

Monthly Newsletter



September 2026 Edition

- Equity Correction
- Global Yield Pressure
- Strong Fundamentals

Find out
more inside!





Wealth First | Market Dashboard



September 2026

Global Markets

S&P 500

-0.8% ▼ **14.4%** ▲
1M 1Y

Higher Yields Weigh

Nasdaq

3.2% ▲ **23.2%** ▲
1M 1Y

Tech Defies Rates

MSCI Europe

-5.3% ▼ **9.9%** ▲
1M 1Y

Near-Term Weakness

MSCI EM

-1.0% ▼ **26.7%** ▲
1M 1Y

EM Resilience

Indian Markets

Nifty 50

-6.4% ▼ 1M
-7.1% ▼ 1Y

FII Selling Pressure

Midcap

-7.0% 1M
5.6% 1Y

Smallcap

-3.7% 1M
7.2% 1Y

Nifty 500

-6.2% 1M
-2.0% 1Y

Fixed Income

India 10Y 7.18%

US 10Y 5.29%

Japan 10Y 3.06%

Sector Watch

Auto

1M **-8.9%**
1Y **-0.9%**

Cap Goods

-6.8%
8.5%

Financials

-5.0%
0.3%

IT

-11.4%
-17.7%

Pharma

-2.1%
23.2%

Oil & Gas

-4.2%
-7.5%



India Macro Snapshot

	Sep	Aug
CPI Inflation	TBD	4.82
PMI Manufacturing	55.1	52.8
PMI Services	58.1	54.1
GST Collections (Lac Cr)	₹2.04	₹1.99

Commodities

	Price (\$)	1M	1Y
Gold	4,157.3	-6.6%	7.7%
Silver	60.4	-9.2%	29.4%
Brent Crude	98.03	8.8%	46.3%



Money Flows

FII - Equity (Cr) **₹(36) k** ^{Sep}

DII - Equity (Cr) **₹76 k**

FII - Debt (Cr) **₹(5,247)** ^{Sep}

New Bond Issues (Cr) **₹36,223**



USD/INR **95.99**

1M **-0.9%** 1Y **-7.4%**

USD/JPY **157.42**

1M **1.5%** 1Y **-6.0%**

USD/CNY **6.70**

1M **0.2%** 1Y **6.2%**

USD/EUR **0.88**

1M **-2.5%** 1Y **-3.4%**

Dollar Index **101.45**

1M **2.0%** 1Y **3.8%**

September 2026

Key Insights For the Month

1

Indian Equities Face a Sharp Correction

Indian equities corrected sharply in September as rising crude prices, higher US bond yields and renewed geopolitical tensions triggered a risk-off move. The Nifty 50 declined ~6%, with weakness broad-based across sectors – IT and Auto were among the hardest hit. FIIs turned aggressive sellers with outflows of ₹36K crore, while strong DII buying of ₹76K crore helped cushion the decline.



2

Oil & Yields Drive Market Volatility

Global macro and geopolitical pressures intensified, pushing Brent crude above \$100/barrel, while the US Federal Reserve raised rates for the first time since 2023. US Treasury yields moved sharply higher to their highest level in 20 years, tightening global financial conditions and reducing appetite for emerging-market assets. For India, expensive crude and higher global yields weakened the rupee and increased uncertainty of the future path of domestic interest rates.



3

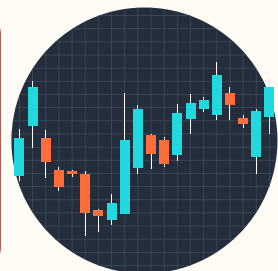
Domestic Fundamentals Offer a Cushion

Despite external headwinds, India's domestic backdrop remained resilient. September business activity rose to a three-month high, while bank credit growth stayed above 18% YoY. Domestic institutions continued to absorb foreign selling, cushioning some of the downside, while the correction brought large-cap valuations to attractive levels. However, with global yields elevated and risk appetite weak, India remains vulnerable to FII flows and external liquidity conditions.



OUTLOOK

October is likely to remain volatile as markets balance resilient domestic fundamentals against higher crude, global yields and foreign selling. Key triggers will be the RBI's policy stance, Q2 FY27 earnings, US Treasury yields and developments in West Asia. Following the recent correction, valuations have become more reasonable in several pockets, particularly in large caps, creating opportunities for gradual deployment while maintaining diversification across asset classes.



Behavioral Finance

Choice Bracketing: Why Looking at Investments One by One Can Hurt the Portfolio

Investors often evaluate each investment separately: Is this fund doing well? Should I sell this stock? Is this product too risky? While this feels logical, it can lead to poor decisions when the investment is judged without considering how it fits into the overall portfolio.

The “One Investment at a Time” Trap

Imagine an investor holds Indian equities, global equities, debt and gold. They reduce equities after a market correction, cut global exposure after weak returns, and increase gold because it has performed well.

Each decision may seem sensible individually, but together they can leave the portfolio too defensive and far from its intended asset allocation. This is choice bracketing.

When decisions are made using a narrow bracket, each investment is evaluated in isolation. With a broader bracket, the investor considers how all investments interact – across asset classes, sectors, strategies and risk exposures.

A volatile investment may actually improve the portfolio if it behaves differently from the rest. Similarly, an attractive investment may add little value if the portfolio already has significant exposure to the same underlying risks.

Behavioral Takeaway

- Evaluate investments based on their role in the portfolio, not only their standalone performance.
- Before adding or removing an investment, check how it changes overall portfolio outcome for diversification, concentration and risk.

Key Insight

The question is not simply “Is this a good investment?” It is “Does this investment make the overall portfolio better?”

