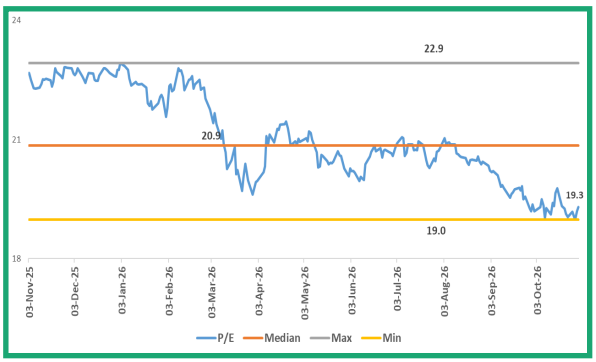
Monthly Market Wrap

October 2026

NIFTY 50 P/E

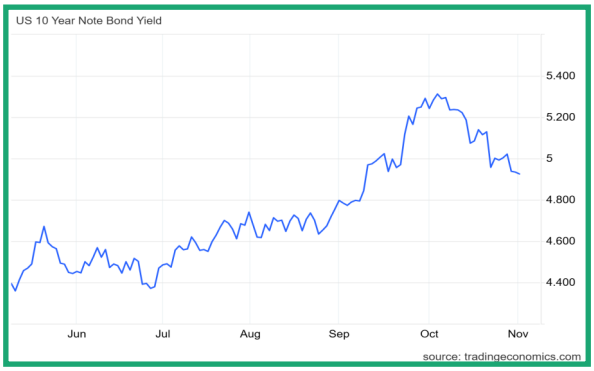


Source: Nifty Indices, GEPL Capital

Crude Oil

Source: Trading Economics

Bond Yield



Source: Trading Economics

USD/INR

Source: Trading Economics

- **INDEX MOVEMENT**

⇒ The NIFTY witnessed a strong recovery after finding crucial support near its 50-month EMA at 22,093. On the weekly chart, the index has formed a Morning Star candlestick pattern, a bullish reversal formation indicating a potential shift in momentum towards the upside.

⇒ On the upside, the index faces immediate resistance at 23,180, followed by 23,550 and 24,000. The 22,800 level remains a crucial support zone, and sustaining above this level would keep the recovery momentum intact. However, a decisive breakdown below 22,800 could weaken the bullish structure and trigger further downside towards 22,100, followed by 21,700.

- **CRUDE OIL MOVEMENT**

⇒ Brent crude continues to trade at elevated levels amid persistent geopolitical uncertainties and concerns over potential disruptions to global oil supplies, keeping market volatility elevated.

⇒ In the near term, the outlook remains volatile, with the $120 level acting as a key resistance zone. A sustained breakout above this level could accelerate the upward momentum towards $128. On the downside, a decisive breach below $95 could weaken the prevailing trend and trigger further correction towards the $80 level.

- **BOND YIELD MOVEMENT**

⇒ The US 10-year Treasury yield continues to trade at elevated multi-year levels, recently touching 5.36%, its highest level since 2007. Persistent inflationary pressures, elevated crude oil prices and expectations of interest rates remaining higher for longer continue to exert upward pressure on bond yields.

⇒ The near-term outlook remains positive for yields, with immediate resistance placed in the 5.35%-5.42% zone, while key support levels are placed at 4.73% and 4.44%.

- **CURRENCY (USD/INR) MOVEMENT**

⇒ USD/INR continues to trade at elevated levels, supported by persistent pressure on the rupee amid rising crude oil prices, foreign fund outflows and fluctuations in US Treasury yields. The near-term outlook remains bullish for the pair as long as it sustains above the crucial 96.00 level.

⇒ A sustained breakout above 96.00 could reinforce the bullish momentum and extend the upside towards 97.00. On the downside, a decisive breach below 94.00 could trigger a corrective move towards 92.24, indicating a potential easing of the prevailing upward momentum.

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KEY POINTERS

⇒ Currently, Nifty index faces immediate resistance at 23,180, followed by 23,550 and 24,000. The 22,800 level remains a crucial support zone.

⇒ India's economic growth continues to remain robust which can be witnessed in several indicators. The GDP growth projection for FY27 has been revised upwards by 40 bps to 7.1%, driven by resilient domestic demand and better-than-expected economic growth in 1HFY27. Manufacturing and services PMI remained healthy along with sustained consumption trends underpinned by strong auto demand, stable UPI volumes growth and systemic credit growth. UPI processed 25.47 billion transactions in October 2026, up 23% YoY and 5.8% MoM.

⇒ The US midterm election this week becomes an important event to track. All the 435 seats of the House of Representatives and 33 out of the 100 seats in the Senate will go to polls and will determine the control of the US Congress. Currently both the Houses are controlled by the Republicans and any loss of control of the Houses could impede legislation during the 2nd half of the Trump Presidency.

Sectoral View

⇒ In the BFSI sector, the credit growth in the month of September 2026 was 19% driven by corporate sector and sustained demand in SME, Agri, NBFC, and personal loans. Deposit growth was benefited from the FCNR deposits, driving growth to 17.8% YoY in the month. Asset quality across the banks remained steady. Stocks to watch out for includes **SBI, ICICI Bank, Federal Bank, and Indian Bank**.

⇒ In the defence sector, the Defence Acquisition Council has cleared the proposal for defence procurement worth of INR 2.12 lakh crore, with around 82% of this procurement to be done domestically. Further, the defence ministry has signed agreements worth INR 54,000 crore with two leading Indian shipbuilders (**GRSE & Goa Shipyard Ltd**) for eight next generation corvettes. Stocks to watch out for includes **Bharat Electronics, GRSE, HAL, Apollo Microsystems, and Bharat Forge**.

Conclusion

Overall, the market outlook remains cautiously positive, supported by improving technical indicators and resilient domestic economic fundamentals. Elevated crude oil prices, rising US bond yields and persistent pressure on the Indian rupee remain key concerns that could weigh on market sentiment and foreign fund flows. Additionally, the US midterm elections will be an important global event to monitor. Going ahead, market movements are likely to remain sensitive to global developments, geopolitical uncertainties and currency fluctuations, making a cautious yet selectively constructive approach.

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ECONOMIC UPDATES

⇒ The RBI's MPC (Monetary Policy Committee) has decided to unanimously hike repo rate by 25bps to 5.5%. Further, the RBI has changed its stance to from neutral to calibrated tightening, a stance used by the regulator for the first time since Oct'18. However, the MPC was split in stance changes by 4:2. The inflation projection for FY27 has also been raised by 20 bps to 5.2% amid pressures such as deficient monsoon, El Nino and volatile crude oil prices. Elevated headline inflation has primarily been led by supplyside pressures caused by food and fuel prices.

⇒ SEBI had revised the framework for CAS. Under the revised framework, the closing auction session will run from 3:30 p.m. to 3:40 p.m., with most changes taking effect from December 7, 2026. The reference price for the closing auction will be based on the volume-weighted average price (VWAP) of trades executed during the final 15 minutes of continuous trading in the cash market. The order-entry period during the auction will close at a randomly determined time between 3:38 p.m. and 3:40 p.m. The closure will be system-driven.

⇒ The National Payments Corporation of India (NPCI) has postponed the implementation of the Merchant Discount Rate (MDR) on select UPI transactions, which was originally scheduled to take effect on October 15, 2026. The rollout is deferred until immediately after Diwali (Diwali 2026 falls on November 8), with the exact new implementation date to be notified separately by NPCI. The UPI and Services Steering Committee decided to delay the rollout to protect consumer spending and ease business costs during the peak festive shopping season, following strong appeals from traders and merchant associations.

GLOBAL INDEX PERFORMANCE

GLOBAL INDICES PERFORMANCE				
INDEX	PRICE	52W H	52W L	1M % CHANGE
DOW JONES INDUSTRIAL AVERAGE	51,941	54,744	45,057	2%
NASDAQ	25,437	27,722	20,690	-5%
HANG SENG	23,394	28,056	22,518	-5%
NIKKEI 225	62,357	72,831	48,235	-5%
KOSPI	5,731	9,386	3,838	-14%

FII & DII MOVEMENTS

(in Cr)	Oct-26	Sep-26	Aug-26	Jul-26	Jun-26
FIIs	-45,162	-44,013	-7,532	-5,779	-49,029
DIIs	62,220	76,030	58,268	35,099	85,800

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Muhurat Picks 2026

(Technical)

STOCK NAME	SECTOR	CMP	TARGET PRICE	STOPLOSS	POTENTIAL UPSIDE (%)
The Indian Hotel Co Ltd	Hotel	811	980	725	21%
ICICI BANK Ltd	Private Bank	1398	1780	1300	27%
Sona BLW Precision Forgings Ltd	Auto Ancillary	890	1110	790	24%

Prices as on Oct 30, 2026

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Thanks & Regards

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