



Monthly Snapshot

September 2026

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The Bond Market Revolt

September's real story wasn't the equity selloff, it was what caused it. The 10-year Treasury yield rocketed to 5.33%, levels last seen in 2007, while the 30-year touched 5.68%, a height unseen since 2004. Stocks and bonds fell together, a pairing that breaks the usual playbook, because Treasuries yielding above 5% now compete directly with equities for capital, reshaping the risk-reward equation across global portfolios.

The proximate trigger traces back to West Asia: a military conflict that refused to de-escalate kept energy prices elevated for months, and oil is an inflation story long before it is a geopolitical one.

September's ISM manufacturing survey confirmed it, with the prices-paid index jumping 6.8 points to 77.9, the clearest signal yet that cost pressures are feeding straight into consumer prices. Markets responded by pricing a 90% probability of a Fed hike by year-end, not a cut. A weak five-year Treasury auction mid-month only hardened those odds, as investors demanded more compensation to hold duration. What began as a regional conflict has become a referendum on how much the world is willing to lend the US government for thirty years at a fixed rate.

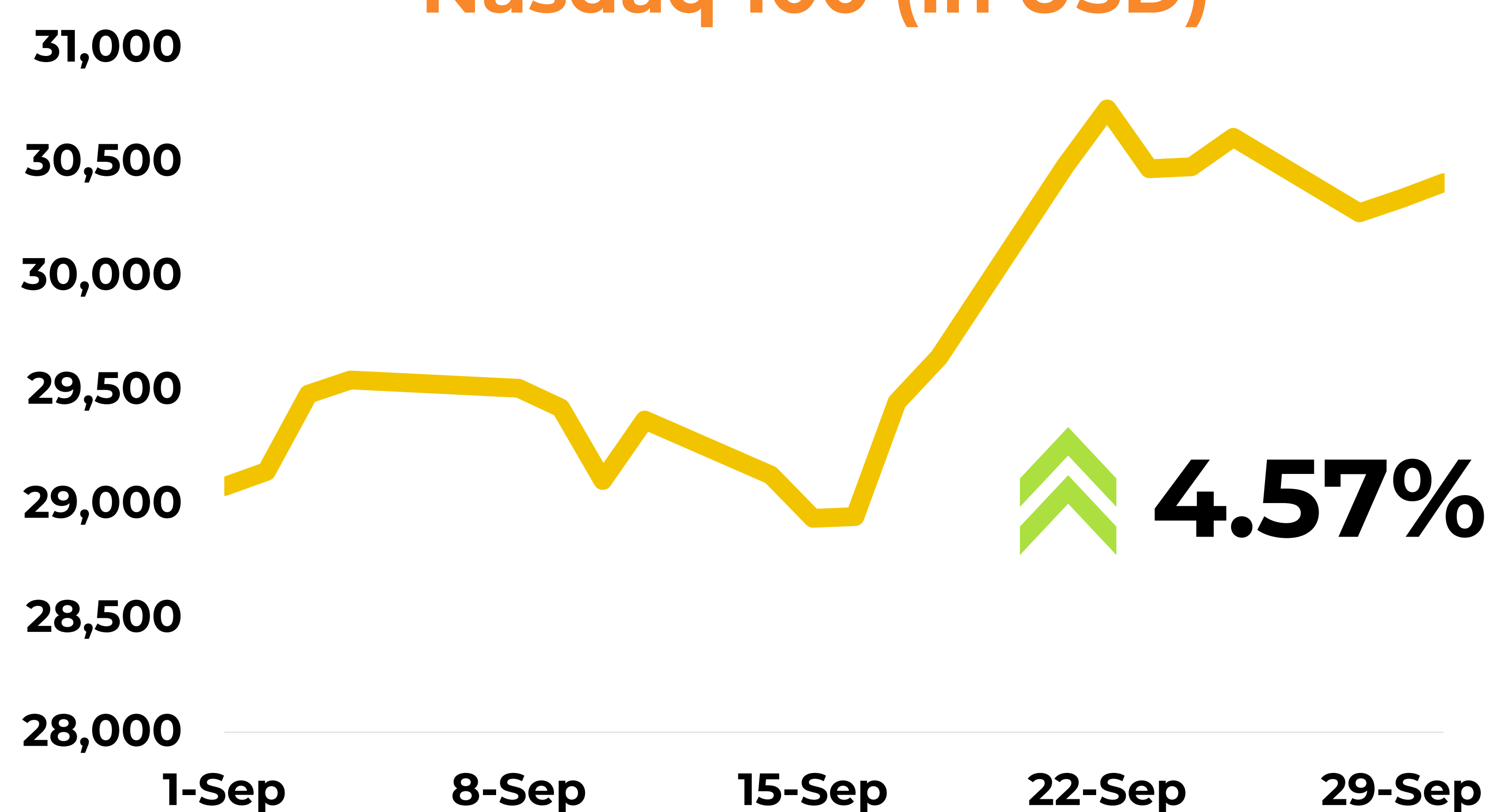


Why the Term Premium Is the Real Signal

Strip away the daily headlines and one number tells the whole story: the term premium, the extra yield investors demand to hold long bonds instead of rolling over short ones, has surged back above 1%, a level not sustained in over a decade. For most of the post-2008 era, central bank bond-buying suppressed this premium artificially, a phenomenon economists call financial repression, where savers were quietly taxed through below-market yields to keep governments' borrowing costs low. That era appears over. Record US fiscal deficits, data-center-driven corporate borrowing competing for the same capital, and a Fed now hiking rather than cutting have converged to demand a genuine risk premium again. Corporate profits are growing at 28.9% annually, nearly four times the historical average, so this isn't a recession story, it's a crowding-out story, where government and private borrowers increasingly fight over the same pool of global savings. For every asset class, from mortgages to emerging-market debt to equity valuations, the message is identical: the multi-decade tailwind of falling discount rates has reversed, and markets must now reprice every future cash flow against a genuinely higher cost of money.

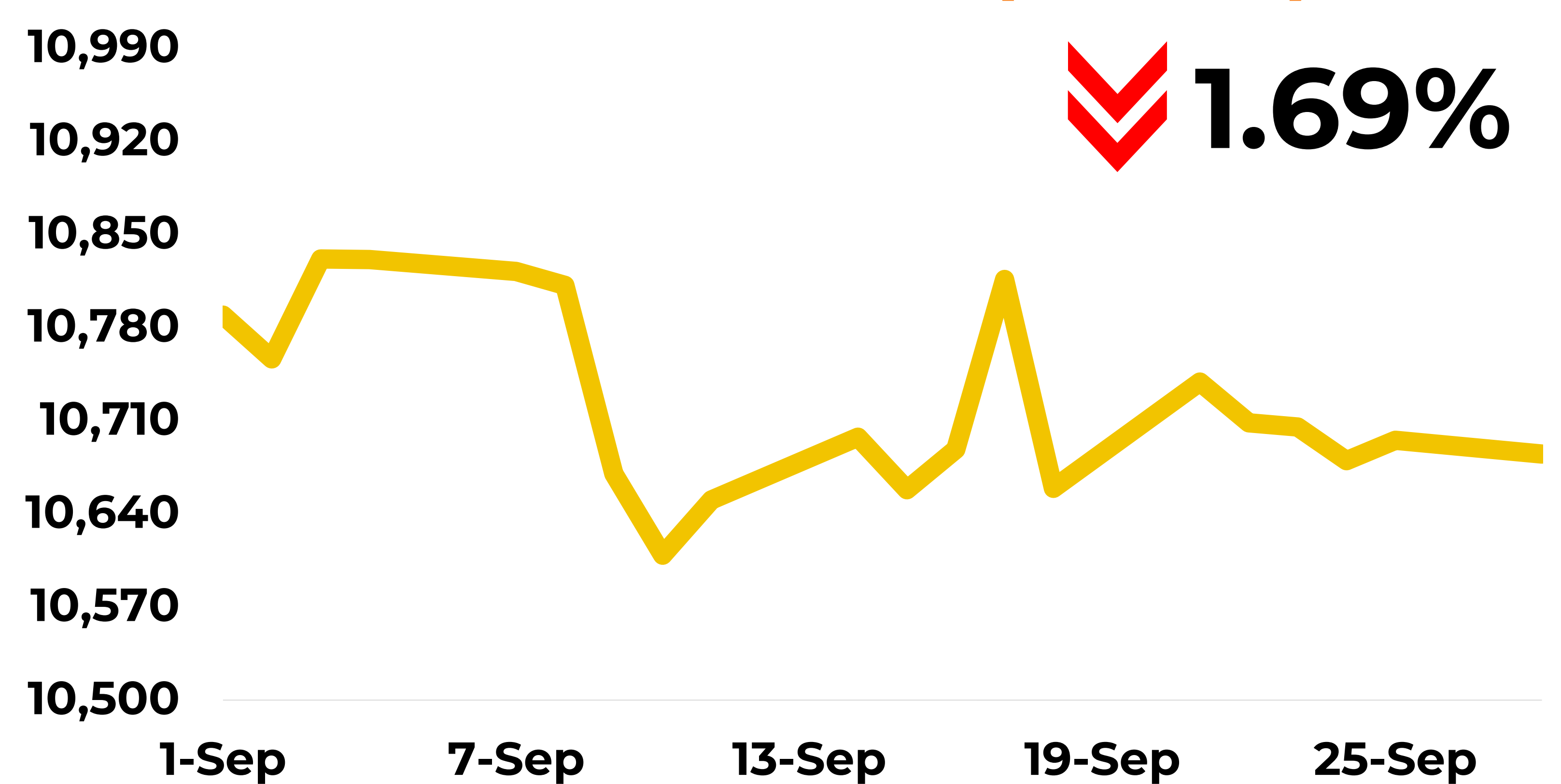
GLOBAL INDICES

Nasdaq 100 (in USD)



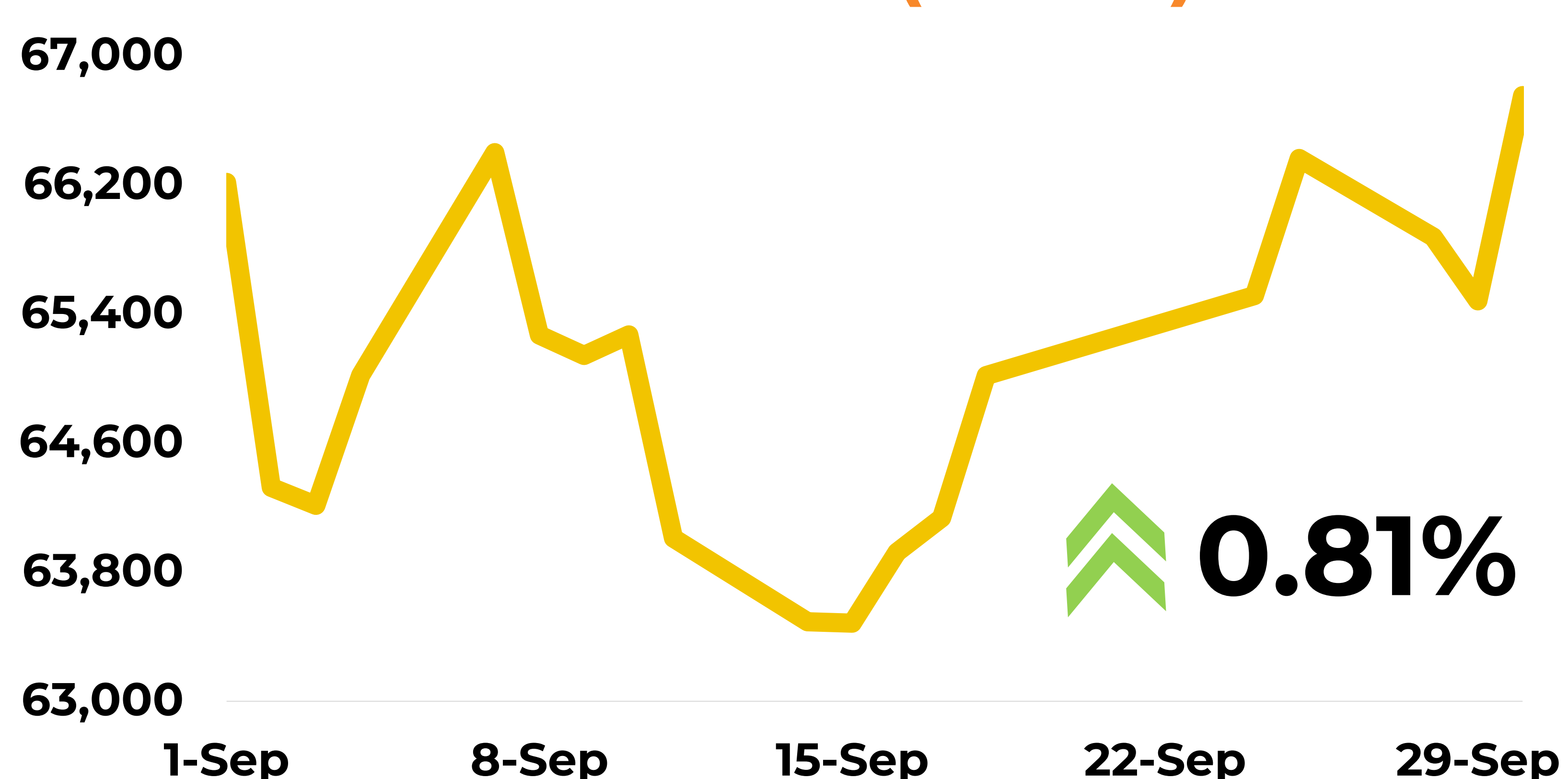
The Nasdaq 100 was the only major US benchmark to finish September higher, driven by continued strength in AI-linked semiconductor and mega-cap technology stocks. The rally held despite warnings over leverage in AI financing, reports of delayed model training, and surging Treasury yields. Cash-rich technology leaders proved more resilient than rate-sensitive companies, helping the index extend its relative outperformance against the broader US market.

FTSE100 Index (in GBP)



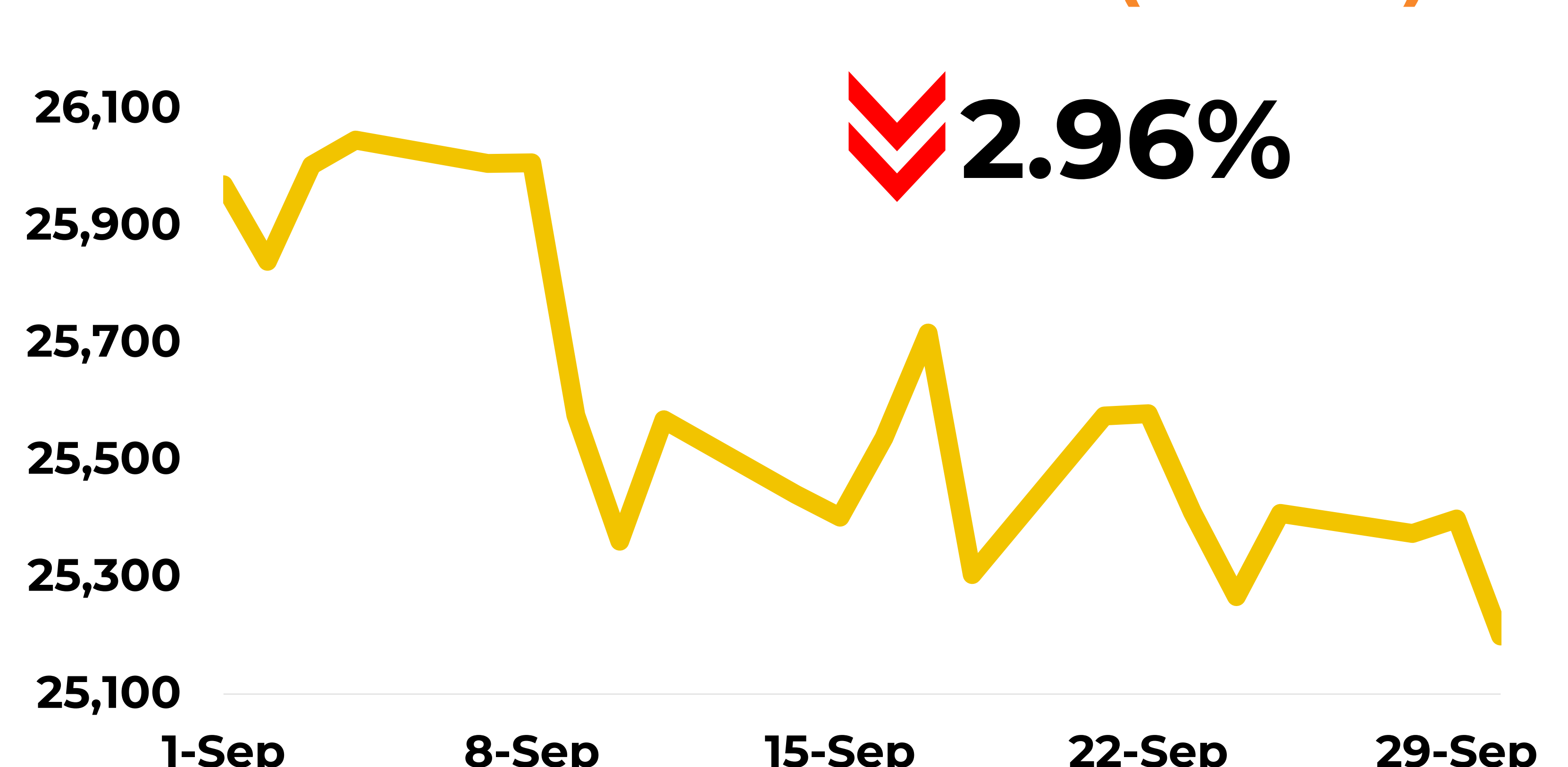
The FTSE 100 recorded its sharpest monthly decline in months as rising oil prices, higher gilt yields, and renewed inflation concerns pressured UK equities. Banks, pharmaceuticals, and telecom stocks lagged, while utilities and select consumer names provided some support. Stronger UK growth data offered limited relief, but expectations of prolonged higher borrowing costs ultimately pushed the index to a net September loss, despite pockets of sector-level resilience across the broader market.

Nikkei225 (in JPY)



The Nikkei 225 remained resilient in September despite a Bank of Japan rate hike and a sharp rise in government bond yields. A weaker yen supported exporters and chip stocks, while banks benefited from improved lending-margin prospects. After a brief pullback around a market holiday, the index recovered quickly, with AI-linked shares and financial stocks helping Japan extend its strong multi-month equity uptrend into the new quarter, despite elevated global bond-market volatility.

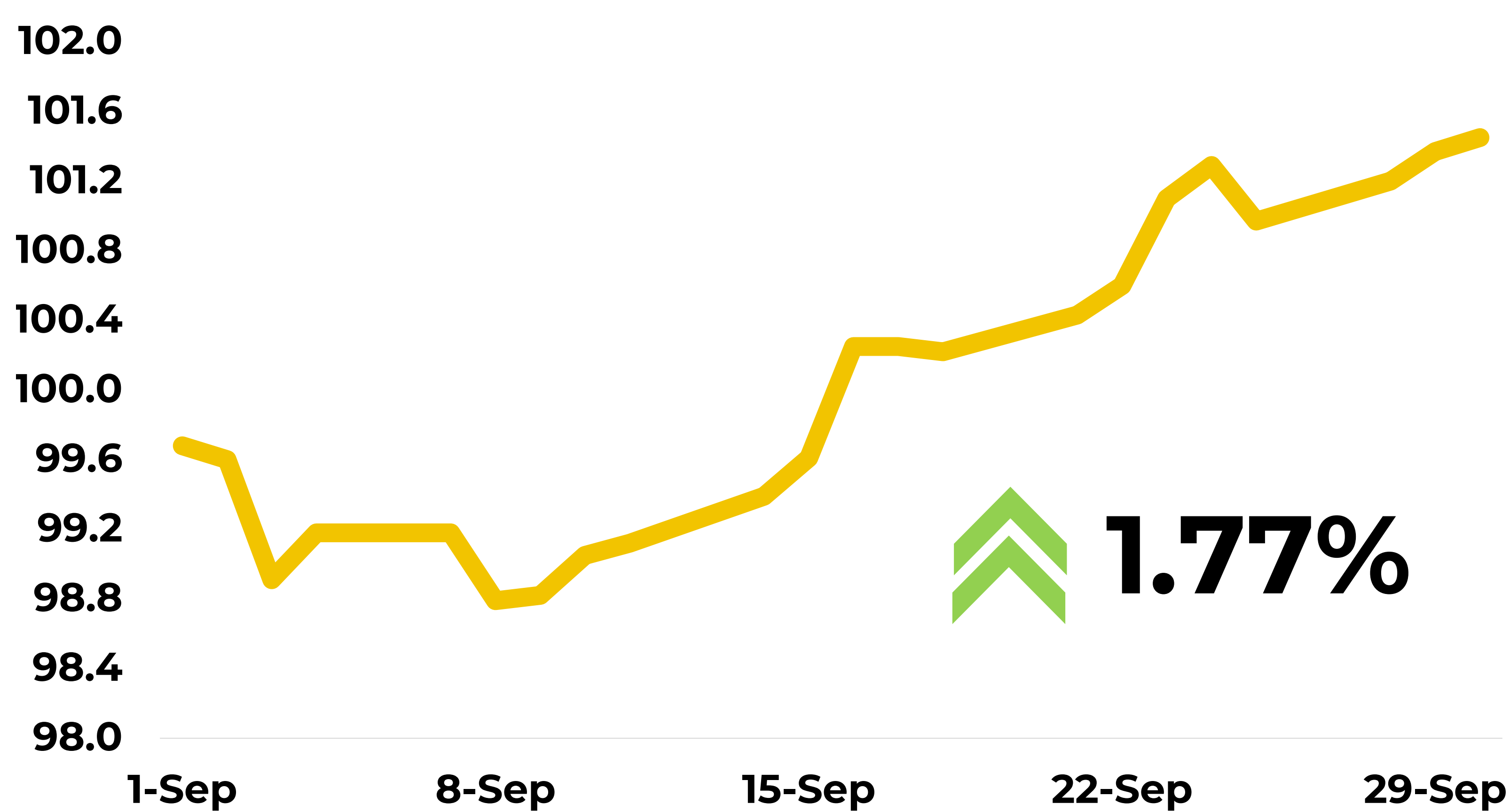
DAX Performance Index (in EUR)



The DAX declined in September, ending a long run of monthly gains as rising global bond yields and higher oil prices revived inflation concerns. Rate-sensitive and cyclical sectors came under pressure, while resource-linked stocks offered partial support. Despite the setback, resilient corporate earnings, infrastructure and defence spending, and relatively attractive valuations continued supporting the broader structural case for German equities over the longer term.

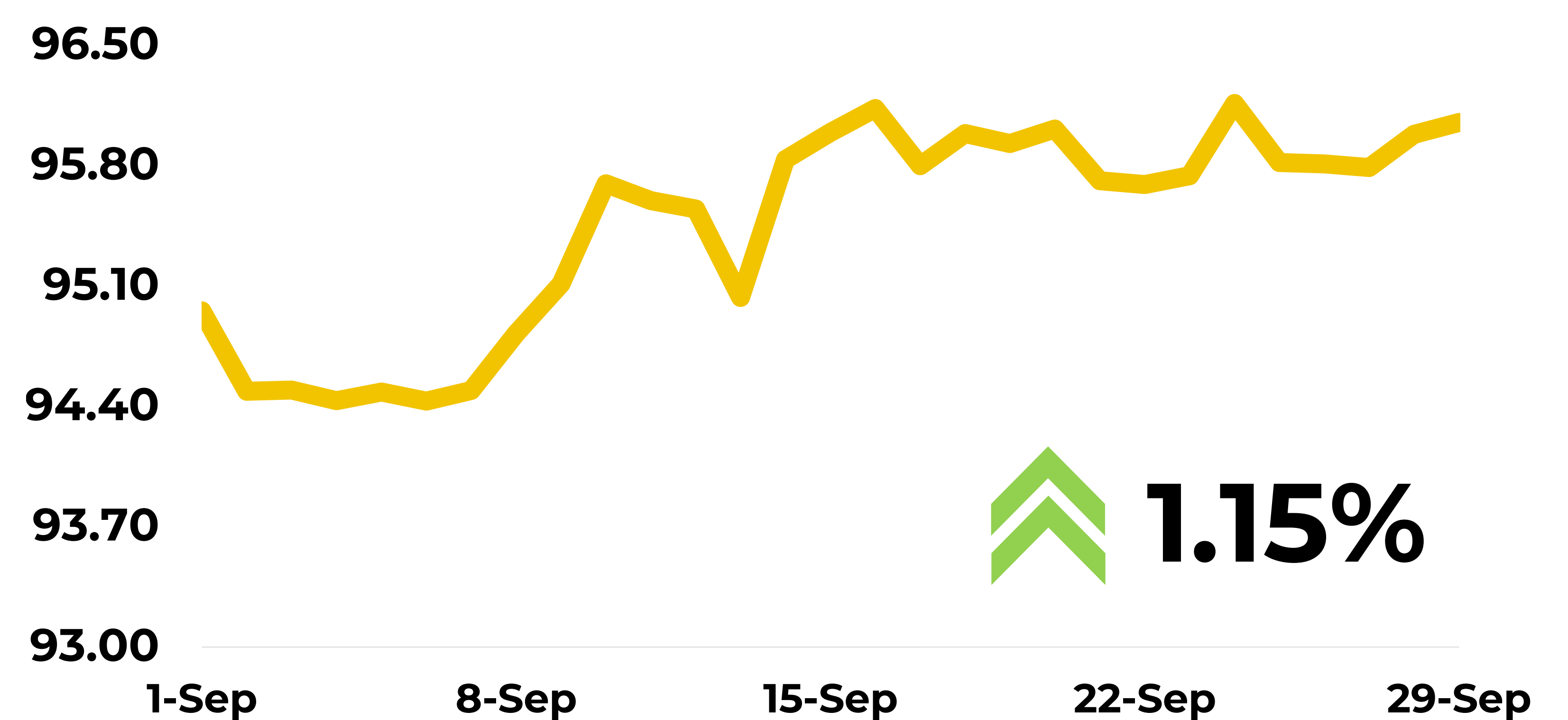
CURRENCY

US Dollar Index (DXY)



The US Dollar Index posted one of its strongest monthly gains in several months during September, climbing to a fresh two-month high. The move was driven by escalating US-Iran tensions, which lifted oil prices, reinforced inflation concerns, and increased expectations of another Federal Reserve rate hike. Stronger US business activity and rising long-term Treasury yields added further support. The dollar advanced broadly against major global currencies, benefiting from both higher yield appeal and safe-haven demand. It ended September firmly higher, reflecting a sharp shift in geopolitical and monetary-policy expectations overall.

USD/INR Currency Pair

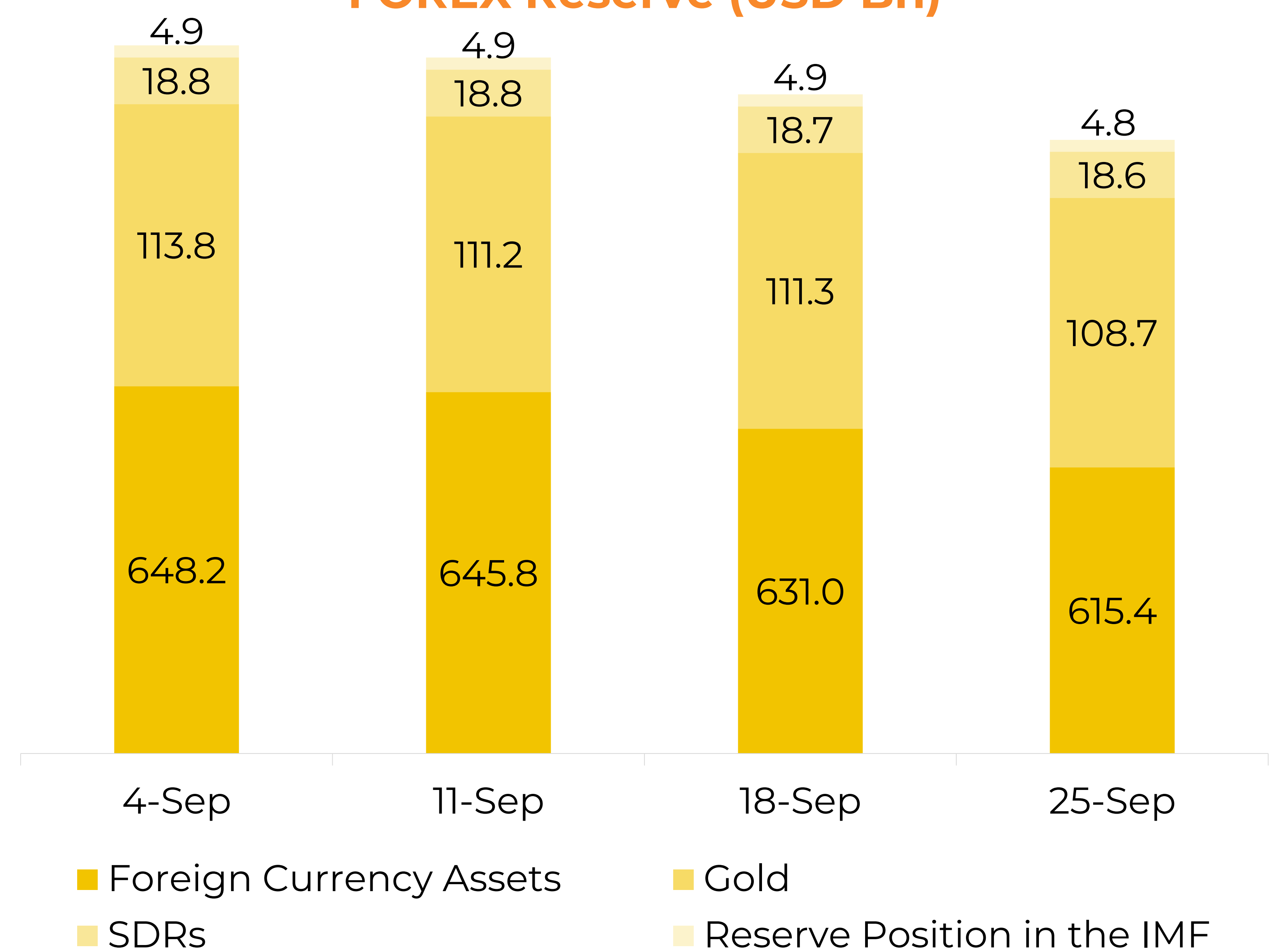


The rupee remained under sustained pressure through September, falling to a fresh two-month low as several external headwinds intensified. Higher crude oil prices linked to US-Iran tensions increased India's import bill and boosted domestic dollar demand, while foreign portfolio investors sold Indian equities and debt amid elevated US Treasury yields and a stronger dollar. The Reserve Bank of India intervened repeatedly through state-run banks to limit excessive volatility and slow depreciation. These measures offered temporary support, but the rupee still ended the month meaningfully weaker, extending its broader depreciating trend against the US dollar.

India's Forex Reserve

India's foreign exchange reserves declined sharply in September, marking their steepest drawdown in roughly two years as the RBI increased dollar sales to support the rupee. Reserves entered the month near record levels, providing a strong buffer, but rising oil-import costs and sustained foreign portfolio outflows required heavier intervention. Weekly declines accelerated toward month-end as US-Iran tensions lifted crude prices and weakened global risk sentiment. Despite the sizeable reduction, India's reserves remained comfortable by historical and import-cover standards, leaving the RBI with sufficient capacity to continue managing excessive currency volatility if required.

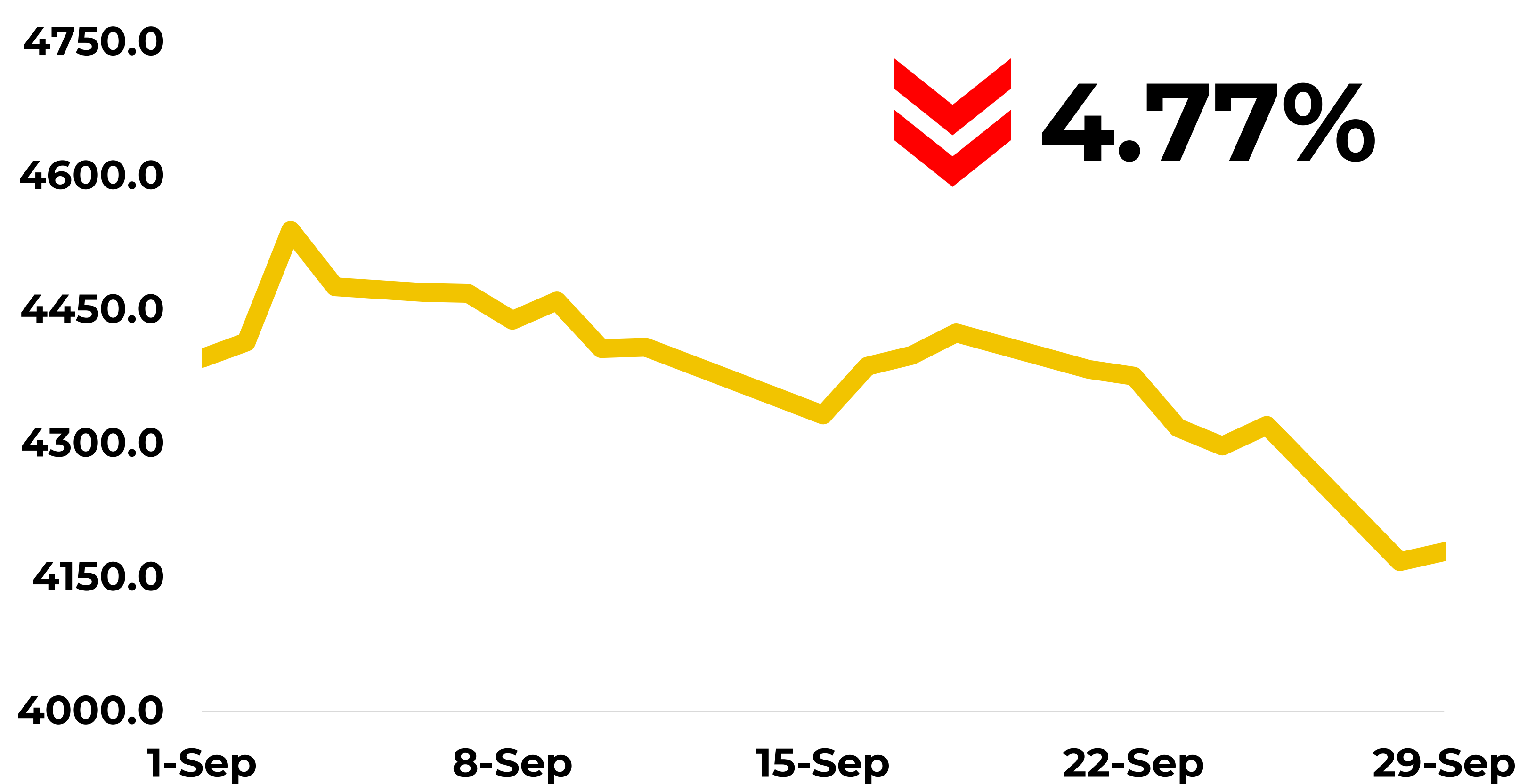
FOREX Reserve (USD Bn)



Source: Investing.com

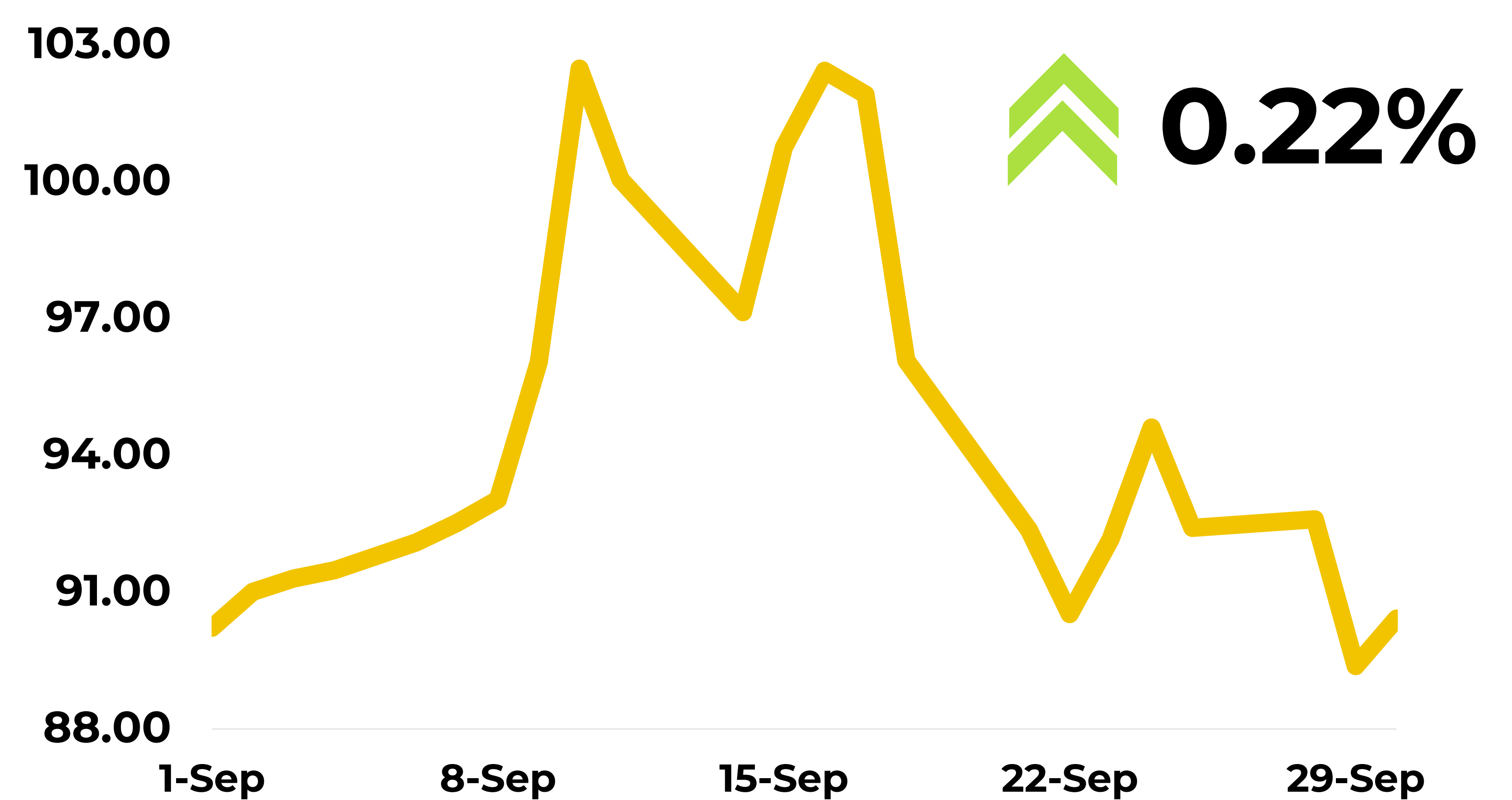
COMMODITIES

Gold Futures Price (in \$)



Gold extended its corrective phase in September after the strong rally earlier in the year. A hawkish Federal Reserve backdrop lifted rate-hike expectations, strengthened the dollar, and pushed real yields higher, increasing the opportunity cost of holding bullion. Profit-taking after earlier record gains added pressure, while occasional portfolio de-risking also weighed on prices. Safe-haven demand provided intermittent support during periods of US-Iran tension, and central-bank buying continued to underpin the longer-term outlook. A late-month rebound followed softer US data and renewed hopes that Fed tightening could be nearing its limit, but gold still ended September lower overall for the month.

Crude Oil Futures Price (in \$)



Crude oil was among the most volatile commodities in September as the US-Iran conflict intensified. Prices surged early in the month after direct military exchanges revived fears of disruption to tanker traffic through the Strait of Hormuz, a crucial global energy chokepoint. Mid-month reports of negotiations over a phased reopening briefly pulled prices lower as markets priced in de-escalation. That optimism faded after proposals were rejected and tensions escalated again toward month-end. Persistent supply-risk concerns also fed into global inflation expectations and rising bond yields. With the conflict unresolved, crude oil closed September meaningfully higher overall.

Rhodium's Precious Squeeze

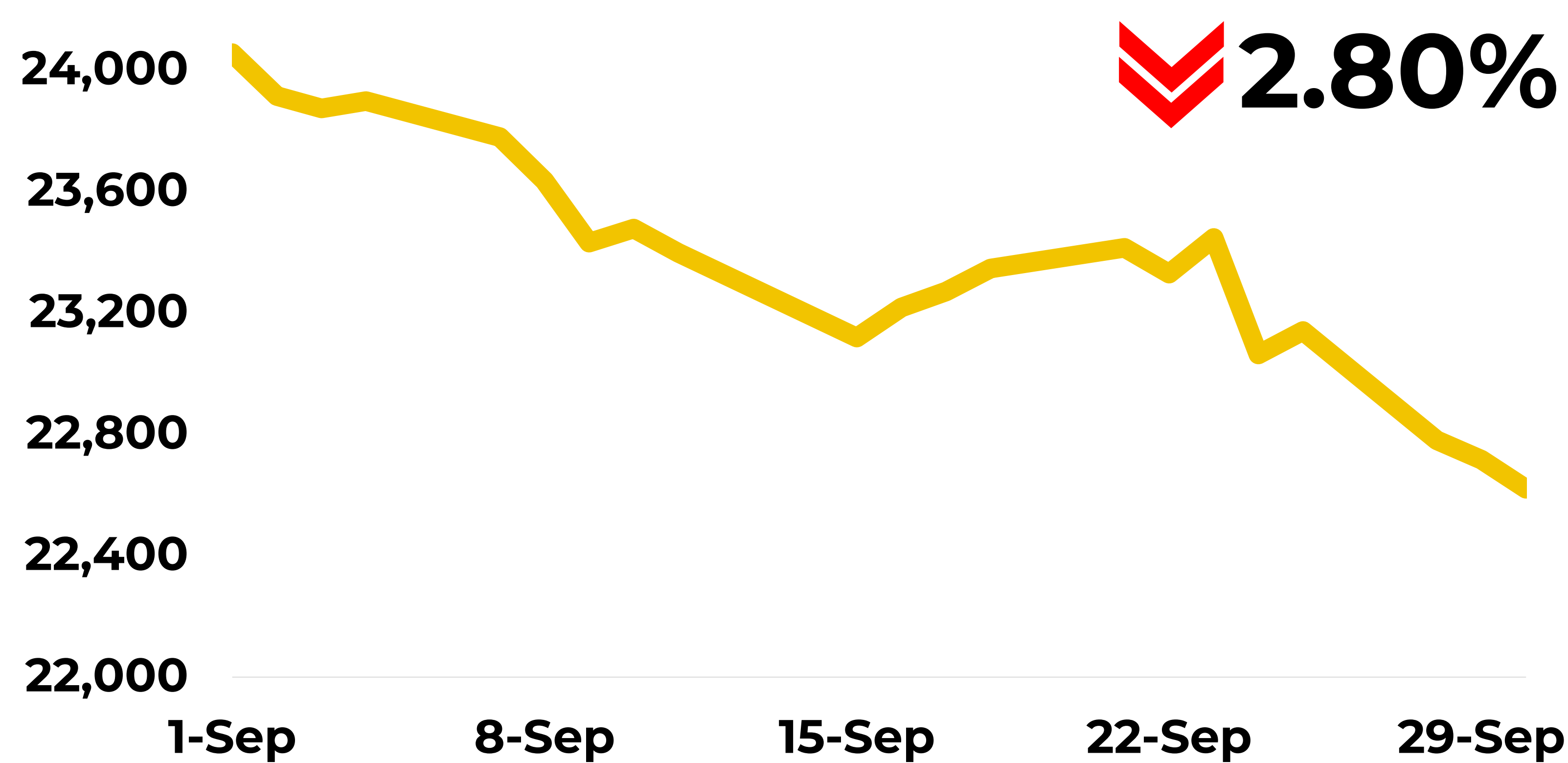
Rhodium is the world's most expensive precious metal, and nobody mines it on purpose. It surfaces only as a byproduct of platinum refining, with South Africa's Bushveld Complex supplying over 70% of global output, leaving the market exposed to regional disruptions and labour unrest. Over 80% of demand comes from catalytic converters, where rhodium's efficiency at converting nitrogen oxide emissions has no viable substitute. Prices surged past \$11,000/oz in 2026, more than doubling from 2024 lows, as stricter emission standards pushed automakers to use more rhodium even as EV adoption was expected to shrink demand. South Africa's new anti-theft export rules have tightened supply just as converter theft turned profitable again. With recycling supplying roughly 30% of output and mine production flat, rhodium remains the platinum group's most volatile member, where geology and policy collide in an exceptionally small market.



Source: Trading Economics

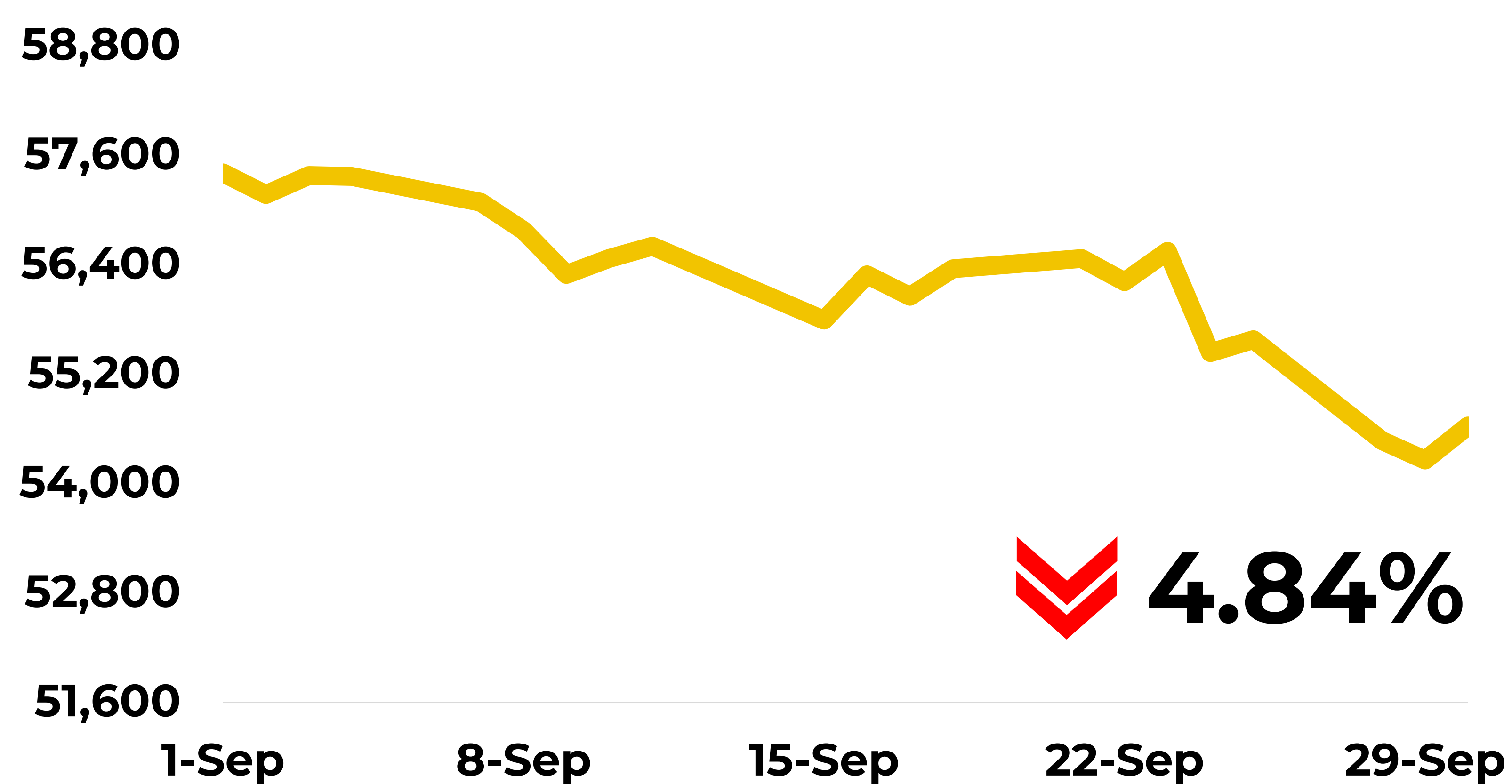
INDIAN INDICES

NIFTY 50



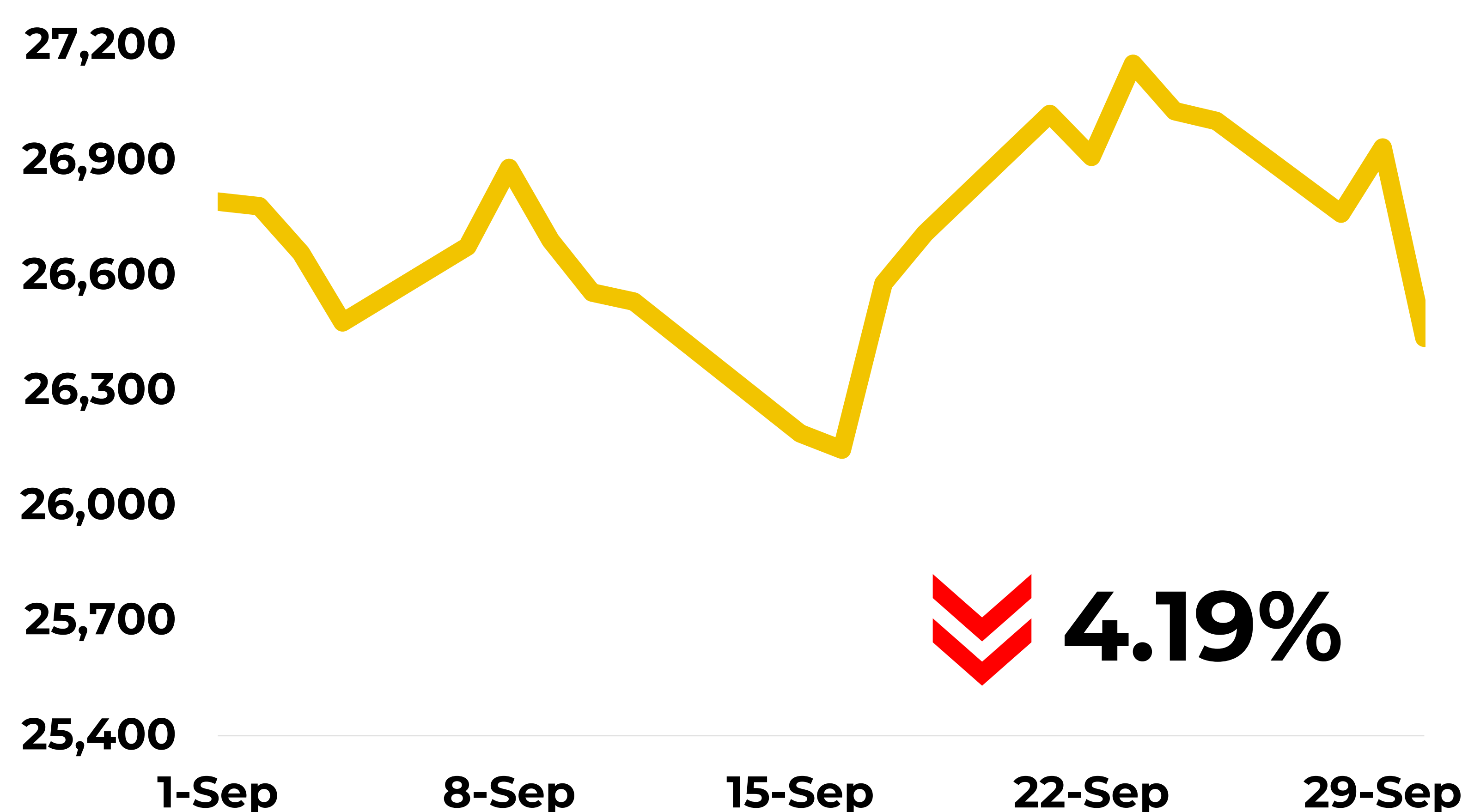
The Nifty 50 posted its weakest September in nearly a decade. Global cross-currents drove the fall: US bond yields hit near 2-decade highs as the Fed signalled more hikes, a stronger dollar pulled capital from emerging markets, and crude spiked on US-Iran tensions around Hormuz. Reports of an AI developer pausing advanced-model training revived AI-spending doubts. Broad selling broke key supports, and a brief month-end bounce couldn't prevent a firmly negative close.

NIFTY Bank



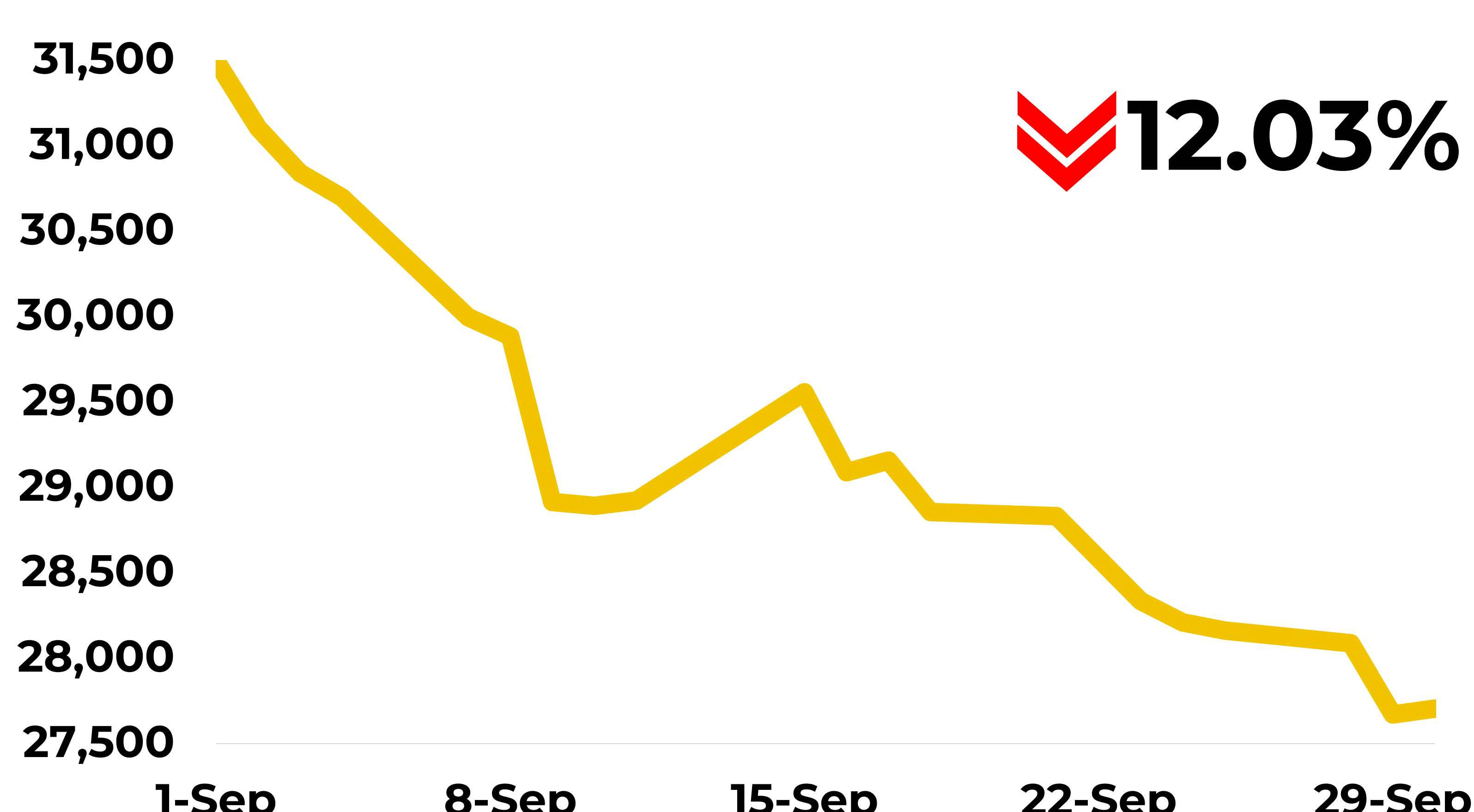
Banks had a 2-sided September. An early RBI liquidity infusion eased rupee funding and lifted private lenders as markets wobbled. Strength faded after a proposal to cap insurance-distribution commissions hit financial-services names, including bank-linked distributors. Fundamentals held, with robust credit growth and stable asset quality, though a widening credit-deposit gap raised margin concerns. High global yields added pressure, and safe-haven rotation couldn't prevent a monthly decline.

NIFTY Pharma



Pharma was among September's more resilient sectors but was not completely immune to the broader selloff. A mid-month multi-session losing streak hit even defensives amid spreading risk-off sentiment. The final week brought relief when the US exempted several Indian specialty and generic drugs from tariffs, easing an earlier directive imposing steep duties on certain patented drugs and ingredients. A sharp rally followed; the sector ended with only a moderate decline, though US trade-policy risk still lingers.

NIFTY IT



IT was September's standout underperformer, falling nearly twice as much as the market. Slowing global growth and high rates led clients to delay discretionary tech spending, hurting revenue visibility. Generative AI disrupted effort-based billing, squeezing near-term revenue despite long-term promise. Reports of a major AI developer pausing advanced-model training deepened doubts over AI capex. Several stocks hit 52-week lows ahead of earnings, with brokerages flagging a 4th consecutive year of subdued growth.

Source: Investing.com

EQUITIES

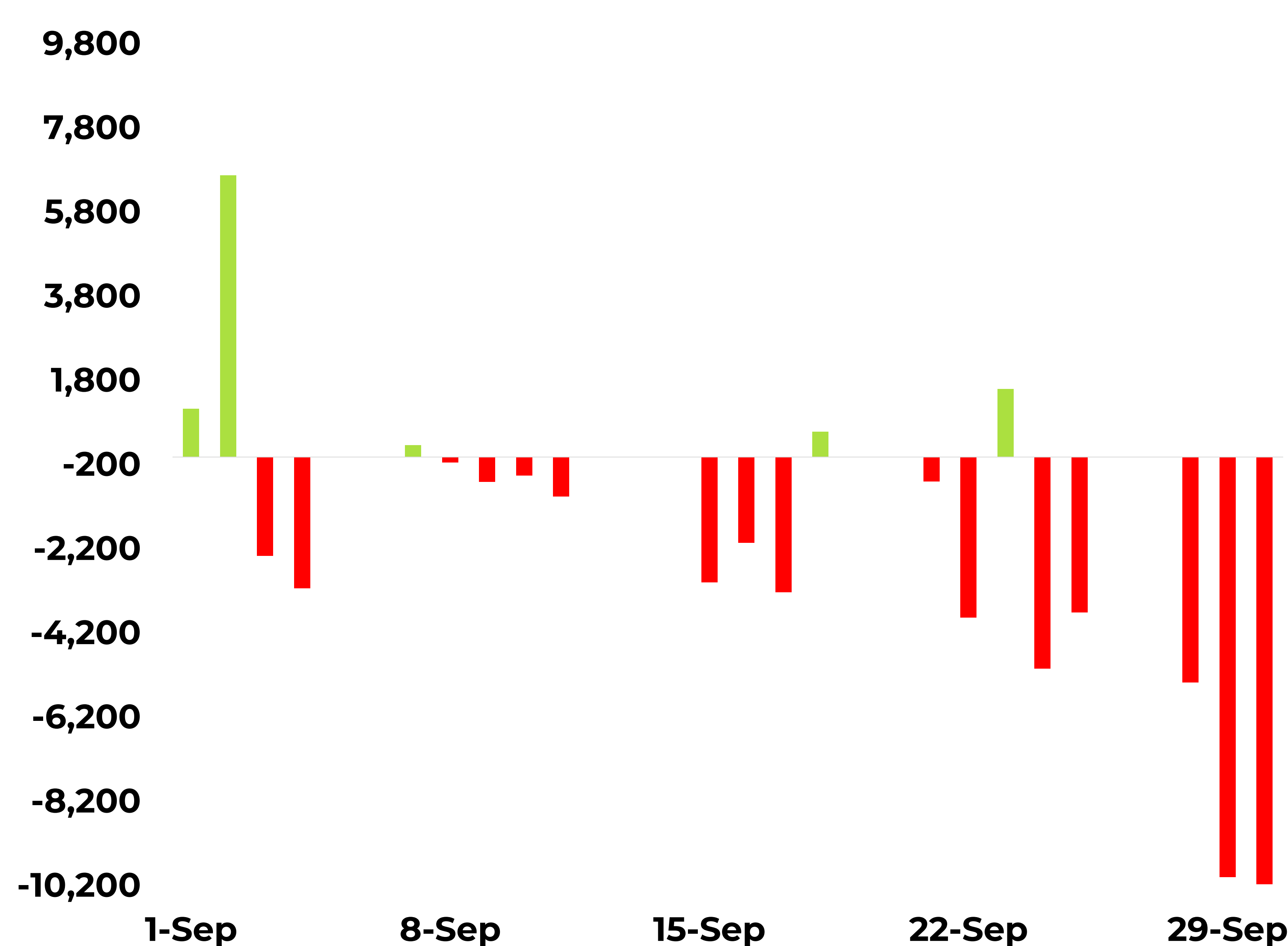
Top Gainers | NIFTY50 | September'26

Company Name	Change (%)
Adani Ports and SEZ Ltd.	9.15
Coal India Ltd.	5.83
Dr. Reddy's Laboratories Ltd.	5.29
Divi's Laboratories Ltd.	1.38
Adani Enterprises Ltd.	1.38

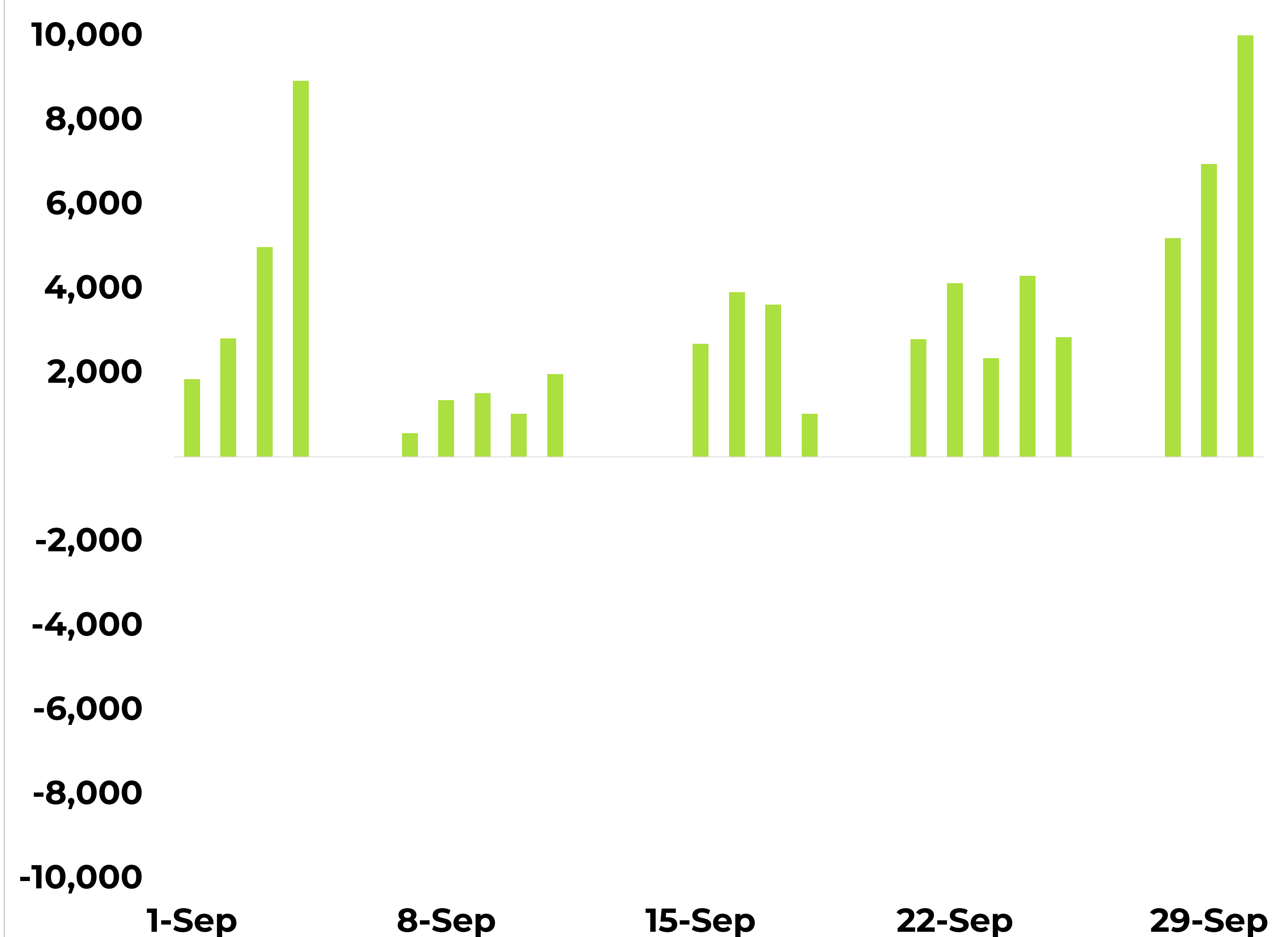
Top Losers | NIFTY50 | September'26

Company Name	Change (%)
Infosys Ltd.	-14.01
Tata Consultancy Services Ltd.	-13.44
Wipro Ltd.	-12.77
Bajaj Finserv Ltd.	-12.22
Bajaj Auto Ltd.	-12.03

FII Net Investment

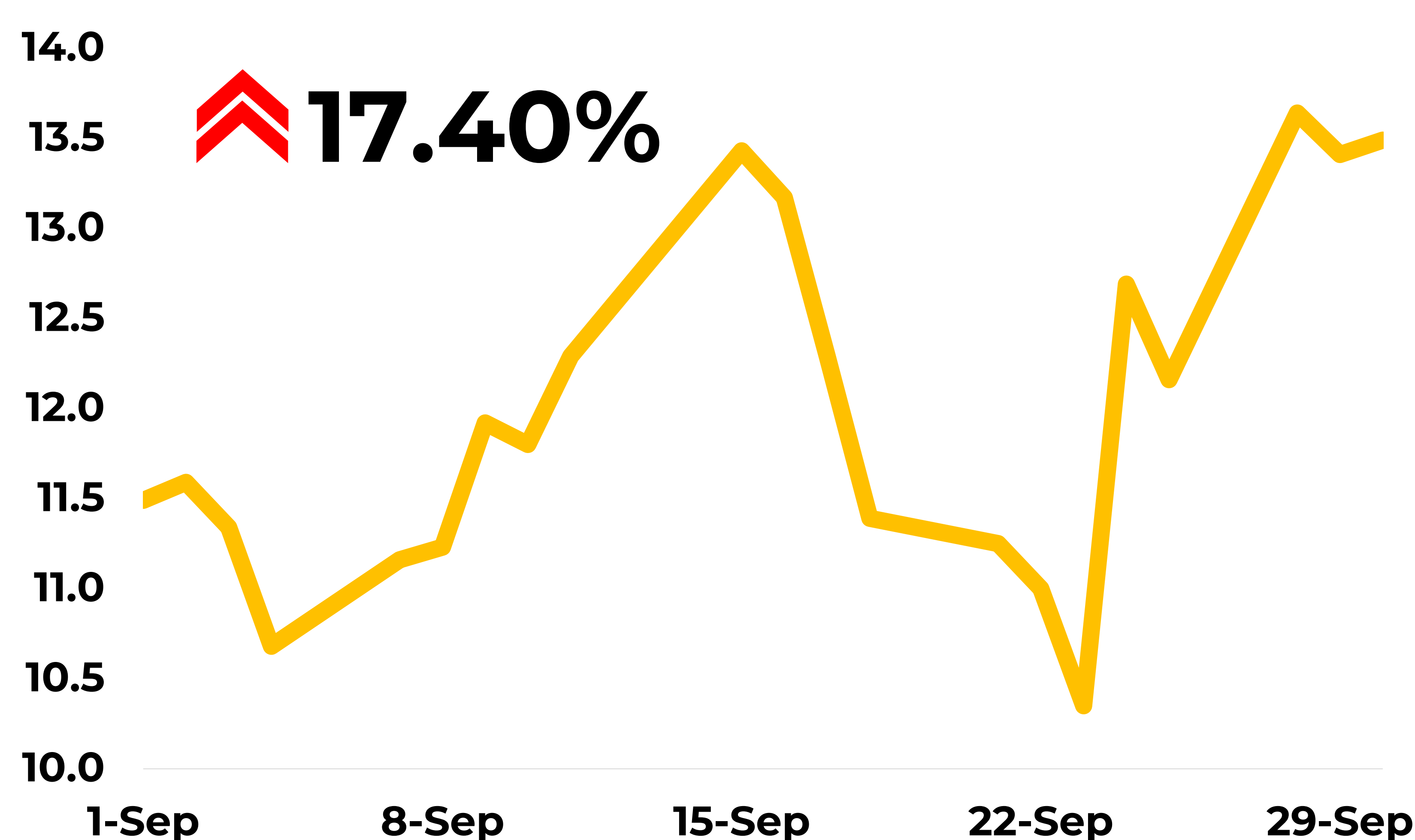


DII Net Investment



September flows showed a stark divergence. FIIs turned sellers after 2 months of buying, exiting in most sessions as high US yields, a stronger dollar and better returns elsewhere dulled India's appeal. Month-end brought one of the largest single-day outflows in about 6 months. FIIs still bought mid and smallcaps while selling large-caps. DIIs bought in every session, outpacing foreign selling and cushioning the indices, reaffirming domestic flows as the market's key stabiliser.

India VIX



India VIX rose steadily in September as the selloff deepened and surging bond yields, firmer crude and geopolitical tension kept hedging demand high. It stayed within a broadly normal range, reflecting a gradual sentiment slide rather than panic. The sharpest jumps coincided with heavy FII selling and the steepest index falls, but crisis-style spikes were avoided. The gauge ended modestly higher, mirroring caution ahead of earnings, Fed uncertainty and Middle East supply risks.

Source: NSE India

The Numbers That Demand Attention

India's factories delivered their strongest sustained run in years. August's Index of Industrial Production grew 8.0% year-on-year, with manufacturing at 9.0% and electricity and gas supply surging 12.3%, a 27-month high. This marks the third consecutive month of manufacturing growth above 8%, following 8.8% in June and 7.4% in July, a pattern distinct enough from the usual single-month spikes that economists are now asking whether this is structural rather than a base-effect illusion. The breadth matters as much as the headline: 18 of 23 manufacturing industry groups posted positive growth, with motor vehicles up 25.2%, electrical equipment up 30.9%, and machinery and equipment up 25.3%. Mining was the lone drag, contracting 5.6% against a high base from last year. On the use-based side, capital goods output jumped 16.9%, intermediate goods 13.7%, and consumer durables 11.1%, a combination that signals investment-led expansion rather than just festive-season restocking. For an economy that spent years waiting for private capex to show up in the data, August looks like the clearest evidence yet that it finally has, with the momentum now broadening beyond a few isolated sectors.



The Model Assumes Everybody Reads the Fine Print

The PLI scheme's maturation window is converging with three tailwinds. Electronics, auto components, and specialty chemicals are in full production rather than capacity-building mode, which explains why capital goods and electrical equipment are outpacing the index. Defence manufacturing has become a second engine: export orders and the push to localise ordnance and platform manufacturing are feeding into machinery and transport-equipment categories. Capital goods' 16.9% growth, and 16.3% cumulative for April-to-August, points to fixed-investment revival rather than one-off spending. But the structural case isn't settled. Mining's contraction and a cooling core-sector reading of 4.8% suggest this strength is uneven across the economy, concentrated in export- and investment-linked sectors rather than broad-based. The real test arrives over the next two quarters: if capital goods and intermediate goods growth holds through the festive-demand unwind into early 2027, India will evidence a capex cycle. If it fades alongside consumer non-durables, which grew 2.1%, the August print will be remembered as a month inside a cycle-dependent economy, not the start of a new industrial era.

09 September 2026

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
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28	29	30				

Indian Events



Current Account Deficit Widens –
India’s Q1 FY27 current account deficit widened to \$4.2 billion as the merchandise trade gap rose to \$86.1 billion.



CPI Inflation Climbs to 4.82% –
Retail inflation rose to 4.82% in August, driven by higher food prices, with rural inflation remaining above urban levels.



Trade Deficit Narrows –
India’s trade deficit narrowed to \$26.86 billion as exports jumped 26.1% YoY.



Fiscal Deficit at 41.9% –
India’s fiscal deficit reached ₹7.1 lakh crore, or 41.9% of the FY27 target.

Global Events



US Payrolls Beat Forecasts –
The US added 162,000 jobs in August while unemployment held at 4.1%.



ECB Raises Rates Again –
The ECB raised rates by 25 bps, taking the deposit rate to 2.50%.



Fed Hikes Rates –
The Fed raised rates by 25 bps to 3.75% - 4.00%, signaling further tightening.



Bank of Japan Raises Rates –
The BoJ raised rates to 1.25%, the highest level in roughly 31 years.

SMART READS

Winning Where MNCs Didn't

While pharma majors chased patented blockbusters and metro hospital chains, Mankind Pharma built an empire on a bet nobody else wanted to make: India's small towns and villages pay too, if you show up. Founded in 1991, the company skipped the research pipeline and overseas acquisition trail. Instead it built a field force that exceeds 18,500 representatives, reaching over five lakh doctors and 13,000 stockists across India, with nearly half its domestic revenue coming from Tier-2 cities and towns that Pfizer and GSK rarely prioritised. The payoff shows up in the numbers. FY26 revenue crossed ₹14,278 crore, up 17% year-on-year, with adjusted EBITDA margins of 25.4%, figures that place Mankind among India's top five pharma companies by revenue despite running seven R&D centres against dozens that MNC rivals maintain globally. Its branded-generics model, selling trusted, affordably-priced formulations under recognisable brand names rather than chasing novel molecules, let it dominate therapies like anti-diabetic and cardiac care, categories where patients prioritise consistent access over cutting-edge chemistry. In a market MNCs treated as a volume afterthought, Mankind made volume its strategy.



Distribution Is the Real Moat

India's pharmaceutical market, worth ₹2 lakh crore, runs differently from markets MNCs built their playbooks for, especially across price-sensitive domestic markets. Patent protection means little when the buyer is price-sensitive and the prescriber trusts a representative visiting every fortnight, not a head-office formulary committee. That reality makes distribution density, not molecule innovation, the barrier to entry. Replicating Mankind's network of field representatives and stockist relationships takes years and fixed costs global players, optimised for high-margin patented drugs, have little incentive to absorb where branded generics dominate. This is why Mankind's position looks durable rather than opportunistic: analysts project 13-15% revenue CAGR through FY27, built on reach rather than a pipeline that could expire or get challenged. The lesson echoes a theme India Inc. keeps producing: in markets where affordability and access matter more than cutting-edge science, whoever owns the last mile, not the lab, owns the margin. For MNCs re-entering India's smaller towns, the obstacle isn't regulation or pricing, it's a distribution network built over three decades that money alone can't buy overnight.

SMART READS

IndiGrid: A Bond With Upside

IndiGrid is India's first and largest power-sector Infrastructure Investment Trust, and its business model reads almost like a fixed-income instrument wearing an equity listing. The trust owns and operates transmission lines, substations, solar generation, and battery storage assets spread across 20 states and 2 union territories, comprising roughly 94 revenue-generating elements including over 10,000 circuit kilometres of transmission lines. Each transmission asset earns contracted, tariff-linked revenue from the government or state utilities under agreements with an average residual life exceeding 25 years, insulated from demand or price volatility the way a typical business never is. The numbers reflect that stability: Q1 FY27 reported revenue rose 29.4% to ₹1,087 crore, assets under management stand near ₹34,000 crore, and the trust has guided full-year distribution per unit of ₹16.48, continuing an unbroken record of payouts since listing in 2017. With collections running near 90-98% and operating margins above 89%, IndiGrid behaves less like a traditional infrastructure developer chasing growth and more like what it actually is: a regulated, annuity-like cash machine that happens to trade on an exchange.



How InvITs Unlocked Dead Capital

Before the InvIT structure arrived in India, transmission and power assets were among the most illiquid investments: decades-long payback periods, no secondary market, and developers forced to hold capital-intensive assets on their balance sheets indefinitely. The InvIT framework solved this by letting developers bundle assets into a trust, sell units to institutional and retail investors, and recycle capital into new construction, while investors gain a liquid, exchange-traded claim on long-dated, inflation-linked cash flows they could never access directly. This is precisely the yield-seeking capital insurance funds, pension funds, and sovereign wealth vehicles chase: predictable distributions backed by an asset base, similar to utility bonds, but with built-in growth through acquisitions like IndiGrid's ₹839 crore Luhri transmission deal. With India's National Monetisation Pipeline targeting ₹16.72 lakh crore in asset monetisation by FY30, nearly ₹2.77 lakh crore earmarked for power, InvITs are becoming the primary mechanism for recycling infrastructure capital, turning assets once considered dead weight on a balance sheet into actively traded yield instruments in Indian markets.

SMART READS

UPI's Payment Rails Go Abroad

UPI processed over 24,000 crore transactions in FY26 alone, more than every card network operating in India combined, a scale that places India's real-time payments system ahead of any comparable infrastructure globally. What began as a domestic convenience is now an export product with growing strategic importance for India's digital infrastructure ambitions. NPCI International Payments Limited, the overseas arm of the National Payments Corporation of India, has taken UPI live in roughly a dozen countries including Singapore, the UAE, France, Bhutan, Nepal, Sri Lanka, Mauritius, and Uzbekistan, with the UK and Australia on the near-term roadmap. The France launch carried particular symbolic weight, UPI's first entry into Europe, enabled through a partnership with French payments firm Lyra, allowing Indian tourists to scan a QR code at a Paris café the same way they would at a roadside stall in Mumbai. Cross-border UPI transaction volumes have grown more than twentyfold in two years, still a fraction of domestic scale but accelerating fast enough that NPCI now talks about outbound remittances via UPI eventually replacing parts of the traditional SWIFT flow.

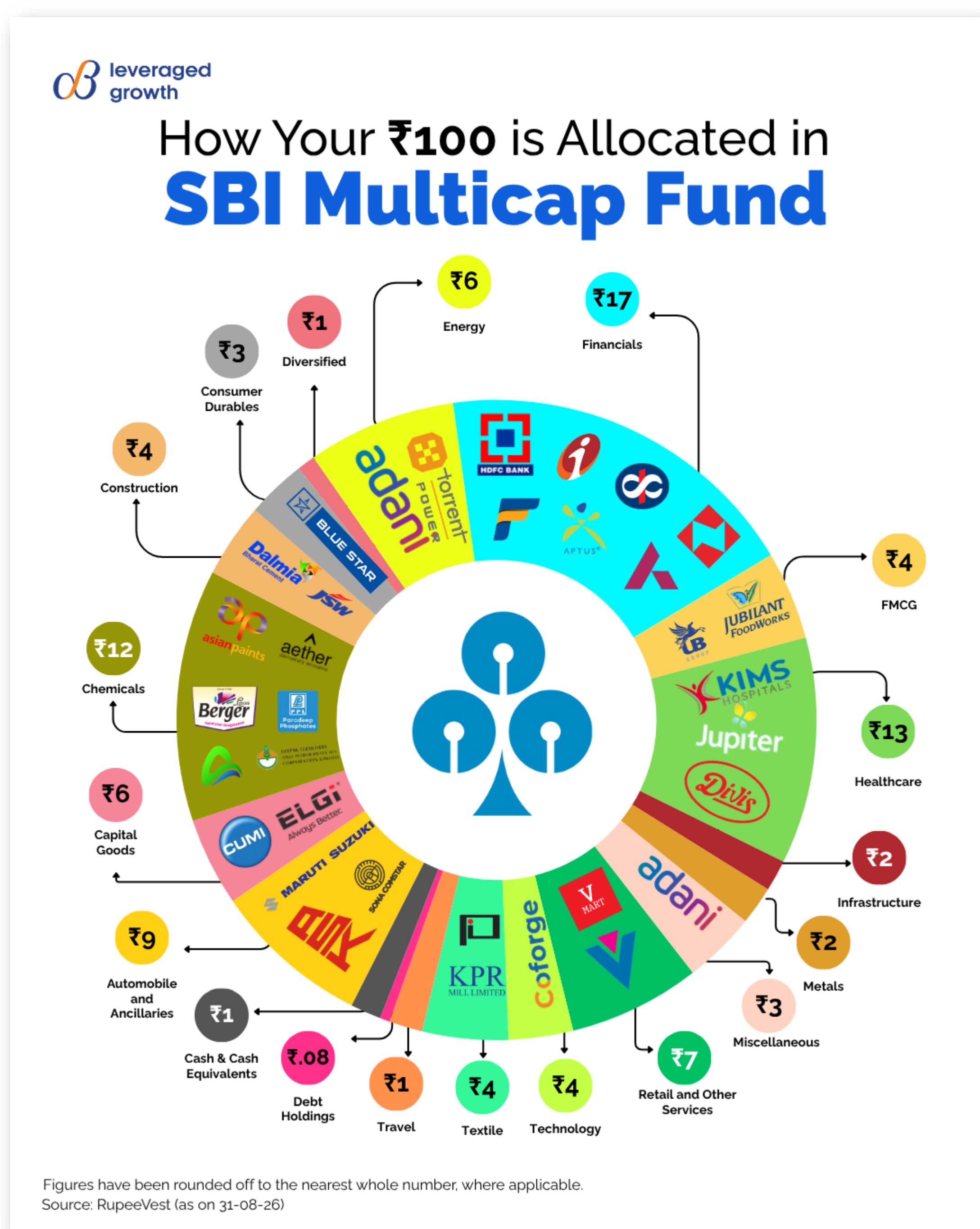


UPI's Soft Power Edge

What makes UPI's global push different is that no private company is doing the exporting, a government-backed public utility is. That distinction matters structurally. Private payment networks like Visa or Mastercard earn through interchange fees charged to merchants, a cost baked into pricing. UPI charges no end-user fee and keeps merchant costs minimal, a model viable because NPCI operates as nonprofit public infrastructure rather than a margin-seeking enterprise. That economics is impossible for a private network to replicate, since cutting interchange to zero would gut their revenue line. For partner countries, adopting UPI rails means instant, free domestic-style payments without building infrastructure from scratch, which is why India is using payment interoperability as a diplomatic and commercial tool, bundling fast-payments access into trade and strategic relationships the way nations once used infrastructure financing. In the end, UPI is a rare case of a public good outcompeting a private oligopoly, not through subsidy, but through transaction-cost advantage at scale, a model emerging economies are studying as they build their own digital payment ambitions.

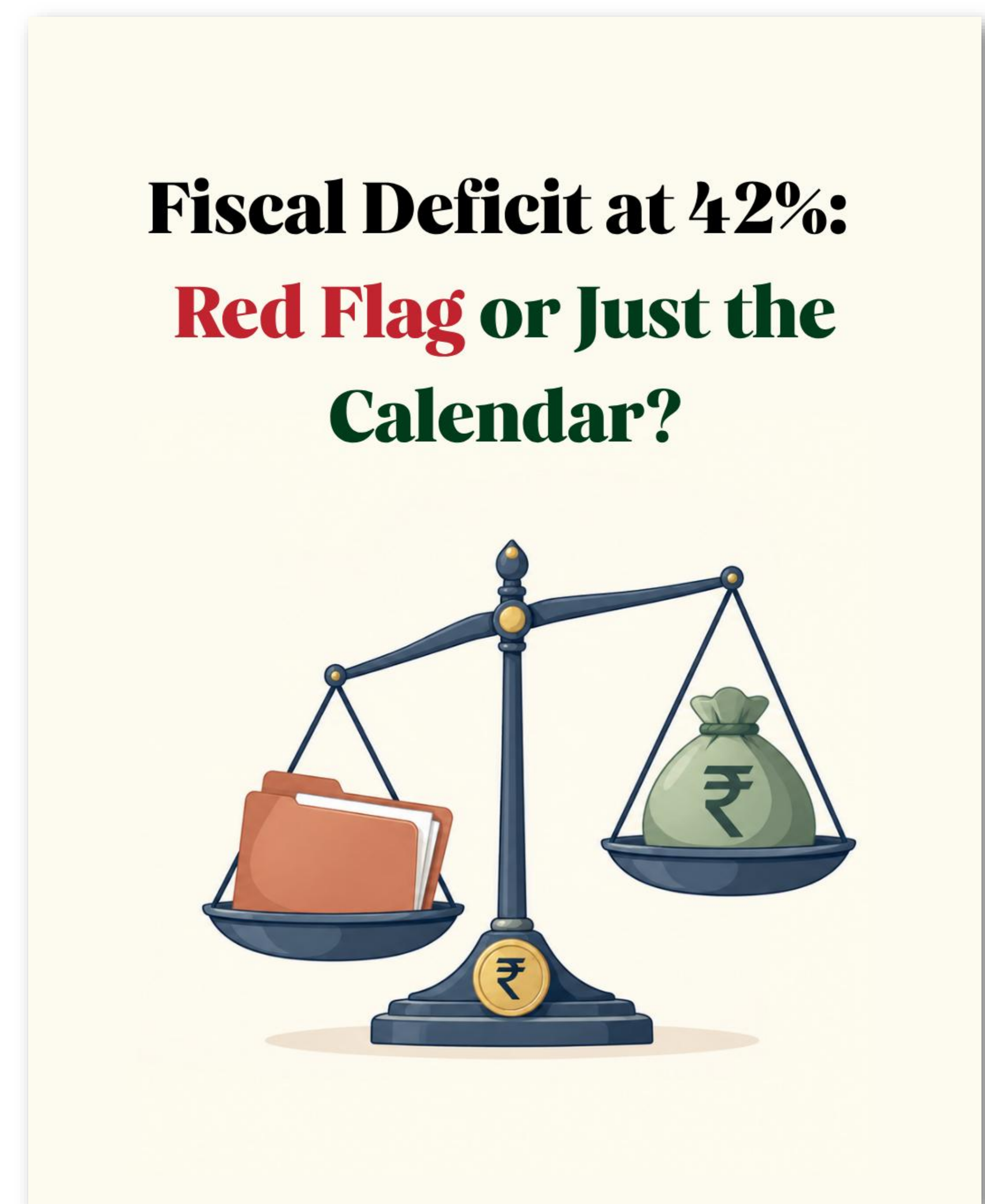
COVERAGE OF THE MONTH

A Look at Our Best LinkedIn Posts



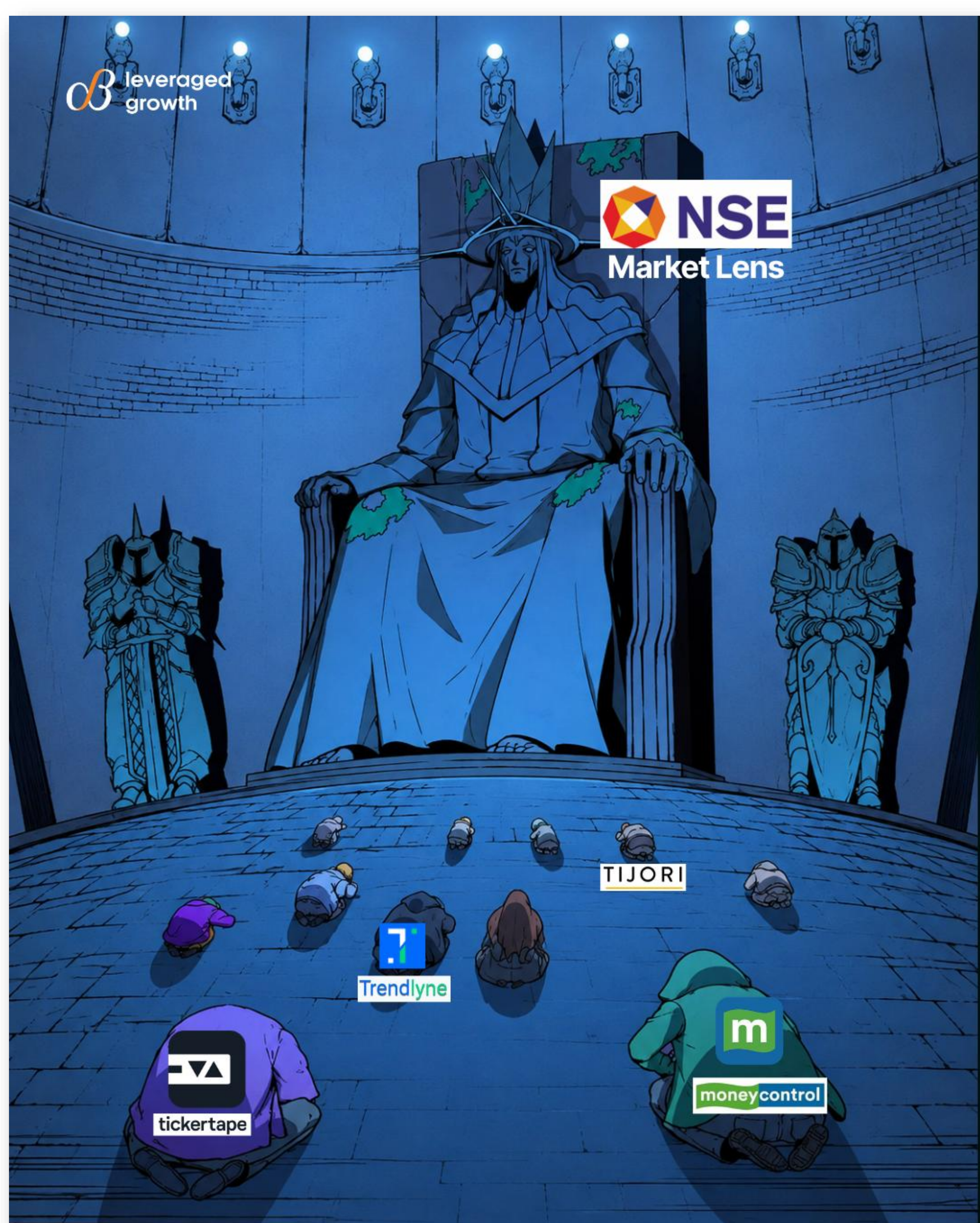
SBI Multicap Fund's ₹100 allocation reveals a clear sector tilt beyond Financials, with higher exposure to Chemicals and Healthcare. Is this true diversification or fund-manager conviction? [Read the full breakdown.](#)

Explore Our Blog for Valuable Insights

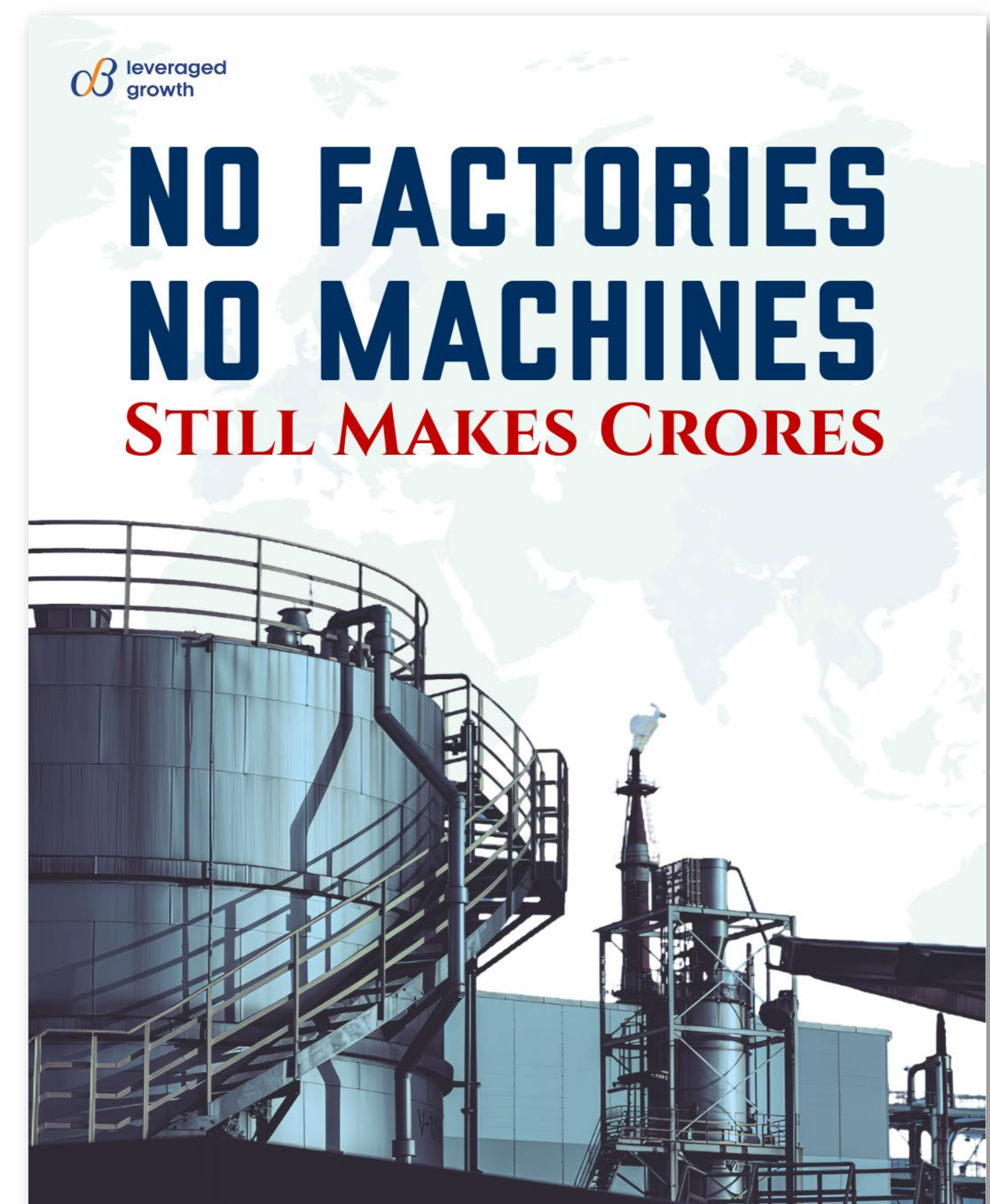


India's fiscal deficit hit 41.9% of its FY27 target by August, but seasonal spending patterns and delayed tax collections make the headline far less alarming than it first appears. [Read the full breakdown.](#)

Our Most Impactful Instagram Posts



NSE's new Market Lens brings 2,000+ stocks, custom filters and ready-made strategies powered directly by exchange data. Could this become a serious challenge to Screener? [Explore more.](#)



Zetwerk connects brands with ~7,000 factories across 26 countries without owning factories. With ₹15,913 Cr revenue and EBITDA up 4.3x, it is now IPO-bound. [Explore more.](#)



PINION POLL

Committing the significant majority of compute towards serving people rather than racing towards recursive self-improvement is one of the best ways to ensure we develop this technology safely.

- MARK ZUCKERBERG
CEO, META

Those countries leading this technological (AI) revolution must share information on emerging safety risks, cooperate on testing and evaluation, and work towards common safeguards that protect us all.

- ANTONIO GUTERRES
UNITED NATIONS
SECRETARY-GENERAL

Growth is the oxygen of business. But growth must also be profitable and sustainable. We will pursue expansion in a disciplined manner and ensure our people, fleet and network are ready to support it.

-Tewolde Gebremariam
CEO-DESIGNATE, AIR INDIA

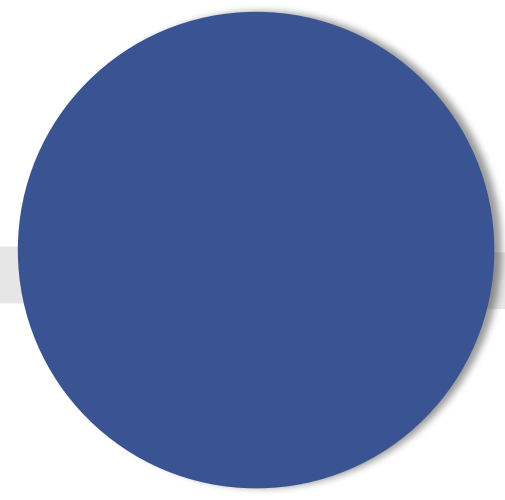
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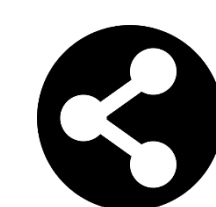
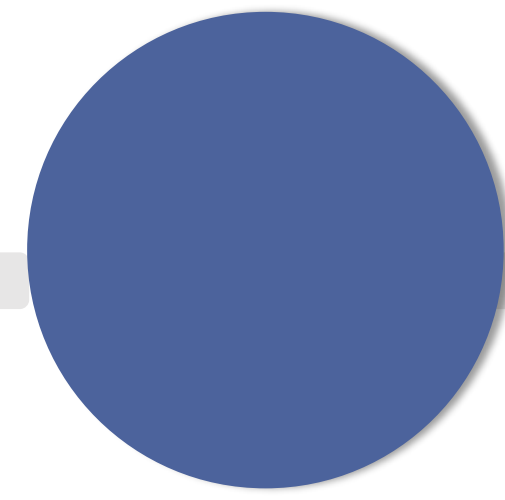
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