

The Week that was

January 02, 2026

"Indian Markets Kick Off 2026 Higher on Metals & Banks; FMCG Lags"

Indian Developments

Nifty 50 closed at **26,328.55**, up **~1.10% w/w** (vs 26,042.30 a week ago). **Nifty Midcap 150** and **small cap 250** also advanced **~1.75%** and **~1.09% w/w**, respectively, indicating positive breadth to start the year

India VIX ticked up to **9.45, ~3.28% w/w**, still near multi-year lows—signalling subdued volatility despite the week's risk event.

India Manufacturing PMI rose to 57.3, a three-month high, INR hovered near **₹90.20/USD**; 10-year G-Sec yield stayed around **6.58%**.

FIIIs were **net buyers (~₹2,300 crore)** while DIIIs also added (~₹1,800 crore), reflecting broad-based confidence.

Brent crude firmed to **~\$61/bbl.**, supporting upstream energy names; gold prices edged up to **₹1,33,883 per 10g** on safe-haven demand.

Sectoral Developments

Cyclicals led the market this week, with Metals surging **5.7%** to fresh 52-week highs, PSU Banks up nearly **5%**, and Auto gaining **3.8%** on strong OEM momentum. Realty advanced **1.8%**, while Chemicals posted a modest **0.4%** rise, lagging other cyclicals.

In contrast, defensives underperformed—IT slipped **0.7%** after recent gains, and FMCG fell sharply by **3.7%** on rotation outflows. Banking breadth remained positive, with Nifty Bank up **1.9%** and Financial Services also higher by about **1.2%**.

Global Developments

U.S. equities eased ahead of the FOMC minutes, with the **S&P 500** down **~1.3% w/w** and the **Nasdaq** off **~1.6%**, as policymakers signalled a cautious, data-dependent approach to 2026 rate cuts.

Europe: FTSE 100 gained **~0.6% w/w** while the **Euro Stoxx 50** held near record highs, supported by resilient macro data despite ECB's slower-easing tone.

China: Hang Seng jumped **~2.8% w/w** on tech and financial strength, while **Shanghai Composite** edged up **~0.7%** amid stimulus uncertainty. Commodity optimism, especially metals, helped offset China's mixed PMI signals, reinforcing cyclical leadership globally.

Other Markets:

- Brent Crude: **\$60.08 per barrel**
- Rupee ended the week at **₹90.20 against the US dollar**
- 10-Year Benchmark Yield: **6.58%**

Source: www.nseindices.com; MCX Gold Prices; Economic times, Bloomberg.

Data for week ended on January 02, 2025.

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- Gold prices closed at Rs 1,33,883 per 10 grams.

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