

Midnight News Update: 08-09 Jan 2026

The Nifty and Sensex cracked over 1% on Thursday, losing around ₹8 trillion or approximately \$90 billion in market cap. The fall was triggered after Trump announced that he would raise import tariffs to 500% for exports from countries that continue to buy Russian oil, which includes India. This is likely to make most of Indian exports to the US unviable. All the sectoral indices closed in the red, as the Nifty and Sensex extended losses for the fourth session in a row. While the Nifty fell 264 points, Sensex fell 780 points. Both indices closed near intraday lows.

Among stocks, Bharat Heavy Electricals Ltd (BHEL) fell by over 10% in the day after the government hinted at easing curbs on Chinese companies bidding for Indian government contracts. India is paving the way for closer ties with China as the US continues act hostile. These restrictions were imposed on Chinese companies 5 years back amidst the Doklam stand-off. BHEL could face competition from Chinese companies in railway, defence, and power sector contracts. The impact was also felt by others in the capital goods space, as China is potent competition.

SEBI has undertaken a comprehensive overhaul of broker regulations after a gap of nearly 30 years. The idea is to ease compliance and facilitate business. Under the new rules, entities with a large active client base will be subjected to more stringent supervision. The new module has also eliminated a number of obsolete provisions in the old act, especially those pertaining to physical delivery of shares, Forward Markets Commission, and sub-brokers. Increasingly, stock exchanges will now act as the primary level of regulation for the capital market entities.

With the first advance estimates (FAE) of FY26 GDP coming in at 7.4%, most economists have red-flagged a distinct slowdown in growth in the second half of the fiscal year. They expect the growth in H2 to taper to as low as 6.9% due to contraction in government capex. Economists have also highlighted that while real GDP growth is 90 bps higher in FY26 compared to FY25, the nominal GDP is actually 180 bps lower. That means; most of the real GDP growth in FY26 is coming from low inflation. India shifts to new GDP base (2022-23) from February 2026.

Germany and India are on the verge of signing an \$8 billion deal for submarines. The deal is likely to be finalized when Chancellor Friedrich Merz visits India next week. This will include technology transfer for the submarine too. If the deal goes through, India will scrap plans to buy 3 more French submarines. The submarines will be jointly manufactured by Thyssen Krupp Marine Systems of Germany and Mazagon Docks of India. India is likely to enhance cooperation with Germany in the pharma and defence space. This gels with India's logic of looking beyond the US.

Proxy advisors like ISS and InGovern have backed the Shriram Finance and MUFG deal and urged shareholders to vote in favour of the deal. Under the deal, MUFG will be acquiring a 20% stake in Shriram Finance, in what will be one of the largest Japanese investments in Indian financial sector. The proxy advisors have supported the deal on the ground that it would be long-term value accretive for the company and its shareholders. The allotment will be by way of preferential issue, and the EGM for approval of the proposal is scheduled for January 14, 2026.

Larsen & Toubro has bagged an order from the Indian army to upgrade its Pinaka Rocket Launcher Systems. L&T will overhaul, upgrade, and also manage obsolescence of the equipment. It is a rare case of collaboration between the Indian army and the private sector. In this project, L&T will work along with the Army Base Workshop and the Corps of EME to upgrade the systems. It will be more of a life-cycle based framework for sustaining systems. L&T is a long-standing defence partner of the DRDO for the design and supply of the Pinaka artillery systems.

Alphabet, the parent of Google, has seen its market cap soar to \$3.89 trillion amid a frenetic rally in the stock. While NVIDIA at \$4.6 trillion continues to be the most valuable company in the world, Alphabet has now gone past Apple in market cap for the first time. Apple with a market cap of \$3.85 trillion has been relegated to third place. In fact, Alphabet stock is up 66% in the last one year after it joined the AI race with its AI assistant tool, Gemini. The market has not taken too kindly to Apple delaying its AI features. AI stories have dominated the NASDAQ narrative.

Disclaimer: The content of this newsletter published by HPMG Shares and Securities Private Limited (Mid Night News Update) are not intended to serve as a professional advice or guidance and the newsletter takes no responsibility or liability, express or implied whatsoever for any investment decision made or taken by readers of this newsletter based on its content thereof. The readers of this newsletter should exercise due caution and/or seek independent professional advice before entering into any commercial or business relationship or making any investment decision or entering into any financial obligation based on any information, statement or opinion which is contained, provided or expressed in this newsletter.