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Global Markets & Indian Budget Strategic Report

Inter Tight: Strategic Brief: February 1, 2026

The Era of Volatile Stabilization: While G7 economies grapple with 'Shadow Deflation,' emerging markets—anchored by the Indian Budget—offer a critical divergence in growth. This report synthesizes post-budget liquidity shifts with global macro currents.

Nifty 50: 28,450 ▲ | S&P 500: 6,120 ▼ | BTC: $112,400 ▲ | Gold: $2,850 — | INR/USD: 82.10 ▲

Senior Ana

Global Macro Shifts: The Tension of Divergence

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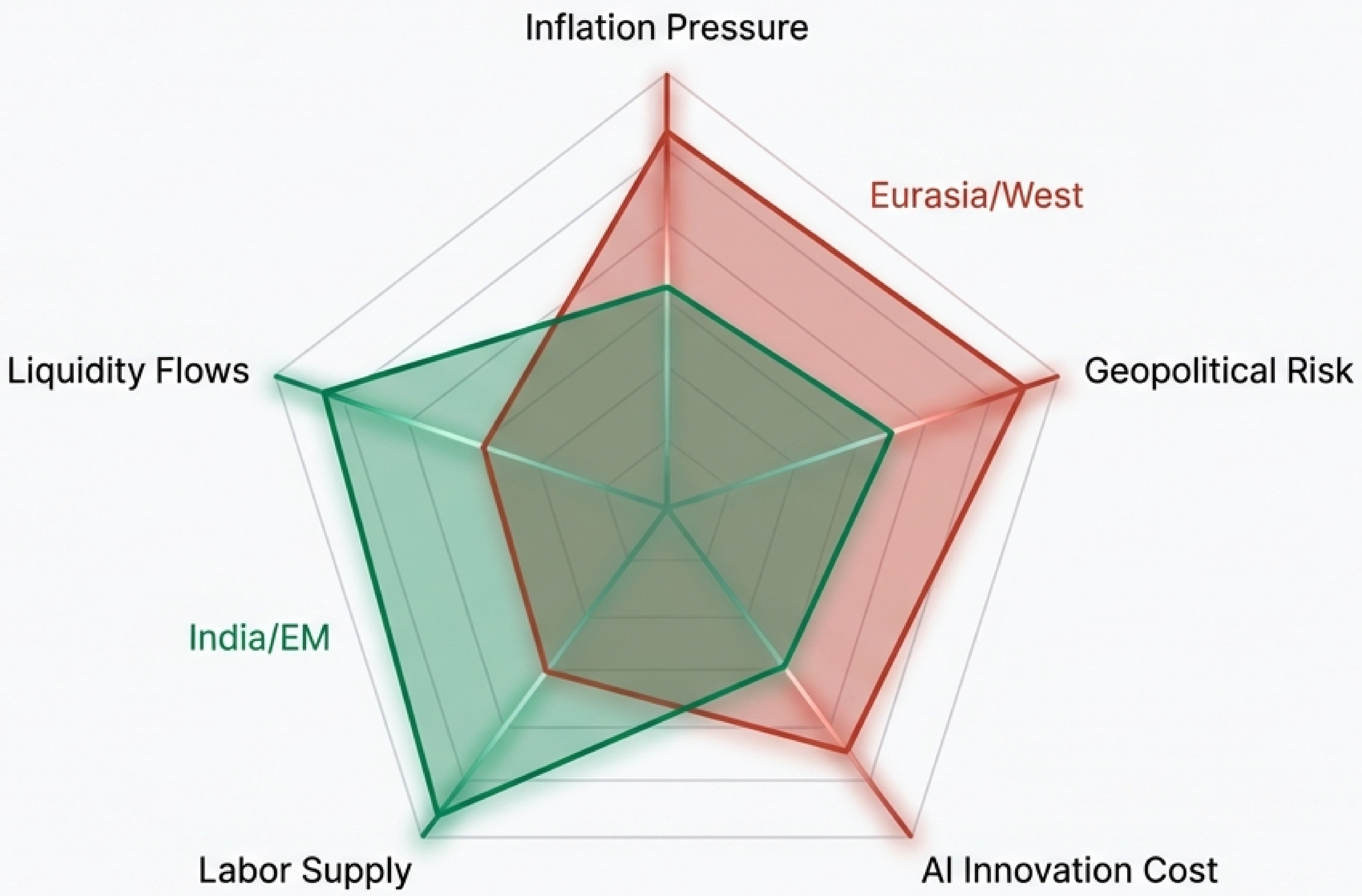

Analyst Insight

Global markets are decoupling. Innovation-heavy zones are battling deflationary tech pressures ("Shadow Deflation"), while resource-heavy zones fight sticky inflation.

Strategic Action: Reduce exposure to generic global indices; seek alpha in decoupled markets where fiscal policy overrides monetary tightening.

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Regional Analysis (Americas): The Dollar's Shadow Deflation

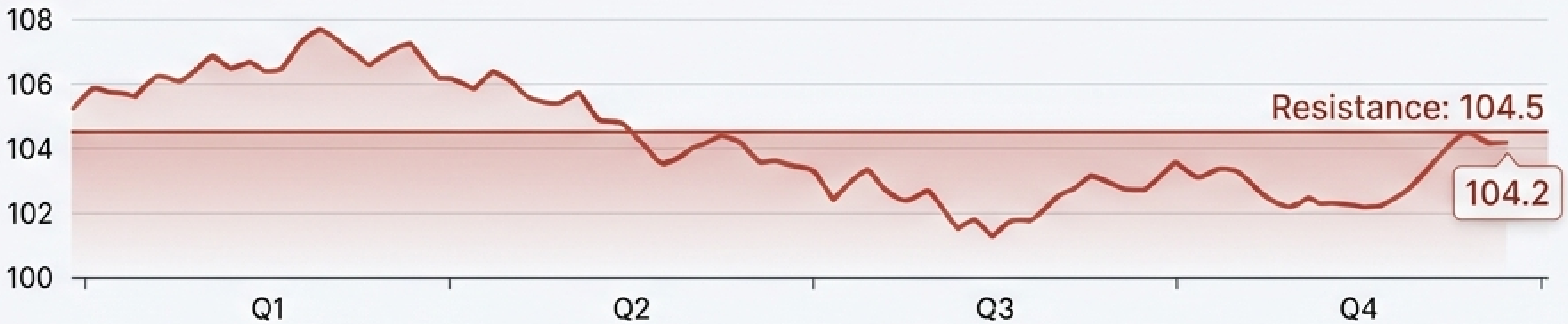
Inter Tight

Key Insight:

The US economy is cooling faster than anticipated. The DXY is hitting a ceiling at 104.5, signaling a potential rotation of capital out of the dollar and into Emerging Markets (EM).

Split-Trend

DXY (Dollar Index)

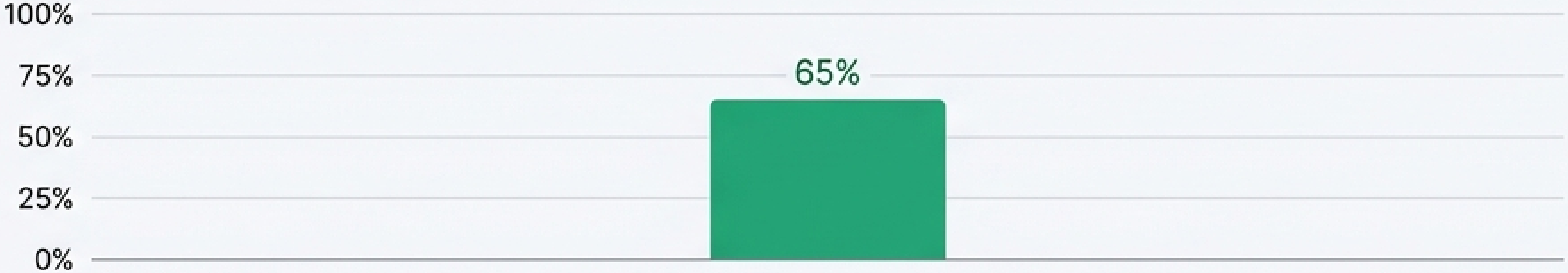


Inter Tight

Market Reaction:

US Equities facing consolidation; Treasury yields dipping.

Fed Rate Cut Probability (March 2026)



Bottom-bar

Analyst Insight

The 'Shadow Deflation' caused by AI efficiency is suppressing US wage growth. This weakness in the Dollar is the green light for commodities and the Indian Rupee.

Regional Analysis (Eurasia): The Manufacturing Split

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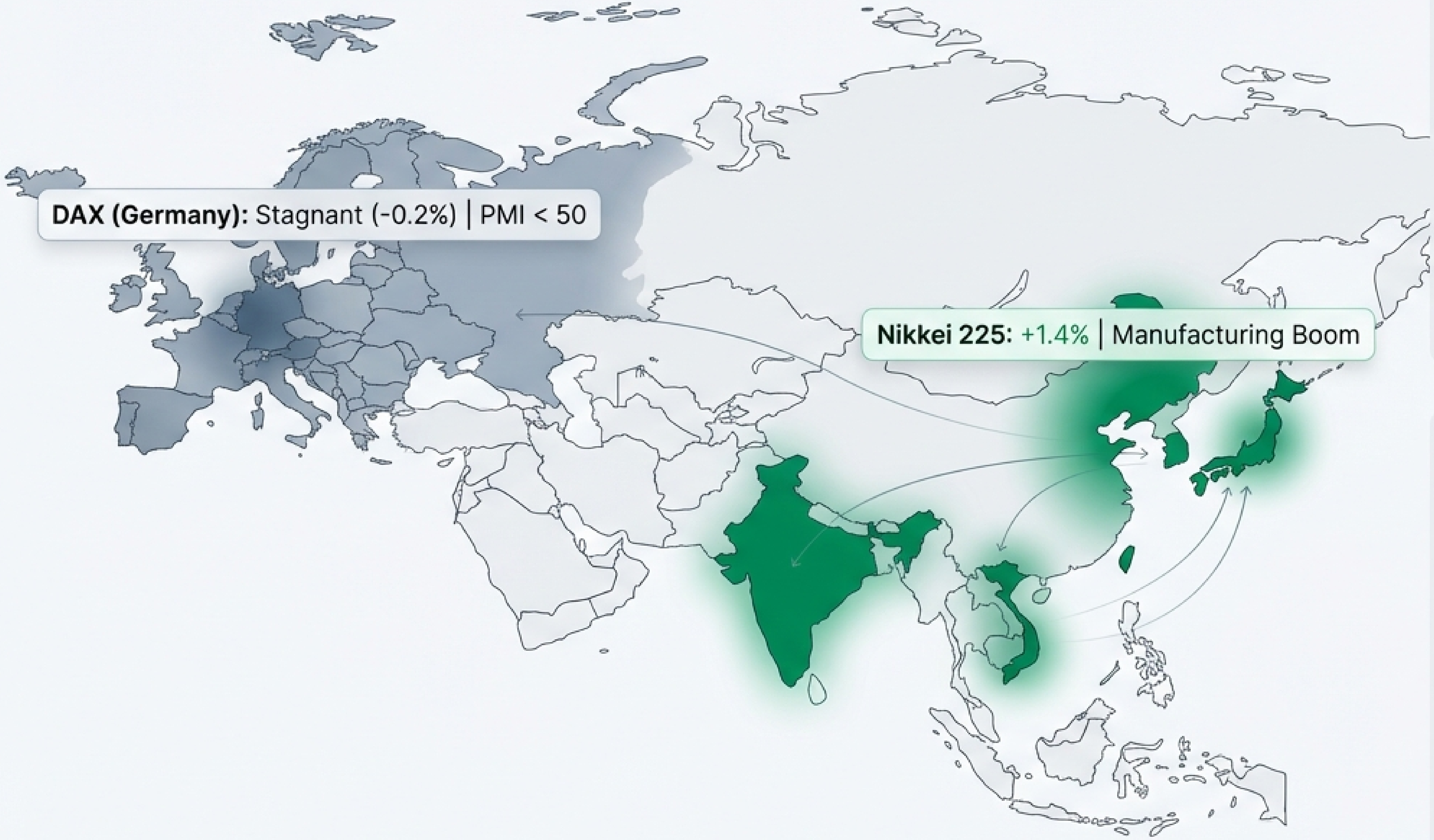

Key Insight

Europe (DAX/FTSE) remains trapped in a low-growth cycle.

In contrast, Asian indices are buoyant due to supply chain re-routing.

Strategic Action

Underweight European Equities.

Use the Euro (EUR) as a funding currency to buy Asian growth assets.

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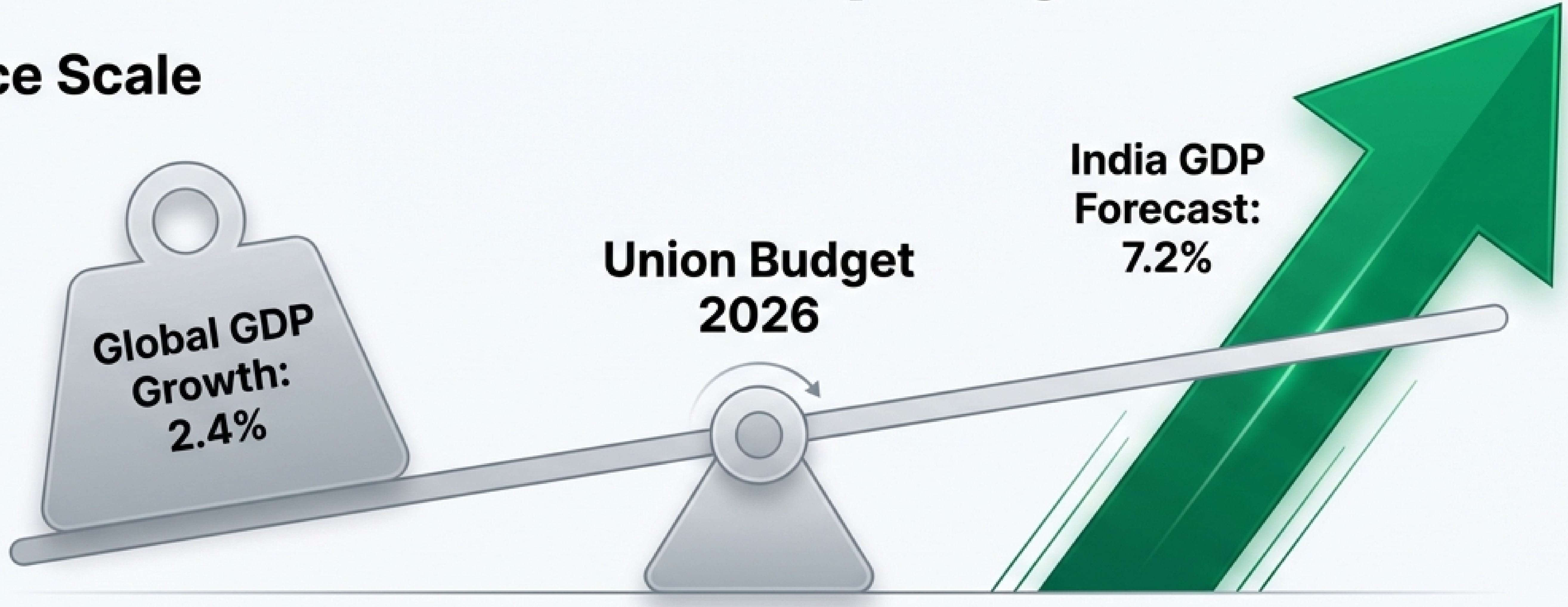
The Indian Shield: A Global Liquidity Outlier

Divergence Scale

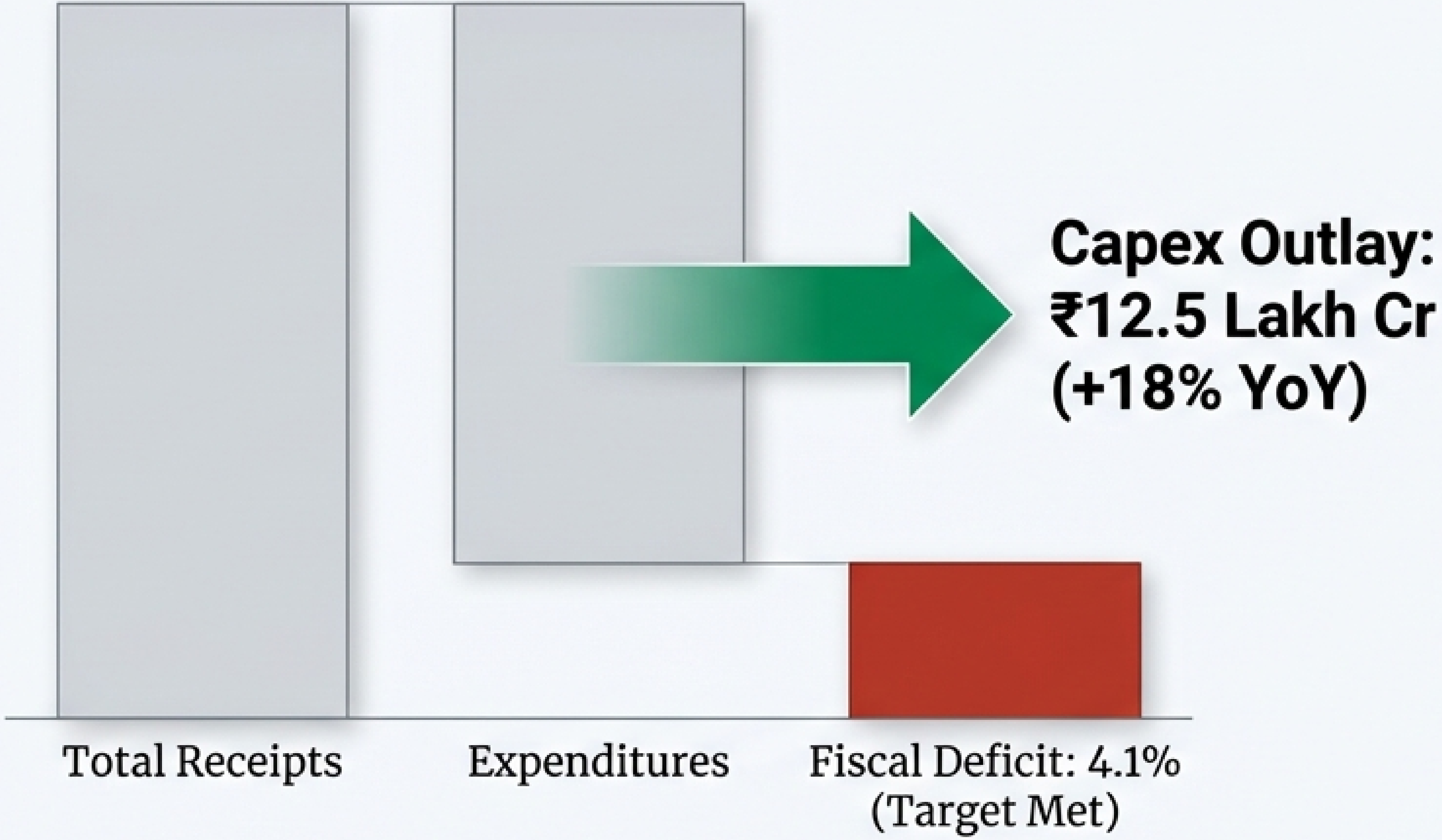


- **GDP Spread:** +4.8% over Global Average
- **Market Cap:** $6.5 Trillion Milestone Reached
- **Currency:** INR strengthens to 82.1 vs USD

Analyst Insight

This is not just an emerging market story; it is a ‘Safe Haven’ growth story. The budget has effectively ring-fenced the Indian economy against foreign volatility.

Inter Tight: Budget 2026: The Capex Continuity



- Fiscal Discipline: Deficit at 4.1% is better than the 4.3% expectation.
- Focus Area: Railways & Defense see highest ever allocation (22% of Capex).

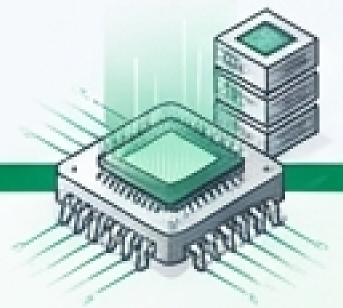
Strategic Action

Long positions on Capital Goods and Defense stocks. The fiscal discipline creates room for RBI rate cuts later this year.

Sectoral Impact: The AI & Innovation Pivot

Traditional Infrastructure

Sustained Growth.



Digital Infrastructure

Accelerated Incentives.

- **AI Center Allocation:** ₹15,000 Cr fund for GPU clusters.
- **Tax Benefit:** 2% corporate tax rebate for AI cost-cutting implementation.
- **PLI Expansion:** Space-Tech and Quantum Computing included.

Analyst Insight

Look for mid-cap IT firms specializing in industrial AI applications. They are the direct beneficiaries of this policy shift.

Institutional Flows: The Double-Engine Liquidity

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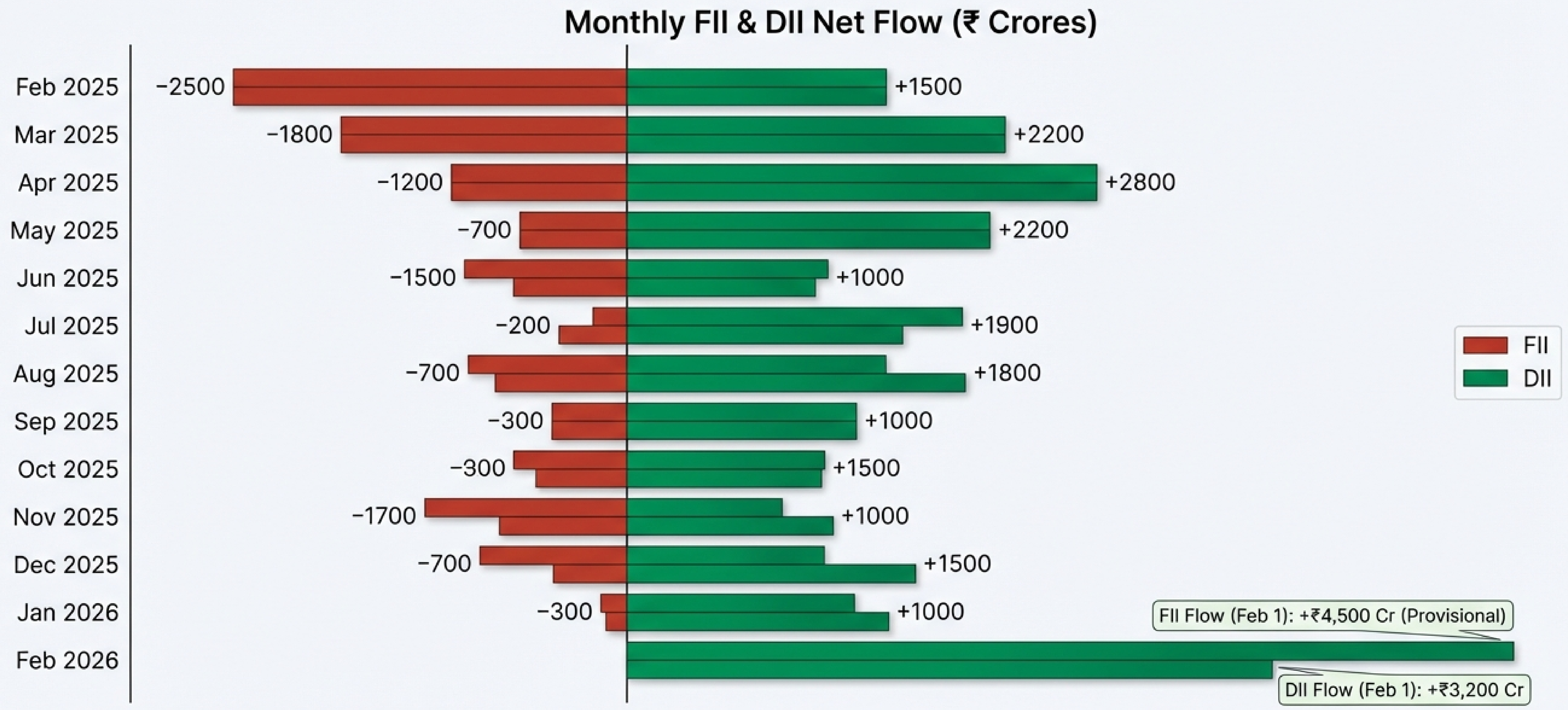

Strategic Action: Follow the FIIs into heavy-weight Banks (Bank Nifty). The liquidity support at current levels is rock solid.

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India Technicals: Breakout Levels & Supports

Analyst Insights

RSI Indicator: 68 (**Bullish**, **room to run**).

Key Insight:
Nifty 50 has broken out of the 'Budget Eve' consolidation box. The path of least resistance is up.

Analyst Insight: Any dip toward 28,100 is a screaming buy. Post-budget momentum historically sustains for 3-4 weeks.

Institutional High-Fidelity

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Commodities: The Inflation Hedge Returns

Key Insight: With Geopolitical risk high and the Dollar weakening, Gold breaks fresh all-time highs. Silver follows as an industrial demand play.

Crude Oil Status: Stabilizing at $78/barrel (Neutral).

Strategic Action: Accumulate Silver on dips. It acts as both a monetary hedge and a play on the solar/ tech manufacturing boom in Asia.

Institutional High-Fidelity

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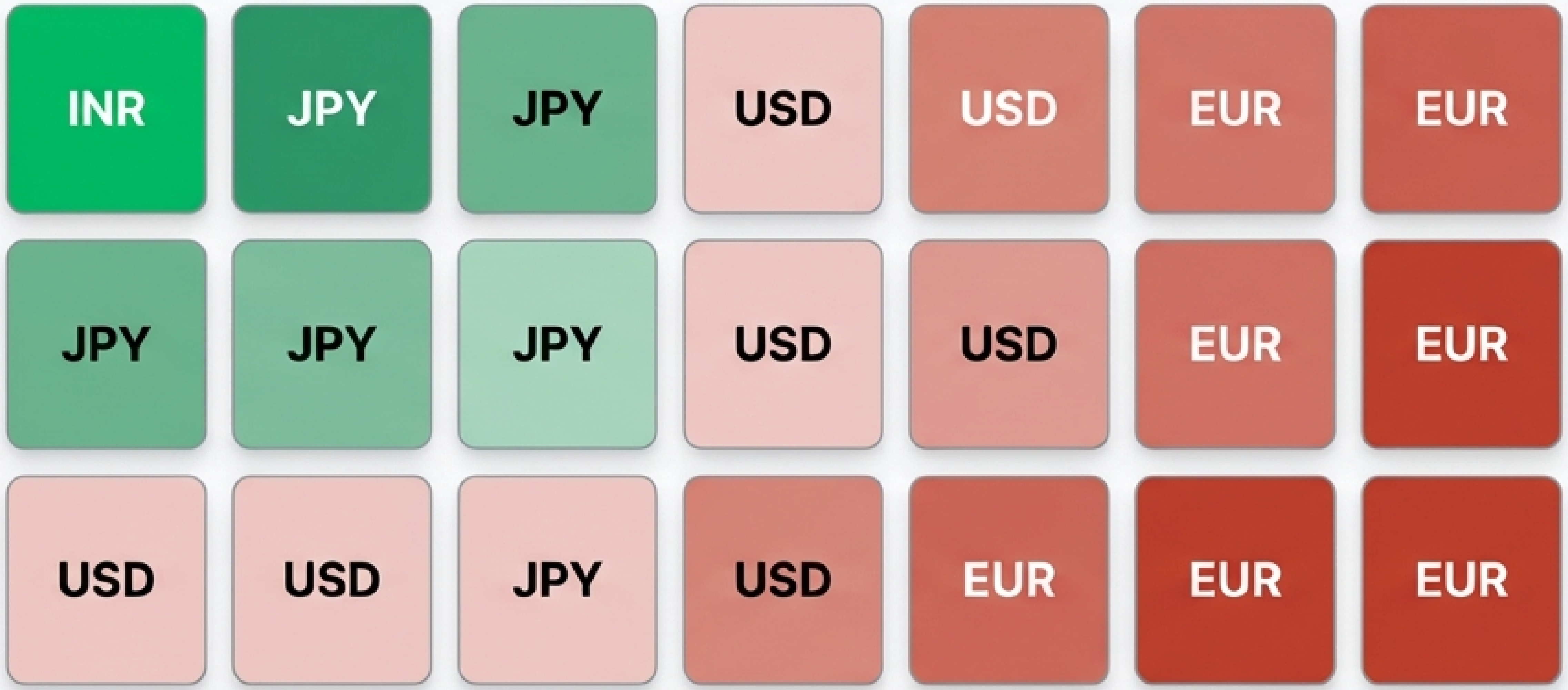
Forex Dynamics: The Carry Trade Unwinds

Currency Strength Heatmap



- **USD/INR:** 82.10 (Rupee Strength on Budget Inflows).
- **EUR/USD:** 1.095 (Euro struggles with weak German data).
- **GBP/USD:** 1.31 (Sterling Resilient).

Analyst Insights

Short USD/INR is the trade of the month. Heavy FII inflows into Indian debt markets are acting as a massive tailwind for the **Rupee**. The Interest Rate differential is narrowing, unwinding the **Carry Trade**.

Crypto Overview: Institutional Maturity

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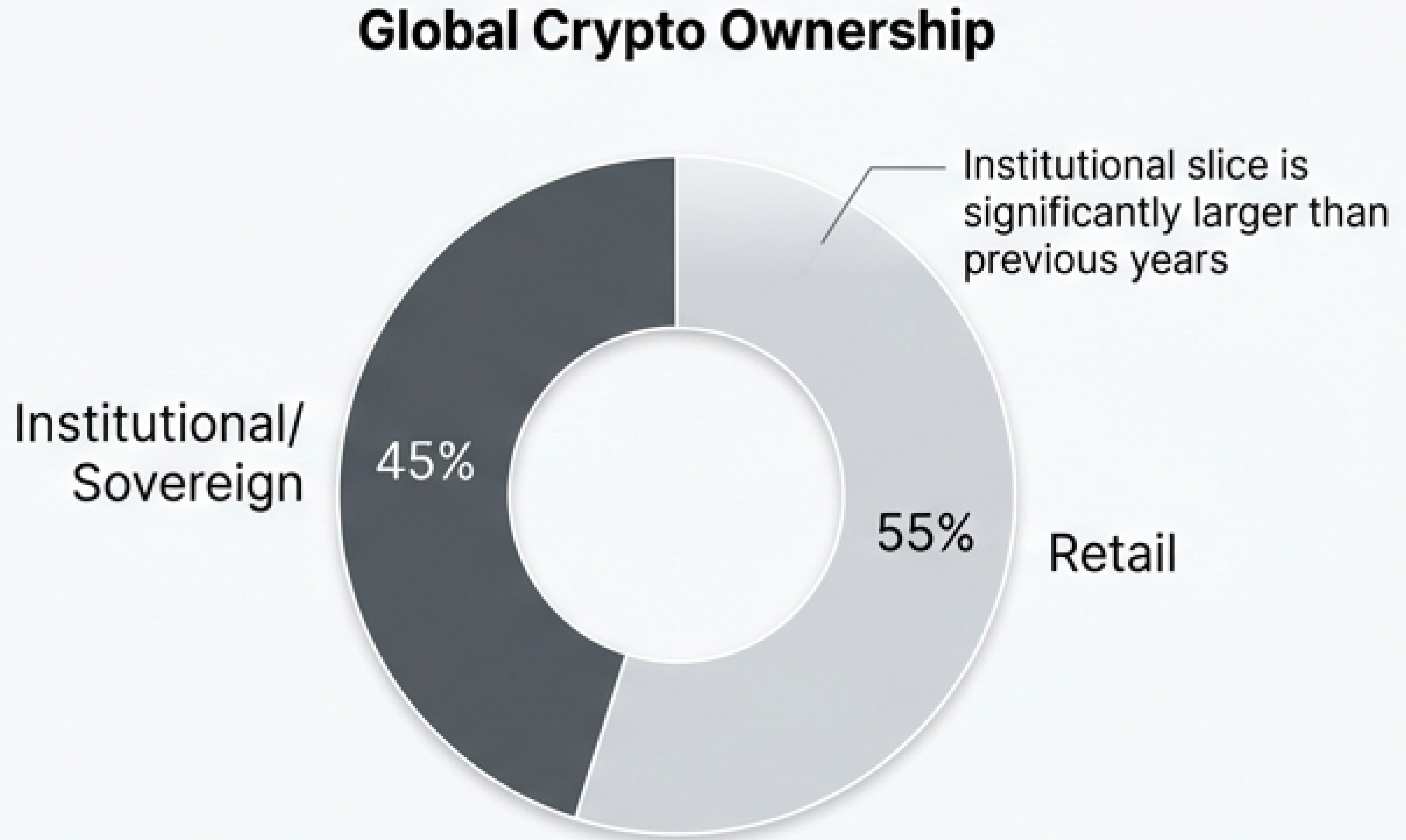
Institutional High-Fidelity



Bitcoin (BTC): $112,400.

Dominance: 54%.

Ethereum (ETH): $6,200.

Staking at All-Time High.

Regulatory Update: "Stablecoin Settlement" standards now active in G20.

Analyst Insights

Strategic Action: Treat BTC as a treasury asset. Volatility has compressed, making it a viable collateral asset for macro funds. 2026 marks the shift from 'Tech Stock Correlation' to 'Digital Gold'.

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Crypto Tactical: News & Trade Setups

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Trading Terminal

LATEST NEWS

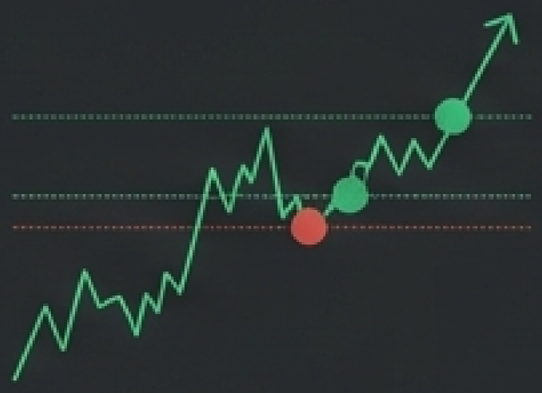
10:30 AM
US SEC approves 4th spot ETF derivative.

09:45 AM
Brazil accepts BTC for export settlement.

08:00 AM
Ethereum "Verkle Tree" upgrade dated for March.

TRADE SETUPS

BITCOIN (BTC)
↗ LONG
Entry: $110,000
Stop: $108,000
Target: $118,000



SOLANA (SOL)
↗ LONG BREAKOUT
Level: >$350
Target: $400

Analyst Insights

Avoid leverage > 3x. The market is bullish but prone to “liquidity wicks” (sudden flash crashes) to clear stops. Focus on Layer-2 scaling and Real World Assets (RWA).

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Inter Tight: Risk Radar: Managing the Volatile Stabilization

VIX (Volatility)
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Moderate Zone

Geopolitical Risk
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Middle East Supply Chains.
Merriweather

Shadow Deflation
Inter Tight

Tech Disruption.
Merriweather

Key Insight:

While the trend is up, the risks are structural. Algorithmic sell-offs driven by geopolitical headlines are the primary threat.
Merriweather

Analyst Insights

Strategic Action: Maintain a 15% cash position. Use ‘Trailing Stop Losses’ on all Indian Mid-cap positions to protect budget gains.
Merriweather

Strategic Takeaways & Forward Guidance

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STRATEGIC RECAP

1. **Overweight**: Indian Infra, Defense, Silver, Bitcoin.
2. **Underweight**: European Manufacturing, **US Dollar Cash**.
3. **Hedge**: Gold and 15% Cash Reserves.

February 2026

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4 US ISM Services PMI	5	6	7
8	9	10	11	12	12 India CPI Inflation Data	13
15	16 US Markets Closed (Presidents' Day)	17	18	19	20	21
22	23	24	25	26	26 India F&O Expiry	27
28						

ANALYST INSIGHTS

The data supports a 'Risk-On' approach for the Indian Shield. Trade the trend, respect the stops.