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Patience, and What the Street Expects Next

Brokerage targets, the case behind them, and why cycles reward those who stay · 7 August 2026

The past several months have tested investors and advisers alike. Markets have been subdued and sharply volatile, reacting to each headline on crude, geopolitics and foreign flows. When portfolios recover a little, the natural question follows: is this real, or does it fade again? That question deserves a considered answer rather than a hopeful one, so we have set out what the major research houses currently expect, and the reasoning behind it.

WHERE THE STREET SEES THE MARKET

Against a Nifty of 24,571 and a Sensex of 78,499 at the close of 7 August 2026, most major research houses are pointing higher over the next twelve to eighteen months. The upside column is measured from those levels.

Research house	Target	By	Upside
Elara Capital	Nifty 30,000	Mar 27	+22%
Emkay Global	Nifty 29,000	Mar 27	+18%
Morgan Stanley	Sensex 89,000	Jun 27	+13%
Morgan Stanley (bull)	Sensex 1,00,000	Jun 27	+27%
Antique Stock Broking	Nifty 27,000	Mar 27	+10%
PhillipCapital	Nifty 26,500-27,500	Mar 27	+8 to 12%
Goldman Sachs	Nifty 26,500	Jun 27	+8%
HSBC	Sensex 84,000	Dec 26	+7%
Citi	Nifty 26,000	~12 mth	+6%
Nomura	Nifty 25,900	Mar 27	+5%

For balance: J.P. Morgan, which earlier carried a 30,000 call, has since moved India to Neutral and cut its target to 27,000 on oil and earnings concerns. Jefferies published a more positive India note on 7 August citing accelerating credit growth and renewed capital flows, without a directly comparable index target.

WHY THEY EXPECT BETTER LEVELS

- **Earnings are set to do the heavy lifting.** Kotak expects roughly 18% Nifty earnings growth in FY27, Motilal Oswal around 15 to 16%, and Elara a 14 to 15% CAGR through FY27 and FY28. Targets rest on profits, not on re-rating.
- **Valuations have already corrected.** India's premium over emerging market peers is at a ten-year low, and large parts of the index, banks and IT in particular, now sit closer to historical averages.

WHY THEY EXPECT BETTER LEVELS (CONTD.)

- **Domestic money is the cushion.** SIPs, mutual funds, insurers and pension flows have absorbed sustained foreign selling, which is why the market has held its ground rather than broken down.
- **Foreign selling is losing intensity.** India's weight in emerging market indices is stabilising, and with the AI trade correcting abroad, relative attention may return. Flows have not turned positive yet, but the pressure is easing.
- **Credit and capex are turning.** Commentary this week points to accelerating credit growth alongside private capex, manufacturing, defence indigenisation, renewables and data centre linked demand.

WHAT THIS MEANS FOR THE PATIENT INVESTOR

Equity markets move in cycles, and this has been one of the flat, testing ones. That is precisely what has made the current setup more constructive. While prices marked time, earnings kept compounding, so valuations came down without the market falling apart. Fundamentals have been catching up with prices.

Every previous cycle of this kind has ended the same way. The recovery arrives without announcement, and the investors who benefit are those who were already invested when it did. Attempting to re-enter after confirmation usually means paying for the first and largest part of the move.

Volatility will continue for a while. Crude, geopolitics, the dollar and the pace of foreign flows are all unresolved. None of that changes the case for staying the course, because none of it is a judgement on the earnings power of the businesses you own.

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