



NEWS LETTER

MARKETS END MIXED AMID GEOPOLITICAL CONCERNS; CRUDE OIL AND ELECTIONS IN FOCUS

Indian equity markets ended the week on a mixed note, influenced by rising geopolitical tensions and continued weakness in the rupee, which touched record lows in the final trading session.

The Nifty 50 closed at 23,997.55, gaining 99.6 points, while the BSE Sensex advanced 249.29 points to settle at 76,913.50. However, the Bank Nifty underperformed, declining sharply by 1,226.4 points to 54,863.35, largely impacted by the announcement of new ECL-related norms.

From a technical standpoint, the Nifty 50 is trading below all its key moving averages (10, 20, 100, and 200 days EMA), reflecting a cautious undertone in the near term. Immediate support and resistance levels are placed at regular 100-point intervals, which are expected to guide short-term movement. The index is likely to remain range-bound between 23,500–24,500, with 23,500 acting as a strong support base and 24,500 as a key resistance zone.

Crude oil continues to be a critical factor for the markets, as it touched fresh 52-week highs on Thursday, keeping concerns around inflation and macro stability elevated.

Sustained volatility in crude prices is likely to continue influencing market sentiment.

Looking ahead, domestic corporate earnings will play a key role in shaping the near-term direction of the markets. At the same time, global cues—particularly developments around the US–Iran situation—will remain closely watched. Any positive progress on the geopolitical front could ease inflationary concerns, while prolonged disruption, especially around the Strait of Hormuz, may weigh negatively on global markets.

For the coming week, Nifty is expected to trade in a narrower band of 24,200–24,500 on the upside and 23,500–23,800 on the downside. Market direction will largely depend on crude oil movements, USD/INR trends, global macro data (including US jobless claims, services PMI, and trade data), and the ongoing earnings season.



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THIS WEEK'S KEY HEADLINES:

- NSE: Investor Base Crosses 13 Crore
- City Union Bank: Bonus Issue & Dividend
- NSE Sells Stake in Indian Gas Exchange
- BHEL Signs Defence Tech Pact
- Piramal Finance Fundraising Plan
- MobiKwik Gets NBFC Licence
- Paytm Payments Bank to Shut Down
- Dr Reddy's Gets Approval for Generic Ozempic
- RBI: Retail Exposure Limit Increased
- SEBI Allows Net Settlement for FPIs
- SEBI Chief on Market Vision & AI Impact
- India Plans ₹51,383 Cr Maritime Expansion



Domestically, the upcoming week will be important as it begins with the counting of votes for all five Assemblies—West Bengal, Tamil Nadu, Puducherry, Kerala, and Assam—scheduled for May 4. Any clear majority outcome, particularly in line with exit poll expectations, could have a meaningful impact on market sentiment. Most exit polls indicate the possibility of an NDA-led government formation in West Bengal, which, if confirmed, may act as a positive trigger for the markets.

Overall, markets are likely to remain range-bound with a mildly cautious bias. A stock-specific approach is recommended in the current environment, while any easing in geopolitical tensions could act as a supportive catalyst for further upside.

COMPANY SPECIFIC

Trent: Bonus Issue Record Date Announced

Trent has fixed May 29, 2026 as the record date for its 1:2 bonus issue, meaning shareholders will receive one share for every two held. The company also announced a ₹6 dividend. Strong Q4 performance supported this move, with profit up ~30% YoY. Overall, this reflects management confidence and continued growth momentum in the retail business.



City Union Bank: Bonus Issue & Dividend

City Union Bank announced a 1:3 bonus issue along with a ₹2 per share dividend. This means shareholders will receive one additional share for every three held. The move reflects stable financial performance and strong capital position. Such corporate actions enhance shareholder returns and improve stock liquidity, making it positive from an investor sentiment perspective.

NSE Sells Stake in Indian Gas Exchange

NSE has sold around 1% stake in Indian Gas Exchange (IGX) to comply with regulatory norms. As per PNGRB rules, no single entity can hold more than 25%, and NSE's stake is now reduced to 25%. IGX is India's gas trading platform and is also planning an IPO. This move is purely regulatory and does not change the long-term growth outlook.



NSE: Investor Base Crosses 13 Crore

India's equity participation continues to deepen, with NSE's investor base crossing 13 crore. The exchange added around 1 crore investors in just 7 months, highlighting strong retail inflows. Total client accounts have also surged significantly. This trend indicates rising financialisation of savings and sustained interest in equities, which remains structurally positive for capital markets and brokerage ecosystem growth.

BHEL Signs Defence Tech Pact

Bharat Heavy Electricals Limited has signed a licensing agreement with Defence Research and Development Organisation to acquire advanced naval technology developed by NSTL. This marks BHEL's strategic entry into the high-growth defence manufacturing space. The move strengthens its diversification beyond core power equipment and aligns with India's indigenisation push, reducing import dependency while creating long-term opportunities in defence orders.



Reliance and Axis Energy to Develop UCG Coal Mines

Reliance Industries and Axis Energy Ventures will develop India's first Underground Coal Gasification (UCG) enabled coal mines. This technology converts coal into gas underground, improving efficiency and reducing environmental impact. The project supports cleaner coal utilisation and energy security, marking a key step in advanced mining technologies in India.



Pirama Finance Fundraising Plan

Pirama Finance plans to raise up to ₹30,000 crore in FY27, as per management commentary. The funds will support business growth, particularly in retail lending. This indicates strong expansion plans and confidence in credit demand. Adequate capital infusion will help sustain growth momentum while maintaining balance sheet strength.

MobiKwik Gets NBFC Licence

MobiKwik has received RBI approval for its NBFC licence, which management called a "game-changing" step. This allows the company to enter lending through a new financial services arm. With existing licences across payments and broking, this completes its full-stack model. The focus now shifts to scaling credit products, with meaningful impact expected from FY27.



AU Small Finance Bank Moves Toward Universal Bank

AU Small Finance Bank has applied for a universal banking licence after RBI eased rules around holding company structure. The bank had already received in-principle approval earlier. Transitioning to a universal bank will allow broader product offerings and scale expansion. Strong financial performance and readiness position it well for this next phase of growth.

Paytm Payments Bank to Shut Down

Paytm Payments Bank will shut operations after RBI cancelled its licence due to regulatory concerns. This marks a major setback for the Paytm ecosystem, impacting its payments and financial services integration. The development raises concerns around compliance and governance in fintech. It is sentiment-negative and creates near-term uncertainty for the broader business model.



Sun Pharma and Organon Deal to Boost Margins

Sun Pharmaceutical Industries expects its Organon acquisition to generate around \$350 million in cost savings over the next few years. Management highlighted that this will improve margins through better efficiency and scale benefits. The deal strengthens its global portfolio and supports profitability growth. Overall, this is a positive move focused on improving margins and creating long-term value.

Dr Reddy's Gets Approval for Generic Ozempic

Dr. Reddy's Laboratories has received approval in Canada for a generic version of Ozempic. This could lead to a price war in GLP-1 drugs, making diabetes treatment more affordable. The move strengthens the company's presence in regulated markets and opens new growth opportunities in a high-demand therapeutic segment.

Airtel Plans \$2 Billion IPO for Mobile Money Unit

Bharti Airtel is planning a between \$1.5 to \$2 billion IPO for its mobile money business in London. This move aims to unlock value from its Africa operations and attract global investors. A separate listing could enhance valuation visibility and provide growth capital, supporting expansion in digital financial services.

REGULATORY & POLICY UPDATES



RBI: Retail Exposure Limit Increased

RBI has increased the retail exposure limit to ₹10 crore and reduced risk weights for such loans. This move is expected to ease capital pressure on banks and improve lending flexibility. Lower risk weights will support credit growth while maintaining prudential norms. Overall, the decision is positive for banks as it enhances balance sheet efficiency and supports retail credit expansion. The revised framework, which will come into force from April 1, 2027.

RBI: ECL Framework Implementation Confirmed

RBI has confirmed the shift to a proactive Expected Credit Loss (ECL) framework from April 2027, rejecting banks' request for more time. This will require earlier recognition of potential loan losses, improving transparency and risk management. While it may increase provisioning in the near term, it strengthens the long-term stability of the banking system and aligns India with global standards.



SEBI Allows Net Settlement for FPIs

SEBI has allowed FPIs to use net settlement for same-day cash market trades, instead of settling each trade separately. This will reduce funding costs and improve operational efficiency. The move makes Indian markets more attractive for foreign investors and enhances liquidity. Overall, it is a positive reform aimed at improving ease of doing business in capital markets.

RBI Tightens Reporting of Offshore Derivatives

Reserve Bank of India has directed banks to report all overseas rupee OTC derivative contracts of related entities to CCIL. The move aims to improve transparency in currency markets and track global rupee exposures. A phased implementation roadmap has been provided. This step strengthens regulatory oversight and reduces risks from unmonitored offshore derivative positions.

INDIAN ECONOMY & MARKET

SEBI Chief on Market Vision & AI Impact

SEBI's leadership highlighted that regulation alone is not enough; a strong long-term vision is required as global markets face disruptions from AI and external headwinds. The focus is on balancing innovation with investor protection. This signals a forward-looking regulatory approach, ensuring markets remain stable while adapting to evolving technologies and global uncertainties.



India Plans ₹51,383 Cr Maritime Expansion

India is working on a roadmap to add 92 vessels in current financial year with an investment of around ₹51,383 crore, as highlighted by Sarbananda Sonowal. The plan aims to strengthen shipping capacity and reduce dependence on foreign vessels. This is a long-term positive for logistics and trade efficiency, supporting India's maritime infrastructure and economic growth.

Airlines Warn of Shutdown Risk Due to Fuel Costs

Indian airlines have warned of potential shutdowns without government support, as jet fuel prices have surged sharply. Fuel is the largest cost component, making operations increasingly unviable. The industry body has sought urgent relief, highlighting extreme financial stress. Rising crude prices due to geopolitical tensions are the key driver, putting both domestic and international operations under pressure.



India's Industrial Growth slowed in March

India's IIP growth to 4.1% in March 2026, compared to 5.2% in February 2026 (MoM decline), reflecting a slight slowdown in industrial momentum. The performance was primarily supported by Manufacturing (4.3%) and Mining (5.5%), which continued to exhibit steady growth. However, Electricity generation remained quiet at 0.8%, indicating some softness in overall demand conditions.



Govt Plans New Services Sector Index

The government is planning to introduce a new Index of Services Production (ISP) to better track formal sector activity. This will complement existing economic indicators and provide more accurate insights into the services sector, which is a major contributor to India's GDP. Improved data tracking will help policymakers and investors make more informed decisions.

Govt Plans ₹5,000 Cr Support for Airlines

The government is planning a ₹5,000 crore credit scheme for airlines under the ECLGS framework to support the sector impacted by rising fuel costs due to the Iran situation. This will provide liquidity relief and help airlines manage operational stress. The move is aimed at stabilising the aviation sector amid cost pressures and ensuring continuity of services.

India and New Zealand FTA

India and New Zealand have finalised a free trade agreement focused on boosting trade and investment. The deal includes duty-free access for several goods and aims to attract up to \$20 billion in investment. It is expected to strengthen bilateral trade, open new market opportunities, and support long-term economic growth for both countries.



Govt Pushes PSBs for Wage Revision

The government has asked Public Sector Banks to complete wage revision within 12 months. This is aimed at ensuring timely salary adjustments and reducing uncertainty for employees. Faster implementation will improve employee morale and operational stability. The move reflects the government's focus on strengthening the banking workforce and maintaining efficiency in PSBs.

India on Track to Become Developed by 2047

Economist Jeffrey Sachs highlighted that India's current growth trajectory supports its goal of becoming a developed nation by 2047. Strong economic momentum, reforms, and investment trends are key drivers. The statement reinforces confidence in India's long-term growth story and its potential to become a major global economic power.





Maharashtra Unveils ₹10,000 Cr AI Policy

Maharashtra has announced a new AI policy targeting ₹10,000 crore investment and the creation of multiple centres of excellence. The policy aims to boost innovation, attract investments, and build a strong AI ecosystem. This move positions the state as a key hub for technology development and supports India's digital economy growth.

Rupee Hits Record Low Amid Rising Oil Prices

The Indian rupee has weakened ₹95.32 per US dollar, hitting a record low due to rising crude oil prices amid the Iran situation. Higher oil import costs have increased pressure on the currency. The depreciation reflects global risk-off sentiment and external imbalances, which could impact inflation and increase volatility in financial markets.

RBI Launches Surveys Ahead of Policy Meeting

The Reserve Bank of India has launched three key surveys including inflation expectations and consumer confidence for May 2026. These surveys collect data on current and future price trends, economic conditions, income, and spending patterns across urban and rural areas. The findings will act as important inputs for the upcoming June monetary policy meeting, helping RBI assess inflation outlook and policy direction.

WORLD ECONOMY



Microsoft and OpenAI Deal Structure Changes

Microsoft will no longer pay a revenue share to OpenAI as their agreement shifts to a non-exclusive licence model. This marks a strategic shift in partnership dynamics, allowing more flexibility for both companies. It indicates evolving monetisation structures in AI collaborations while maintaining continued technological cooperation.

Google Bets Big on AI with Anthropic Investment

Google is reportedly planning to invest up to \$40 billion in Anthropic, marking one of its largest AI bets. The investment is structured in phases and tied to cloud and compute partnerships, strengthening Google Cloud's positioning. This move intensifies competition in AI, especially against peers like Microsoft. Overall, it reinforces Google's long-term focus on scaling advanced AI capabilities and monetisation opportunities.



Fed Holds Rates Amid Rising Inflation Concerns

The US Federal Reserve, led by Jerome Powell, has kept interest rates unchanged at 3.50% -3.75% and rising inflation risks linked to geopolitical tensions, especially the Iran situation. The central bank is taking a cautious stance, balancing inflation control with growth concerns. This indicates that rate cuts may be delayed, which can keep global liquidity tight and markets slightly volatile in the near term.



South Korea Becomes 8th Largest Stock Market

South Korea has surpassed the UK to become the world's 8th largest stock market. This reflects strong market performance and increased investor participation. The development highlights Asia's growing importance in global equity markets. It also signals a shift in capital flows towards emerging and developed Asian economies over traditional Western markets.

Iran Signals Conditional Reopening of Hormuz

Iran has offered to reopen the Strait of Hormuz, but only if the US ends the war and lifts the blockade. This shows willingness for negotiation but with strict conditions. The development keeps geopolitical uncertainty high, as any resolution depends on mutual agreement. The situation remains a key factor influencing global oil prices and market sentiment.



US Takes Hard Stance on Iran Deal

Donald Trump has stated that there will be no deal with Iran unless it fully abandons nuclear weapons. He also indicated that the US will continue the blockade. This signals a tough negotiating stance, increasing geopolitical tensions and uncertainty in global markets, especially impacting oil prices and risk sentiment.

Robert Kiyosaki Warns of Possible Market Crash

Robert Kiyosaki has warned of a potential market crash in 2026-27, citing rising global debt and economic imbalances. He suggests focusing on assets like gold, silver, and Bitcoin to protect wealth. His view highlights concerns around financial system stability and advises investors to prepare for volatility and use downturns as opportunities.



Taiwan Becomes 6th Largest Stock Market

Taiwan has overtaken Canada to become the world's 6th largest stock market. This reflects strong equity performance and growing investor interest, particularly driven by technology companies. The development highlights Asia's increasing dominance in global capital markets and a shift in investment flows toward tech-driven economies.



Crude Oil Surges Above \$120 on Supply Fears

Brent crude oil prices have surged above \$120 per barrel, driven by escalating US-Iran tensions and fears of supply disruption through the Strait of Hormuz. The ongoing blockade and stalled negotiations have tightened global oil supply. This sharp rise reflects strong geopolitical risk premium and is increasing inflation concerns, putting pressure on global markets and oil-importing economies like India.

US Keeps Hormuz Blockade, Prepares for Escalation

Donald Trump has rejected Iran's proposal to ease tensions and confirmed that the Hormuz blockade will continue. Iran had offered to reopen the strait only if the US ends the blockade. The situation remains tense with no immediate resolution. This ongoing standoff continues to impact global oil supply expectations and keeps market sentiment volatile.



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