Baroda BNP PARIBAS MUTUAL FUND

Together for more

The Week that was

August 28th, 2026

"Consolidating week for markets, Defensive pivot leads a stable close"

Indian Developments

Indian equities remained largely range-bound during the week, with the **Nifty 50 declining marginally by 0.31% WoW to close at 24,175.65**, while the Bank Nifty also ended lower. The consolidation followed the previous week's global macro pressures but was cushioned significantly by a sharp weekend recovery led by large-cap IT and healthcare heavyweights. The market indices traded mixed through most of the week before staging a strong selective recovery on Friday, supported by a plunge in volatility as **India VIX crashed 4.82% to close at 10.66**.

Elevated crude prices and high global bond yields remained minor structural headwinds, though a slight moderation in the US dollar index provided crucial breathing room to emerging market counters. The steady domestic institutional liquidity continue to provide solid support even as foreign portfolio investors remained highly selective across indices. Overall, the week's market action points to a healthy defensive rotation and midcap resilience rather than a broad-based breakdown in core domestic risk appetite.

Sectoral Developments

Sectoral performance remained highly mixed, with clear outperformance observed across defensive and commodity-linked counters. Among the broad-market indices, the **Nifty Midcap 100 (+0.52%) and Nifty Smallcap 100 (+0.51%) significantly outperformed the Nifty 50**, indicating sustained investor interest in selected domestic-growth opportunities outside of large caps.

Within sectors, **Nifty Metal (+2.68%) and Nifty IT (+2.45%) were the strongest performers**, supported by a rebound in global commodity prices and powerful technological tailwinds in the AI ecosystem. **Nifty Pharma (+2.40%) and Healthcare (+2.28%)** also posted robust defensive gains. In contrast, **FMCG (-1.46%), Oil & Gas (-1.03%), and Auto (-0.94%)** remained the major laggards, facing relative weakness due to margin pressures and local sector rotation.

Global Developments

Global markets experienced an erratic week as global capital flows adjusted directly to macroeconomic signals and monetary policy outlooks ahead of major central banking events. Equities globally saw localized corrections but found intermittent safety blocks in robust technology sector earnings and ongoing corporate expansion metrics.

The broader global backdrop was heavily dominated by anticipation surrounding the **Jackson Hole Economic Policy Symposium**, where markets actively scanned for signals on the US Federal Reserve's long-term interest rate path. For India, the persistent hold of Brent crude near key technical levels and elevated US treasury yields continue to weigh structurally on aggressive FII flows, though local market dynamics successfully contained downfield risks.

Other Markets:

- Brent Crude: ~**$89.56 per barrel**
- Rupee ended the week at **₹95.38 against the US dollar**
- 10-Year Benchmark Yield: **6.91%.**

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

Data for week ended on August 28, 2026.

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

Data for week ended on August 28, 2026.