



CROSS-CURRENTS IN MARKETS, CLARITY IN ALLOCATION

Market Data & Macros

MARKET SNAPSHOT

BSE Sensex: 81,287 (-1.19% MoM)
Nifty 50: 25,178 (-0.56% MoM)
Nifty Bank: 60,529 (1.54% MoM)
Nifty Midcap: 59,115 (1.17% MoM)
Nifty Small-Cap: 16,928 (0.29% MoM)
Nifty PE Ratio: 22.03 (-0.05% MoM)

** MoM" an abbreviation for "Month on Month Performance".
 Data as on 28th February, 2026.

Brent Crude: 72.29
Gold (Rs/10 gms): 1,58,460
10-year G-sec yield: 6.68%

Data as on 28th February, 2026



February extended the pattern of global cross-currents influencing equities, commodities, and capital flows. Markets navigated a mix of moderating inflation data in developed economies, recalibrated expectations around the timing of policy rate cuts, and continued capital concentration in artificial intelligence-linked sectors. In the United States, earnings commentary from large-cap technology firms reinforced sustained capital expenditure on AI infrastructure, though investors showed increased sensitivity to margin pressures and forward guidance. Equity indices largely remained range-bound, punctuated by episodes of intraday volatility rather than broad directional momentum.

Emerging markets, including India, continued to experience cautious foreign portfolio positioning. While the sharp outflows seen in January moderated, global capital remained selective amid elevated U.S. bond yields and shifting risk appetite. Currency stability improved marginally compared with the prior month, supported by India's macroeconomic buffers and stable domestic liquidity conditions.

The commodity complex also remained active. Brent crude firmed during February on geopolitical supply concerns and continued production discipline from OPEC+, while gold sustained elevated levels amid central bank buying and macro uncertainty. Industrial metals displayed mixed trends, reflecting uneven global manufacturing signals, particularly from China and Europe. The combination of monetary policy expectations, geopolitical developments and commodity supply dynamics continues to shape cross-asset behaviour.



In The News:

- 1.U.S. inflation stayed above target, delaying Fed easing expectations and keeping global yields elevated.
- 2.NIFTY IT posted its steepest monthly fall since 2008 amid rising AI-related concerns.
- 3.China manufacturing PMI rose to 49.6 but remained below expansion threshold of 50.
- 4.Brent crude traded above USD 71 per barrel, supported by OPEC+ supply discipline.
- 5.Gold stayed near record levels amid geopolitical uncertainty and continued central bank buying.
- 6.Foreign portfolio selling eased from January levels but remained selective and valuation-sensitive.



From Director's Desk

Risk Management Amid Geopolitical Noise

Whenever geopolitical tensions rise, the questions from investors tend to sound familiar.

Should we reduce equity exposure?
Is it safer to move to cash or gold?
Should we wait until things settle?
Will currencies weaken, do we need global exposure now?
What are other investors doing?

After advising HNIs and business families for over two decades, I have learnt that these questions rarely emerge from a lack of knowledge. They emerge from uncertainty and the natural human desire to regain control when outcomes feel unpredictable.

Geopolitical events create urgency, but markets rarely reward urgency. They price information faster than consensus forms and often move contrary to popular expectations. The real risk during such phases is not volatility itself; it is abandoning structure in favour of reaction.

This is where the FAB lens, Framework, Allocation, and Behaviour, becomes essential.

The **framework** asks the foundational question: what is this capital meant to achieve? If your goals, liquidity needs, and time horizon remain unchanged, headlines alone do not justify structural decisions. Without a clear framework, portfolios become vulnerable to every external event.

Allocation is your first line of defence. Asset allocation, not forecasting, drives long-term outcomes. Diversification across asset classes and geographies exists precisely for periods of uncertainty. Rebalancing during volatility is not reactive; it is disciplined risk management.

Behaviour remains the most underestimated risk. Fear during uncertainty and confidence during calm markets often lead to the same mistake: acting at the wrong time. A portfolio that looks appropriate on paper must also align with the investor's temperament; otherwise, discipline breaks when it is needed most.

Uncertainty will persist. Speculation will continue. Narratives will change. Markets will continue to surprise both optimists and pessimists alike. Our role is not to predict every geopolitical turn. It is to ensure that portfolios are structurally sound, allocation-driven, and behaviourally aligned. If there is one action worth taking now, it is not reacting to headlines but revisiting your portfolio through the FAB lens.

The objective is simple: build a structure strong enough to ensure that headlines no longer dictate decisions, because clarity in structure reduces anxiety in uncertainty.