



CORRECTIONS TEST PATIENCE, NOT PLANS

Market Data & Macros

MARKET SNAPSHOT

BSE Sensex: 72,480 (-5.82% MoM)
Nifty 50: 22,620 (-6.06% MoM)
Nifty Bank: 54,633 (-5.85% MoM)
Nifty Midcap: 59,332 (-7.62% MoM)
Nifty Small-Cap: 19,245 (-3.44% MoM)
Nifty PE Ratio: 19.36

*"MoM" an abbreviation for "Month on Month Performance".
 Data as on 30th September, 2026.

Brent Crude: 97.74
Gold (Rs/10 gms): 1,47,076
10-year G-sec yield: 7.15%

Data as on 30th September, 2026.



September was a month in which the optimism of August gave way to a more defensive tone. Higher crude prices, fresh U.S. rate action and renewed foreign selling weighed on Indian equities, even as domestic economic data held up.

Global sentiment turned cautious after the U.S. Federal Reserve raised rates on 16 September, its first increase since 2023, saying inflation remains elevated. Bond markets took it harder than equities, with the U.S. 10-year yield touching 5.3%, its highest in over two decades. Wall Street held up better, with AI-led technology stocks supporting the Nasdaq even as the broader market ended the month marginally lower. Oil remained the swing factor, with Middle East supplies recovering towards pre-war levels while U.S.-Iran talks stayed unresolved.

Indian equities were not spared. Rising global yields and foreign selling hit the broader market hardest, with mid-caps correcting more sharply than large-caps and small-caps holding up relatively better, though the correction also pulled valuations lower. Domestic investors provided a counterweight, with SIP contributions at a record in August and equity mutual funds continuing to see net inflows, a reminder that domestic flows stay steady even when foreign money leaves

FPIs, who had bought approximately ₹20,200 crore in July and ₹29,630 crore in August, turned net sellers again, with ~₹17,131 crore of net outflows in September so far. IPOs still drew foreign money, with ~₹8,551 crore invested in the primary market even as exchange selling continued. Retail inflation rose to an eight-month high of 4.82% in August, ahead of the RBI's policy review on 5–7 October. Gold slipped about 5% to ~₹1,47,076 per 10 grams after its strong August (MCX).

September showed once again how quickly sentiment can turn, with oil, inflation and interest rates back at the centre. In such phases, adhering to a defined asset allocation and reviewing portfolios at planned intervals can be more valuable than reacting to each new headline. It also helps to ask how much risk a portfolio still needs to take. That is a question Tarun picks up in the note that follows.



In The News:

1. The U.S. signed the Sanctioning Russia and Iran Act on 18 September, authorising tariffs of up to 100% on major buyers of Russian oil, and India raised its concerns with the U.S. Secretary of State on 23 September.
2. India's GDP grew 7.8% in April–June, ahead of the RBI's 7% estimate.
3. Wholesale inflation stayed near 10% at 9.92% in August, with fuel and power prices up 22.93% Y-o-Y.
4. The EPFO wage ceiling was raised from ₹15,000 to ₹25,000 a month from 17 September, its first revision since 2014, bringing over 51 lakh more employees under mandatory cover.
5. Gross GST collections stayed strong at ₹1.99 lakh crore in August, up 14.8%.



From Director's Desk

The market is asking for a reaction.
Your plan is asking for a review.

September was the Nifty 50's weakest September since 2018, and the index now sits about 14% below its November 2025 peak. Falls like this test patience more than they test portfolios. The urge to do something, anything, is strongest exactly when it is least useful.

Market history offers several earlier corrections, each set off by a different headline: the euro debt crisis in 2011, China's devaluation in 2016, the IL&FS default in 2018 and FII selling in early 2025. None felt comfortable at the time.

Selected corrections in the Nifty 50

Episode	Trigger	That month	Further dip (next 12M)	12M later	36M later
Aug 2011	Euro debt crisis, US credit downgrade	-8.8%	-8%	+5%	+60%
Feb 2016	China devaluation, global growth scare	-7.6%	None	+28%	+59%
Sep 2018	IL&FS default, NBFC liquidity scare	-6.4%	-5%	+6%	+65%
Feb 2025	FII exodus, earnings downgrades	-5.8%	None	+15%	—
Sep 2026 (today)	Crude, US yields, sustained FII selling	-6.1%	?	?	?

Some fell further before turning, and recoveries took anywhere from several months to just over two years. In each of these, the market was higher a year later. The table below sets them beside today.

This is not a forecast, and history offers no guarantees. What it offers is perspective: volatility is the price of long-term equity returns, not a sign that the plan has failed.

So instead of asking "**What will the market do next?**", ask three questions that are yours to answer:

- **Has my goal changed?**
 - If the purpose and timeline of the money are the same, the plan built for it deserves patience.
- **Is this within the risk I agreed to?**
 - Falls of this size are part of long-term equity investing. If a fall feels harder to bear than you expected, that is worth reflecting on. It is often a prompt to revisit your allocation calmly, not a reason to respond to the headlines.
- **Is my allocation still on track?**
 - Markets rarely announce their lows. That is why a disciplined, gradual approach to asset allocation is generally considered more sensible than trying to time them.

Keep your SIPs running. When prices fall, the same instalment buys more units. The market will keep supplying noise. Our job is to make sure your decisions come from your goals and not from the news cycle.

Sources: NSE Indices (Nifty 50 closing values, 31 Aug and 30 Sep 2026). Episode returns: Morningstar, monthly total returns of the UTI Nifty 50 Index Fund (Regular, Growth), Jan 2005 to Sep 2026, used as a proxy for the Nifty 50 TRI. September 2026 context: market reports dated 30 Sep to 1 Oct 2026.

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