

WEEKLY WEALTH WRAP-UP

Your Guide to India's Markets and Economy

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Weekly Market Update-

Indian markets outperformed global peers this week after the U.S. announced a reduction in tariffs on Indian exports to 18%, which triggered a significant gap-up at market open. However, the Union Budget disappointed investors, as the increase in Securities Transaction Tax (STT) led to Nifty50 a sharp intra-day decline of around 750 points.

The RBI's first monetary policy of 2026 maintained the repo rate at 5.25% with a neutral stance, as anticipated, providing stability but limited fresh momentum. Consequently, markets remained range-bound during a volatile session on Friday, with Nifty50 closing at 25,693.70, Bank Nifty at 60,120.55, and Sensex at 83,580.40.

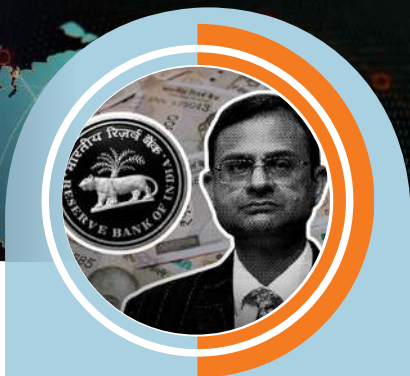
Following the tariff announcement, the rupee strengthened from its all-time lows, while Brent crude came under pressure due to rising tensions between the U.S. and Iran. Gold and silver corrected from recent highs.

The IT sector faced significant corrections both globally and in India, as new AI tools threaten traditional IT services by performing tasks that were outsourced to Indian companies. This has raised concerns over revenue visibility, margins, and deal flow, putting considerable pressure on the sector.

Overall, the market is navigating a mix of macro developments, policy actions, and technological disruptions, suggesting a cautious, selective approach for investors in the near term.

Union Budget 2026

Union Budget 2026 focused on fiscal discipline, long-term growth, and self-reliance. The government retained a 4.3% fiscal deficit target for FY27 while increasing capital expenditure and supporting manufacturing, MSMEs, infrastructure, and green technologies. Major pushes included high-speed rail, semiconductor expansion, SME funds, and strategic minerals. Tax measures saw higher STT on F&O, changes in buyback taxation, and relief for IT and tourism. Markets reacted negatively due to tax and capex concerns, despite strong reform intent.



RBI Holds Repo Rate at 5.25% in Feb 2026 MPC; Stance Remains Neutral

The Reserve Bank of India's Monetary Policy Committee (MPC) met Feb 4-6, 2026 and kept the key repo rate unchanged at 5.25% after already cutting it multiple times since early 2025. The MPC also retained a neutral policy stance, signalling flexibility based on future data. Markets focused on liquidity measures and transmission, with expectations that RBI will manage inflation and growth carefully amid recent macro developments.

Trump Says US-India Trade Deal Agreed; Tariffs Slashed to 18%

U.S. President Donald Trump announced on Feb 2, 2026 that the United States and India agreed on a trade deal. As part of it, U.S. tariffs on Indian goods will be reduced from 25% to 18%, with an extra 25% punitive tariff linked to Russia oil purchases removed, bringing the effective rate to 18%. Trump said India will halt Russian oil imports and buy more U.S. products. Indian markets reacted positively to the announcement.



The Indian IT Sector Under Pressure

The Indian IT sector has underperformed since late 2024 due to a mix of global trade tensions, weak earnings, high valuations, and slowing demand in key markets like the US, Europe, and Japan. Brief optimism in early 2026 faded as rapid adoption of advanced AI tools raised concerns over traditional outsourcing models. These developments increased fears around margin pressure and deal slowdown. As a result, investor sentiment remains weak, and near-term challenges for the sector persist.



Bitcoin Crashes Below \$61,000, Erasing Gains Since Trump's Election

Bitcoin dropped below \$61,000, deepening a broad sell-off and wiping out all gains made since President Donald Trump's election, as leveraged positions were unwound and market volatility rose. The slide extended losses to the lowest level since October 2024, spread across ETFs and crypto-related companies, and reflected broader risk-off sentiment in financial markets. Weak demand and redemptions amplified declines, reinforcing a defensive mood among investors in the crypto space.

India-US Trade Deal: Joint Statement Expected in 4-5 Days, Legal Pact by Mid-March

India and the United States are set to finalise and sign a joint statement on the first tranche of their bilateral trade agreement within 4-5 days, Commerce Minister Piyush Goyal said. After this, the US will issue an executive order cutting tariffs on Indian exports to 18%. At present, Indian goods face a 25% reciprocal tariff and a 25% tariff linked to Russian crude purchases. A formal legal agreement is expected by mid-March 2026.

Heading: India & Gulf Cooperation Council Agree To Start FTA Talks

India and the Gulf Cooperation Council (GCC) signed the Terms of Reference (ToR) to formally begin negotiations for a Free Trade Agreement (FTA), Commerce Minister Piyush Goyal announced. The ToR set the framework for upcoming talks with the six-nation bloc—Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain—and aims to boost bilateral trade and investment, strengthen economic ties, and improve market access. India-GCC trade was nearly \$179 billion in 2024-25, and millions of Indians live and work in the region.



Air India Express to Report Profit in H2 FY26, \$70M Investment Plan

Mexico has announced steep tariffs of up to 50% on imports from India, China, and several Asian nations. The move will significantly impact Indian exporters, especially automakers, who dominate India's shipments to Mexico. The revised duties may reshape trade dynamics across key sectors.

BlackRock's CEO, Larry Fink Says "Era of India" With 8-10% Growth Ahead

BlackRock CEO Larry Fink said the next years will be the "era of India," with the country's GDP expected to grow 8-10% annually over the next decade or more, driven by technology use and capital market participation. He urged Indians to invest rather than just save, highlighting long-term economic potential. Fink spoke alongside Mukesh Ambani about India's growth trajectory and opportunities. This reflects strong confidence in India's future economy.

India's Adani Defence & Leonardo to Build Helicopter Manufacturing Base

Adani Defence & Aerospace has signed an MoU with Italian aerospace firm Leonardo to develop a helicopter manufacturing ecosystem in India, focusing on reducing imports and meeting rising military demand. The collaboration will target light and medium helicopters, localise production, and build maintenance and training capabilities. It aims to support future civil and defence aviation needs and strengthen India's self-reliance in defence manufacturing.

Oracle May Cut Up to 30,000 Jobs to Fund AI Data Centre Expansion

Oracle is reportedly considering laying off 20,000 to 30,000 employees as part of plans to free cash to fund its AI data-centre expansion, according to a report. The company is also weighing selling its healthcare software unit Cerner, acquired in 2022, to help raise funds. These moves come amid challenges securing bank financing for the costly infrastructure buildout, which aims to support growing AI and cloud demand.

Gross GST Collections Rise 6.2% to ₹1.93 Lakh Crore in January

In January 2026, India's GST collections reached ₹1,93,384 crore, up 6.2% from January 2025, showing steady revenue growth. Domestic GST revenue rose, and GST from imports grew even faster, reflecting broader economic activity. After accounting for refunds, net GST revenue was ₹1,70,719 crore, also up from last year. The cumulative GST receipts from April 2025 to January 2026 increased notably, signaling stable tax compliance and consumption trends during the current fiscal year.

Heading: Bank of England Keeps Interest Rates at 3.75% Amid Caution

The Bank of England (BoE) held its benchmark interest rate at 3.75% on Feb 5, 2026 after a narrow 5–4 vote by its Monetary Policy Committee. Policymakers signalled that future rate cuts are possible if inflation continues falling toward the 2% target, but stressed caution given economic weakness and rising unemployment. The close vote reflected mixed views on how soon to ease policy, balancing inflation control with growth concerns.

UPI Transactions Hit Record ₹28.33 Lakh Crore in January

In January 2026, UPI transactions reached a record high of Rs 28.33 lakh crore in value, with 21.7 billion transactions processed, according to NPCI data. This marked a solid YoY increase and showed continued growth in India's digital payments ecosystem. On average, there were about 700 million UPI transactions daily, reinforcing UPI's strength as the backbone of everyday digital payments in India.



India–World Bank Partnership

India and the World Bank Group unveiled a new Country Partnership Framework committing USD 8–10 billion in annual financing over the next five years to accelerate India's development and support the Viksit Bharat vision. The partnership prioritises private sector-led job creation, leveraging public funds with private capital, and drawing on global knowledge and technical support. It will focus on key sectors like infrastructure, energy, agribusiness, health, tourism and value-added manufacturing.

Trump Picks Kevin Warsh to Be Next U.S. Federal Reserve Chair

U.S. President Donald Trump has nominated Kevin Warsh to succeed Jerome Powell as the next Federal Reserve Chair, as Powell's term ends in May 2026. Warsh previously served on the Fed's Board of Governors from 2006 to 2011, including during the global financial crisis, giving him deep monetary policy experience. The nomination moves forward after months of speculation and will next require confirmation by the U.S. Senate, setting the stage for new leadership at America's central bank.

Trump and Xi Discuss Taiwan and Trade Ahead of Planned Summit

U.S. President Donald Trump and Chinese President Xi Jinping held a long, "excellent" telephone conversation, covering trade issues and Taiwan ahead of a planned spring summit. They also talked about boosting Chinese purchases of U.S. soybeans and energy, and Trump's April visit to China. China's government stressed Taiwan as a core issue, urging caution on arms sales to Taipei and calling for better communication and mutual trust in ties.



India-France Strategic Partnership Called a "Lifeline" Amid Global Tensions

Chief Justice Surya Kant said the India-France partnership is a "lifeline" in a world facing rising geopolitical disruption and uncertainty. He highlighted the long-standing relationship based on shared democratic values, the rule of law, and pursuit of peace and justice. The partnership spans defence, trade and legal cooperation, with both countries possessing complementary strengths that strengthen global stability and collaboration amid current geopolitical challenges.



SEBI Bans 15 Individuals for 3 Years, Imposes ₹3.6 Crore Penalty for Stock Manipulation

The Securities and Exchange Board of India (SEBI) has barred 15 individuals from participating in securities markets for three years and levied a total penalty of ₹3.6 crore for manipulating shares of Unison Metals Ltd. SEBI found they spread misleading stock recommendations via Telegram to inflate prices and volumes. Additionally, 10 of these individuals must return unlawful gains of over ₹3.87 crore to SEBI's Investor Protection Fund within 45 days.

RBI Says Rupee's Future Depends on India-US Trade Deal Details

The Indian rupee's movement will depend on the fine print of the proposed India-US trade deal, RBI Governor Sanjay Malhotra said, noting the currency strengthened after the announcement but future direction hinges on deal specifics. After the deal news, the rupee jumped sharply to about ₹90.27 per US dollar, though it later eased. As part of the deal, the US would reduce its tariff on Indian goods, while India cuts tariffs on US products, potentially supporting trade and the currency.

Elon Musk Creates \$1.25 Trillion AI + Space Tech Giant by Merging SpaceX and xAI

Elon Musk has merged his rocket company SpaceX with his AI startup xAI, forming a private tech giant valued at about \$1.25 trillion the largest corporate deal ever. The merger combines SpaceX's space and satellite business with xAI's artificial intelligence technologies to pursue ambitious plans such as AI-enabled data centers in space and closer integration of AI and space tech. The deal strengthens xAI ahead of a planned SpaceX IPO and links AI with Musk's broader innovation strategy.

DGCA Flags 377 Aircraft With Recurring Defects Since January 2025

The DGCA identified 377 out of 754 aircraft operated by scheduled airlines with recurring defects since January 2025, the Civil Aviation Ministry told Lok Sabha. As part of safety oversight, the regulator carried out 3,890 surveillance inspections, 56 audits, 84 foreign aircraft checks and 492 ramp inspections, plus unplanned spot and night checks. Airline-wise defect details were provided separately. The ministry is also increasing technical staff and upgrading real-time monitoring systems to improve safety compliance.

Big Tech to spend approx. \$650 Billion in 2026 as AI Race Heats Up

In 2026, major technology companies are poised to spend about \$650 billion on capital expenditure, with much of it aimed at AI infrastructure, data centers and advanced computing, driving intense competition in artificial intelligence development. This spending level reflects a sharp acceleration in investments compared with prior years as firms race to build the compute power needed for next-gen AI tools and services. The trend highlights how the AI arms race is shaping tech spending priorities globally.

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