

THE MONTH IN NUMBERS

Nifty 50	Sensex	Crude oil	FII flows
−6.0%	−5.8%	\$100+	−₹35,861 crore,
in September	in September	up 14% in month	crore, net sold

FROM THE DESK

Equity markets faced heavy headwinds in the month of September 2026. With the impasse continuing over the Strait of Hormuz, inflation hotting up with a rise in crude oil prices, major central banks of developed markets hiked interest rates. The US Federal Reserve (Fed) hiked rates by 25 bps. The European Central Bank (ECB) and the Bank of Japan also hiked interest rates by 25 bps. Crude oil prices surged by 14% in September, closing the month at over \$100 per barrel. High bond yields impacted investor risk sentiment, and investors reallocated their assets from equity to debt.

In the Indian market, FIIs turned net sellers in September with net sales of Rs 35,861 crores, while mutual funds made net purchases of nearly Rs 27,738 crores. The headline indices, Sensex and Nifty, crashed down below key support levels, falling 5.8% and 6.0% respectively. The Sensex broke down below its sentimental level of 75,000, while Nifty crashed below the key sentimental level of 23,000. The broader market fell in line with the frontline indices. Midcaps underperformed large caps, but small caps continued to outperform large caps despite valuation concerns. Almost all industry sectors were in the red in September. Automobiles, Consumer Durables, IT, Financial Services, and Realty underperformed versus the broad market. While emerging markets as a basket were weak in September, India underperformed versus the emerging market index.

The US equity market showed divergence between industrials and tech stocks. The Dow Jones fell by 4% due to rising bond yields and a risk-off sentiment, but the NASDAQ rose 3%, showing investor bullishness in AI-led tech stocks. The broader S&P 500 index ended almost flat. Among other developed markets, the FTSE (UK), DAX (Germany), and CAC (France) fell in September, while the Nikkei (Japan) clocked gains. The month was challenging for Chinese and other emerging markets, with the Shanghai Composite and MSCI Emerging Market indices underperforming versus the US market (S&P 500).

High global bond yields, inflation pressures, and a weakening INR have been the major headwinds for the Indian bond market. The 10-year G-Sec firmed up by 23 bps in September, while the 364-day T-Bill yield surged by 39 bps. The 91-day Treasury Bill remained almost flat, inching up just 2 bps. Precious metals declined in September due to headwinds from rising bond yields. High US Treasury bond yields make US Treasuries more attractive as a safe-haven asset compared to gold or silver. Gold prices fell by 4.8%, while silver fell by 6.6% in September 2026.

The market seems to be ignoring strong economic data, as India’s Q1 FY 2026-27 GDP rose 7.8% on a YoY basis and the Index of Industrial Production rose by 8% in August 2026, showing robust economic growth and manufacturing activity despite a challenging global environment. Corporate earnings growth in Q1 was also strong, beating Street expectations, but global factors are weighing down on the market at the present time. In the near term, geopolitical uncertainties, global bond yields, a weakening

INR, and negative risk sentiment are major risk factors for the equity market.

In the long term, India's growth story remains intact despite short-term underperformance. India's consumption-oriented economy, rising per capita income, and favorable demographics give it a competitive advantage even in a dynamic geopolitical climate. In the long term, Indian companies are likely to benefit from structural reforms made by the government—such as Atmanirbhar Bharat, Make in India, Digital India, Atal Innovation Mission, defense sector reforms, and labor law reforms. Investors should continue to invest through SIPs and maintain a long-term investment horizon.

What this means for you

- ✓ Keep your SIPs running. Falls like this let you buy more units at lower prices.
- ✓ If you have spare cash, consider adding to equity in instalments over the next 3–6 months rather than all at once.
- ✓ Money you need within 2 years should stay in debt or liquid funds, not equity.

Warm regards,

Tushar Paturde, CFP®

Founder, Meta Investment

WORTH READING

Navratri to Diwali 2026: Your Festive-Season Money Calendar

Navratri, Dussehra, Dhanteras, Diwali and Padwa 2026 dates, with one money task for each: nominees, your Diwali bonus, gold and Muhurat Trading timing.

<https://metainvestment.in/2026/09/28/navratri-to-diwali-2026-money-calendar/>

NPS Sanchay Explained: Who It Is For and How It Differs

NPS Sanchay is a simple NPS account you can open with ₹250. Who it suits, why an NPS account helps, and how Sanchay differs from regular NPS, APY and Vatsalya.

<https://metainvestment.in/2026/10/02/nps-sanchay-default-allocation/>

Financial Green Flags That Matter More Than Salary

Nine financial green flags that say more about how good you are with money than your salary, your CIBIL score or your portfolio size. An educational guide for Indian professionals.

<https://metainvestment.in/2026/09/04/financial-green-flags-good-with-money/>

Alchemy India Long Term Fund: GIFT City Guide for NRIs

Alchemy India Long Term Fund is a USD-denominated GIFT City fund for NRIs. How it is structured, what it costs, how it is taxed, and the risks to weigh.

<https://metainvestment.in/2026/09/23/alchemy-india-long-term-fund-gift-city-nri-guide/>

Tushar Paturde, CFP® (ARN-129322)

AMFI Registered Mutual Fund Distributor · AMFI Registered SIF Distributor · APMI Registered PMS Distributor

Mutual fund investments are subject to market risks. Read all scheme related documents carefully. This newsletter is for information only and is not a recommendation to buy or sell any security.

© 2026 Meta Investment · metainvestment.in