

WEEKLY MARKET UPDATE

23rd Jan, 2026 to 29th Jan, 2026

MARKET OVERVIEW

Markets in Focus: Global Signals, FII Flows and the India–EU FTA

- Indian equity markets rebounded on easing EU–U.S. tensions and improved global sentiment, snapping a short losing streak.
- Hopes of a trade framework reduced immediate tariff concerns, but persistent FII outflows kept market volatility elevated.
- Equities slipped as the rupee touched record lows amid geopolitical uncertainty, valuation worries, and continued foreign selling.
- Sentiment showed signs of stability as global markets reacted positively to reduced tariff-related risks despite domestic headwinds.
- Markets gained momentum after India and the European Union announced a landmark free trade agreement aimed at boosting bilateral trade.
- Export-driven and labor-intensive sectors benefited from FTA optimism, supported further by a softer U.S. dollar globally.

As a result, the BSE Sensex down by 0.12%, closing at 82,566.37 , while the Nifty 50 up by 0.13%, settling at 25,418.90

BSE SENSEX

INDEXBOM: SENSEX :

82,566.37

-101.34 (-0.12%) ↓ past 5 days

29 Jan, 3:30 pm IST • [Disclaimer](#)



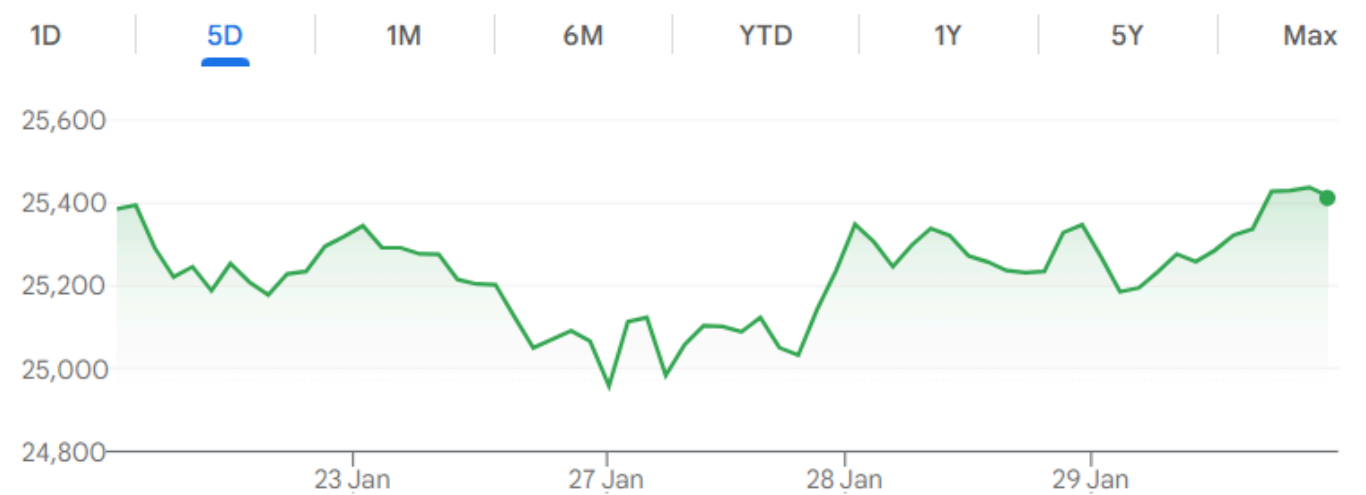
NIFTY 50

INDEXNSE: NIFTY_50 :

25,418.90

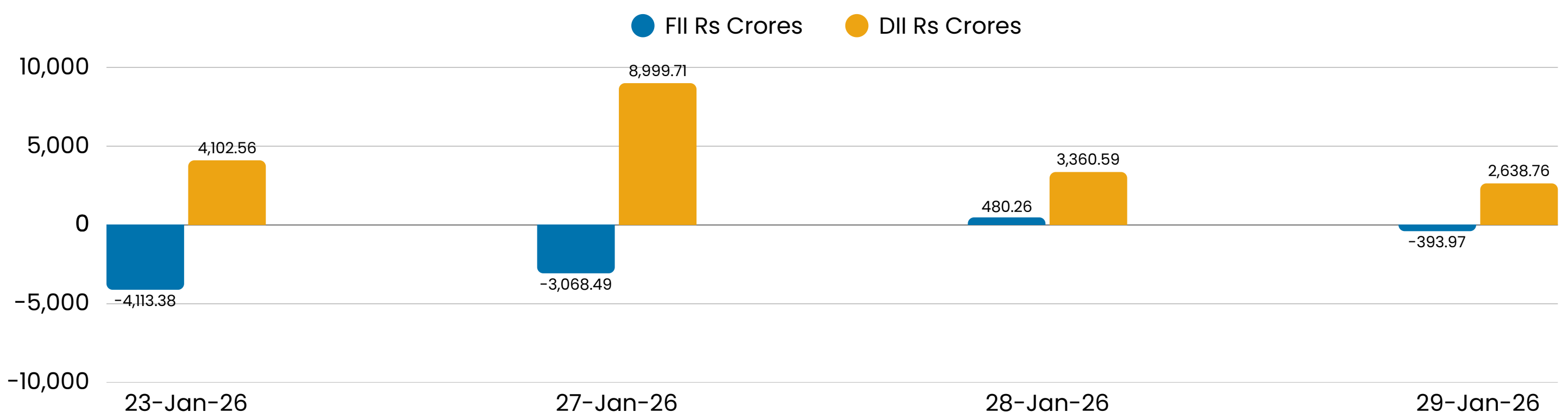
+32.75 (0.13%) ↑ past 5 days

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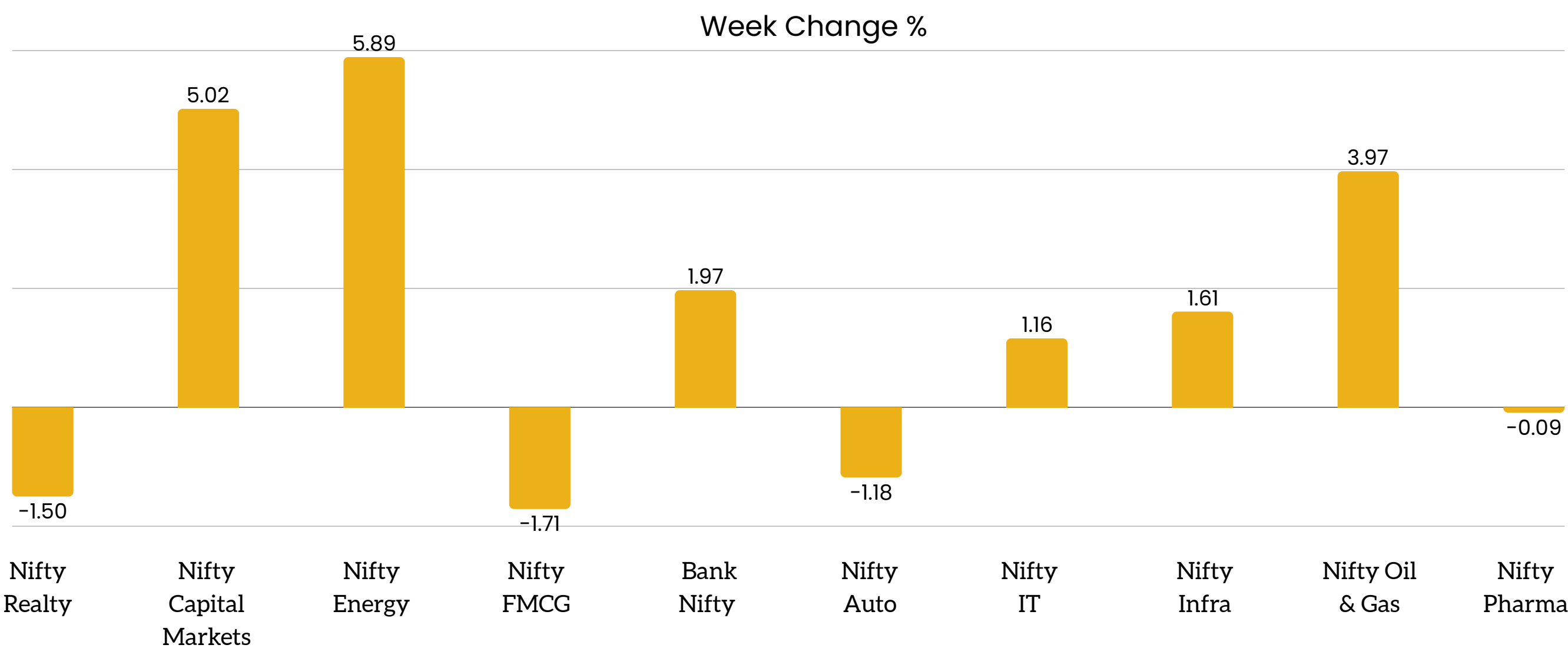
INSTITUTIONAL INVESTMENT TRENDS

- FIIs recorded a net outflow of ₹7,096 crore, indicating continued foreign selling pressure during the period.
- DIIs posted a net inflow of ₹19,102 crore, providing strong domestic support to the equity markets.



SECTORAL HIGHLIGHTS

- Nifty Energy emerged as the top performer with strong weekly gains of around 5.9%, supported by strength in energy and commodity-linked stocks.
- Nifty Capital Markets also outperformed, rising about 5.0% on improved sentiment and expectations of higher market activity.
- Nifty FMCG was the weakest performer, declining nearly 1.7% due to valuation concerns and defensive profit booking.
- Nifty Realty also underperformed, slipping around 1.5% amid sector-specific pressure and subdued demand outlook.



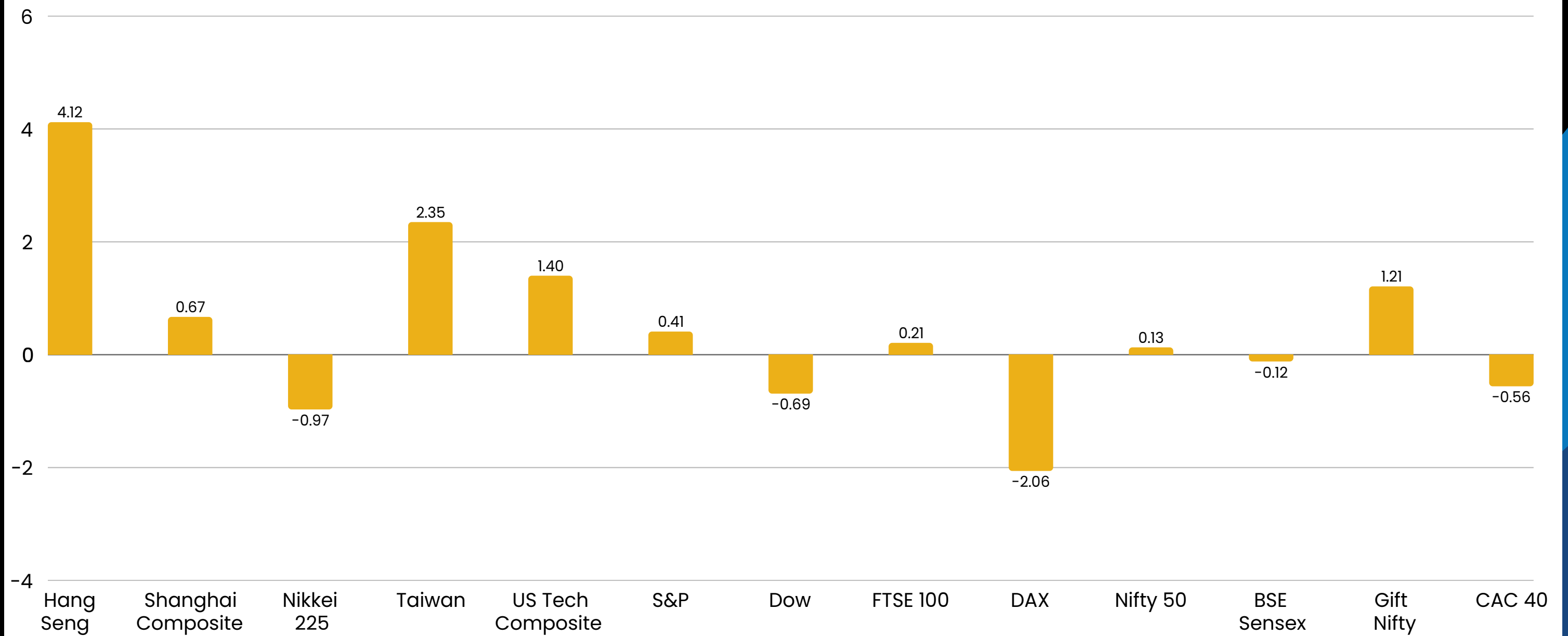
KEY MACRO ECONOMIC DATA (INDIA)

DATA	FREQUENCY	LAST UPDATE	VALUE
INFLATION RATE (CPI)	Monthly	Dec-2025	1.33%
INTEREST RATE	Daily	15- Dec	5.25%
UNEMPLOYMENT RATE	Monthly	Dec-2025	4.80%
GDP	Yearly	2025	\$4.2 Trillion
GDP Annual GROWTH RATE	Quarterly	Sept-2025	8.20%
GDP PER CAPITA	Yearly	2025	\$2880
FISCAL EXPENDITURE	Monthly	Nov-2025	₹ 29,25,910 Crore
10-YEAR GOVERNMENT BOND YIELD	Daily	22 Jan	6.67%

GLOBAL EQUITY MARKET OVERVIEW

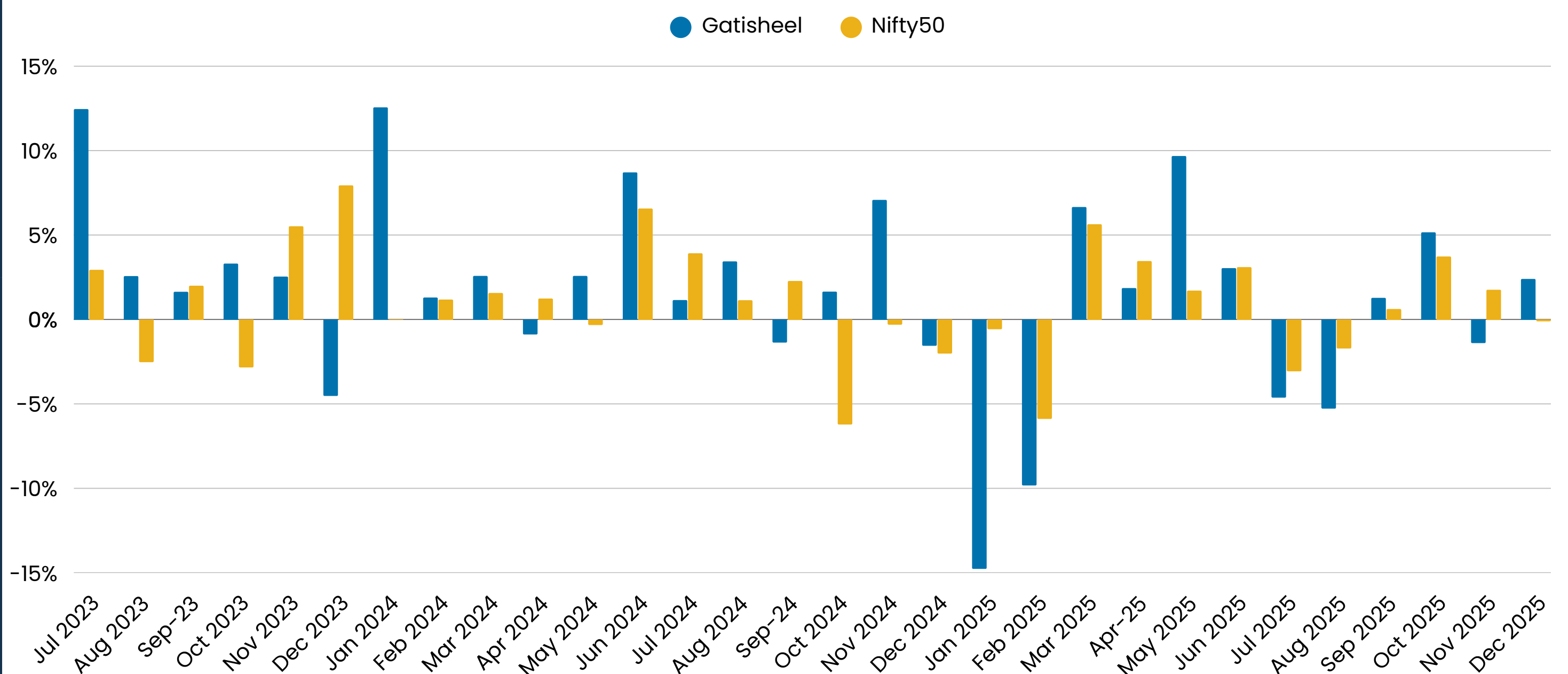
- Hang Seng led global markets with strong gains of about 4.1%, driven by sharp buying interest in Asian equities.
- Taiwan index also outperformed, rising nearly 2.4% on strength in technology and export-oriented stocks.
- DAX was the weakest performer, falling around 2.1% amid European market pressure and risk-off sentiment.
- Nikkei 225 underperformed as well, declining close to 1.0% due to profit booking and yen-related concerns.

Week Change %



PORTFOLIO PERFORMANCE UPDATE

- The Provitt Gatisheel Stock Basket, benchmarked to the Nifty 50, follows a disciplined monthly rebalancing strategy focusing on high-quality, large-cap stocks above ₹1,000 crore.
- The portfolio demonstrates strong potential to outperform the Nifty through active management and selective stock picking, balancing growth with controlled risk.
- Its diversified, agile structure enables quick responses to market shifts, helping investors capture opportunities while managing volatility effectively.



Note - The month-on-month % changes exclude dividends. A 4.10% dividend yield is not included, so total investor returns would be higher than the price changes shown.

BROADER MARKET INDEX

INDICES	WEEK'S CLOSE	WEEK'S CHANGE
NIFTY 50	25289	-1.46%
NIFTY NEXT 50	67592	-1.74%
NIFTY MIDCAP 100	58191	-2.64%
NIFTY SMALL CAP 100	16677	-4.21%
NIFTY LARGE & MID CAP 250	16252	-2.10%

MUTUAL FUND MODEL PORTFOLIO : DECEMBER

(01 Dec 2025 – 01 Jan 2026)

PORTFOLIO	OBJECTIVE	ASSET ALLOCATION	PORTFOLIO AGE	XIRR NOV 2025	XIRR DEC 2025
Portfolio-1	Wealth Creation	94% Equity/ 6% Debt	10 Years 3 Months	20.64%	20.15%
Portfolio-2	Wealth Creation	90% Equity/ 10% Debt	8 Years 3 Months	19.49%	18.74%
Portfolio-3	Education	80% Equity/ 20% Hybrid	8 Years 7 Months	22.61%	22.11%
Portfolio-4	Retirement	100% Equity	5 Years 3 Month	22.56%	22.18%
Portfolio-5	Wealth Creation	93% Equity/ 7% Debt	6 Years 3 Months	23.84%	23.66%

Key Insights

- Strong Long-Term Performance: Strong 18.7%–23.8% XIRR despite short-term market correction.
- Higher equity allocation (90–100%) has consistently driven superior long-term returns, with ~93% equity delivering the highest XIRR.
- Debt and hybrid exposure add stability without hurting returns.
- Longer time in the market (8–10 years) delivers stability and stronger compounding.

Takeaways for Investors

- Stay Invested: Long-term discipline is rewarded more than timing the market.
- Equity Is Essential for Goals: For wealth creation and retirement, equity exposure is non-negotiable.
- Volatility Is Temporary: Short-term fluctuations should not derail long-term plans.
- Goal-Based Investing Works: Aligning asset allocation with objectives leads to better outcomes.
- Compounding Needs Time: The real benefit of investing emerges after 5–7 years

VOICES OF PROVITT

Market Volatility and the "Trump Reversal"

As of early 2026, the global financial landscape remains tethered to the "transactional diplomacy" of the Trump administration. The market narrative this week has been dominated by a dramatic "escalation and retreat" cycle regarding trade tensions with Europe and the administration's unconventional interest in Greenland.

The Greenland Gambit and Market Whiplash

Equities experienced significant turbulence following President Trump's threat to impose 25% tariffs on eight NATO allies unless a deal for Greenland was reached. This sparked a sharp sell-off in early January, driving investors toward safe havens like gold—which neared a record \$4,900 per ounce. However, in a classic display of the "TACO" (Trump Actions: Confrontation and Offer) narrative, the President leveraged a meeting at the World Economic Forum in Davos to walk back the threats. This pivot triggered a relief rally, with the S&P 500 recording its strongest single-day gain in two months on January 21, 2026.

Domestic Policy: Tax Cuts vs. Trade Friction

While geopolitical rhetoric creates short-term noise, the market's underlying floor is supported by the One Big Beautiful Bill Act (OBBBA). By extending 2017 tax cuts and reducing the corporate rate further to 20%, the administration has bolstered corporate earnings. Key market sectors, particularly semiconductors and AI infrastructure, continue to thrive under a deregulatory environment, with companies like Micron and TSMC seeing substantial gains.

The Inflationary Tug-of-War

Despite the equity boom, bond markets remain cautious. The "America First" agenda—characterized by higher tariffs and stricter immigration—is creating a negative supply shock. Economists warn that:

- Core PCE Inflation remains stuck near 2.5%, well above the Federal Reserve's target.
- The Federal Reserve faces political pressure as Chair Jerome Powell's term nears its May 2026 expiration.
- Tariff Revenues are being used to offset a deficit projected to grow by \$3.4 trillion over the next decade.

Investors currently face a "dual-track" market: high-growth potential driven by tax policy, tempered by the persistent risk of sudden, tweet-driven trade disruptions.

— Sunidhi Singh (Probationary Officer)

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