



MARKET ● SPOTLIGHT

July 2026



Consolidation Ends: What's Driving Markets in July?

June saw deep consolidation for the Nifty and Sensex, masking extreme divergence beneath the surface. While the IT and Metal indices suffered steep corrections, Financials, Healthcare, and Real Estate gained strong momentum. On the macro front, Indian markets found significant relief as crude oil prices dipped below pre-war levels following a global peace deal. This stabilization helped halt aggressive selling from Foreign Institutional Investors (FIIs), though they largely remained on the sidelines. Overall, the month served as a cooling-off period, setting the stage for a major directional shift.

July is poised to break this two-month standstill as critical domestic and global drivers take center stage. Nationally, the focus shifts to the Q1 earnings season, where management commentary will be heavily scrutinized regarding the impact of high commodity prices and AI uncertainties. Simultaneously, the progress of the monsoon will be watched closely amid lingering El Niño worries. Local volatility could also rise due to chatter surrounding a potential cabinet reshuffle and the upcoming parliamentary monsoon session. Paired with global cues like the US Dollar Index, bond yields, and FII flows, July promises to be a highly eventful, trend-defining month for Indian equities.

“ June was the calm; July is the catalyst for a major market breakout. ”

JUNE MONTH WRAP-UP

▲ Nifty	23,865.45(+1.35%)
▲ Sensex	76,728.90(+2.61%)
▲ Banknifty	57,542.25(+6.09%)
▲ Nifty PHARMA	25,326.90(+4.03%)
▼ NIFTY IT	26,299.35(-9.56%)
▼ Nifty METAL	12,519.45(-6.86%)
▲ Nifty Midcap	61,797.35(+0.12%)
▲ Nifty Smallcap	18,863.90(+3.99)

KEY HIGHLIGHTS OF JUNE

- **Indices remained range-bound:** Nifty and Sensex consolidated throughout the month, indicating a pause after the previous rally.
- **US-Iran ceasefire lifted sentiment:** The ceasefire eased geopolitical tensions, boosting global risk appetite and improving overall market mood.
- **Sharp sectoral divergence:** IT and Metal underperformed, while Financials, Healthcare, and Real Estate emerged as the strongest sectors.
- **Crude eased & FII selling slowed:** Crude oil fell below pre-war levels, reducing inflation concerns and helping moderate FII selling, although foreign investors largely remained on the sidelines.

TECHNICAL OUTLOOK

NIFTY

- Nifty remains stuck in an indecisive range of 23,800–24,200, indicating lack of clear directional momentum.
- A decisive breakout above 24,200 could trigger a fresh rally, opening the path towards 24,500–24,800.
- On the downside, 23,800 is a crucial support; a break below this could open the path towards 23,200.

BANK NIFTY

- Bank Nifty maintained its positive momentum by closing above the key 57,100 (200-DMA) level, indicating that the overall trend remains strong.
- On the upside, 58,000 and 59,000 are likely to act as intermediate resistance levels, while 60,000 remains the key upside target.
- On the downside, 57,000 will act as the immediate support. A break below this level could lead to a decline towards 56,000 and 55,500.

IPO's PERFORMANCE JUNE 2026

IPO Name	Issue Price (INR)	Listing Price (INR)	Listing Gain (%)	Subscription
CMR Green Technologies	192	268	39.6%	127x
Hexagon Nutrition	45	48.2	7%	53.6x
Turtlemint Fintech Solutions	152	134.9	-11.25%	1.24x
Waterways Leisure Tourism	808	-	-	1.53x
Advit Jewels	138	-	-	212.6x
CSM Technologies	113	-	-	1.37x
Aastha Spintex	136	-	-	1.47x

EXPECTED IPO's JULY 2026

- Knack Packaging

SME IPO's PERFORMANCE JUNE 2026

IPO Name	Issue Price (INR)	Listing Price (INR)	Listing Gain (%)
Genxai Analytics Ltd.	116	92.8	-20%
Utkal Speciality Industries India Ltd.	66	66	0%
Susan Electricals India Ltd.	127	186	46.46%
Horizon Reclaim (India) Ltd.	103	151	46.6%
Leapfrog Engineering Services Ltd.	23	22	-4.35%
Liotech Industries Ltd.	321	257	-19.94%
Diksha Polymers Ltd.	112	114.5	2.23%
Clay Craft India Ltd.	203	211	3.94%
Avience Biomedicals Ltd.	208	395	90%
Shreedhar Spinners Ltd.	53	-	-
Crazy Snacks Ltd.	42	-	-

EXPECTED SME IPO's JULY 2026

- IC Electricals Co.

KEY TRIGGERS FOR JULY



- **Q1 earnings season takes center stage:** Corporate earnings and management commentary will be closely tracked to assess demand trends, margin outlook, and the impact of higher commodity prices and AI-related uncertainties.
- **Monsoon progress remains a key domestic trigger:** The pace and distribution of rainfall will be crucial for inflation, rural consumption, agricultural output, and the overall economic outlook.
- **Political developments could increase volatility:** Expectations of a possible cabinet reshuffle along with the upcoming Parliament Monsoon Session may lead to heightened market activity and sector-specific movements.
- **Global macro factors will drive sentiment:** Investors will closely monitor the US Dollar Index, US bond yields, crude oil prices, and FII flows for cues on liquidity and risk appetite.
- **A decisive move may emerge after consolidation:** Following two months of range-bound trading, July has the potential to deliver a strong directional breakout as multiple domestic and global catalysts converge.

SECTORS TO WATCH



Auto sector will remain in focus as monthly sales numbers and monsoon trends shape demand outlook.

FMCG may remain in focus as investors monitor monsoon progress and rural demand.



IT sector will be in focus as Q1 results and management commentary outline future growth plans and AI strategy.

Banking stocks are likely to remain in focus, with Q1 results expected to drive the next leg of the rally.



TOP PICKS FOR JULY

BUY

Gland Pharma



CMP 2495

SL 2250

TGT 2850

BUY

SRF



CMP 2739

SL 2580

TGT 3000

BUY

BAJFINANCE



CMP 1005

SL 945

TGT 1100

INVESTMENT IDEA

POLYMED



CMP **1687**

TGT **2500 (48%)**

Duration **1 Year**

TOP MUTUAL FUNDS



Largecap/
Bluechip Fund

**ICICI PRU
LARGE & MID
CAP FUND**



Multicap Fund

**Nippon
India Multi
Cap Fund**



SmallCap

**HDFC Small
Cap Fund**



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