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**Weekly Wealth Wrap-Up**

Your Guide to India's Markets and Economy

# NEWSLETTER

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## Indian Markets Outperform as Geopolitical Tensions Ease

This week remained highly volatile for both global and Indian equity markets, with investors closely tracking geopolitical developments in the Middle East. Rising uncertainty initially triggered risk-off sentiment across international markets, while profit booking in technology and semiconductor stocks further weighed on global indices.

As a result, equity markets experienced sharp swings during the week.
Market sentiment improved toward the end of the week after reports from Iran's semi-official Mehr News Agency suggested that a draft agreement between the US and Iran is largely complete and awaiting final approval from the Iranian leadership. The possibility of easing geopolitical tensions encouraged buying across Asian, European, and Indian markets, leading to a strong recovery in risk assets.

Indian equities outperformed most major markets during the week and ended on a positive note as expectations of reduced geopolitical risks supported investor sentiment. The cooling of Brent crude oil prices from their recent highs, with prices currently trading below $90 per barrel, also provided relief to the Indian economy, which is a major importer of crude oil. Lower oil prices are generally supportive for inflation, corporate margins, and overall market sentiment.

The Nifty 50 gained 256.20 points during the week to close at 23,622.90, while the Sensex advanced 1,284.61 points to finish at 75,527.95. The Bank Nifty emerged as the strongest performer among the major indices, rising 2,318.55 points to close at 56,814.80. The rally was primarily driven by strength in the banking, financial services, capital goods, and services sectors.

Going forward, both global and domestic markets will closely monitor the final outcome of the reported US-Iran negotiations. Any formal agreement that reduces geopolitical tensions could further improve investor confidence and help stabilize commodity prices. Conversely, any setback in negotiations may revive volatility across global financial markets.

On the macroeconomic front, the European Central Bank raised its policy interest rate by 25 basis points, citing inflation risks arising from the West Asian crisis. Investors are now focused on the upcoming US Fed policy decision. Recent inflation and PPI data have strengthened expectations that the Fed may either keep interest rates unchanged or increase them.
Markets will also watch upcoming industrial production data for additional economic signals. Indian CPI inflation has increased, and market participants are now awaiting the WPI data, which is scheduled to be released next week, for further insights into domestic price trends.

## THE WEEK'S BIG STORIES

- **RBI may approve new cooperative bank licences.**
- **India's outward FDI falls to $4.49 billion in May.**
- **Fuel consumption drops 6.5% in May.**
- **India–US trade deal phase one likely by mid-July.**
- **India gains preferential tariff access in the US.**
- **Equity mutual fund inflows down 40% in May.**
- **RIL and Meta partner on 168 MW AI data centre.**
- **Trump claims secret mission aided Hormuz oil flow.**
- **China plans a $295 billion national AI grid.**
- **RBI tightens lending norms for REITs.**
- **Goldman Sachs cuts 2027 Brent oil forecast.**

From a technical perspective, the Nifty 50 continues to maintain a positive trend, provided there are no adverse geopolitical or macroeconomic developments that could negatively impact market sentiment. For the upcoming trading sessions, the index is expected to face resistance in the 23,900–24,100 zone, while immediate support is likely in the 23,300–23,100 range.

Overall, the near-term outlook remains positive, supported by improving geopolitical sentiment and softer crude oil prices, although investors should remain cautious as global developments continue to drive market direction.

# INDIAN ECONOMY & MARKET

## RBI May Approve Fresh Cooperative Bank Licences

The RBI is likely to resume granting fresh licences for cooperative banks after a long gap. If approved, this could encourage new entrants and strengthen financial inclusion, especially in underserved areas. The move signals the regulator's willingness to expand the cooperative banking ecosystem while maintaining regulatory oversight. The proposal is still based on sources and awaits an official announcement.



## India's Outward FDI Falls to $4.49 Billion in May

India's outward FDI commitments declined 49.02% MoM to $4.49 billion in May, mainly due to lower equity investments, overseas loans, and guarantees by Indian companies. However, on a YoY basis, total overseas financial commitments increased 34.6% from $3.34 billion. The data indicates a sharp monthly slowdown but still reflects stronger overseas investment compared with the same period last year.

## Government Seeks Higher Fertiliser Subsidy Amid Rising Global Costs

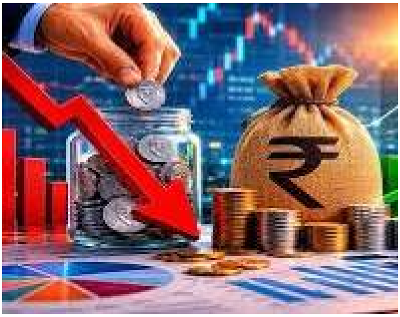
The government has proposed a 100% increase in the fertiliser subsidy budget to offset the sharp rise in input costs caused by the ongoing West Asia crisis. The objective is to ensure adequate fertiliser availability for farmers, prevent a significant increase in domestic prices, and maintain supply stability despite higher global raw material and energy costs

## India Strengthens Ethanol Push with Tax Relief and Launch of E85 Fuel

The Indian government has exempted E22, E25, E27, and E30 ethanol-blended petrol from central excise duty to encourage the use of cleaner fuels beyond E20. It has also launched E85 fuel, containing a higher proportion of ethanol, which will be priced ₹20 per litre cheaper than E20. These measures aim to reduce dependence on imported crude oil, promote alternative fuels, strengthen India's long-term biofuel strategy, and enhance the country's energy security amid global oil market uncertainties.

## India–US Trade Deal: First Phase Likely by Mid-July

India and the US are moving quickly to finalize the first tranche of their trade agreement, which Commerce Minister Piyush Goyal said is expected to be signed by mid-July. After discussions held between June 2 and June 4, both sides have made significant progress, and a US delegation is expected to visit India by the end of June to finalize details. The deal is expected to provide preferential market access for Indian exporters and strengthen bilateral trade ties.

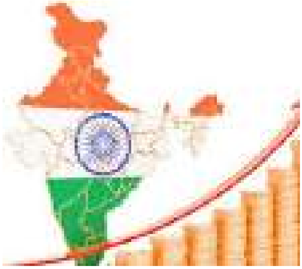



## Equity Mutual Fund Inflows Decline 40% in May: AMFI

According to AMFI data, equity mutual fund inflows fell 40% MoM to ₹22,908 crore in May from ₹38,440 crore in April. Despite the sharp decline, equity funds continued to witness positive net inflows. The overall mutual fund industry recorded net outflows of ₹64,021.17 crore, mainly due to large outflows from debt funds, while hybrid funds remained in positive territory with ₹10,560 crore of net inflows.

## Modi and Trump Expected to Repair Ties through Fresh Dialogue

Prime Minister Narendra Modi and US President Donald Trump are expected to meet during the G7 Summit to improve bilateral relations despite recent tensions. Discussions are likely to focus on trade, tariffs, H-1B visas, and energy cooperation. The meeting comes after disagreements over tariffs and diplomatic issues, with both countries seeking progress through continued negotiations and stronger economic engagement.



## World Bank Says India Remains Among Fastest-Growing Economies

The World Bank expects India's economy to grow 6.6% in FY27, despite challenges from the West Asia conflict and a global slowdown. Higher energy prices and input costs may moderate private demand, but India continues to be one of the fastest-growing major economies due to strong macroeconomic fundamentals, healthy financial systems, and policy buffers that provide resilience against external shocks

# GLOBAL AFFAIRS

## US Inflation Hits Three-Year High

US inflation has risen to a three-year high of 4.2%, largely due to higher energy prices linked to the Iran conflict and disruptions in oil supplies. The increase in fuel costs has also pushed up transportation and other expenses across the economy. This development could influence the Federal Reserve's interest rate decisions and may keep global financial markets volatile in the near term.

## China Plans $295 Billion National AI Grid

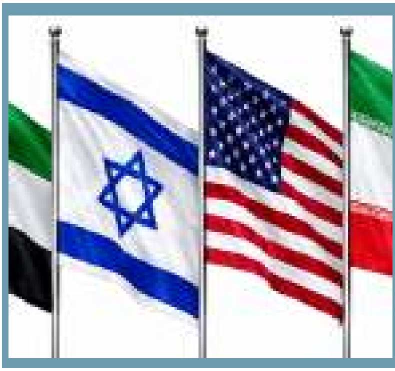
China is reportedly preparing a $295 billion blueprint to build a national AI grid, aimed at strengthening computing infrastructure and supporting large-scale artificial intelligence development. The initiative seeks to connect AI resources across the country, improve computing capacity, and accelerate innovation. The plan highlights China's long-term commitment to becoming a global leader in AI and digital infrastructure.

## ECB Raises Interest Rates as Iran War Fuels Inflation Risks

The European Central Bank raised interest rates by 25 basis points to 2.25% for the first time in nearly three years. This urgent, precautionary move aims to control eurozone inflation, which recently jumped to 3.2% due to war-related energy shocks in Iran. Despite sluggish 0.8% economic growth, policymakers prioritized price stability and market credibility amid the ongoing Middle East conflict

## Goldman Sachs Lowers 2027 Brent Oil Price Forecast

Goldman Sachs has reduced its average 2027 Brent crude oil price forecast to $80 per barrel, citing rising global oil supply and weaker long-term demand. Higher production from countries such as the US, Brazil, Guyana, Venezuela, and the UAE, along with slower demand growth, influenced the revision. However, the bank warned that any prolonged disruption in the Strait of Hormuz could still push oil prices sharply higher.



## Middle East Diplomacy Continues Amid Security Concerns

Senior security officials from the UAE and Iran held their first face-to-face meeting since the US-Israeli conflict began, aiming to reduce tensions and support peace efforts. The UAE seeks regional stability to protect its economic interests, while Iran values the UAE as a key trading partner. Meanwhile, Israel has stated that it is not a party to any potential US-Iran deal and insists that any agreement must completely dismantle Iran’s nuclear infrastructure and end its support for regional proxy groups.

## Mehr News Says Draft US-Iran Deal Includes 14 Points, Final Approval Pending

According to Iran’s semi-official Mehr News Agency, citing a source close to the Iranian negotiating team, a 14-point draft agreement with the US has largely been agreed, with final approval still pending from Iran’s leadership. The reported framework includes an immediate ceasefire, reopening of the Strait of Hormuz within 30 days, suspension of US sanctions on Iranian oil, release of $24 billion in frozen Iranian funds, and 60 days of negotiations to reach a final agreement on nuclear issues and sanctions.

# CORPORATE CORNER

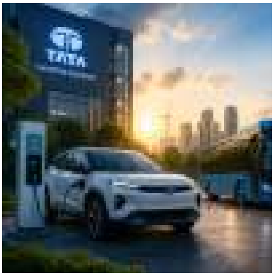
## RIL and Meta Partner for 168 MW AI Data Centre

Reliance Industries and Meta have partnered to develop a 168 MW AI-enabled data centre in Jamnagar, Gujarat, targeted for completion within two years. Meta will lease the facility, while Reliance will handle development and operations. The project will run on renewable energy and use desalinated seawater for cooling, highlighting India's growing importance as a global AI infrastructure hub.


## Nuvama Wealth Gets Final SEBI Approval for Mutual Fund Business

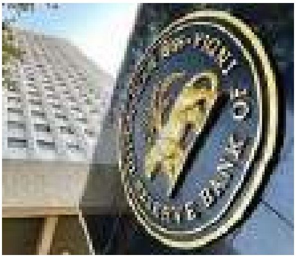
Nuvama Wealth has received final approval from SEBI to launch its mutual fund business. The company plans to initially introduce products under the Specialized Investment Fund framework before expanding its offerings. As of March 2026, Nuvama managed over ₹4.5 lakh crore in client assets, making this approval an important step in strengthening its integrated wealth and asset management platform.

## Tata Motors to Continue Investing in EV & Hydrogen Technologies




Tata Motors has reiterated that it will continue investing in both electric and hydrogen-based technologies for its commercial vehicle business. The company believes cleaner mobility will require a mix of EVs, hydrogen and cleaner ICE technologies rather than a single solution. Management also highlighted AI, connected vehicles and digital technologies as key future growth drivers, while maintaining a focus on profitability and disciplined capital allocation.

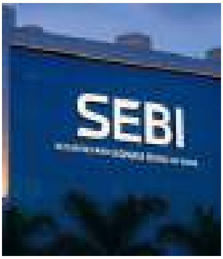
# REGULATORY & POLICY UPDATES



## RBI Tightens Lending Rules for REITs

The RBI has issued a clear framework for bank lending to REITs. Banks can now lend only to SEBI-registered and listed REITs, and at least 80% of their assets must be completed, income-generating, and cash-flow positive. All loans must be fully secured, banks must monitor end use of funds, and total bank exposure cannot exceed 49% of the REIT's asset value, strengthening risk management while supporting the sector.

## SEBI Proposes Uniform Price Band for Multi-Listed Stocks




SEBI has proposed a uniform price-band mechanism for stocks listed on multiple exchanges to reduce price differences, especially in illiquid shares. Under the proposal, if a stock does not trade on one exchange, that exchange will use the closing price from the most active exchange to set the next day's price band and pre-open reference price. The move aims to improve price discovery, ensure consistency across exchanges, and reduce trading distortions.



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