Markets see fireworks; ₹ rises, bond yields ease

Indices log best gains in 7 months; BSE-listed firms' mcap hits ₹500 trn

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Hopes of a resolution to the West Asia conflict following the US mid-term election results, falling crude oil prices and a global correction in artificial intelligence (AI) stocks helped Indian equity markets stage their biggest single-day rally since April 8 on Thursday.

The rally lifted the BSE Sensex 2.6 per cent to an eight-month high, while the Nifty gained 2.4 per cent. The rupee extended its winning streak to a fifth consecutive session, closing at its strongest level since October 21. Meanwhile, the yield on the benchmark 10-year government bond eased to a more than one-month low.

Brent crude futures traded in the $94-97 range on Thursday, down around 16 per cent from nearly $113 on October 30.

The Nifty has gained 8.78 per cent over the past 30 days, taking it to a nearly three-month high. It is up 6.98 per cent over the past week but remains about 7 per cent below its 52-week high of 26,373.20 and 4.15 per cent lower than its level a year ago.

The Nifty 50 surged 2.4 per cent to close at 24,536.60, against its previous close of 23,960.60. It opened at 24,378.05 and touched an intraday high of 24,579.90, breaching its 200-day moving average for the first time since February 26. The Sensex rallied 2.6 per cent to close at 79,310.01. The gains pushed the combined market capitalisation of BSE-listed companies past ₹500 trillion for the first time.

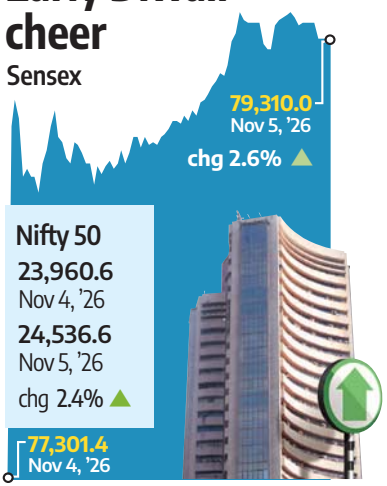
Almost all sectoral and broader market indices ended in the green, with the Nifty Media and Nifty Chemicals indices being the only exceptions.

Banks and financial services companies accounted for nearly half of Thursday's increase in market capitalisation, adding ₹3.6 trillion. The Nifty also extended its winning streak to six consecutive sessions.

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Early Diwali cheer

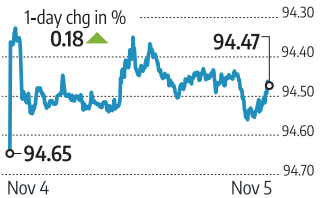
Sensex



Nifty 50
23,960.6
Nov 4, '26
24,536.6
Nov 5, '26
chg 2.4% ▲

₹ vs $

Indian rupee spot (inverted scale)



India Gsec 10-year yield

7.19%	7.17%	Chg -2 bps ▼
Nov 4	Nov 5	

Brent crude futures ($/bbl)

94.62	96.96	Chg 2.47 (%) ▲
Nov 4	Nov 5	(As of 7 pm IST)

Nifty sectoral gainers

(As on Nov 5)	1-day chg in %
Capital markets	4.2▲
Financial services ex-banks	4.2▲
Auto	4.1▲
Financial services	4.0▲

Source: Bloomberg, exchanges; Compiled by *Business Standard* Research Bureau

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"Softer dollar, which fell to a one-month low, and lower borrowing costs have made non-yielding assets more appealing. The election outcome has also shifted expectations around fiscal stimulus and policy risk," said Kaynat Chainwala, assistant vice-president, commodity research, Kotak Neo.

Foreign institutional investors (FIIs) bought equities worth ₹14,974.68 crore, their highest net inflow since February 24, 2021, when inflows stood at ₹28,739 crore. Domestic institutional investors (DIIs), however, were net sellers to the tune of ₹10,444.54 crore, marking their largest-ever net outflow.

The rupee opened at 94.36 against the US dollar, compared with its previous close of 94.65. It strengthened to 94.33 during the session before giving up some gains to settle at 94.47. It has appreciated 0.5 per cent in November and 1.4 per cent during the quarter, supported by regulatory measures aimed at curbing speculative bets in the derivatives market.

Dilip Parmar, senior research analyst at HDFC Securities, said the rupee was supported by a declining US dollar and lower Treasury yields, along with foreign fund inflows and softer crude prices. "Risk-on sentiment, driven by foreign fund inflows and softer crude oil prices, further underpinned the domestic currency. Spot USD/INR retraced to its October lows, triggering some bargain buying in Thursday's session. In the near term, the pair faces psychological support at 94.00, with resistance pegged at 94.90," he said.

In the bond market, the yield on the benchmark 10-year government security declined 2 basis points (bps) to 7.17 per cent, its lowest level since September 29. It has fallen 24 bps in November.

"The recent sharp fall in Indian bond yields reflects both the fall in oil prices as well as some general easing in global yields. It has perhaps been accentuated owing to market positioning, which may have been somewhat lighter on duration in the run-up to the fall," said Suyash Choudhary, chief investment officer – fixed income, Bandhan Mutual Fund.

However, Choudhary cautioned that the decline might not be sustainable, citing continued competition for global capital from AI-related capital expenditure and elevated global real bond yields.

"For the time being, we don't see these conditions forming and therefore retain the view of higher yields in the time ahead," he told *Business Standard*.

Meanwhile, the possibility of improved oil supplies through the Strait of Hormuz has added to the downward pressure on crude prices, although uncertainty over negotiations and the risk of renewed tensions could limit further declines, according to a note by Finrex Treasury Advisors.

"The sharp correction from levels near $120 in late October is significant and provides some relief to oil-importing countries such as India, although volatility is likely to remain elevated," the note added. Lower crude prices could ease inflationary pressures, reducing the need for further interest-rate increases by the Reserve Bank of India (RBI). This could support bond prices and credit demand, while a lower oil import bill could help stabilise the rupee.

"The volume of FII selling, particularly in largecap stocks, has reduced. The trend reversal, along with strong September-quarter corporate results and the global AI stock slump playing out in favour of the Indian stock market, has helped drive the rally this week. There is also a buzz around the removal of long-term capital gains tax. Crude prices and bond yields are coming down as well," said Vinod Nair, head of research, Geojit Investments.

Nair and several other market analysts believe India is emerging as a contrarian investment destination amid the global AI-driven market rally.

The India VIX, the market's fear gauge, rose 2.83 per cent to 15.62, even as benchmark indices rallied.

"Looking ahead, price direction will largely depend on whether formal negotiations between Washington and Tehran gain traction," said Chainwala.

Airtel Q2 profit jumped 31% on premium user growth

Airtel spent ₹2,826 crore to acquire a strategic land parcel for its data-centre expansion, which will be one of its major growth levers going forward, along with financial services.

"Our investment in a strategic land parcel during the quarter marks another important step towards realising our ambition of building 1 gigawatt (Gw) of data-centre capacity. In financial services, early traction following the commercial launch has been very encouraging, with our digital platforms, advanced data analytics, and disciplined operating model providing a strong foundation to scale the business. We continue to maintain a strong and resilient balance sheet, anchored by robust cash generation and disciplined capital allocation," Bharti Airtel Executive Vice-Chairman Gopal Vittal said.

The carrier's India business reported a revenue of ₹42,308 crore in Q2FY27, up 9.4 per cent Y-o-Y from ₹38,690 crore, and up 2.7 per cent quarter-on-quarter (Q-o-Q) from ₹41,214 crore, driven by premiumisation of its mobile portfolio and strong momentum in its homes and enterprise businesses. India mobile revenue increased by 10.1 per cent Y-o-Y, led by higher Arpu (average revenue per user) and strong growth in smartphone data customer additions. Mobile services, which account for 73 per cent of total revenue, generated ₹30,943 crore.

The telco's net debt fell to ₹88,277 crore in Q2FY27 from ₹1.26 trillion a year earlier, excluding lease obligations. On an inclusive basis, net debt reduced to ₹1.6 trillion in Q2FY27 from ₹1.9 trillion in Q1FY27.

The consolidated capex of the carrier, including India capex of ₹9,908 crore, stood at ₹12,467 crore for the quarter.

Airtel's Arpu, a key profitability metric for telecom operators, increased to ₹271 per month from ₹264 in Q1FY27, up 2.7 per cent. On a Y-o-Y basis, Arpu was up 5.9 per cent from ₹256 in Q2FY26.

Airtel's Arpu remained higher than Reliance Jio's ₹218.8 per month. The increase was driven by strong net additions, particularly in the high-revenue postpaid segment, where Airtel added a record 1.2 million customers during the quarter, taking its total postpaid base to more than 31.2 million.

"Our postpaid momentum remained strong with record-high net customer additions of 1.2 million. We added 2.9 million smartphone data customers, with continued improvement of our industry-leading Arpu at ₹271. The homes business saw 676,000 customer additions, driven by disciplined customer acquisition and continued progress on our convergence strategy," Vittal said.

Consolidated earnings before interest, taxes, depreciation, and amortisation (Ebitda) rose 17.8 per cent Y-o-Y to ₹35,240 crore in Q2FY27, beating estimates.

India Ebitda stood at ₹25,729 crore. The consolidated Ebitda margin was 57.9 per cent, while the India Ebitda margin reached 60.8 per cent.

Airtel's India subscriber base rose 10.9 per cent Y-o-Y to