



February Newsletter

Dear Readers,

Welcome to the **2026, 9th Edition of the Fincour Financial Newsletter with February 2026 Highlights.**

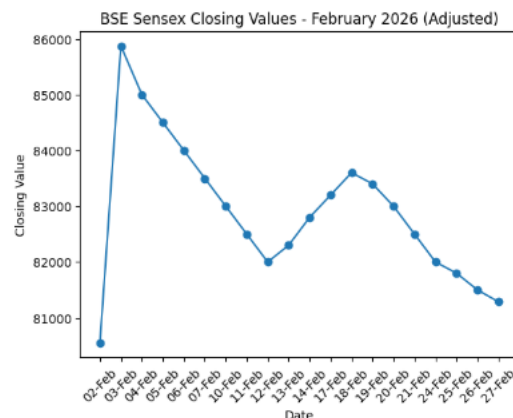
February 2026 was a highly dynamic month for the financial markets, marked by sharp movements driven by the **Union Budget 2026 announcements, global trade developments, and evolving investor sentiment.**

Following the initial volatility triggered by Budget-related tax changes, markets witnessed a **strong recovery supported by positive developments in India–US trade relations and stabilizing global cues.** The India–EU trade agreement further strengthened long-term growth expectations, providing stability to investor confidence.

In this edition, we bring you key insights on **market performance, sectoral trends, trade deal impacts, and policy developments,** helping you understand how February shaped the broader economic outlook.

Key Financial Developments in India

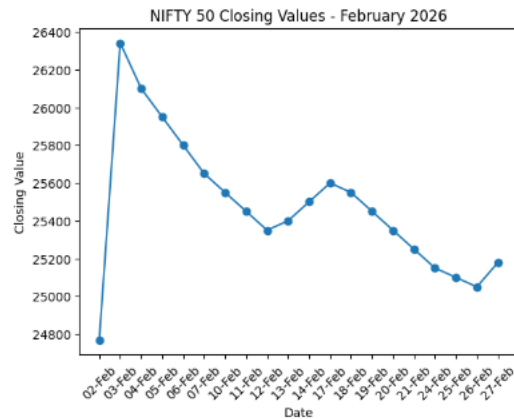
Sensex Highlights



- **February 2nd (start of month):** The Sensex opened at 80,555.68, having decreased by approximately 1,714.10 points (2.083%) from the previous session of 82,269.78 on January 30th, 2026.
- **Peak in February:** The highest value for February 2026 was 85,871.73 on February 3rd, 2026.
- **Last trading day in February:** The closing value was 81,287.19 on February 27th, having decreased by approximately 379.27 points, i.e., 0.47% from the closing session of 81,666.46 on 2nd February 2026.



Nifty 50 Highlights



- **Start of Month:** The Nifty 50 opened with a value of 24,769.50 on February 2nd, 2026, marking the index's level at the beginning of the month.
- **Peak Value:** The highest value observed during February was 26,341.20 points on February 3rd, 2026.
- **Last Trading Day:** The closing on February 27th, 2026 (the last trading day of the month) was 25,178.65, having increased by approximately 90.25 points, i.e., 0.36% from the closing session of 25,088.40 on 2nd February 2026.



Key Drivers – February 2026

Global Economic & Geopolitical Factors

❖ **US Federal Reserve Policy Outlook**

- The US Federal Reserve continued to maintain a cautious stance, signalling that interest rate cuts may be delayed due to persistent inflation pressures.
- Higher US interest rates strengthened the U.S. dollar and reduced liquidity in emerging markets.

Impact:

- Continued pressure on Foreign Institutional Investor (FII) inflows into India.
 - Volatility in IT and growth-oriented stocks.
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❖ **Global Trade Developments (India–US & India–EU)**

- The India–US interim trade deal reduced tariff tensions and improved export visibility for Indian sectors.
- The India–EU Free Trade Agreement strengthened long-term global trade prospects and investor confidence.

Impact:

- Boost in export-oriented sectors like textiles, pharma, and chemicals.
 - Improved market sentiment and recovery from earlier declines.
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❖ **Crude Oil Price Movement**

- Crude oil prices remained relatively stable but sensitive to global geopolitical developments.
- Any fluctuation continued to impact inflation expectations and currency movement.

Impact:

- Moderate relief in inflation concerns for India.
 - Reduced pressure on the current account deficit compared to previous months.
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❖ **Currency Movements (USD Strength)**

- Strengthening of the US Dollar against global currencies, including INR.

👉 Impact:

- Pressure on the Indian Rupee.
- Increased import costs and cautious investor sentiment.

❖ **Global Geopolitical Uncertainty**

- Ongoing geopolitical tensions and trade negotiations created intermittent volatility in global markets.
- Investors remained cautious, balancing between risk assets and safe-haven investments like gold.

👉 Impact:

- Short-term volatility in Indian markets.
- Continued demand for gold and safe assets.

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Domestic Policy & Regulatory Factors

RBI (Reserve Bank of India) Developments

Post-Budget Monetary Outlook

- RBI maintained a cautious stance following the Union Budget 2026, focusing on balancing growth and inflation.
- Markets expected gradual policy easing, but no immediate aggressive rate cuts were signalled.

Impact:

- Banking and NBFC sectors remained stable with mild volatility.
 - Interest rate-sensitive sectors moved cautiously.
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Liquidity & Money Market Conditions

- RBI continued liquidity management through open market operations and short-term tools.
- Tight liquidity conditions were observed intermittently during the month.

Impact:

- Short-term interest rates remained slightly elevated.
 - Limited upside in equity markets due to liquidity constraints.
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SEBI (Securities and Exchange Board of India) Developments

Impact of STT Changes (Budget 2026)

- Increase in Securities Transaction Tax (STT) on Futures and Options became effective.
- This significantly impacted trading behaviour, especially in derivatives.

Impact:

- Sharp decline in trading volumes in F&O segment initially.
 - Pressure on brokerage stocks and speculative segments.
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Derivatives Market Regulation

- SEBI continued stricter monitoring of retail participation in derivatives trading.
- Earlier changes in lot sizes (Nifty & Bank Nifty) influenced trading activity.

Impact:

- Reduced speculative activity in the short term.
 - Increased volatility in midcap and small cap stocks.
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Government Policy & Budget Impact

Union Budget 2026 Implementation Effects

- The market reacted sharply to tax changes, especially STT and investment-related provisions.
- However, strong capital expenditure announcements supported long-term sentiment.

Impact:

- Initial market correction followed by recovery.
 - Positive outlook for infrastructure, manufacturing, and pharma sectors.
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FII & DII Flow Trends

- FIIs turned cautious post-budget but returned after positive trade developments.
- DIIs continued to provide stability to the market.

Impact:

- V-shaped recovery in markets during the month.
- Reduced downside risk due to strong domestic participation.



USD/INR (Currency) and Gold and Silver for February 2026:

Asset	Early February	Mid-February	Late February	Monthly Change
<u>USD/INR</u>	₹91.73	₹90.54	₹91.08	+1.88 %
<u>24K Gold</u>	₹16,058 Per gram	₹15,961 Per gram	₹16,883 Per gram	+18.66 %
<u>22K Gold</u>	₹14,720 Per gram	₹14,631 Per gram	₹15,465 Per gram	+18.66 %
<u>Silver</u>	₹350 Per gram	₹275 Per gram	₹ 295 Per gram	+47.06 %

This newsletter is curated by Fincour Consultants – Empowering your financial clarity.

Contact Us: (91)-7983198275,

Email Us: connect@fincourconsultants.com

Visit Us: www.fincourconsultants.com

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