4. Going forward, developments in global bond indices, FPI flows, and inflation numbers are expected to remain key drivers of the bond market's direction.

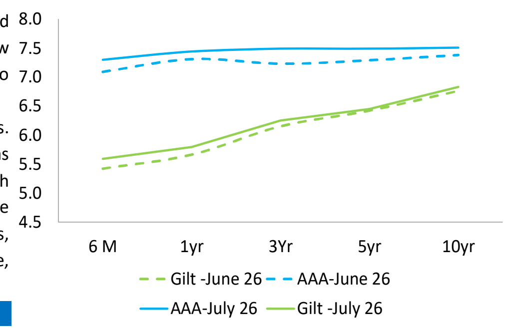
Investment Strategy

- The debt mutual fund strategy requires a cautious approach, as the interest rate environment remains stable yet uncertain due to inflation concerns, volatile oil prices, and global risk factors. In this scenario, debt funds should be viewed primarily as a source of stability and steady income, with yields expected to remain moderate and range-bound.
- Domestically, conditions are relatively stable, but the RBI continues its "wait and watch" stance amid persistent inflation risks. It is advisable to prefer high-quality government securities (G-Secs) and AAA-rated corporate bonds, which offer attractive risk-adjusted returns amid a stable credit environment. Short-duration and corporate bond funds remain suitable, offering stability and protection against intermittent interest-rate volatility. A balanced allocation is key, investing in short-duration categories like liquid, ultra-short, or money market funds for stability and liquidity, while allocating the rest to high-quality corporate bond or banking & PSU funds for better yields with controlled risk.

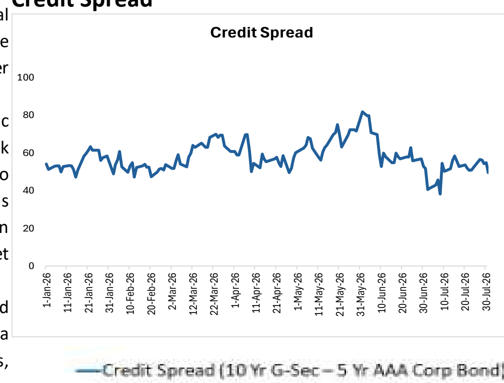
CD/CP Rate



G-Sec and AAA Corp Bond Yield



Credit Spread



Source: Bloomberg, W2W Research

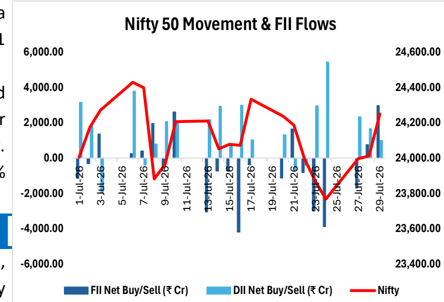
Equity Market Review

- The US equity market in July 2026 faced late-month selling pressure, driven by tech-sector pullbacks, volatile oil prices, and cautious sentiment around monetary policy. The Federal Reserve released its latest interest rate decision on July 30, 2026, opting to keep rates unchanged in the 3.5% to 3.75% range. Market reaction to the Fed decision was muted at first, but selling picked up as the session wound down and as bond yields surged. The US manufacturing PMI numbers edged down to 53.8% in July from 53.9% in June 2026, whereas the US service PMI numbers rose to 53.6% from 51.2% in June 2026. The S&P 500 fell by 0.13%.
- European equity markets in July 2026 experienced a mixed, range-bound performance, driven by the pullback in the tech sector and cautious ECB policies. A temporary de-escalation and pause in US–Iran airstrikes drove Brent crude down to below $90 a barrel, easing stagflation fears supported the equities. Europe's manufacturing PMI data rose to 52% from 51.4%, supported by a stronger increase in output, and the services PMI rose to 51.6 in July 2026 from 49.4 in June, supported by a renewed increase in business activity. The STOXX 600 index rose by 1.16%. UK equities hit record highs in July 2026, driven by strong equity performance and falling household inflation expectations. UK Manufacturing PMI increased to 52.8 in July 2026 from 52.5 in June, due to an expansion of production levels. The Services PMI rose to 51.8 in July 2026 from 48.8 in June, as business activity increased, reporting stronger demand for consumer services. The FTSE 100 Index climbed higher by 3.53%, alongside receding economic pressures despite global energy volatility
- Japan's equity market experienced heightened volatility in July 2026, driven by the sharp depreciation of the yen to nearly ¥164, prompting coordinated currency intervention by Japanese authorities. Investor sentiment was further influenced by uncertainty over changing interest rate expectations and shifting foreign investment flows. Despite support from a weaker yen for export-oriented companies, concerns over currency stability, rising imported inflation, and external macroeconomic risks kept market sentiment cautious throughout the month. The Japan Manufacturing PMI data eased to 54.5% from 54.8% in the previous release, and Service PMI data dropped to 51.2% from 52.2% in the previous release. Nikkei 225 plunged by 8.14% by the end of the month.
- China's equity markets remained volatile in July 2026, as China's factory activity unexpectedly slipped into contraction in July, pressured by shrinking new orders that reinforced concerns over slowing economic growth, weak demand at home, and elevated production costs. Economic data released earlier this month showed that growth had lost steam, which kept the equity market under pressure. China Manufacturing PMI inched down to a three-month low of 51.7 in June 2026 from 51.8 in May, and China Services PMI declined to 54.1 in June 2026. The Shanghai Composite Index plunged by 6.40%.
- On the domestic front, Indian equity markets remained resilient in July 2026, supported by robust Q1 FY27 corporate earnings, sustained domestic institutional inflows, and easing crude oil prices. Strong buying by domestic institutional investors (DIIs) remained a key pillar of market support, with net inflows of ₹35,099 crore, helping offset foreign selling pressure and contributing to overall market stability. Meanwhile, India's manufacturing PMI data eased to 53.5% from 54.5% in its previous release, and service PMI data plunged to 53.3% from 57.4% in the previous release. The Nifty 50 rose by 2.17%, and the Sensex rose by 2.11% in July.

Indices Performance

Index	30-Jul-26	30-Jul-25	Change	% Chg
India				
Sensex	78095	81186	-3,091	-3.81
Nifty 50	24384	24768	-384	-1.55
United States				
Dow Jones	52,485	44,131	8,354	18.93
Nasdaq	25,374	21,122	4,252	20.13
European Countries				
Stoxx 600	649	546	103	18.86
FTSE 100	10,868	9,133	1,735	19.00
Asia				
Nikkei 225	64,362	41,070	23,292	56.71
Hang Seng	25,884	24,773	1,111	4.48
Shanghai Comp	3,832	3,573	259	7.25
Other				
Bovespa	177,999	133,071	44,928	33.76
RTS	883	1,072	-189	-17.63
MSCI World	4,848	4,076	772	18.94
MSCI EM	1,666	1,243	423	34.03
MSCI EM Asia	943	687	256	37.20

Nifty 50 Price & FII and MF flows



Sector Performance

Sector Index	30-Jul-26	30-Jul-25	Change	% Chg
BSE Auto	63,263	52,901	10,362	19.59%
Bankex	64,934	62,100	2,834	4.56%
BSE CD	65,146	59,472	5,674	9.54%
BSE CG	77,012	68,237	8,775	12.86%
BSE FMCG	18,317	22,507	-4,190	-18.62%
BSE HC	50,797	45,372	5,425	11.96%
BSE IT	29,502	41,707	-12,205	-29.26%
BSE Metal	40,936	30,886	10,050	32.54%
BSE Oil	26,484	26,797	-313	-1.17%
BSE Power	7,669	6,698	971	14.50%
BSE PSU	20,677	19,066	1,611	8.45%
BSE Realty	7,034	7,082	-48	-0.68%
BSE TEC	15,627	17,195	-1,568	-9.12%

Equity Market Outlook

- The US equity markets in August 2026 are likely to be shaped by a strong structural tailwind from the artificial intelligence supercycle, offset by cyclical and geopolitical challenges, including elevated crude oil prices, escalating tariff tensions, and continued uncertainty surrounding Federal Reserve policy. As a result, investors may balance solid corporate earnings momentum against an increasingly complex macroeconomic environment. Looking ahead, any meaningful deterioration in economic data could prompt the Fed to embark on a significant rate-cut cycle. Such a scenario would likely support fixed income markets and interest rate-sensitive equities.
- European equity markets enter August 2026 trading near record highs, supported by improving corporate earnings, continued integration of artificial intelligence, and attractive valuations. However, further upside may be constrained by elevated energy prices stemming from Middle East tensions, ongoing geopolitical uncertainty, and subdued trading volumes. The UK equity markets may remain cautiously optimistic as easing inflation and expectations of additional rate cuts are likely to provide a supportive backdrop, although volatility in global energy prices and geopolitical risks may continue to pose challenges. Investors are expected to be influenced by resilient corporate earnings. An anticipation that the BOE could lower the bank rate toward 3% may improve equity valuations, particularly benefiting interest rate-sensitive sectors.
- The Japanese equity markets are likely to remain cautious, due to elevated crude oil prices, a hawkish US Fed, and ongoing volatility in the Yen. Rising energy costs are expected to squeeze corporate profit margins, increase imported inflation, and place additional pressure on Japan's energy-dependent economy. High-valuation technology stocks and export-oriented companies may experience heightened fluctuations as investors reassess earnings prospects amid changing interest rate dynamics and currency movements. While a weaker yen could continue to support export competitiveness, persistent global uncertainty and rising input costs are expected to limit broader market gains in the near term.
- The Chinese equity market may remain constructive, supported by resilient export growth, advancements in artificial intelligence, and continued targeted policy support from Beijing. Strong demand for high-tech exports is expected to underpin corporate earnings and investor sentiment. Government measures aimed at boosting strategic sectors, improving liquidity, and supporting capital markets are also likely to support equities. However, the market continues to face notable headwinds as domestic retail consumption remains subdued amid cautious household spending, while the property sector is still undergoing a gradual adjustment despite incremental policy easing. In addition, persistent trade tensions and uncertainty surrounding global demand could contribute to market volatility.
- On the domestic front, Indian equities enter August 2026 on a resilient and optimistic footing, supported by steady Q1 FY27 corporate earnings. The Nifty 50 is trading above the 24,750 mark after strong gains, while sustained DII participation may continue to provide stability for the market. Looking ahead, the market is expected to remain constructive, supported by healthy corporate earnings and resilient domestic demand. However, global developments, the trajectory of US interest rates, geopolitical risks, and FII flows could influence market sentiment in the month.

Investment Strategy

- Overall, the current equity market environment in 2026 is a phase where discipline and allocation matter more than chasing high returns. It is more likely to be a period of moderate returns, driven primarily by earnings growth rather than valuation expansion. In India, the long-term story remains intact as economic growth is still resilient globally, corporate earnings are expected to grow steadily, and structural drivers like manufacturing and infrastructure are in place. However, the near-term picture is more uneven. Valuations, especially in mid and small caps, had run ahead of fundamentals, and now the market is going through a phase of correction and consolidation. At the same time, foreign investors' outflows are adding to volatility.
- Investors who stay consistent with SIPs, maintain a balanced allocation tilted toward large and flexi-cap funds, and avoid overexposed segments are more likely to navigate this environment successfully. Given the uncertainty in markets, investors can opt for staggered investments over the next 3 to 6 months with a 3+ year investment horizon and review the investment plan as more clarity emerges.

Review

- **Gold prices:**

Gold prices remained broadly range-bound yet resilient throughout July 2026, trading between ₹1,40,000 and ₹1,45,000 per 10 grams for 24K gold, amid persistent geopolitical tensions in West Asia and volatile crude oil prices, which continued to support safe-haven demand for the precious metal. However, expectations of the FOMC policy decision and potential guidance on future interest rates limited the potential upside momentum. The elevated US Dollar Index made dollar-denominated gold more expensive for international currency holders and muted overseas physical demand. Gold prices ended at Rs. 1,41,824 by the end of the month.

- **Silver Prices:**

Silver prices remained range-bound during July 2026, trading broadly between ₹2,35,000 and ₹2,60,000 per kg, as a stronger US dollar, cautious investor sentiment, and mixed signals from industrial demand weighed on prices. Market participants largely adopted a wait-and-watch approach ahead of the US Federal Reserve's policy decision, with the Fed keeping interest rates unchanged at the end of the month, thereby limiting significant price movement. Meanwhile, geopolitical tensions in the Middle East and fluctuations in the USD/INR exchange rate contributed to intermittent intraday volatility. Despite these factors, silver prices ended the month at around ₹2,17,443 per kg.

- **Crude Oil Prices:**

Crude oil prices remained highly volatile throughout July 2026, driven by geopolitical developments in the Middle East and concerns over potential supply disruptions through the Strait of Hormuz. Despite a moderation towards the end of the month, elevated oil prices continued to pose risks to India's fiscal deficit and import bill, while exerting depreciation pressure on the rupee and adding upside risks to inflation. Brent crude settled at around $90.12 per barrel by the end of July.

- **USDINR:**

The USDINR exchange rate in July 2026 traded between 96.88 and 94.26, stabilizing around 95.69 by the end of the month as the pair experienced high volatility driven by geopolitical tensions in the Middle East, shifting crude oil prices, and intervention actions by the Reserve Bank of India. The RBI actively utilized dollar-selling and strategic capital-account measures to curb heavy depreciation. Intermittent swings in global crude benchmarks kept cost pressures alive for energy importers, limiting aggressive appreciation for the local currency. The US Dollar Index experienced a volatile July 2026, peaking near 101.50 in the mid-to-late months before sliding back toward 99.60 by month's end due to a cooling macroeconomic backdrop and the Federal Reserve's decision to hold interest rates steady.

Outlook

- **Gold:**

Gold trades near $4,365 per ounce, recovering from a multi-week consolidation range to hit two-month highs driven by a softer US Federal Reserve outlook, soft jobs data, and strong central bank buying. Currently, domestic gold stands near ₹1,51,990 per 10 grams. Investors will closely monitor upcoming US employment and inflation data, which will influence expectations for further Fed policy, the trajectory of US Treasury yields, and the Dollar Index, as elevated real yields and a firmer US dollar could limit further upside in gold prices. Overall, gold prices are likely to be driven in August 2026 by macroeconomic data, monetary policy expectations, geopolitical developments, and central bank buying serving as the primary factors for price movement. The August 2026 outlook is bullish, targeting $4,500/oz.

- **Silver Prices:**

Silver prices have shown signs of near-term stabilization, trading at around ₹2,18,600 per kg at the beginning of the month, and the outlook remains cautiously optimistic, supported by persistent structural supply deficits and robust industrial demand, particularly from the renewable energy and electronics sectors. However, expectations of a cautious Federal Reserve monetary policy stance, along with easing geopolitical tensions, could weaken safe-haven demand and limit further upside potential in silver prices.

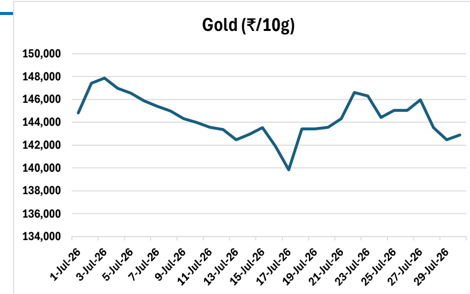
- **Crude oil prices:**

At the beginning of the month, Brent crude oil prices in August 2026 hovered near $88 to $90 per barrel, and prices may remain elevated due to shrinking global inventories and persistent transport bottlenecks in the Middle East, with expectations to stay around $85 per barrel. According to the International Energy Agency, global observed oil stocks fell below 7.9 billion barrels, heightening immediate market sensitivity. The US Energy Information Administration short-term outlook projects Brent crude to average $85/b as inventory buffers stay thin.

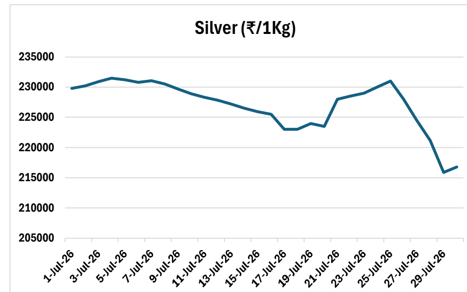
- **USDINR:**

The USDINR exchange rate is trading in the ₹95.00–₹95.60 range in early August 2026, and the outlook for the USDINR remains cautious as the ongoing geopolitical tensions in the Middle East could contribute to volatility in global energy markets, exerting intermittent depreciation pressure on the Indian rupee through higher crude oil prices. However, active intervention by the RBI in the foreign exchange market, along with comfortable liquidity conditions, is likely to absorb excessive volatility and keep the currency pair largely range-bound. Meanwhile, uncertainty surrounding the Federal Reserve's further monetary policy trajectory, fluctuations in FPI flows, and evolving global risk sentiment are expected to remain key drivers of the rupee's direction. Consequently, the USDINR pair is likely to trade within the ₹94.50–₹96.00 range during August 2026. The US Dollar Index trades near 99.50 in August 2026, pulling back from late-July highs above 101.60 due to softening labor data, including a surprise drop in US nonfarm payrolls to 23K jobs in July 2026, following a downwardly revised 20K gain in June, which has shifted expectations toward potential Federal Reserve rate cuts, putting the greenback under short-term correction pressure that may support the Indian rupee.

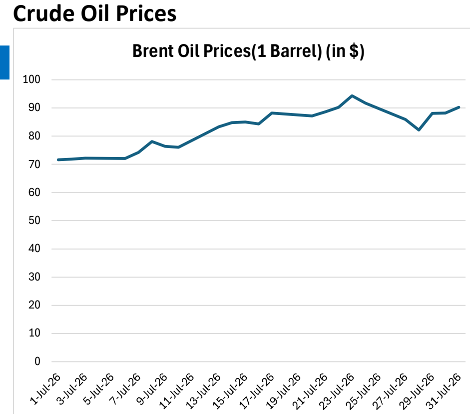
Gold Prices:



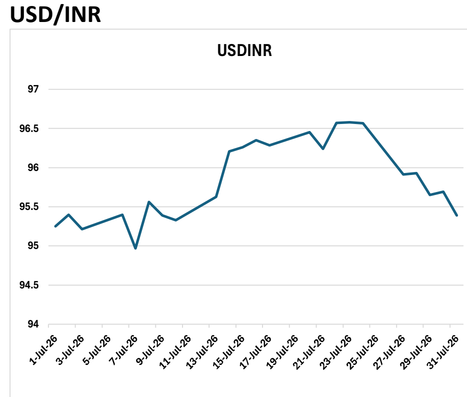
Silver Prices:



Crude Oil Prices



USD/INR



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Source: Bloomberg, W2W Research