Aug, 2026

NEWSLETTER

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Avdesh Mishra Capitals Pvt Ltd

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AMFI Registered Mutual Fund Distributor
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Dear Valued Clients,

Welcome to the August edition of our monthly newsletter, where we review July 2026 – a month that rewarded discipline and delivered one of the year's most dramatic plot twists. The Nifty 50 rose 2.2% to close at 24,384, and the Sensex gained 2.1% to end at 78,095. This marked the first back-to-back monthly gain of 2026.

The headline story of July was IT's spectacular comeback. After plunging 9.6% in June, its worst month in over two years, the Nifty IT index surged 17.1% in July, its best monthly performance since July 2020. A global selloff in AI and chip stocks redirected foreign capital toward Indian IT services firms.

Foreign Portfolio Investors (FPIs) turned net buyers for the first time since February, pouring ₹20,200 crore into Indian equities and snapping a four-month selling streak. Combined with robust domestic flows and encouraging Q1 earnings, July reinforced India's position as a preferred emerging market destination.

However, risks remain. Crude oil rose roughly 20% during July on fresh US-Iran escalation, and CPI inflation climbed to 4.38% in June, its highest since December 2024.

Market Pulse:

Market News:

Nifty 50	Mid Cap	Small Cap
+2.17%	+1.81%	+2.53%

Nifty 50	Mid Cap	Small cap
+1.35%	+0.12%	+1.99%

July was a two-phase month. The first half was driven by strong Q1 FY27 earnings from IT majors, which triggered a broad-based rally that pushed the markets up. Mid-month, a fresh escalation in the US-Iran conflict (Iranian strikes on US forces and Trump's pledge of retaliation) sent crude oil spiking and markets tumbling.

IT was the undisputed leader of July, but the rally was broad-based across domestic-facing sectors such as Consumer durables, Media, Auto, Realty etc.



FPIs turned net buyers at ₹20,200 crore in July, their largest monthly net purchase since January 2025 and a decisive end to four months of selling. The trigger was a global rotation away from AI/chip stocks into traditional IT services and EM equities, combined with improving sentiment on India's domestic story.



Key Macro Indicators – July 2026

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Indicator	June 2026	Trend
RBI Repo Rate	5.25%	Held
CPI Inflation (May print)	4.38%	Edging up
Bank Credit (range)	$99–$99 Usd	Held
INR / USD	~93.5	Strengthening on FPI return
GDP Forecast (FY27)	6.6%	RBI cut from 6.9% in June
Inflation Forecast (FY27)	Below target, upward bias	RBI watching closely

CPI inflation has now risen from 2.74% in January to 4.38% in June - approaching the RBI's 4% target from below but now breaching it. The delayed transmission of elevated crude oil prices is now visible in transport inflation, which jumped from near-zero to 4.31% in June. Food inflation at 5.32% is another pressure point. The RBI's revised FY27 CPI forecast of 5.1% (up from 4.7%) signals that the central bank expects inflation to stay above target through the year. This effectively closes the door on further rate cuts and raises the question of whether the next move could be a hike.



AMC View On Market :



The key risk looking ahead is inflation. CPI at 4.38% and food inflation at 5.32% are approaching uncomfortable territory. Crude oil above $90 with ongoing Hormuz disruptions is a live risk.

Continue SIPs. Maintain a core allocation in diversified flexi-cap and multi-cap funds.
Gold allocation of ~10% continues to make sense as a hedge against geopolitical and inflation risks.

AMC Ki Paathshala:

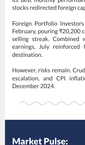
Systematic Transfer Plan (STP):
The smart way to invest a lump sum

You just received a ₹12 lakh bonus. Or your FD matured. Or you sold a property. You know you should invest in equity mutual funds for long-term wealth creation. But the question that keeps you up at night is: "What if the market crashes the day after I invest?"

This is where the Systematic Transfer Plan or STP comes in. It is one of the most underused yet powerful tools in the mutual fund world, and after the kind of volatility we've seen in 2026, it deserves a detailed look.
What is STP?

An STP is an instruction you give to your mutual fund company to automatically transfer a fixed amount from one fund (usually a Liquid or Ultra-Short-Term fund) to another fund (usually an Equity fund) at regular intervals, typically monthly.

Think of it as a SIP, but instead of money coming from your bank account, it comes from another mutual fund where your money is already parked and earning interest.



STP is not about predicting where the market will go. It is about admitting that you DON'T KNOW where the market will go and investing anyway in a disciplined, systematic way.



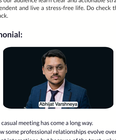
What's Happening At AMC :

- We shifted into a new office at Gurugram. We would like to Thank You for trusting us all along and promise to serve you better in years to come.

LinkedIn Amcapitals

- A session on Estate Planning was hosted exclusively for our AMC Clients by external faculty Mr Rahul Agarwal CFP, CTEP. It was an insightful session where we discussed common myths surrounding nomination, joint ownership of property and will making. We wish to hold more such sessions in future for our clients. Next session will be on Life Insurance, check for more details.

- **New YouTube videos in July'26:**



Is Early Retirement Realistic ?

Video discussing about Is early retirement a reality in India? We discuss 3 case studies about early retirement.

DO subscribe and like our channel:

Amcapitals Youtube Channel

The podcast helps our audience learn clear and actionable strategies to become Financially Independent and live a stress-free life. Do check that out and let us know your feedback.

Client Testimonial:



What started as a casual meeting has come a long way.
It's interesting how some professional relationships evolve over time—not because of frequent interactions, but because of the trust, value, and consistency they bring....

Testimonial Post

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