WEALTH INTELLIGENCE

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Informed investors. Purposeful returns.

Markets Navigate Geopolitical Crosswinds as Domestic Earnings Season Drives Selective Optimism

> *Editor's Note: This week, India's markets held their ground in a range-bound consolidation even as FII selling hit record annual highs — a testament to the resilience of domestic institutional capital and robust Q4FY26 earnings flow.*

📬 EMAIL SUBJECT: NIFTY HOLDS 24,000 | US MARKETS AT RECORDS | FII EXODUS MEETS DII FORTRESS | YOUR WEEKLY BRIEFING

SENSEX 77,328 ▼ 0.66%W NIFTY 50 24,176 ▼ 0.60%W S&P 500 7,398 ▲ 2.30%W BRENT $100.49 ▼ Volatile

USD/INR ₹94.48 ▼ Weak REPO RATE 5.25% ◆ JUNE CUT?

01 EXECUTIVE SUMMARY

SENTIMENT — *Cautiously Neutral*

Range-Bound Indices

Sensex and Nifty traded in a narrow but volatile band all week. Nifty closed near 24,176, holding the critical 24,000 support. The 24,400 level remains the key breakout threshold.

FII Exodus at Record Pace

FPIs have pulled out ₹1.92 lakh crore in YTD 2026, already surpassing all of 2025's outflows. DIIs absorbed ~90% of this selling, underscoring India's structural domestic resilience.

US Markets at All-Time Highs

S&P 500 gained 2.3% and Nasdaq surged 4.5% for the week — both logging six consecutive weekly wins. Strong tech earnings and better-than-expected payrolls data drove the rally.

Oil & Iran Geopolitics

Brent crude hovered around $100.49/bbl as US-Iran tensions escalated near the Strait of Hormuz. Any resolution could sharply ease India's import bill and rupee pressure.

RBI Holds at 5.25%

The April MPC maintained the repo rate unchanged, citing supply-driven inflation from crude oil. GDP growth for FY27 projected at 6.9%; CPI seen averaging 4.6%.

Earnings Season Selective

Titan (+35% PAT), Mahindra & Mahindra, and UltraTech delivered positive surprises. SBI Q4FY26 profit grew YoY but missed estimates, triggering a 6.6% single-day drop.

KEY MACRO INSIGHT

India's equity market is undergoing a historic ownership transition. For the first time, DII ownership (20.9%) has surpassed FII ownership (17.1%) in Nifty-500 companies — a structural shift that insulates markets from foreign outflows but also signals that future rallies will need domestic retail conviction to sustain.

02 INDIAN EQUITY MARKET PERFORMANCE

INDEX	CLOSE	WEEKLY CHANGE	SUPPORT	RESISTANCE
BSE Sensex	77,328	**+0.5% (MTD +1.1%)**	76,360	78,000
Nifty 50	24,176	**+0.4%**	23,800	24,400
Bank Nifty	54,863	**−2.19%**	53,850	56,475
Nifty Midcap 100	—	Marginally positive	—	—
Nifty Smallcap 100	—	Broadly flat	—	—

TOP GAINERS (WEEK)

- **Titan Company** — +4.86% (Q4FY26 PAT +35% YoY beat estimates)
- **Mahindra & Mahindra** — Strong Q4; Auto & EV pipeline momentum
- **Asian Paints** — +2.74% recovery on volume pickup
- **Adani Ports** — +1.63%; cargo volume data supportive
- **Nuvama Wealth** — +8.8% on earnings surprise

TOP LOSERS (WEEK)

- **SBI** — −6.6%; PAT missed analyst estimates in Q4FY26
- **HDFC Bank** — −1.86%; banking sector under pressure
- **Axis Bank** — −1.76%; FII-heavy sector seeing outflows
- **Bajaj Finance** — −1.88%; credit growth concerns
- **Britannia Inds.** — −4.7%; margin pressure from input costs

FII/DII Flow Snapshot: YTD FPIs have net sold ₹1.92 lakh crore, already exceeding all of 2025's outflow of ₹1.66 lakh crore. In contrast, DIIs have poured in ~₹1.7 lakh crore YTD, cushioning the blow. FII ownership in Indian equities has fallen to approximately 16% — the lowest in nearly two decades — while DII holding has risen to a record 20.9% of Nifty-500. *(Source: NSDL, Motilal Oswal)*

Technical Outlook: Nifty is consolidating in the 23,800–24,400 range. A decisive close above 24,400 would open targets of 24,600–24,800. Failure to break out maintains the range. Bank Nifty has slipped below key short-term EMAs, signalling caution for the banking segment.

03 GLOBAL MARKET UPDATES

MARKET / ASSET	LEVEL	WEEKLY PERFORMANCE	KEY DRIVER
S&P 500 (US)	7,398	**+2.3% (6th consecutive weekly gain)**	Strong tech earnings + payroll beat
Nasdaq Composite	26,247	**+4.5%**	AI infrastructure demand, software earnings
Dow Jones	49,609	**+0.2%**	Mixed; financials dragged
South Korea Kospi	7,384	**+6.45% (single day)**	Post-holiday catch-up; AI rally
Brent Crude Oil	$100.49/ bbl	**Volatile; declined midweek on Iran deal hopes**	US-Iran ceasefire talks
WTI Crude	~$95.42/ bbl	**Elevated**	Strait of Hormuz supply risk
USD/INR	₹94.48	**Rupee under sustained pressure**	FII outflows, crude import bill

The dominant global macro theme remains the **US-Iran conflict** and its impact on crude oil prices. Reports of a potential ceasefire framework caused mid-week oil price drops and equity rallies, but renewed hostilities near the Persian Gulf reversed gains. US nonfarm payrolls rose by 115,000 in April — well above the 55,000 consensus — and the jobless rate held at 4.3%, reinforcing the "resilient growth" narrative for the US economy. *(Source: BLS, Reuters)*

04 MACROECONOMIC DEVELOPMENTS

- **CPI Inflation (March 2026):** 3.4% YoY — the highest in over a year but still below RBI's 4% target. Food inflation nudged up to 3.87%. The new base-year CPI methodology increases the weight of non-food goods. *(Source: MOSPI)*
- **RBI Repo Rate — June 2026 MPC Awaited:** The repo rate stands at 5.25% following the April 8 pause. With Brent crude now cooling from its peak toward $100/bbl, the inflation narrative is gradually improving. The next MPC meeting (June 3–5, 2026) is the critical near-term event — markets are pricing in a 25bps rate cut if April CPI prints below 3.8% and crude holds below $105. Governor Malhotra has signalled a strictly data-dependent approach. A rate cut would be the first positive surprise for rate-sensitive sectors (BFSI, Realty, Auto) in several months. *(Source: RBI Monetary Policy Statement)*
- **FY27 GDP Projection:** RBI revised GDP growth to 6.9% for FY27, down from February's 7.4% estimate. West Asia conflict and energy cost headwinds weigh on the downside. *(Source: RBI Monetary Policy Report, April 2026)*
- **USD/INR:** Rupee slid from ~₹85 to ₹94.48 since January 2025 — a depreciation of over 11% — primarily driven by FII outflows and the crude import bill. Currency weakness has become the primary deterrent for returning FII flows. *(Source: RBI Reference Rate)*
- **India's Inflation Target Renewed:** Government reaffirmed the 4% CPI target with a ±2% band for April 2026–March 2031, maintaining policy continuity and market predictability. *(Source: Dept. of Economic Affairs)*

- **US Fed Watch:** No rate action this week. Strong US jobs data reduces the probability of near-term Fed easing, keeping the dollar firm — a headwind for EM currencies including the rupee.

05 KEY ECONOMIC EVENTS & CALENDAR

THIS WEEK (RECAP)

- RBI April MPC minutes release — policy on hold at 5.25%
- US April Nonfarm Payrolls: +115,000 (beat est. 55,000)
- India-US bilateral trade deal negotiations ongoing
- Iran-US ceasefire framework discussions — ongoing volatility driver
- Q4FY26 earnings season in full swing (SBI, Titan, Britannia, M&M)

NEXT WEEK (WATCH LIST)

- India April CPI data release (est. ~3.6–3.8%)
- India March IIP data (industrial output)
- Q4FY26 results: ICICI Bank, Wipro, HUL, L&T, Bajaj Auto
- US April CPI — crucial for Fed rate cut timeline
- RBI liquidity operations & OMO announcements
- Crude oil price trajectory (Strait of Hormuz developments)

06 SECTORAL OUTLOOK

Banking & BFSI — NEUTRAL

SBI's earnings miss and broad PSB weakness dampens near-term sentiment. Private banks face FII-driven selling. Stable repo rate removes margin volatility but slows NIM expansion. Watch credit growth data.

Information Technology — POSITIVE

Global AI infrastructure demand is lifting large-cap IT. US tech earnings beat expectations. Rupee weakness provides tailwinds for export revenues. Mid-cap IT selectively attractive.

Pharma & Healthcare — POSITIVE

Defensive positioning amid global volatility. Strong US generic pipeline and steady domestic formulations demand. Watch for USFDA observations and raw material cost pressures.

FMCG — POSITIVE

Rural recovery thesis intact. Titan's strong Q4 signals discretionary consumption resilience. Input cost stability supports margins. Nestlé faced some pressure from input volatility.

Auto & EV — POSITIVE

M&M and Tata Motors continue to outperform on EV ramp-up. Stable interest rates support EMI financing. Elevated crude may temper two-wheeler rural demand over next 2 quarters.

Realty — NEUTRAL

Declined ~1.4% this week. Rate cut hopes deferred post-RBI April hold. Premium residential segment resilient; affordable housing faces headwinds. No near-term catalysts.

Capital Goods & Infra POSITIVE

Government capex pipeline intact. L&T results expected next week — a key bellwether for the sector. Order books remain healthy. Power and defence infra sub-segments leading.

Energy / Oil & Gas CAUTIOUS

Elevated Brent above $100 is a double-edged sword: positive for upstream E&P (ONGC, OIL) but negative for OMCs (IOCL, BPCL, HPCL) if under-recoveries return. Watch government pricing policy.

07 CORPORATE EARNINGS & COMPANY NEWS

COMPANY	RESULT	VERDICT	HIGHLIGHT
Titan Company	Q4FY26	✔ **BEAT**	Consolidated PAT +35% YoY; strong jewellery & watches demand; stock surged 4.86%
State Bank of India	Q4FY26	✘ **MISS**	PAT grew YoY but fell below analyst consensus; NIM pressure evident; stock −6.6%
Mahindra & Mahindra	Q4FY26	✔ **BEAT**	Auto & farm equipment volumes beat; EV order book remains strong
Britannia Industries	Q4FY26	✘ **MISS**	Margin compression from wheat & palm oil prices; stock −4.7%
Nuvama Wealth Mgmt	Q4FY26	✔ **SURPRISE**	Strong AUM growth and fee income; stock +8.8%
UltraTech Cement	Q4FY26	✔ **IN-LINE/ POSITIVE**	Volume growth supported by infrastructure pipeline; margins stable

Key Corporate Developments: Ideaforge Technology (drone maker) surged 10% to a 52-week high on order wins. Shipping Corporation of India gained 6.2% on rising freight narrative. L&T results are the marquee earnings event of next week.

08 INVESTMENT INSIGHTS

📊 **Asset Allocation — The Case for Staying Invested**

With Nifty consolidating ~15% below January 2025 highs (in USD terms), long-term investors face an asymmetric opportunity. The structural domestic story — 6.9% GDP growth, 4.6% CPI, and record DII flows — supports a core equity allocation. Trimming only if crude sustains above $120 or USD/INR crosses 98.

💡 **SIP Discipline Rewarded — Continue, Don't Pause**

Rupee cost averaging is working precisely as designed in this volatile market. April 2026 SIP flows remained steady, absorbing FII selling. Pausing SIPs during corrections has historically proven costly over 3–5 year horizons. Increase SIP amounts if investible surplus allows.

Debt Market — Hold Duration with Caution

With crude cooling toward $100/bbl and April CPI expected to print around 3.6–3.8%, the June 3–5 MPC now presents a credible window for a 25bps cut. Begin building moderate duration exposure (3–5 year) in anticipation. If cut materialises, longer-duration gilt funds and dynamic bond funds will outperform. Arbitrage funds remain a tax-efficient parking option in the interim.

Global Diversification Opportunity

US markets hitting new all-time highs even as Indian equities consolidate is a reminder of the value of geographic diversification. International fund allocations (US-focused) have delivered strong INR-denominated returns this year, partly aided by the rupee's fall. A 10–15% international allocation merits consideration for HNI portfolios.

Risk Watch — Three Variables to Monitor

Crude oil above $120/bbl, rupee beyond ₹97, and any escalation in the Strait of Hormuz would represent a materially negative combination for Indian equities. A formal India-US trade deal, on the other hand, would be a significant positive catalyst. Maintain appropriate cash buffers for redeployment.

09 OUTLOOK FOR NEXT WEEK

INDYA WEALTH VIEW

Markets are likely to remain range-bound in the 23,800–24,400 zone for Nifty. The earnings season (especially L&T, ICICI Bank, HUL) and India CPI data will be the primary domestic triggers. Globally, US CPI and any developments in the Iran ceasefire negotiations can swing sentiment materially. We maintain a **cautiously constructive** bias — buying quality on dips, avoiding sector overconcentration, and keeping 10–15% portfolio liquidity for emerging opportunities.

BULLISH TRIGGERS

- Iran ceasefire / Hormuz resolution → crude below $90
- India CPI prints below 3.5% → rate cut expectations revive
- Strong L&T / ICICI Bank Q4 results
- India-US trade deal announcement

RISK FACTORS

- Crude oil spike above $120 on renewed hostilities
- INR depreciation beyond ₹97 — RBI may intervene
- Continued FII outflows if US dollar strengthens
- US CPI surprise → Fed rate hike back on table

📱 SOCIAL MEDIA HEADLINES

> "*DIIs now own more of India's market than FIIs for the first time in two decades — here's what that means for your portfolio. #IndyaWealth #IndianMarkets*"

> "*Nifty held 24,000 even as ₹1.92 lakh crore left India this year. The story behind India's quiet market resilience. #Nifty #WeeklyWrap*"

> "*S&P 500 at all-time highs, Sensex flat — is it time to diversify internationally? Our weekly perspective. #WealthManagement #IndyaWealth*"

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