SEPTEMBER 2026

MONTHLY REPORT

Data as on August 31, 2026
Source: Bloomberg

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CONTENTS

NIFTY 50
Closing- 24080.40
PE – 20.36
PB – 2.92x
Div Yield – 1.17%

NIFTY MIDCAP 150
Closing –23536.80
PE – 29.44
PB – 4.46x
Div Yield – 0.58%

NIFTY SMALL CAP 250
Closing –18372.10
PE – 33.9
PB – 3.59x
Div Yield – 0.56%

10 Yr. GOI Yield
6.95%

CRUDE
90.49
$/bbl

USD/INR
95.17

GOLD
4,482
$/Oz

Source: Bloomberg, W2W Research

Indicators	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Sensex	1.46%	2.11%	2.28%	-2.78%	6.90%	-11.31%	-1.19%	-3.46%	-0.57%	2.11%	4.57%	0.57%	-1.69%
Nifty 50	-1.24%	2.17%	1.35%	1.87%	7.46%	-11.49%	-0.56%	-3.10%	-0.28%	1.87%	4.51%	0.75%	-1.38%
Nifty Midcap 150 Index	1.72%	1.60%	0.90%	2.60%	13.22%	-11.06%	1.66%	-3.53%	-0.53%	1.59%	4.79%	1.39%	-2.86%
Nifty SmallCap 250 Index	2.52%	1.13%	4.29%	1.56%	17.10%	-10.30%	0.75%	-5.52%	-0.29%	-3.36%	3.72%	1.13%	-3.72%
S&P 500 Index	2.62%	-0.13%	-1.06%	5.15%	10.42%	-5.09%	-0.87%	1.37%	-0.05%	0.13%	2.27%	3.53%	1.91%
Nifty 50 EPS TTM (Rs)	1183	1173	1160	1161	1146	1138	1143	1149	1209	1210	1128	1127	1128
Nifty 50 Price/Earnings (PE Ratio)	20	21	21	20	21	20	22	22	23	23	23	22	22
Nifty Midcap 150 (PE Ratio)	29	30	29	29	33	31	33	32	34	33	34	33	32
India Economic Indicator													
Bank Credit Growth (YoY%)	18.28%	17.71%	17.65%	16.23%	13.67%	14.57%	13.73%	13.09%	15.55%	11.42%	11.50%	10.29%	10.22%
Bank Deposit Growth (YoY%)	14.73%	12.68%	12.01%	12.24%	10.96%	11.11%	10.92%	10.61%	12.65%	10.25%	9.50%	9.84%	10.06%
Debt Market Indicator													
RBI Repo Rate (%)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50	5.50
G-sec 10 year Yield (%)	6.95	6.83	6.75	7.00	7.02	6.96	6.66	6.70	6.59	6.53	6.53	6.68	6.57
Corp Bond 10 Yr AAA Yield (%)	7.78	7.42	7.50	7.90	7.70	7.74	7.37	7.46	7.30	7.22	7.25	7.29	7.39
Corp Bond 10 Yr AA Yield (%)	8.68	8.22	8.11	8.45	8.2	8.47	8.05	8.35	8.19	8.16	8.18	8.17	8.27
Corp Bond 10 Yr A Yield (%)	9.57	9.4	9.39	9.79	9.59	9.63	9.26	10.06	9.64	9.51	9.46	9.58	9.64
Corp Bond 5 Yr AAA Yield (%)	7.56	7.33	7.23	7.72	7.62	7.57	7.20	7.29	7.10	6.92	6.94	6.92	7.09
Corp Bond 1 Yr AAA Yield (%)	7.63	7.33	7.08	7.93	7.31	7.43	6.95	7.19	6.83	6.60	6.65	6.65	6.60
CD 1 Yr (%)	7.35	7.10	6.98	7.83	7.27	7.19	6.91	7.00	6.68	6.35	6.40	6.35	6.35
Commodity & Currency													
Gold Price (USD)	4,482	4,107	4,039	4,593	4,630	4,672	5,278	4,865	4,319	4,239	4,093	3,859	3,448
Gold (Rs/10gm)	154,045	141,824	141,286	155,964	149,777	146,733	162,062	181,804	132,640	126,033	120,450	114,761	101,967
Crude($)	90.49	90.12	72.92	92.05	114.01	118.35	72.48	70.69	60.85	63.27	65.07	67.02	68.12
INR/1 USD	95.17	95.39	94.67	95.01	94.91	93.49	91.37	91.69	89.88	89.36	88.77	88.79	88.17
INR/1 EURO	110.56	109.97	108.12	110.78	111.35	108.01	107.60	108.66	105.49	103.62	102.76	104.32	103.04
Flows													
FII-Equity (Rs.cr)	29631	20200	-49340	-32963	-60847	-117775	22615	-35962	-22611	-3765	14610	-23885	-34993
FII-Debt (Rs.cr)	-2224	29212	30620	-99.87	-7671	6304	5380	-7308	717	-3969	3507	1085	6766
MF-Equity (Rs.cr)	125	61	-177	167	245	-107	252	481	5,157	43,465	24,690	38392	70534
MF-Debt (Rs.cr)	15	22	14	-321	196	-335	14	42	1992	-72201	52794	-28225	-65288

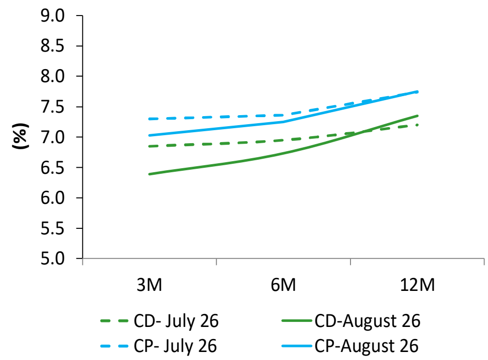
Summary:-

- As of 31st August 2026, Nifty 50 was trading at a PE of 20.36x, and Nifty Midcap 150 was trading at a PE of 29.44x.
- India's CPI inflation in July 2026 surged to 4.45%, compared to 4.38% in June 2026. Meanwhile, India's wholesale inflation eased to 9.78% in June 2026, up from 9.87% in June 2026, despite accelerated food inflation.
- Bank credit growth increased to 18.28% year-over-year as of 31st August 2026, compared to 17.71% on 31st July 2026. However, the growth of bank deposits increased to 14.73% year-over-year.
- GST revenue eased to Rs. 2.00 lakh crore in July 2026, compared to Rs 2.11 lakh crore in July 2026.
- India's Manufacturing PMI eased to 52.9 in August 2026 from 53.5 in July 2026. India's Services PMI decreased to 54.1 in August 2026 from 53.3 in July 2026.

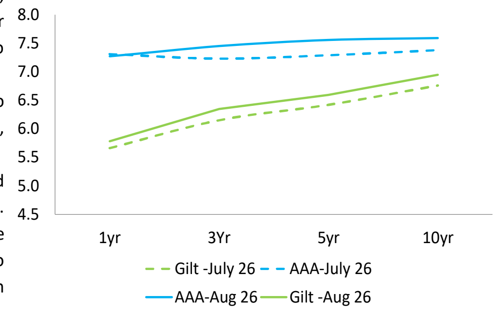
Debt Market Review

- The US bond market witnessed heightened volatility and a significant sell-off in August 2026, with Treasury yields rising amid persistent inflation concerns, fiscal pressures, and expectations of a shift in Federal Reserve policy. The 10-year Treasury yield rose to 4.76% as markets reassessed the outlook for interest rates and long-term borrowing costs. Meanwhile, the US Treasury also announced an increase in the maximum size of its longer-duration Treasury buyback operations from $2 billion to at least $4 billion per operation from September 9. At the Jackson Hole Economic Symposium, Fed Chair Kevin Warsh reiterated the importance of bringing inflation back toward the 2% target, reinforcing expectations of further rate hikes, which kept the upward pressure on Treasury yields.
- In August, European bond markets faced a significant rise in yields, driven by rising energy prices, heavy sovereign borrowing, and global inflation uncertainty. The ECB maintained a cautious, data-dependent approach while keeping the key rates unchanged at 2.4%, though officials signaled that upside inflation risks leave room for continued tightness. Heavy selling was further aggravated by reports that German gross debt issuance is expected to scale to a record €400 billion by 2027. The 10-year German Bond yield surged to 3.32%, marking its highest level since 2011. The UK bond market experienced a severe fixed-income retreat in August 2026, pushing government borrowing costs to multi-year highs driven by escalating global geopolitical conflict and mounting local fiscal anxiety; investors heavily sold off UK gilts. By the end of August, the 10-year UK gilt yield spiked to 5.07%, marking its highest level since June 2008.
- The Japanese Government Bond market experienced a historic multi-decade surge in Japan's 10-year bond yields to 2.94%, driven by a combination of hawkish global monetary signals, escalating Middle East geopolitical tensions driving up oil prices, and intense domestic fiscal concerns, completely reshaping the bond market landscape. The Bank of Japan's Deputy Governor Ryozo Himino kept the possibility of further monetary policy tightening open amid rising inflation expectations, contributing to upward pressure on Japanese Government Bond yields.
- China's 10-year government bond yield traded around 1.69% in August 2026, holding recent declines as fresh data pointed to improving momentum in the manufacturing sector. The People's Bank of China kept its key lending rates at record lows, maintaining the one-year LPR at 3.0% and the five-year LPR at 3.5%, underscoring a cautious but supportive policy stance.
- On the domestic front, India's 10-year G-sec yield rose to around 6.95% on August 31, 2026, amid higher crude oil prices and inflation concerns. CPI inflation increased to 4.45% YoY in July, while portfolio outflows and a weaker rupee added pressure. However, RBI swap-facility inflows and the MPC's decision to keep the repo rate unchanged at 5.25% with a neutral stance capped the rise in yields. Improved banking-system liquidity and 16 VRRR auctions, which absorbed ₹12.68 lakh crore, also helped contain upward pressure on bond yields. India's WPI inflation moderated marginally to 9.78% YoY in July 2026 from 9.87% in June 2026.

CD/CP Rate



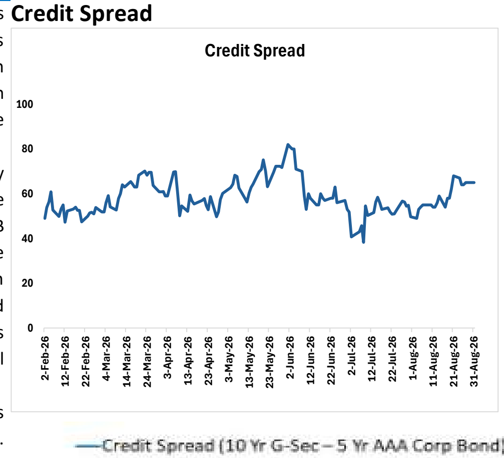
G-Sec and AAA Corp Bond Yield



Debt Market Outlook

- In September 2026, the US bond market is currently experiencing a historic milestone as benchmark 10-year Treasury yields surged past 5%, marking the highest borrowing costs for the US government since 2007, after the Federal Reserve raised its interest rate by 25 bps to a target range of 3.75% to 4% in a unanimous 12-0 vote as the economy and labor market remain strong while inflation stays above the 2% goal. The US bond market is currently experiencing heightened risk and volatility, with a combination of an aggressive monetary policy stance, resurgent inflation fueled by geopolitical energy shocks, and a massive supply of government debt, which may further drive a steep global bond sell-off.
- European bond yields have surged to multi-year highs as a major energy shock and hawkish monetary policy aggressively reshaped fixed-income markets. On September 10, 2026, the ECB raised all three key interest rates by 25 basis points, lifting the core deposit facility rate to 2.50% as inflation spiked to 3.3% in August, driven by a massive 14.3% jump in energy costs. ECB President Christine Lagarde delivered a highly hawkish tone, which led to the anticipation of the 2 additional rate hikes before the end of 2026 that may keep bond yields elevated. The UK bond market in September 2026 is likely to be defined by an aggressive global debt selloff, which has driven borrowing costs to multi-decade highs. Yields are surging under the combined weight of geopolitical energy shocks, stubborn inflation projections, and deep anxiety surrounding Chancellor John Healey's upcoming Autumn Budget. The UK 10-year gilt yield may remain around 5.30% to 5.45%, its highest since the 2007 global financial crisis.
- The Japanese bond market is expected to remain under significant pressure in September as Japanese Government Bond yields rose to multi-decade highs amid continued monetary policy normalization by the BOJ and expectations of higher fiscal spending. The benchmark 10-year JGB yield touched 3% in early September, its highest level since September 1996, due to rising inflation concerns and expectations of increased government borrowing. Markets are also pricing in a high probability of a 25-bps BOJ rate hike to 1.25% from 1.00%, which could keep upward pressure on longer-term JGB yields.
- The China's bond markets in September 2026 is likely to be defined by a massive, policy-defying bull rally that has decoupled it from global fixed-income turbulence. Sluggish credit demand, weak household spending, and systemic economic cooling may create an environment of rock-bottom yields and record-high bond prices. Currently the China's 10 year bond yield is at 1.68%.
- On the domestic front, India's bond market outlook in September 2026 faces pressure as the 10-year benchmark yield climbs above 7.05% due to high crude oil prices, rising domestic inflation, and aggressive liquidity-draining debt sales by the RBI. Meanwhile, the RBI announced plans to sell ₹1 lakh crore in bonds across three tranches starting September 17 to drain system liquidity. An anticipation of an interest rate hike by the central bank may keep bond yields elevated.

Credit Spread



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.

Source: Bloomberg, W2W Research

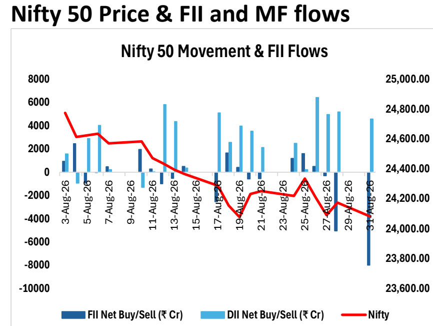
Equity Market Review

- In August 2026, the US equity market remained resilient, with the S&P 500 gaining 2.62% as strong Q2 corporate earnings, enthusiasm for artificial intelligence, and benign inflation data pushed major benchmarks to record highs. However, renewed geopolitical tensions in the Middle East and a sharp rise in bond yields triggered a late-month pullback and capped the gains. Meanwhile, the US Manufacturing PMI remained unchanged at 53.9 in August 2026. The US Service PMI rose to 56.5 in August 2026 from 54.6 the previous month, reflecting the sharpest expansion in service activity.
- European equity markets were turbulent yet resilient in August 2026, with the STOXX 600 index finishing the month up 0.29% due to strong Q2 corporate earnings and sustained FII inflows. However, volatility was driven by a resurgence in Middle East geopolitical tensions, which triggered oil price volatility and reignited global inflation fears. The Eurozone Manufacturing PMI rose to 52.7 in August 2026 from 51.9 in July, marking a strong reading. Eurozone Services PMI remained unchanged at 51.7 in August 2026. The UK's FTSE 100 fell 0.40% in August 2026, due to macro headwinds like skyrocketing global bond yields, a re-escalation of conflict in the Middle East, and an extensive schedule of heavily weighted companies going ex-dividend. The S&P UK Manufacturing PMI eased slightly to 51.7% in August 2026 from 51.9% in the previous month; however, the S&P UK service PMI rose to 52.8% in August 2026 from 52.1% in the previous month amid improving demand conditions.
- Japanese equities advanced broadly, as the Nikkei 225 rose by 3.03%, rebounding from July's sharp correction and demonstrating resilience, supported by robust domestic earnings and easing tech-sector anxiety. Strong corporate profits and structural corporate governance reforms continued to anchor global investor confidence. However, Q2 GDP growth slowed to 1.1%, as soft domestic demand offset strong exports. Japan's Manufacturing PMI activity was revised lower to 54.9 in August 2026 from 55.1 the previous month, whereas the Service PMI rose to 52.5 in August 2026 from July's 51.2.
- China's equity markets showed positive momentum in August 2026 as the Shanghai Composite surged by 4.02%, supported by signs of stabilization in industrial manufacturing data, a tech-led boom, and a rotation of capital into the region; AI-related onshore IPO volumes have picked up significantly. China's manufacturing PMI rose to 51.5% in August from July's four-month low of 50.9%, supported by robust overseas demand and strength in technology-related industries, even though domestic demand, investment activity, and the property market remained under pressure. However, the service PMI declined to 50.4% in July from 54.1% in June due to the slowest expansion in service activity.
- On the domestic front, the Indian equity market was volatile in August 2026 and closed lower due to a late-month sell-off triggered by rising global crude oil prices, geopolitical escalations in the Middle East, and hawkish signals from the US Federal Reserve. Markets were nonetheless supported by resilient corporate earnings and a rebound in net buying by FPIs. FPIs were net buyers of US$3.1 billion, and DIIs were net buyers of US$6.1 billion during the month. India's Manufacturing PMI eased to 52.9 from its previous release at 53.5, marking the weakest improvement amid softer demand and challenging market conditions, and the Service PMI rose to 54.1 from 53.3 in its previous release. The Nifty 50 fell by 1.24%, and the Sensex eased by 1.46% by the end of the month.

Indices Performance

Index	30-Aug-26	30-Aug-25	Change	% Chg
India				
Sensex	76957	79810	-2852	-3.57
Nifty 50	24080	24427	-346	-1.42
United States				
Dow Jones	53186	45545	7641	16.78
Nasdaq	29457	23415	6042	25.80
European Countries				
Stoxx 600	651.1	550.14	101	18.35
FTSE 100	10824	9187	1637	17.82
Asia				
Nikkei 225	66312	42718	23593	55.23
Hang Seng	25567	25078	489	1.95
Shanghai Comp	3986	3858	128	3.33
Other				
Bovespa	177419	141422	35997	25.45
RTS	795	1137	-342	-30.11
MSCI World	4968	4178	790	18.91
MSCI EM	1,719.31	1,258.44	461	36.62
MSCI EM Asia	973.58	804.08	170	21.08

Nifty 50 Price & FII and MF flows



Equity Market Outlook

- At the beginning of the month, the US equity market faced heightened volatility amid persistent inflation concerns stemming from geopolitical and energy-related pressures. US stocks fell by 600 points after the Federal Reserve raised interest rates by 25 bps to a target range of 3.75%–4.00% and signalled the possibility of another rate hike in 2026. Higher bond yields, a resilient labour market and persistent inflationary pressures could weigh on high-valuation technology stocks and keep the equity market volatile. However, the broader long-term equity trend may be supported by resilient corporate earnings.
- The European equity market in September 2026 may remain cautious amid mixed sentiment, as investors balance improving macroeconomic indicators against heightened geopolitical risks. Although the STOXX Europe 600 Index remains near record levels following several months of gains, a sudden cost-push energy shock could increase market volatility. With Europe heavily reliant on energy imports, elevated crude oil prices may intensify concerns over higher input costs and inflation, potentially complicating the ECB monetary policy stance and raising expectations of further rate hikes. The UK equity market may also remain challenging, with the FTSE 100 Index consolidating near its multi-year highs. While resilient corporate earnings continue to provide support, global geopolitical risks and potential shifts in domestic fiscal policy could contribute to near-term market caution and volatility.
- The Japanese equity market may remain cautiously optimistic, balancing strong momentum in technology and semiconductor stocks against expectations of further monetary policy tightening by the BOJ. Currently, the Nikkei 225 Index is supported by a strong rally in both US and domestic semiconductor stocks. However, investor sentiment may remain sensitive to the BOJ's upcoming policy decision later this month, with expectations of potential rate adjustments likely to contribute to near-term volatility.
- The Chinese equity market in September 2026 may remain cautiously constructive, supported by aggressive state-led stabilization measures, although a weak domestic economic backdrop could limit broader market momentum. Persistent weakness in consumer spending and the prolonged property-sector downturn continue to weigh on investor sentiment. However, recent policy support, including a substantial capital injection, along with resilient technology exports, may provide downside support and create selective opportunities to selective sectors.
- On the domestic front, the Indian equity market outlook for September 2026 is characterized by a volatile bull phase and range-bound trading, balancing strong domestic fundamentals against persistent global headwinds. Brent crude has climbed firmly above $97 per barrel, driven by declining global inventories and a double blockade threat in the Strait of Hormuz. This may keep structural pressure on India's fiscal deficit, import bill, and local inflation, and may keep the market under pressure. Meanwhile, while overall rainfall concerns have eased, uneven geographic distribution of monsoons continues to pose localized risks to rural demand and food inflation.

Sector Performance

Sector Index	31-Aug-26	31-Aug-25	Change	% Chg
BSE Auto	63,762	55,960	7,802	13.94%
Bankex	65,199	60,025	5,174	8.62%
BSE CD	64,727	60,638	4,089	6.74%
BSE CG	79,250	65,417	13,833	21.15%
BSE FMCG	17,559	20,611	-3,052	-14.81%
BSE HC	51,567	43,623	7,944	18.21%
BSE IT	29,718	34,437	-4,719	-13.70%
BSE Metal	41,931	30,388	11,543	37.99%
BSE Oil	25,931	25,540	391	1.53%
BSE Power	7,414	6,393	1,021	15.97%
BSE PSU	20,601	18,319	2,282	12.46%
BSE Realty	7,028	6,765	263	3.89%
BSE TEC	15,387	17,015	-1,628	-9.57%

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:**

In August 2026, gold prices recovered and surged roughly by 10.5% to close the month at US$4,563 per ounce due to ongoing geopolitical tensions, a weaker US Dollar Index, softer-than-expected US non-farm payroll growth, and renewed inflows into Gold ETFs. According to the World Gold Council, this rally marked the third-highest monthly return for gold in the last 25 years. A strong breakout from a six-week consolidation phase, heavily supported by aggressive global inflows into ETFs and central bank buying. However, domestic gold prices ended at Rs. 155,114 due to profit-booking after the yellow metal's strong run in previous weeks, as it failed to sustain its earlier momentum.

- **Silver Prices:**

Silver experienced a powerful rally in August 2026, delivering returns of roughly 15.9% globally and establishing itself as one of the top-performing precious metals of the month. Global silver prices surged to $65.00–$66.13 per ounce and domestic rates to ₹2,36,860–₹2,42,190. Silver benefited from heavy momentum-based financial investment alongside steady structural integration into green technologies (photovoltaics and EV electronics). Domestically in India, anticipation for the upcoming high-demand festival and wedding season began fueling aggressive physical buying, locking in prices before seasonal premiums added up.

- **Crude Oil Prices:**

Brent crude oil prices traded around $90.49/barrel on August 31, 2026, amid unresolved geopolitical tensions as the US-Iran standoff restricted global shipments of products like crude oil, liquefied natural gas, and fertilizers through the Strait of Hormuz. Potential US economic sanctions targeting Iran's trade partners could further disrupt global energy supplies. Low global oil inventories coupled with a pick-up in Chinese imports have also contributed to the upward pressure on prices. Ukrainian drone strikes impacted Russia's domestic crude processing capacity, further compounding uncertainties.

- **USDINR:**

In August 2026, USDINR rose to 95.50 levels, by rising crude oil prices and the impact of lingering geopolitical tensions in West Asia. Renewed escalations in Middle Eastern geopolitical tensions kept energy prices dynamic and weighed on the import-heavy Indian economy, undermining the Indian rupee. However, the RBI advanced the closure of its special FCNR(B) deposit swap mobilization window from September 30 to August 31, 2026, after drawing record inflows exceeding $72 billion, which supported the Indian rupee. The US Dollar Index (DXY) experienced an overall soft posture, touching a low near 99.43 by the end of the month.

Outlook

- **Gold:**

Gold prices are expected to remain volatile in September, following a strong rally in August. Safe-haven demand, central-bank buying, and geopolitical uncertainties may continue to provide support. As per the World Gold Council, investment could continue to be the primary catalyst for global gold demand growth through the second half of the year, supported by Asian buying. The Fed's policy guidance and the direction of US bond yields will remain key drivers. Domestic prices are also likely to remain sensitive to USDINR movements and festive-season demand.

- **Silver Prices:**

The Silver price outlook for September 2026 points to a neutral to mildly bearish short-term trend as the market adjusts to evolving macroeconomic conditions, although structurally tight physical supply may provide long-term support. Silver prices are currently trading around $63–64 per troy ounce in international markets, while domestic MCX prices are hovering in the ₹2,31,000–₹2,45,000 per kg range as the market digests the Federal Reserve's September 2026 interest rate decisions. Silver prices are likely to remain sensitive to the movements in the US dollar and broader currency markets, as well as changes in global interest rates and investor risk sentiment.

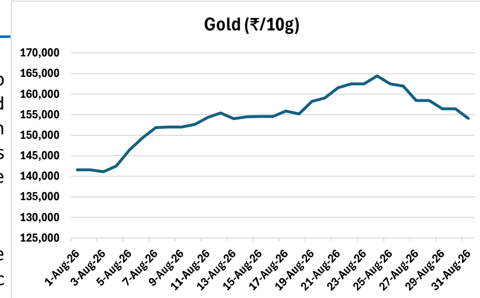
Crude oil prices:

The outlook for crude oil prices in September 2026 is highly volatile but remains heavily skewed to the upside, with major benchmarks trading at multi-month highs. Brent crude is trading around $100 per barrel, driven primarily by severe geopolitical disruptions in the Middle East. Maritime transit through the **Strait of Hormuz** has plunged to single-digit daily vessel numbers, down from a normal average of 18, following escalating conflicts and attacks on tankers. The International Energy Agency (IEA) confirms in its September 2026 Oil Market Report that extreme backwardation has gripped the market as a direct result of severe supply crunches and depleted commercial buffers. The 95 million-barrel plunge in global observed oil inventories during August brought cumulative draws since February 2026 to 507 million barrels, leaving physical markets exceptionally tight.

- **USDINR:**

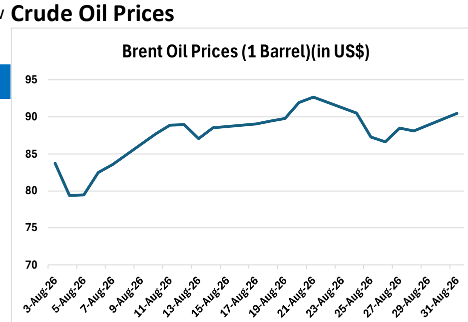
The USDINR exchange rate is expected to remain range-bound but under pressure, with a near-term range of 95.00–96.50 for the remainder of September 2026. Currently trading around 95.93, the rupee may face headwinds from elevated global crude oil prices, domestic inflation concerns, and a hawkish US Federal Reserve stance. Structural pressures, including a high oil import bill, persistent trade deficit, and a firm US dollar, are likely to weigh on the rupee. However, active RBI intervention and measures to attract capital flows should support the rupee. The swap facilities offered by the RBI on FCNR(B) deposits and ECBs have already brought in US$136 bn as of 31 August 2026, which will not only support the rupee but also provide a meaningful boost to domestic liquidity, improve deposit growth, and reduce the cost of funding, while helping to improve the BOP. The US Dollar Index may remain moderately bullish but highly volatile, with the index currently at the 100 level, driven by the Federal Reserve's interest rate hike by 25 bps to 3.75%–4.00%.

Gold Prices:

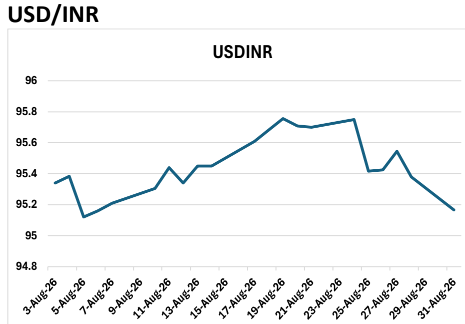


Silver Prices:

Crude Oil Prices



USD/INR



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Source: Bloomberg, W2W Research