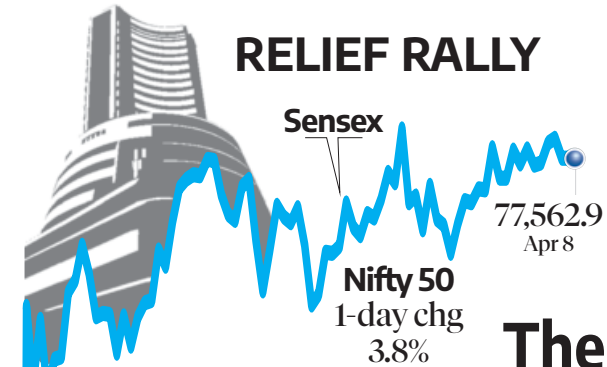


Sensex surges nearly 4% in its best session in over five years as a two-week US-Iran ceasefire eases oil supply fears, even as Israel pummels Lebanon to target Hezbollah and Hormuz remains largely blocked

# Markets soar on shaky Iran-US ceasefire

## RELIEF RALLY



₹ vs \$  
(spot)  
92.58  
▲  
0.44%

Brent crude  
89.50/bbl  
▼  
10.75%  
until 5 pm IST

India 10-year  
Gsec yield  
6.90%  
▼  
15 bps

Nifty  
Midcap 100  
56,799.5  
▲  
4.03%

Nifty  
Smallcap 100  
16,538.05  
▲  
4.39%

India mcap\*  
₹445.5 trn  
▲  
₹16.5 trn  
\*mcap of BSE-listed companies

India vix  
19.70  
▼  
20.24%

1-day change

## The war shock

Indian equities slid into a sharp riskoff phase after the West Asia war began, with benchmarks falling up to 11 per cent amid a 45 per cent surge in crude oil prices, rupee weakness and foreign investor outflows. Wednesday's rally signals a sentiment rebound, though risks persist.

SUNDAR SETHURAMAN



Members of the US Air Force walk towards a B-52 Stratofortress bomber after it returned still loaded with munitions to the RAF Fairford airbase in the UK, following the announcement of a two-week ceasefire in the Iran war

PHOTO: REUTERS

SUNDAR SETHURAMAN  
Mumbai, 8 April

Domestic equity markets rallied sharply on Wednesday, buoyed by a wave of optimism across global markets after the United States (US), and Iran agreed to a two-week ceasefire and Tehran pledged to reopen the Strait of Hormuz, in a last-ditch deal that saw American President Donald Trump back off from threats to escalate the war. A sharp decline in global crude oil prices, growth-focused commentary from the Reserve Bank of India and short-covering by traders further supported the surge.

Tensions, however, remain elevated, with Iranian media claiming that oil tankers passing through Hormuz had been stopped after Israel's "ceasefire breach". Despite truce announcement, Israel launched its biggest attacks yet on Lebanon, and Iran struck Gulf neighbours' oil facilities.

The Sensex rose 2,946 points, or 3.95 per cent, to close at 77,563 — its biggest single-day gain since February 1, 2021.

The Nifty 50 climbed 874 points, or 3.8 per cent, to 23,997, marking its strongest advance since May 12, 2025.

The total market capitalisation of BSE-listed companies increased by ₹16.3 trillion to ₹445.5 trillion, compared with ₹464 trillion before the conflict began.

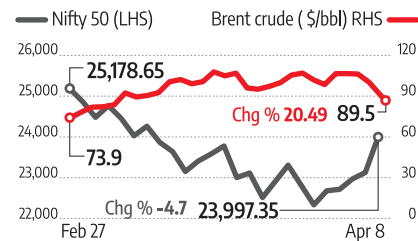
The rupee appreciated 0.44 per cent to 92.58 a dollar, while forward premiums declined. The benchmark 10-year government bond yield fell 14.8 basis points to 6.90 per cent as Brent crude dropped below \$90 a barrel, down nearly 11 per cent. The crude oil benchmark, however, is still trading well above the pre-conflict level of about \$73.

The rally followed Iran's agreement to conditions linked to reopening the Strait of Hormuz, a critical chokepoint that carries nearly a fifth of global oil supplies. The earlier blockade had unsettled oil markets and raised concerns over a global energy shock.

Foreign portfolio investors (FPI) were net sellers to the tune of ₹2,812 crore, while domestic institutional investors (DII) provided support with net inflows of ₹4,168 crore.

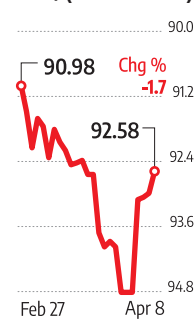
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## Equities slip on oil



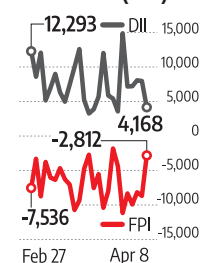
## Losing value

₹ vs \$ (inverted scale)



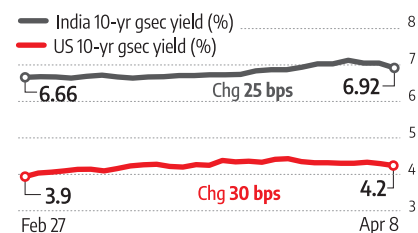
## FPIs exit

Net equity investment (₹ cr)



Note: Provisional data as reported on exchange  
Source: Exchange

## Bonds weaken



Source: Bloomberg  
Compiled by BS Research Bureau

## US, Iran agree to talk in Islamabad even as Strait of Hormuz stays blocked for now

KATE SULLIVAN, PATRICK SYKES  
& DAN STRUMPF  
8 April

The United States (US) and Iran said they are prepared to hold talks to end the war in West Asia during a proposed two-week pause in hostilities, even as Israeli strikes on Lebanon threatened to derail the fragile truce.

Further adding to uncertainty, sporadic fighting continued throughout the region and the Strait of Hormuz remained largely blocked.

US President Donald Trump has said that reopening the Strait was a condition for halting the fighting.

Trump announced the ceasefire on Tuesday night was



People celebrate ceasefire in Tehran

PHOTO: REUTERS

a retreat from threats to unleash massive devastation on Iran, easing fears of a protracted global energy crisis. Mediator Pakistan has floated negotiations later this week in

Islamabad, and Trump said they could start very soon, according to the New York Post.

Yet there were already signs that the agreement was buckling. Iran said it would with-

draw from the deal if Israel kept up attacks in Lebanon, according to the semi-official Tasnim news agency. Passage of oil tankers through the strait was halted after Israel's attacks, the semi-official Fars news agency reported.

Trump on Wednesday said that Lebanon was not included in the ceasefire deal "because of Hezbollah".

"They were not included in the deal. That'll get taken care of, too. It's all right," he said in a brief telephone interview with PBS News Hour.

When asked about Israel continuing its strikes in Lebanon, he said, "It's part of the deal — everyone knows that. That's a separate skirmish."

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FPI outflows were below their average of about ₹7,000 crore per session since the conflict began. DII inflows have averaged nearly ₹7,500 crore over the same period.

The India Vix, the volatility gauge, declined 20 per cent to 19.7. Broader markets also strengthened, with the Nifty Midcap 100 and Nifty Smallcap 100 rising more than 4 per cent each. All sectoral indices ended higher, led by auto and realty, which gained more than 6 per cent each.

Wednesday's rebound followed an 8 per cent correction since the start of the conflict.

Analysts said the durability of the rally would depend on developments in energy markets and supply chains. "If oil prices continue to fall and logistics normalise, markets can begin to unwind stagflation risks," said Stephen Dover of the Franklin Templeton Institute. He cautioned, however, that damage to Gulf energy infrastructure could delay a full recovery in supply.

"Supply normalisation will not be immediate. Oil, natural

gas and fertiliser prices are unlikely to revert quickly to pre-war levels. The key variable is not the ceasefire headline, but whether shipping flows, insurance costs and actual energy transit normalise. Confidence in safe passage remains uncertain," he added.

Market participants warned that the volatility could persist. "The volatility will continue for some time. Elevated oil prices are already having a cascading impact on inflation, interest rates and corporate earnings. Earnings growth expectations for FY27 may moderate from 14-15 per cent to 10-12 per cent. If oil averages around \$100 this financial year, growth could slip to single digits," said Dhiraj Relli, managing director and chief executive of HDFC Securities. Market breadth remained strong, with 3,832 stocks advancing and 575 declining. All but three Sensex constituents ended higher. HDFC Bank, up 5.7 per cent, was the largest contributor to gains, followed by ICICI Bank, which rose 5.1 per cent.