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Weekly Wealth Wrap-Up

Your Guide to India's Markets and Economy

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RBI POLICY STABILITY AND STRUCTURAL REFORMS TO DRIVE LONG-TERM FOREIGN INFLOWS

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The Indian equity markets saw a mixed and slightly volatile week, mainly influenced by global trends and some profit booking at higher levels.

Asian markets were also mixed, with strength in Japan but weakness in China impacting overall sentiment. In India, benchmark indices like Nifty 50 and Sensex ended slightly lower, while broader markets showed mixed performance, with midcaps under pressure and small caps relatively stable. The key highlight for the week was India's GDP data released on Friday, which came in slightly better than market expectations, showing that the economy remains strong. Importantly, even though crude oil prices were high during the quarter, their negative impact was not clearly visible in the GDP numbers, indicating strong domestic demand.

From a policy perspective, the RBI's decision to keep the repo rate unchanged at 5.25% while maintaining a balanced stance has been interpreted positively by the markets. More importantly, the government's move to exempt capital gains tax on certain government securities for foreign investors is a structural positive, likely to attract long-term FPI inflows. This, combined with stable macro fundamentals, is expected to support the Indian rupee over the medium term and enhance India's attractiveness in global asset allocation. The easing of global trade tensions, as indicated by tariff reductions by the US, also provides an external tailwind, although rising crude prices remain a key monitorable.

THIS WEEK'S KEY HEADLINES:

- RBI Keeps Repo Rate Unchanged At 5.25%
- Government Bonds Become More Attractive For Foreign Investors
- India Plans Higher Biogas Prices and Subsidies
- India Targets 2–3 New FTAs In Six Months
- Government Rejects Report Claiming RBI Gold Sales
- Cabinet Approves ₹10,000 Crore ATF Price Stabilisation Fund for Airlines
- Indian Oil Raises Commercial LPG Cylinder Price By ₹42
- Government Waives Cotton Import Duty Till October 30
- Government Cuts Export Levies on Petrol, Diesel and ATF from June 1
- US Proposes 12.5% Tariff on Goods Linked To Forced Labour
- OYO Moves Closer To IPO after SEBI Approval
- Coca-Cola India Bottling IPO Supports Jubilant Bhartia Deal
- SEBI Warns ICICI Bank over FPI Fund Repatriation
- Government Tightens Silver Import Rules

On the technical front, Nifty continues to exhibit a cautious undertone in the near term, forming a pattern of lower highs and lower lows on the daily charts, indicating some consolidation bias. Immediate support is placed around 23,150 followed by a stronger base near 23,000, while on the upside, resistance is seen in the 23,500–23,750 zone. However, from a broader perspective, a decisive weekly close above 24,500 would be critical to signal a trend reversal and confirm a medium-term uptrend. Sectorally, banking remains the key driver to watch, especially given its significant weight of over 36% in the index. Bank Nifty has been relatively stronger than the broader market, and the recent RBI policy stance could act as a catalyst for further upside. Technically, Bank Nifty is well supported near 53,900 and 53,000 levels, while resistance is placed at 55,300–56,000.

Looking ahead to next week, markets are likely to remain data-dependent with a close watch on domestic inflation, credit growth, and global cues including the upcoming US Fed policy. However, the underlying tone remains constructive, supported by strong GDP growth, policy stability, and the potential for sustained foreign inflows. While short-term consolidation cannot be ruled out given technical patterns, the medium-term outlook for Indian equities remains positive, with banking and financials expected to lead the next leg of the rally if liquidity conditions remain supportive.

INDIAN ECONOMY & MARKET

RBI Keeps Repo Rate Unchanged At 5.25%

The RBI Monetary Policy Committee (MPC) kept the repo rate unchanged at 5.25% and maintained its neutral stance. The central bank highlighted concerns over rising crude oil prices, geopolitical tensions, supply-chain disruptions and weather-related risks. RBI also indicated that inflation risks have increased while growth expectations have moderated, reflecting a cautious approach amid global uncertainties.

Government Bonds Become More Attractive For Foreign Investors

The Government of India has announced a major relief for foreign investors by exempting them from capital gains tax on investments in government securities. The move aims to attract stable foreign capital, improve post-tax returns for overseas investors and support the bond market at a time when the rupee has faced pressure from higher oil prices and capital outflows.

India-Russia Trade Ties Strengthen, Trade Target Seen At $100 Billion

Russian President Vladimir Putin said India is resisting pressure from the US and continues to maintain strong ties with Russia. He highlighted growing economic cooperation between the two countries and expressed confidence that bilateral trade could reach $100 billion in the future. The statement reflects the continued strengthening of India-Russia relations across trade, energy and strategic sectors.

India Targets 2–3 New FTAs In Six Months

Commerce Minister Piyush Goyal said India expects to implement 2–3 new free-trade agreements (FTAs) within the next six months, with another 3–4 trade pacts expected in 2027. The statement indicates an accelerated trade-negotiation pipeline aimed at expanding market access, boosting exports and deepening economic integration with partner countries across multiple regions.

Government Rejects Report Claiming RBI Gold Sales

The government has denied media reports suggesting the RBI sold gold reserves. Officials clarified that the reported interpretation was incorrect and said there was no such gold-sale decision by the central bank. The clarification was issued to counter speculation that had emerged after the report circulated. The episode highlights the sensitivity of RBI reserve-management discussions and the importance of verifying official data before drawing conclusions.

Cabinet Approves ₹10,000 Crore ATF Price Stabilisation Fund for Airlines

The Cabinet has approved a ₹10,000 crore Price Stabilisation Fund to protect Indian airlines from sharp ATF price volatility caused by the West Asia crisis. The scheme will provide fixed-price ATF through OMCs for up to 36 months, helping airlines manage fuel costs, maintain regional connectivity, reduce airfare volatility and support employment across aviation, tourism and allied sectors, while safeguarding OMCs from financial losses.

Government Pushes Ethanol-Blended Fuel, Affordable E85 Petrol In Focus

Union Ministers Nitin Gadkari and Hardeep Singh Puri advocated greater adoption of ethanol-blended fuels and indicated efforts to make E85 petrol more affordable. The ministers highlighted the need to reduce the current 18% GST on flex-fuel vehicles to 12%, which could lower vehicle costs and encourage wider adoption. The initiative aims to reduce crude oil imports, support domestic ethanol production, lower emissions and strengthen India's energy security.

Government Waives Cotton Import Duty Till October 30

The government has exempted import duty on cotton until October 30, 2026, aiming to improve domestic availability and reduce raw material costs for the textile industry. The decision is expected to ease supply constraints, support cotton-consuming industries and help stabilize input costs. The move comes amid concerns over domestic cotton availability and rising procurement costs for manufacturers.

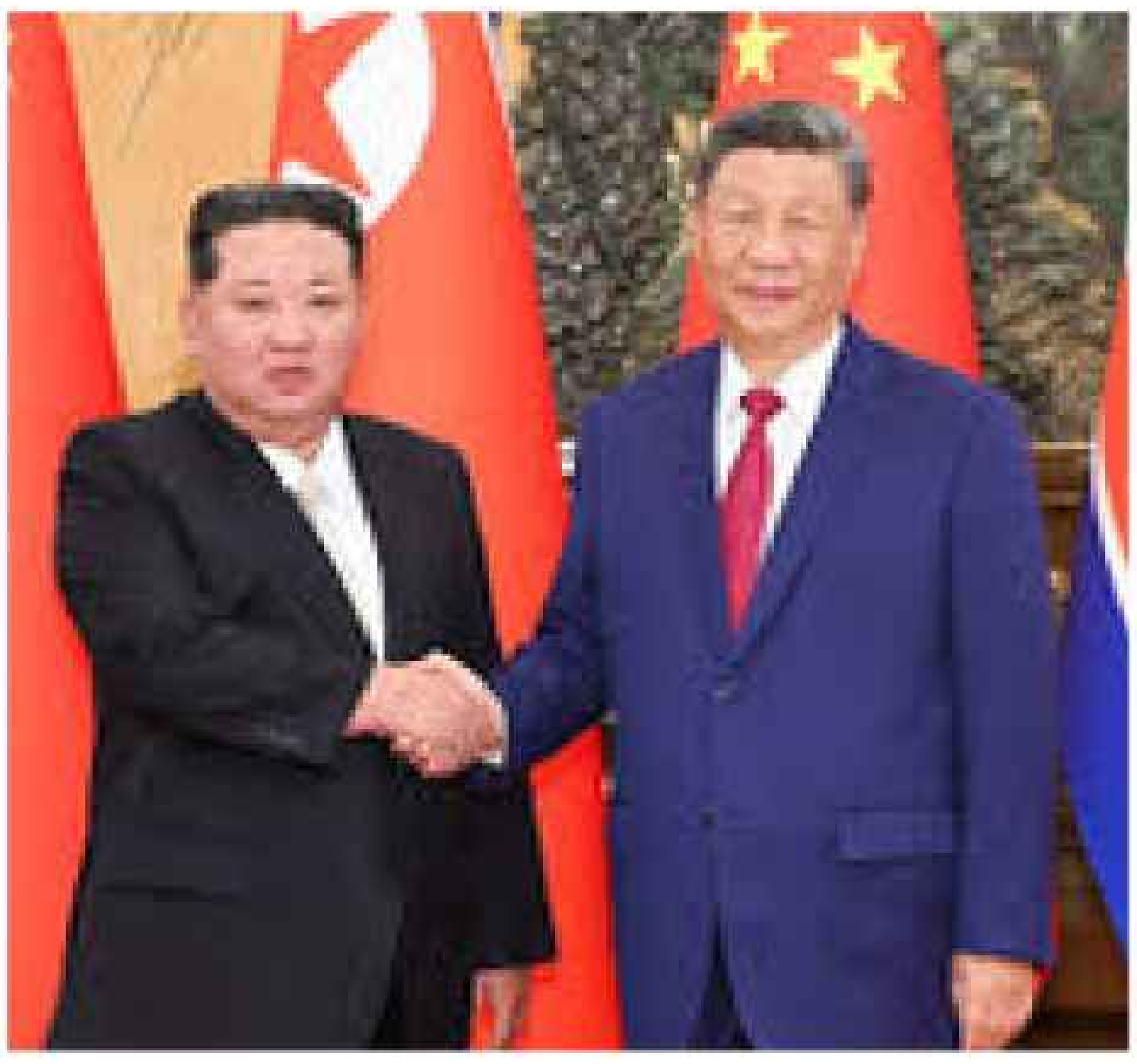
Indian Oil Raises Commercial LPG Cylinder Price By ₹42

Indian Oil Corporation has increased the price of the 19-kg commercial LPG cylinder by ₹42, taking the retail price to ₹3,113.50 per cylinder in Delhi, effective June 1. The revision impacts commercial users such as restaurants, hotels and other businesses.

Government Cuts Export Levies on Petrol, Diesel and ATF from June 1

The government has reduced export levies on petroleum products. The export duty on petrol was cut to ₹1.5/litre from ₹3/litre, diesel to ₹13.5/litre from ₹16.5/litre, and ATF to ₹9.5/litre from ₹16/litre. The levy on domestically produced crude oil remains nil. Domestic petrol and diesel excise duties remain unchanged.

GLOBAL AFFAIRS

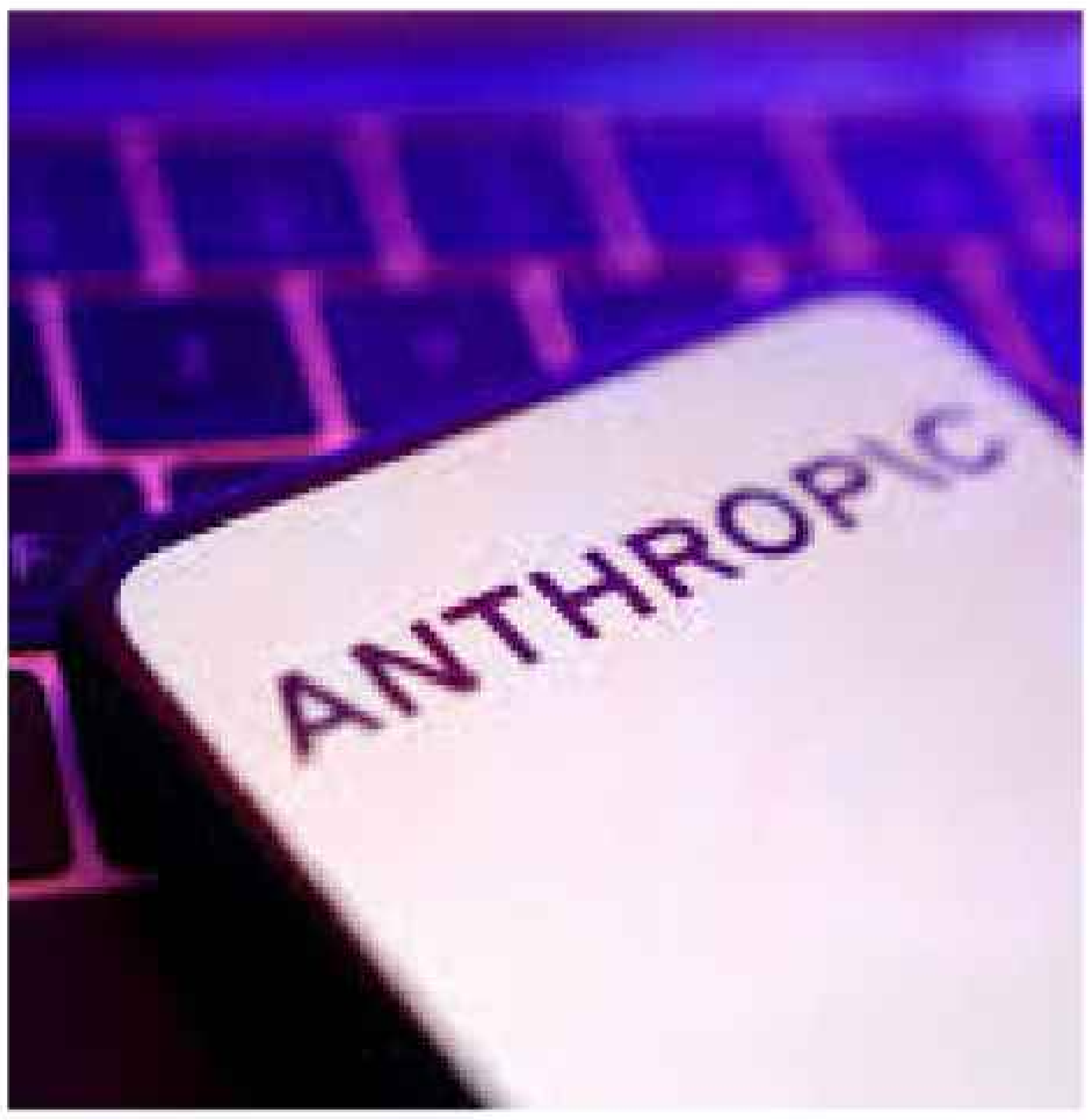


China's Xi Jinping to Visit North Korea after Seven Years

Chinese President Xi Jinping is set to visit North Korea next week (June 8 to 9), marking his first trip to the country since 2019. The visit comes as China and North Korea look to strengthen strategic ties amid changing geopolitical dynamics. The development will be closely watched for its implications on regional security, diplomacy and China's influence in the region.

Anthropic Warns About Risks from Advanced AI Systems

Anthropic has cautioned that rapidly advancing AI systems could become difficult for humans to control if development continues without adequate safeguards. The company urged a slower and more responsible approach to frontier AI development, emphasizing stronger oversight, safety testing and governance frameworks. Anthropic believes balancing innovation with safety is essential to ensure AI remains beneficial and aligned with human interests over the long term.



US Proposes 12.5% Tariff on Goods Linked To Forced Labour

The US has proposed a 12.5% tariff on imports from India and 59 other countries for products suspected of being linked to forced labour practices. The proposal is part of broader efforts to strengthen supply-chain compliance and ethical sourcing standards. If implemented, the measure could impact exporters in affected countries and increase scrutiny of global manufacturing and sourcing practices.

US Lowers Tariffs On Select Industrial And Agricultural Equipment For FTA Partners

The US has reduced tariffs to 15% from 25% on select industrial and agricultural equipment containing steel, aluminium and copper. According to GTRI, the benefit is available only to countries that have a Free Trade Agreement (FTA) with the US and meet the prescribed rules of origin requirements. The move is expected to reduce costs, support manufacturers and improve trade flows among eligible partner countries.

CORPORATE CORNER

SEBI Probe Raises Concerns over Rajesh Exports' Financial Reporting

SEBI has initiated action against Rajesh Exports and certain promoters over alleged violations related to disclosure and governance norms. The regulator has alleged an over ₹15 lakh crore mismatch in reported revenues between FY21 and FY25, making it one of the largest financial reporting cases under investigation. Rajesh Exports has denied the allegations, stating that the issue arose due to a communication gap and that additional documents are being submitted to clarify the matter. The development has led investors to closely monitor the company's corporate governance and financial disclosures.

SEBI Warns ICICI Bank over FPI Fund Repatriation

ICICI Bank has received a warning letter from SEBI regarding the early repatriation of funds linked to a foreign portfolio investor (FPI). The regulator observed lapses in following prescribed procedures and compliance requirements. While no monetary penalty has been imposed, SEBI has advised the bank to strengthen internal controls and ensure strict adherence to regulatory guidelines going forward.

OYO Moves Closer To IPO after SEBI Approval

OYO has received SEBI's approval to launch its initial public offering (IPO). The company plans to raise ₹6,650 crore through a fresh issue of shares, with proceeds expected to support growth initiatives, technology investments and business expansion. The approval marks a significant step in OYO's journey toward becoming a publicly listed company.

Coca-Cola India Bottling IPO Supports Jubilant Bhartia Deal

The planned IPO of Coca-Cola's India bottling business is expected to facilitate the acquisition process involving the Jubilant Bhartia Group. The public issue is seen as an important step in restructuring ownership and unlocking value within the bottling operations. The development could help streamline the transaction while providing greater visibility into the business through public market participation

SEBI Clears State Street's Stake Purchase In Groww AMC

SEBI has approved State Street Global Advisors' acquisition of a stake in Groww Asset Management Company. The approval clears a key regulatory hurdle for the transaction and supports Groww AMC's ownership restructuring plans. The development is significant because State Street is one of the world's large asset managers, and its participation could strengthen Groww AMC's institutional profile and long-term growth ambitions.

REGULATORY & POLICY UPDATES

Government Tightens Silver Import Rules

The government has tightened silver import regulations by making prior approval from the Directorate General of Foreign Trade (DGFT) mandatory through banks and nominated agencies. The move aims to improve monitoring of silver imports, ensure better compliance and strengthen oversight of precious metal inflows. The revised framework is expected to bring greater transparency and control over the import process.

SEBI Considers Relaxing Net-Worth Rules for Debt Brokers

SEBI is evaluating proposals to ease certain net-worth compliance requirements for brokers focused on debt-market activities. The review is aimed at reducing operational constraints while maintaining investor protection and regulatory oversight. According to the report, the discussion is still at a consultation stage and no final decision has been announced. Market participants are watching whether the changes could broaden participation in India's debt market.

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