

Indian equity markets witnessed a strong relief rally on Friday, June 12, 2026, as investors cheered the most definitive progress in US-Iran negotiations since the conflict began. The Nifty 50 surged 461.30 points (+1.99%) to close at 23,622.90, while the Sensex jumped 1,544.77 points to settle at 75,527.95. Bank Nifty outperformed the broader market, rallying 1,642.05 points (+2.98%) to close at 56,818.80, marking its strongest single-session gain of the June recovery phase. Market sentiment improved significantly after US President Donald Trump stated that the proposed MoU could be signed as early as Saturday or Monday, providing the clearest timeline yet for a formal agreement. Additional support came from Israeli Prime Minister Netanyahu's statement that Israel was not a party to the emerging US-Iran agreement, reducing concerns about potential disruptions to the ceasefire framework. The rally was broad-based, with banking, financials, auto, metals and capital goods leading gains. Falling crude oil prices and expectations of a reopening of the Strait of Hormuz further boosted risk appetite. The strong close above key resistance zones signals a substantial improvement in market structure and strengthens the case for continuation of the recovery rally.

Nifty 50 Performance

The Nifty 50 opened at 23,412.55, touched a high of 23,645.35, a low of 23,313.90, and closed at 23,622.90, up 461.30 points (+1.99%) from Thursday's close of 23,161.60. The index opened with a strong gap-up and maintained buying momentum throughout the session. After consolidating near the opening levels during the first half, fresh buying emerged in the latter half, pushing the index above the crucial 23,500 resistance zone and allowing it to close near the day's high. The breakout above 23,500 confirms a significant improvement in sentiment and effectively ends the short-term corrective structure that had dominated price action since early June. The close near the day's high reflects strong institutional participation and sustained buying conviction.

Technical Analysis

Nifty closed at 23,622.90. The decisive breakout above 23,500 confirms that the recent corrective phase is losing momentum and that buyers have regained short-term control. RSI is expected to improve sharply toward the 45-48 zone, recovering from deeply oversold conditions and indicating strengthening momentum. The MACD bearish crossover remains technically active but the sharp rally has significantly reduced negative momentum, with histogram contraction suggesting a potential bullish reversal setup in the coming sessions. The immediate focus shifts to the 23,700 resistance zone, followed by the important psychological level of 24,000. On the downside, 23,500 now becomes immediate support, followed by 23,300. A sustained hold above 23,500 would strengthen the recovery structure further.

Bank Nifty opened at 55,934.10, touched a high of 56,867.10, a low of 55,726.55, and closed at 56,818.80, up 1,642.05 points (+2.98%) from Thursday's close of 55,176.75. The index witnessed aggressive buying from the opening bell and maintained strength throughout the session. The breakout above 56,000 triggered fresh momentum buying, pushing the index to its highest closing level since late May. The move confirms a strong recovery in banking stocks as expectations of lower crude prices, improved liquidity conditions, reduced inflation concerns and potential FII inflows boosted sentiment across the sector. The close near the day's high signals continued strength and robust institutional accumulation. RSI has improved sharply into the 58-60 zone, entering bullish territory for the first time since the June corrective phase began. The MACD bullish crossover remains firmly intact, supporting further upside potential. A sustained hold above 56,500 could open the path toward 57,000-57,500 in the near term.

Nifty Technical Levels

Support: 23,500, 23,300, 23,100

Resistance: 23,700, 24,000, 24,200

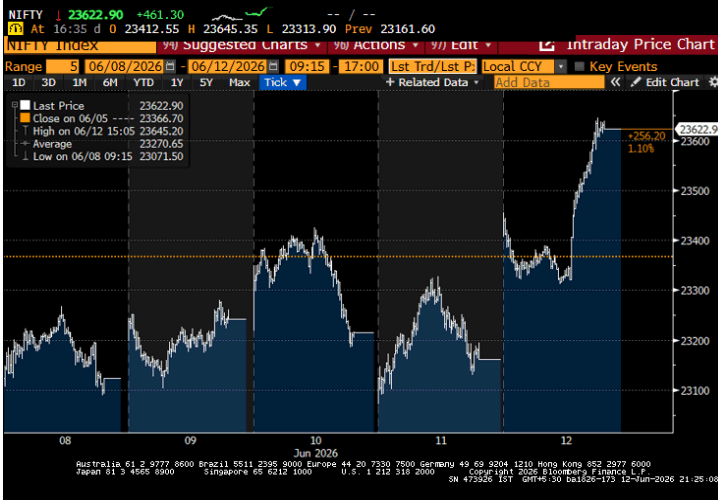
Bank Nifty Technical Levels

Support: 56,500, 56,000, 55,500

Resistance: 57,000, 57,500, 58,000

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Nifty Weekly Chart



Sensex Weekly Chart



Market in Retrospect

Benchmark indices ended sharply higher, reversing earlier losses for the week on the back of strong Friday gains.

Nifty ended 1.99% higher, ending at 23,623 over the week ended higher by 1.10%. Over the week the broader markets represented by the NIFTY 500 Index ended 0.60% higher, ending at 22,600. Over this week, Nifty Bank was the top gainer, gaining by 4.25%, followed by Nifty Fin Services was gaining by 3.54%. Nifty VIX was the top loser, losing by 6.78%.

Over the week, Kotak Mahindra Bank was the top gainer, gaining by 6.85%, followed by Axis Bank and ICICI Bank gained by 6.60% & 6.24% respectively. Wipro was the top loser, losing by 9.19%, followed by ONGC and Infosys losing by 7.01% & 6.77% respectively.

Market Turnover (In Crore) 12-06-2026

Name	Last	Previous
NSE Cash	1,18,837.67	1,12,502.22
NSE F&O	1,78,413.89	1,12,358.99
BSE Cash	9,046.46	9,067.60
BSE F&O	13,080.84	65,749.81

FII Derivatives Flow (In Crore) 12-06-2026

Instrument	Purchase	Sale	Net
Index Future	7207.20	3604.23	3602.97
Index Option	1253977.39	1240995.25	12982.14
Stock Future	23008.57	19167.70	3840.87
Stock Option	31947.85	31918.84	29.01

Institutional Flow (In Crore) 12-06-2026

Institution	Purchase	Sale	Net Last Day	Net Week	Net Month
FII	11657.58	12530.18	872.60	15315.95	76408.76
DII	16949.27	12190.98	4758.29	24014.47	98740.25

NIFTY Top Gainers (for five trading days)

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Kotak Mahindra Bank	2.53	6.85	17227481.00	16647790.00
Axis Bank	2.96	6.60	8535670.00	8312571.00
ICICI Bank	1.81	6.24	18339846.00	22658720.00
Interglobe Aviation	4.60	5.10	2530474.00	1099792.00
State Bank Of India	1.64	4.03	11081119.00	15803060.00

NIFTY Top Losers (for five trading days)

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Coal India	0.61	6.10	9946830.00	9031296.00
Hindalco Industries	0.26	6.50	9388824.00	6972277.00
Infosys	0.16	6.77	8075333.00	9190180.00
Oil & Natural Gas Corp	2.53	7.01	31112657.00	14515240.00
Wipro	1.56	9.19	13850153.00	29760150.00

Bulk and Block Deals

<https://www.nseindia.com-products-content-equities-equities-bulk.htm>
<https://www.bseindia.com-markets-equity-EQReports-BulknBlockDeals.asp>

Market in Detailed (Updated after 4:00 PM)

MSCI Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
World	4745.63	1.34	0.21	0.11	8.78	20.31	24.29	20.04	4.07	3.75
ACWI	1099.55	1.16	0.57	0.34	9.11	22.22	23.33	18.68	3.77	3.46
Asia Pacific	264.41	0.41	3.36	2.18	9.36	32.05	19.74	14.52	2.29	2.12
EM	1664.51	0.15	3.08	2.03	11.55	38.39	18.07	12.39	2.44	2.19

US European In	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
Dow Jones	51183.73	0.66	0.62	2.86	9.65	19.12	24.44	21.83	5.89	5.68
NASDAQ	25834.70	0.10	0.49	0.97	15.79	31.39	40.05	28.22	7.72	6.79
S&P500	7427.80	0.45	0.60	0.36	11.32	22.87	27.22	21.66	5.62	5.01
CBOE VIX	18.91	2.73	12.09	5.11	30.71	4.94	NA	NA	NA	NA
FTSE100	10471.72	1.63	1.00	2.01	1.62	17.86	16.90	13.02	2.35	2.19
CAC40	8350.87	1.83	1.61	4.65	4.59	7.54	19.29	15.16	2.06	1.97
DAX	24635.30	1.76	0.50	2.84	4.43	3.63	16.98	15.77	1.99	1.87

Asian Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
Nikkei225	66020.04	2.81	0.85	7.51	22.67	74.50	24.35	23.43	3.08	2.90
Hang Seng	24718.10	1.93	0.98	6.19	3.88	2.84	12.79	11.16	1.29	1.19
STI	5025.80	0.76	0.48	0.74	3.79	28.49	16.91	15.56	1.61	1.61
Taiwan	44169.04	2.36	2.00	7.28	32.24	100.10	29.50	21.92	4.24	4.48
KOSPI	8123.62	4.63	0.45	8.41	48.05	180.65	22.25	9.03	2.31	2.17

BRIC Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
IBOVESPA	171612.68	0.07	1.53	4.84	4.28	24.54	11.51	8.52	1.57	1.38
SHANGHAI Com	4031.51	1.12	0.09	4.34	2.36	18.48	20.03	14.30	1.56	1.41
SENSEX	75527.95	2.30	1.73	0.39	1.29	6.89	21.25	19.18	3.02	2.77
NIFTY	23622.90	1.99	1.10	0.09	2.04	4.43	21.80	19.38	2.96	2.75
NSE VIX	14.72	5.73	6.78	21.67	35.01	2.40				

LME	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Copper	13482.50	0.24	3.23	3.30	3.38	39.74
Aluminium	3502.00	1.04	4.47	2.17	1.30	39.22
Zinc	3496.00	0.14	2.56	0.46	5.65	31.75
Lead	1944.50	0.92	3.59	2.16	0.44	2.16
Nickel	17693.00	0.08	5.33	8.10	0.00	16.58

Polymer Mkt	Index	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
HDPE	1410.00	4.08	10.19	50.00	53.26
LDPE	1580.00	3.07	8.67	44.95	38.60
Injection Grade	1330.00	1.48	6.34	41.49	40.00
General purpose	1360.00	1.45	6.21	40.21	38.78
Polystyrene HIPS	1550.00	4.32	8.82	28.10	25.00
Polystyrene GPPS	1520.00	3.80	6.75	34.51	29.91

Shipping Ind	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Baltic Dry	2729.00	1.52	8.45	10.90	38.39	43.33
BWIRON	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A	#N/A N/A

Bond Yld 10Y	Yield	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
US	4.48	0.35	1.18	0.31	5.07	2.70
UK	4.83	1.45	1.41	5.23	1.28	7.97
Brazil	6.14	1.46	2.32	4.44	0.52	8.21
Japan	2.63	2.38	1.72	2.62	20.02	80.85
Aus	4.81	1.69	1.95	4.36	2.82	13.56
India	6.89	0.38	1.23	2.20	3.36	8.62

Money Mkt	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
ICE LIBOR USD	4.85	0.03	1.54	8.04	13.11	14.20
MIBOR	2.40	0.17	3.89	6.52	13.15	22.94
INCALL	4.75	1.04	2.06	6.86	2.06	5.00

Agro Cmtdy	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Coffee	252.00	0.70	4.09	7.62	10.13	17.97
Cotton	76.26	0.13	1.57	11.61	9.15	10.68
Sugar	14.31	0.21	2.19	7.80	4.09	15.02
Wheat	591.00	0.72	1.90	12.96	3.04	1.66
Soybean	1134.75	0.07	0.24	5.83	2.81	7.94

Forex	Rate	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
USD Index	99.72	0.14	0.35	1.45	0.02	1.84
EUR	1.16	0.01	0.48	1.38	0.56	0.06
GBP	0.75	0.01	0.55	0.92	0.53	1.47
BRL	5.07	0.50	1.95	3.49	3.48	9.23
JPY	160.23	0.19	0.04	1.62	0.55	10.45
INR	95.12	0.67	0.18	0.54	3.07	10.00
CNY	6.76	0.17	0.37	0.50	1.74	6.06
KRW	1518.45	0.84	2.71	1.67	1.99	10.68

Energy	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
NYMEX Crude	84.43	3.74	6.75	17.37	11.80	24.09
Natural Gas	3.11	0.87	3.56	1.96	13.21	26.19

Precious Metals	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Gold(\$-Oz)	4216.03	0.09	2.60	10.59	16.99	24.52
Silver(\$-Oz)	67.59	0.42	0.36	21.83	19.39	85.98

India Summons US Diplomat for Second Time Over Gulf Strikes

- India's government summoned a senior US diplomat to protest US strikes on vessels carrying Indian crew members in the Gulf of Oman.
- The Ministry of External Affairs lodged a strong protest with the US Chargé d'Affaires regarding the attacks, which have resulted in the loss of Indian lives.
- The US struck vessels carrying Indian crew members for attempting to pass through a US-enforced blockade aimed at preventing shipments of Iranian oil.

Air India Plans to Downsize With Owner Tata Balking at Losses

- Air India Ltd. is looking to defer aircraft deliveries, cut flights and postpone expansion plans to focus on reducing its record losses, as instructed by majority owner Tata Group.
- The carrier is in discussions with Airbus SE and Boeing Co. to slow down deliveries of previously ordered planes, and is reevaluating plans to fly to new domestic and international destinations.
- Air India has accumulated significant losses, including an annual loss equivalent to about \$3 billion, and Tata Group now wants the airline to stabilize current operations and implement cost-cutting measures.

US Vows Interim Iran Deal Will Reopen Hormuz, End Nuclear Threat

The US said an interim peace deal that reopens the Strait of Hormuz and ends Iran's nuclear weapons ambitions looks increasingly likely and could be signed within days, though conflicting messages between Washington and Tehran continued to cast doubt on that timeline. A senior Trump administration official briefing reporters Friday said there was an 80% or 85% chance that an agreement gets signed soon, then added that some Iranian hardliners still want to kill any breakthrough. Those internal disagreements are being worked out. The deal would ensure Iran doesn't have a nuclear weapons program but would let it maintain a civilian nuclear energy program, the senior official said. It would also ensure enriched nuclear material is removed from the country and end both sides' blockade of the Strait of Hormuz. If all terms are met, the US would ease sanctions on Iran and allow it to reintegrate into the global economy. It wasn't immediately clear whether Tehran has agreed to the same terms outlined by the US official, though comments from mediators suggested some progress was being made in a bid to end a conflict that has largely blocked a crucial energy artery and damaged the global economy.

Gold Declines as Traders Weigh Iran Deal Prospects, US Data

Gold edged lower as traders weighed prospects for a US-Iran peace deal and data that showed a pickup in US consumer sentiment alongside easing in inflation expectations. Bullion traded just below \$4,200 an ounce. The US and Iran may sign an interim agreement to reopen the Strait of Hormuz on the sidelines of the Group of Seven world leaders summit next week, according to senior officials. A senior Iranian official indicated overnight that a deal is likely, said a G7 official and a diplomat from outside the group, who both asked not to be named discussing sensitive matters. Oil extended losses while stocks advanced. The University of Michigan's preliminary sentiment index increased to 48.9 in June. Economists projected sentiment to improve only slightly to 46. Consumers expect prices to rise at an annual rate of 4.6% over the next year, down from 4.8% in May. Higher inflation is negative for non-yielding bullion. Still, the US-Iran deal framework remains fragile and energy prices are elevated, suggesting gold and other precious metals are not fully out of the woods yet, according to McKay.

India Developer Prestige Plans \$6.3 Billion of Launches

Prestige Estates Projects Ltd., which counts BlackRock Inc. and Vanguard Group Inc. among its investors, is targeting about 600 billion rupees (\$6.3 billion) in estimated sales value for this financial year as the developer prepares to launch projects across the country. The company has the required land and inventory in place but the timing of the launches will depend on regulatory approvals that he is optimistic should come through in due course, Chairman Irfan Razack told Bloomberg News in an interview. Prestige, among India's top five developers by market value, is targeting a nearly 43% jump in sales value from 420 billion rupees in the previous fiscal year ended March. India's residential property market, driven by demand for luxury apartments since the pandemic, has begun to cool. Home sales in the nation's top eight cities fell 4% over a year earlier in the quarter ended March, according to a report by Knight Frank. While new project launches eased, they have outpaced sales for 14 straight quarters, causing the inventory to swell, largely for units priced above 10 million rupees. Razack, who has warned in the past that pockets of stress are building up in the country's property market, said delays in approvals had caused the company to pause major launches in the quarter ending June. The launch pipeline is spread across the country and will be driven by projects in Delhi and the national capital region, Mumbai, Bengaluru, Hyderabad and Chennai, he said. The recently launched Golden Grove project in Hyderabad, in which Prestige owns a 73% stake, carries an estimated sales value of about 90 billion rupees. The shares of the company jumped 4.7%, the most in more than two months. The company is nearing completion of a mixed-use development at Delhi Aerocity that includes the Marriott Marquis and St. Regis hotels, and an 8,000-seat convention and exhibition venue. It is also planning a 1.5 million-square-foot mixed-use project in Bengaluru Airport City.

India Shifts Into Crisis Mode With Fuel Curbs, Wider Deficit

India is ramping up its economic defenses as the war in Iran drives up energy costs, prompting authorities to ration diesel, weigh spending cuts and hunt for overseas capital. On Friday, the government announced rare restrictions on diesel sales, capping purchases at 200 liters a day per customer. Separately, Bloomberg News reported that authorities are preparing for the budget deficit to possibly overshoot this year's target by as much as 50 basis points. Last week, the Reserve Bank of India and the government rolled out a raft of measures to attract foreign capital and boost the rupee from a record low. A government official said this week that more steps are under consideration as authorities look to build buffers against surging oil prices.

India Inflation Stays Below Target, Backing RBI Rate Hold

India's inflation came in lower than expected in May, despite high fuel costs, supporting the central bank's recent decision to keep interest rates unchanged. The consumer price index rose to 3.93% in May from a year earlier, below economists' expectations of 4.02% and under the Reserve Bank of India's 4% target, according to official data released Friday. Inflation was 3.48% in April. Bonds kept gains after the data release, with the yield on the 10-year paper down 3 basis points to 6.89%. The pickup in inflation comes a week after the RBI left interest rates unchanged, opting to wait for greater clarity on the inflation front before taking further action. Authorities have recently announced several measures to help spur foreign inflows and halt the rupee's decline, reducing pressure on the central bank to use interest rate to support the currency.

US, Iran Edge Toward Interim Deal Signing Close to G7 Next Week

- The US and Iran may sign an agreement to reopen the Strait of Hormuz on the sidelines of the Group of Seven world leaders summit next week, according to senior officials.
- The interim peace deal would see the US and Iran extend their ceasefire and go into further negotiations over the Islamic Republic's nuclear program, with the US lifting its blockade of Iranian ports.
- The terms of the agreement still need to be approved by Iran's Supreme Leader Mojtaba Khamenei, and include provisions such as the release of Iranian funds held in foreign banks and the withdrawal of US forces from areas near Iran.

Trump, Modi Look to Patch Up Ties in Shadow of New US Strikes

A possible meeting next week between Indian Prime Minister Narendra Modi and US President Donald Trump offers a chance to reset ties following a year of strained relations over tariffs, Pakistan, and now, the Iran war. US forces this week attacked three Indian-crewed vessels in the Gulf of Oman region, killing at least three sailors and prompting protests from New Delhi. Modi and Trump would likely want to contain the latest tensions and avoid derailing efforts to get relations back on track after a rocky year, analysts said. The expected meeting on the sidelines of the Group of Seven leaders' summit in France next week would be their first face-to-face since a falling out last year following India's military clash with Pakistan and Trump's tariffs. The highly anticipated meeting would build on steps taken by both countries in recent months to repair damaged ties. Last month, Trump dispatched Secretary of State Marco Rubio for a multi-day visit to India, where he met with multiple Indian officials and with envoys from Japan and Australia as part of a security grouping known as the Quad. The trip, the highest-profile visit by a US official in more than a year, was followed by a visit this month by a US trade team to advance a trade deal the two nations struck in February. One complication remains the US war on Iran, the side-effects of which have fallen heavily on India. Thirteen Indian-flagged vessels have been trapped in the Strait of Hormuz since the war's start in February, while multiple Indian nationals have been killed. Disruptions to global oil supplies have contributed to shortages in India and to a record slide in the rupee. A spokesman for the US Embassy in New Delhi said the US was in direct contact with the Indian government on the matter. Shortly after New Delhi's announcement that it had summoned US Chargé d'Affaires Jason Meeks over the vessel strike late Wednesday, Trump posted a message on social media congratulating Modi on his 12-year tenure in office. Modi reciprocated with a warm thanks.

Indian Banks Look to Foreign Funding to Maximize RBI's Bazooka

Some Indian lenders have asked the central bank if they can help individuals access loans from overseas banks to bring in more capital under a new plan, according to people familiar with the matter, potentially amplifying inflows into the country. The lenders sought clarity from the Reserve Bank of India if they can use a portion of deposits collected from non-resident Indians as collateral, the people said, asking not to be named as discussions are private. Based on that collateral, fresh loans would be given to such depositors from foreign banks, enabling them to park more money under the central bank's latest incentive plan. A clarification from the RBI could potentially open the door for more capital flows into the country after economists estimated that the so-called foreign-currency non-resident (bank) deposits program could draw about \$50 billion. A similar process, known as 'marking lien', was permitted by the RBI in 2013, and banks are also able to tap overseas leverage using a so-called letter of credit arrangement. This would allow customers to leverage, or scale up the amount of money they would deposit under the plan, the people said. The lenders asked the central bank to produce a 'frequently-asked-questions' section about the program in coming days. An RBI spokesperson did not immediately respond to an email seeking comment. The overseas deposit program is expected to ease strain on India's external finances as fuel imports turn costlier due to the Middle East war. Banks have started announcing sharp rate increases to lure foreign funds, offering a rate of as high as 7.1% on five-year deposits. Any inflows would provide a timely boost, with local shares having already seen outflows of almost \$30 billion this year and India projected to post a balance of payments deficit for a record third year. The rupee has weakened 6% this year against the dollar. The RBI has also allowed other forms of leverage that could augment inflows, details of a circular showed Monday. Other measures rolled out by Indian authorities last week to lure overseas funds include reduced taxes for foreigners buying Indian bonds and higher limits for equity purchases. The rupee gained following the announcement but remains close to a record low.

India Condemns US Strikes on Three Ships That Killed Sailors

- India's government strongly condemned US strikes on three ships with Indian crew in the Gulf of Oman, which left at least three dead.
- The US has been enforcing a blockade on ships traveling to and from Iranian ports since mid-April, as part of a broader effort to pressure Tehran.
- India summoned a top US diplomat to register its displeasure about the incident and reiterated its position that the fighting should be halted.

China Firm Secures Kenya Airport Revamp Deal After Adani Fallout

- Kenya picked China Communications Construction Co. for a \$2.9 billion upgrade of its biggest airport, people with knowledge of the matter said.
- The deal cements Chinese companies' grip on major infrastructure projects in Kenya, where CCCC's portfolio already includes a new railway, a 60,000-seat stadium, a toll road and a convention center.
- The airport project will be partly funded by the proceeds of privatization invested in a newly formed National Infrastructure Fund and construction work is expected to begin this month.

Trump Vows to Strike Iran Thursday If It Holds Out on Deal

- US President Donald Trump said he will continue bombing Iran if it refuses to agree to an interim peace deal, following a second night of clashes between the countries' forces.
- Iran retaliated by firing on US bases in Kuwait, Bahrain and Jordan, and said the Strait of Hormuz would be closed to all types of vessels.
- The US and Iran have been in indirect negotiations since they started a ceasefire on April 8, but have failed to reach an interim deal, with each side using exchanges of fire to try to pressure the other and gain better terms in the negotiations.

India Infrastructure Lender Seeks Dollar Loan After RBI Move

India's National Bank for Financing Infrastructure & Development (NaBFID) is in talks with banks to raise funds through a five-year dollar loan, seeking to capitalize on the central bank's recent measures to encourage foreign currency inflows. The state-owned infrastructure lender is looking at a total pricing of 6.5% to 7%, including hedging costs, Managing Director Rajkiran Rai G. said in an interview, adding that the size of the loan would depend on the pricing. NaBFID is seeking to raise \$8 billion-\$9 billion from the domestic and offshore markets in the financial year ending March 2027. The Reserve Bank of India said this week it will offer state-run firms a concessional foreign exchange swap facility at a fixed rate of 1.5% a year. Analysts said this would allow firms to hedge overseas borrowings at roughly half the prevailing market cost. Many borrowers have stayed away from offshore markets this year because of elevated hedging costs and the rupee's weakness.

Subtle RBI Rule Tweak Opens Door to \$50 Billion Inflow to India

- The Reserve Bank of India has done away with a curb on lenders' ability to leverage funds while providing details of an overseas deposit plan.
- The program could attract around \$45-50 billion, according to Yes Bank economists, with other estimates ranging from \$50-55 billion.
- The RBI has exempted the money from these deposits from other regulatory reserve requirements, making it easier for banks to pass on more lucrative rates to clients.

Banks Pay 7% on Dollar Deposits as India Seeks Foreign Funds

Indian lenders have sharply raised rates on foreign-currency deposits to lure the nation's overseas residents, offering an early test of the central bank's recent measures to bring in capital flows to support the rupee. Yes Bank Ltd. and AU Small Finance Bank are offering a rate of 7.1% on five-year deposits, while State Bank of India, HDFC Bank Ltd. and Central Bank of India are giving as much as 6% on comparable tenures to non-residents. By offering as much as 7.1%, Indian lenders are paying a premium over comparable dollar assets available in developed markets, where five-year US Treasury notes yield about 4.3%. The Reserve Bank of India last week unveiled measures allowing lenders more room to offer attractive rates on overseas deposits while containing funding costs — part of wider efforts by policymakers to attract foreign capital and strengthen the rupee. The currency has slipped to a series of record lows, despite multiple attempts to support it, as high oil prices hurt the nation's balance of payments. The measures also provide relief to lenders facing an intensifying competition for deposits as households channel more savings into mutual funds and other investment products.

India Boosts LNG Buying to Meet Fertilizer, Power Requirements

- India has increased purchases of liquefied natural gas from the spot market to replace disrupted Middle Eastern supply and meet demand from fertilizer plants, power generators and households.
- The buying will help meet requirements from fertilizer producers, which use gas as a feedstock and are ramping up output ahead of the planting season, and also support gas-fired power generation due to hotter summer weather.
- Demand for LNG is also being supported by the government's push to expand the use of piped natural gas in homes as liquefied petroleum gas supplies tighten.

US, Iran Exchange Strikes, Putting Talks on Peace Deal at Risk

- The US and Iran exchanged strikes overnight, endangering talks aimed at securing lasting peace in the Middle East and jolting their two-month-old truce.
- The US military said it had completed an operation that saw fighter jets strike Iranian air defenses, ground control stations and radar sites near the Strait of Hormuz.
- Iran launched missiles on four American targets and fired drones at the main US naval base in the Middle East, with Tehran saying it had exercised its “inherent right to legitimate self defense”.

India Infrastructure Lender Seeks Dollar Loan After RBI Move

India's National Bank for Financing Infrastructure & Development (NaBFID) is in talks with banks to raise funds through a five-year dollar loan, seeking to capitalize on the central bank's recent measures to encourage foreign currency inflows. The state-owned infrastructure lender is looking at a total pricing of 6.5% to 7%, including hedging costs, Managing Director Rajkiran Rai G. said in an interview, adding that the size of the loan would depend on the pricing. NaBFID is seeking to raise \$8 billion-\$9 billion from the domestic and offshore markets in the financial year ending March 2027. The Reserve Bank of India said this week it will offer state-run firms a concessional foreign exchange swap facility at a fixed rate of 1.5% a year. Analysts said this would allow firms to hedge overseas borrowings at roughly half the prevailing market cost. Many borrowers have stayed away from offshore markets this year because of elevated hedging costs and the rupee's weakness.

Subtle RBI Rule Tweak Opens Door to \$50 Billion Inflow to India

- The Reserve Bank of India has done away with a curb on lenders' ability to leverage funds while providing details of an overseas deposit plan.
- The program could attract around \$45-50 billion, according to Yes Bank economists, with other estimates ranging from \$50-55 billion.
- The RBI has exempted the money from these deposits from other regulatory reserve requirements, making it easier for banks to pass on more lucrative rates to clients.

India Weighs Additional Steps to Attract Foreign Capital Inflows

India is considering additional measures to boost foreign capital inflows as it seeks to strengthen external finances and support investments. The government is working to deepen the bond market, the official told reporters in New Delhi, asking not to be identified as the discussions were private. The person did not give details of the measures being explored. The comments come after the government and central bank unveiled a coordinated effort last week to attract foreign capital and support the rupee as higher energy costs strain India's external finances. Authorities eased investment rules and offered tax incentives to boost foreign inflows and reduce pressure on the currency, which is among Asia's worst performers this year. Apart from attracting flows, India is also keen to be included in the Bloomberg Aggregate Bond Index, according to the official. It entered the JPMorgan Chase & Co.'s emerging-market debt index in 2024. Index inclusion is closely watched because it can draw billions of dollars from global investors, lowering borrowing costs and providing a steady source of foreign inflows. While Indian sovereign bonds are already part of major emerging-market debt indexes, joining broader global benchmarks would deepen the country's integration with international financial markets. The measures have already triggered a rally in the bond market as global funds bought into index-eligible securities. Further, the government is also discussing measures to attract net foreign direct investment inflows into the country. As such, rising crude oil prices and the closure of the Strait of Hormuz due to the Iran war has prompted the fertilizer ministry to seek twice the budgeted amount, the official said. India has budgeted 1.71 trillion rupees for fertilizer subsidies in the fiscal year ending March 2027. The government has also forgone 1.23 trillion rupees on account of excise cut on fuel, and would reassess spending priorities in the second half of the fiscal year, the official said, adding that the move to ramp up asset sales would partly offset additional subsidy spending. The government is aiming to exceed its 800 billion rupee target for the current year. In the last few weeks, New Delhi announced a series of stake sales in Central Bank of India, Coal India, NHPC and NLC India Ltd. Officials also remain confident about pushing through IDBI Bank privatization this year. Indian authorities are considering cutting the reserve price for IDBI Bank by up to 20% after a lack of buyer interest stalled efforts to sell a majority stake in the lender.

India's Top Bank in \$1 Billion Funding for Sun Pharma's US Deal

- State Bank of India plans to join a group of global lenders in funding Sun Pharmaceutical Industries Ltd.'s overseas acquisition.
- SBI is set to commit as much as \$1 billion, pending board approval, to join Citigroup Inc, JPMorgan Chase & Co. and Mitsubishi UFJ Financial Group Inc. as a key debt financier.
- The move would be among the first sizable acquisition-financings involving a government-run bank since the central bank allowed local lenders to finance corporate takeovers in February.

India RBI Offers Discounted FX Swaps at 1.5% to Draw Inflows

The Reserve Bank of India will offer state-run firms a concessional foreign exchange swap facility, which some analysts said would allow them to hedge overseas borrowings at roughly half of the prevailing market costs. The swap will be undertaken at a fixed rate of 1.5% a year for an average maturity of three years and above, the central bank said in a statement Monday. The details came after the RBI announced the facility on Friday as part of its efforts to boost capital inflows into the country. The move aims to make overseas funding more attractive at a time when the RBI is looking to ease pressure on the rupee after it hit a new low against the dollar last month. The facility will be available for new borrowings raised through Dec. 31 and remain open until Jan. 15. Under the swap, banks acting as forex intermediaries can sell dollars in multiples of \$1 million to the RBI with an agreement to buy these back when the swap matures.

Russian Oil Fetches Discount in India First Time Over Two Months

Russia's flagship oil has begun trading in India at a discount to international prices again for the first time in more than two months as a boost from the war in Iran starts to fizzle out. The country's Urals crude, shipped by tanker from western ports to the coast of India, traded at a discount of \$3.90 a barrel to the Brent Dated benchmark on Friday, according to data from Argus Media. It flipped to a discount on May 29 for the first time since mid March. The shift happened as Brent stays stuck below \$100 a barrel and key inter-month price spreads weaken, pointing to less-stressed physical markets. A slew of workarounds — from muted Chinese buying and surging US exports — have helped to absorb the shock from the Middle East conflict, which affected about a fifth of global oil supplies. The war in Iran and the green light from the US administration to buy some of Russia's sanctioned barrels to ease pressure on the market allowed Moscow to boost oil shipments to India. The Asian nation emerged as a major buyer of Russian crude after Kremlin's full-scale invasion of Ukraine and its loss of European market. Last month Russian crude deliveries to India averaged about 1.76 million barrels a day, 63% higher than in February. In absolute terms, Russian crude traded at \$93.59 a barrel on India's coast on Friday, according to Argus. The price also includes shipping costs and compares with the average of \$73.46 a barrel in Russia's western ports. That's still well above the price of \$59 a barrel assumed in Russia's budget for this year. Last week President Vladimir Putin warned again that gains from higher global prices "are temporary and short-term."

India Seeks Protection From Future Trade Probes in US Deal

India has sought assurance from the US that it will not face any investigations under Section 301 once a trade agreement is signed between the two nations, according to an official from the South Asian country. The two countries will finalize a trade deal only after the US completes its Section 301 investigation into goods allegedly produced with forced labor, and another one alleging excess capacity, the official told reporters in New Delhi Monday, asking not to be identified, as the discussions are private. Hearings in the forced-labor investigation are scheduled for next month, though the timeline for concluding either investigation remains uncertain. Indian Commerce and Industry Minister Piyush Goyal on Friday had said the two countries may execute an interim trade pact, agreed upon earlier this year, next month. Officials in New Delhi have sought preferential tariff treatment over its competitors in its negotiations. The comments come after a US trade delegation led by chief negotiator Brendan Lynch visited New Delhi from June 1 to June 4 to advance negotiations on an interim trade agreement. The Office of the US Trade Representative has proposed tariffs of at least 10% on imports from 60 trading partners following its investigation into goods allegedly produced with forced labor. For products from countries including China, India, Japan, South Korea and Brazil, the proposed levy is 12.5%. The two countries agreed in February to pursue the first tranche of a bilateral trade deal and had expected to conclude it by March. Under the proposed arrangement, Indian exports would have faced an 18% tariff, significantly lower than the 50% rate announced last year. Negotiations, however, stalled after a US Supreme Court ruling disrupted the time line for finalizing the agreement.

RBI Seen Joining Asia's Rate-Hike Push as Inflation Risks Rise

The Reserve Bank of India will likely tighten monetary policy in coming months, bringing it in line with regional peers that have turned more hawkish in response to inflationary pressures stemming from the Middle East conflict. The expectations follow Governor Sanjay Malhotra's signal Friday that policymakers could raise interest rates if inflation pressures become more generalized and persistent. The central bank also lifted its inflation forecast for the fiscal year ending March 2027 to 5.1% from 4.6%, after leaving benchmark rate unchanged at 5.25%. The RBI's commentary on inflation "opens the door for rate hikes in the next meeting" in August, according to Pranjal Bhandari, chief India economist at HSBC Holdings Plc. That would mark the RBI's first rate hike since February 2023. Following Friday's policy decision, Bhandari brought forward her forecast for tightening and now expects rate increases in August and October, instead of in the final three months of 2026 and the first quarter of 2027.

BEML Bets on India's Urban Rail, Defense Boom to Double Orders

India's BEML Ltd. is targeting an order book of more than 310 billion rupees (\$3.3 billion) this fiscal year, as the state-run manufacturer pushes ahead with expansion in rail, high-speed trains and defense systems. The company sees a potential of 400 billion rupees in new projects being approved in the year ending March, and aims to secure more than a third of that, roughly doubling its current 166 billion rupees pipeline, Chairman and Managing Director Shantanu Roy said in an interview. Rail and metro projects would account for about 70% of the order book — up from about 65% at present — and defense may contribute 20%. The state-owned earthmoving equipment, railway rakes and wagon maker expects diversification across defense and mining businesses to support growth, while uncertainty arising from global conflicts and supply-chain disruptions remains the biggest challenge. "The best risk mitigation strategy is to remain diversified," he said. The Bengaluru-based company is also betting on a series of long-term growth initiatives, including indigenous high-speed trains, tunnel-boring machines, new-generation engines for combat vehicles, maritime ships and participation in India's Advanced Medium Combat Aircraft fighter jet program.

RBI Ramped Rupee Defense to Record Before Government Bazooka

- The RBI's net-short dollar book climbed to about \$110 billion-\$115 billion across onshore and offshore markets, according to people familiar with the developments.
- Relief came after authorities announced they would scrap taxes on overseas investment in government securities and make more bonds available to overseas investors, among other measures, causing the rupee to rise 0.9% versus the dollar.
- The RBI's use of NDFs allows the central bank to influence the exchange rate without immediately depleting foreign-exchange reserves, but the growing derivatives book may still pose challenges as contracts mature and generate recurring demand for dollars.

India's Current Account Gap Beats Forecasts as Remittances Surge

India's current account fared better than expected in the year ended March, with the deficit staying flat as strong services receipts and higher remittances offset disruptions caused by the Iran war. The shortfall in the broadest measure of trade in goods and services stood at \$25.2 billion, or 0.6% of GDP, in fiscal 2026, according to Reserve Bank of India data released Monday. That's the same level as in 2024-25, but below economists' expectation of a gap of 0.9%. The full-year reading surpassed forecasts on a surprise surplus of \$7.1 billion, or 0.7% of GDP, in the January-March quarter compared with an expectation of a mild deficit. In the same period a year earlier, the country had recorded a surplus of \$13.7 billion, or 1.4% of GDP.

US Strikes India-Crewed Tanker That May Have Been Iran-Bound

The US military fired at an empty tanker for its suspected involvement in the Iranian oil trade as Washington continues to enforce a blockade of the Islamic Republic's ports. The tanker, Marivex, was crewed by 24 Indian nationals and was falsely flagged to Madagascar, according to ship-tracking data and a government official in New Delhi. The US has been enforcing a blockade of ships sailing to and from Iranian ports since mid-April, and has disabled seven non-compliant vessels and redirected 134 ships.

India's Two-Wheeler Market Sustains 7.3% Growth in May 2026

India's two-wheeler registrations rose 7.3% YoY to 1.84 million units in May 2026 from 1.71 million units a year earlier, although volumes declined 6.6% sequentially from April due to normal seasonal factors. Growth was led by a strong recovery in rural markets, where registrations surged nearly 20% YoY to around 486,000 units, significantly outpacing metro markets, which grew 6.1% YoY. Hero MotoCorp remained the market leader with over 517,000 units and a 28.5% share, while Honda increased its share to 24.8% on 9.3% volume growth, narrowing the gap with Hero. TVS continued its strong performance with 11.1% growth and a 19.6% market share, while Bajaj held 10.9% share and Yamaha recorded the fastest growth among smaller players at 16.4%. Hero Splendor Plus remained the highest-selling model, while Honda Activa continued to dominate the scooter segment. Motorcycles accounted for 59.4% of registrations and scooters for 30.2%, while electric scooters reached an 8.8% share of the market. In the EV segment, Ather nearly doubled volumes with 99.9% growth to lead registrations, Ampere posted 77.9% growth, whereas OLA Electric's volumes declined 20.2% YoY. Geographically, Uttar Pradesh remained the largest state market, followed by Maharashtra and Tamil Nadu, while Delhi led among cities. With inventory levels remaining healthy at 37–40 days and commuter demand stable, positive outlook for the sector is maintained, with rural penetration, EV adoption, and distribution strength expected to remain key competitive differentiators for OEMs.

Flair commissions its wooden pencil manufacturing facility in Surat

- Flair sold around 147 mn mechanical pencils in FY26, reflecting strong consumer acceptance and growing traction in the category.
- The company commissioned its wooden pencil manufacturing facility in Surat, marking its entry into the much larger wooden pencil segment.
- The Indian pencil market accounted for about 12% of the writing instruments industry, valued at 16,500 mn in FY23 and expected to grow at a 14% CAGR to ~33,000 mn by FY28.
- Wooden pencils represent nearly 90% of the pencil market, making Flair's entry into this segment a significant growth opportunity.
- Management believes its success in mechanical pencils demonstrates its ability to build differentiated categories and capture evolving consumer demand.
- The expansion into wooden pencils aligns with Flair's strategy of broadening its portfolio across writing instruments, creative products, steel bottles, and houseware.
- The company remains confident of achieving its FY27 growth guidance.

ITAT verdict provides relief to Styrenix, transfer pricing addition of Rs17.1crs and related tax demand fully deleted.

- Income Tax Appellate Tribunal (“ITAT”) vide its order pronounced on 26-May-26, signed on 03-June-26 and received by the Company on 11-June-26 has allowed the appeal filed by the Company and deleted the transfer pricing additions amounting to Rs17.1Cr made by the Assessment Unit, Income Tax Department in the assessment order dated 29-Oct-24 under section 143(3) r.w.s.144C (13) r.w.s. 144B of the Income Tax Act, 1961 for Assessment Year 2021-22.
- Accordingly, the corresponding tax demand of Rs4.4crs raised by the Assessment Unit for Assessment Year 2021-22 stands deleted.

Dixon Forms 60:40 JV with Gemtek for Optical Telecom Products

Dixon Technologies, Gemtek Technology and Dixon Electroconnect have entered into a binding term sheet to establish a joint venture in India focused on the manufacturing of Optical Transceivers (SFP), BOSA modules and other telecom products. Following the completion of the transaction, Dixon will hold a 60% stake in the venture through Dixon Electroconnect, while Gemtek will own the remaining 40%.

The partnership marks Dixon’s entry into the fast-growing optical connectivity and telecom infrastructure ecosystem, targeting opportunities arising from the expansion of data centres, AI-driven computing, cloud and edge infrastructure, high-speed networking and next-generation optical communication solutions. Dixon Electroconnect’s status as a beneficiary under the Electronics Components Manufacturing Scheme (ECMS) is expected to further enhance the venture’s competitiveness.

Gemtek Technology, a Taiwan-based technology company, specializes in optical connectivity, wireless communications and broadband solutions. Leveraging strong R&D capabilities and advanced manufacturing expertise, the company offers a broad portfolio spanning optical transceivers, wireless access devices, broadband infrastructure and next-generation data communication technologies.

Afcons Infrastructure Ltd Wins ~Rs5,301cr Breakwater Project for Vadhvan Port

Afcons Infrastructure Ltd has received a LoA from Vadhvan Port Project Ltd (VPPL) for the construction of a 10.1-km breakwater at the upcoming Vadhvan Port, Maharashtra.

The project is valued at ~Rs5,301cr (excl. GST) and represents one of the largest marine infrastructure contracts awarded in India.

Upon completion, the breakwater will be the second longest in the world, serving as a critical component of the Vadhvan Port development.

Stocks Climb on US-Iran Optimism as SpaceX Debuts

Hopes for a diplomatic breakthrough that would end the war in Iran extended a slide in oil prices while lifting stocks, with Wall Street's enthusiasm also fueled by SpaceX's strong trading debut. The S&P 500 extended this week's gain, with Elon Musk's space company up 19% after a record-breaking IPO. US oil settled below \$85 as the US said an interim peace deal that reopens the Strait of Hormuz and ends Iran's nuclear weapons ambitions looks increasingly likely and could be signed within days. A senior administration official estimated an 80% or 85% chance that an accord gets signed soon. President Donald Trump said he thinks a deal could be signed over the weekend or Monday, according to an Axios reporter's post on X. Iran's Foreign Minister Abbas Araghchi noted the Islamabad Memorandum of Understanding has "never been closer." Pakistan's Prime Minister Shehbaz Sharif said a "final, agreed upon text of the peace deal has been reached" and his country is working with both sides "to finalize the next steps." Equities had briefly fallen after Trump complained about Iran leaking terms of a deal.

Goldman Cuts 2027 Oil Price Outlook on High Supply, Weak Demand

- Goldman Sachs Group Inc. cut its forecasts for crude oil prices next year by \$5 a barrel on higher supply and lower demand.
- The bank cuts its outlook for global benchmark Brent to an average of \$80 a barrel in 2027, and its estimate for US marker West Texas Intermediate to \$75.
- Prices will remain "resilient" in 2027 despite a surplus as nations refill inventories and as a risk premium linked to Persian Gulf supply is maintained.

Trump Insists Iran Deal Is Close After Scrapping New Strikes

President Donald Trump pulled back threatened military strikes against Iran, a stark reversal that came just hours after he vowed to hit the Islamic Republic "VERY HARD" and threatened to seize its oil infrastructure. US forces had already pounded Iran with airstrikes for two straight days when Trump on Thursday morning said they would do so for a third. But then in the afternoon, Trump announced on social media the attacks were off, claiming again that a deal was close — without any confirmation from Iran. Trump told reporters in the Oval Office that a signing could take place as soon as this weekend in Europe and that Vice President JD Vance would attend if it materializes. He also said Iran's supreme leader had agreed to a deal, though he cautioned it was not finalized. The president described it as "a very strong memorandum of understanding that is a little conceptual," which would restart shipping in the Strait of Hormuz and include commitments from Tehran to not pursue a nuclear weapon. "We ended the war with Iran today," Trump told an evening tele-rally for Burt Jones, who's running for the US Senate in Georgia. During another tele-rally for Barry Moore, a Senate candidate in Alabama, the president said, "We made a great deal. There'll be no nuclear weapons. People will start coming home very soon. It's pretty much, pretty much completed. We got everything we wanted." Iran's semi-official news agency Fars, however, said earlier Thursday that officials had not yet approved the text of any agreement with the US, citing an unnamed source. Iran's nuclear program and its frozen assets have long been sticking points in the talks.

Amgen Reevaluates Tavneos Data as Drug Faces FDA Scrutiny

- Amgen Inc. has engaged the Duke Clinical Research Institute to reevaluate data for the rare disease drug Tavneos.
- The FDA has proposed withdrawing Tavneos' approval over concerns that data submitted to the agency were manipulated.
- Amgen plans to submit the new analysis to the FDA by June 29 as part of a package of material supporting the drug.

Activist Elliott Hits Back at Gold Miner Northern Star Over Sale

- Activist investor Elliott Investment Management LP is urging Northern Star Resources Ltd.'s board to take urgent action and reconsider a sale as its valuation flounders.
- Northern Star's chairman Michael Chaney says it is the wrong time to consider a sale of the business or spinning off smaller assets.
- Elliott says Northern Star's board "does not understand the magnitude of change required" to win back investor trust or rescue the company's valuation and is calling for a strategic review.

Qatar, UAE Slip More LNG Shipments Out of Hormuz This Week

- Three more liquefied natural gas shipments from Qatar and the UAE appear to have exited the Strait of Hormuz in recent days, adding to signs of a pickup in energy flows.
- At least 12 LNG shipments have exited the Gulf since the war began, which is a fraction of the average of about three LNG cargoes exiting Hormuz a day before the conflict.
- Middle East oil and gas producers have sought to move cargoes through the Strait of Hormuz with ship transponders switched off as the war drags on.

Air India Crash Report Delayed on Unfinished Exam of GE Engines

- Investigators will miss the one-year deadline to explain why an Air India Ltd. jetliner crashed because an examination of the plane's engines in the US still needs to be completed.
- India's Aircraft Accident Investigation Bureau will likely issue a status report this week, with a final report expected within three months after studies of the GE Aerospace engines are concluded.
- The delay reflects a chaotic search for answers, with lingering questions about the cause of the crash fueling speculation in local media and online, and Indian officials having traveled to Washington to review available data.

India recorded a current account surplus of \$7.1 billion in Q4 FY26

India recorded a current account surplus of \$7.1 billion in Q4 FY26, narrowing from the surplus of \$13.7 billion but contrasting sharply with the market expectations that it would swing to a deficit of \$15 billion. Goods deficits were expected to have grown sharply in the period as higher energy costs were set to inflate imports into the Indian economy, lifted by the war in Iran and India's partial pivot away from Russian energy to escape the mounting tariffs from the United States. The goods account recorded a deficit of \$83.4 billion, widening sharply from the gap of \$59.3 billion, as debits surged by 12% to \$196.6 billion. Still, the services surplus widened to \$60.4 billion from \$53.3 billion, amid a 10% increase in credits to \$111.1 billion. The secondary income surplus surged to \$41.3 billion from \$31.5 billion, amid a 33.9% surge in credits through workers' remittances to \$33.9 billion.

India CPI Inflation rose to 3.9% in May of 2026

The inflation rate in India rose to 3.9% in May of 2026 from 3.5% in the previous month, the highest since January of the previous year. Still, it was less than market expectations of 4%, remaining below the Reserve Bank of India's medium-point threshold of 4%. Food inflation, which is a major part of the Indian consumer basket, rose to 4.8% from 4.2% in April, also the highest in 16 months, as the war in the Middle East lifted energy and fertilizer prices that are essential in Indian food production. Meanwhile, price growth was high for personal care, social protection, and miscellaneous goods and services (18.5%) and restaurants and accommodation (5.75%). On the other hand, inflation was muted for transportation (1.75%) and housing and utilities (1.73%). From the previous month, consumer prices rose by 0.8%.

ECB raised interest rates by 25 basis points to 2.4%

The European Central Bank raised interest rates by 25 basis points to 2.4% at its June 2026 meeting, the first increase since 2023, as policymakers emphasized their commitment to anchoring inflation at the 2% medium-term target. The move follows rising energy costs and persistent inflation risks driven by the Iran conflict and disruptions to oil shipments through the Strait of Hormuz. The ECB stated that the Middle East war is amplifying inflationary pressures, and the rate increase is supported across scenarios assessing its impact on the euro area's outlook. The ECB also revised its inflation forecasts upward, now expecting headline inflation to reach 3.0% in 2026 (up from 2.6%) and 2.3% in 2027 (up from 2.0%). Core inflation was also raised to 2.5% for both 2026 and 2027, from previous estimates of 2.3% and 2.2%, respectively. For economic growth, the ECB slightly lowered its Eurozone GDP projections, forecasting expansion of 0.8% in 2026 (down from 0.9%) and 1.2% in 2027 (down from 1.3%).

U.S. CPI Inflation rose to 4.2% in May 2026

The annual inflation rate in the US rose to 4.2% in May 2026, marking its highest level since April 2023, from 3.8% in April and in line with market expectations. This represents the third consecutive monthly acceleration in headline inflation, with energy costs jumping 23.5% (vs 17.9% in April), due to the energy shock triggered by the conflict with Iran. Gasoline prices soared 40.5%, after a 28.4% gain. Fuel oil also increased 58.9% (vs 54.3%). In addition, inflation accelerated once again for shelter (3.4% vs 3.3%) and food (3.1% vs 2.3%). Compared to the previous month, the CPI was up 0.5%, slightly less than 0.6% in April, and in line with forecasts. Energy prices rose 3.9% and accounted for over 60% of the monthly gain. Meanwhile, the annual core inflation rate went up to 2.9%, a new high since September 2025, compared to 2.8% in April and matching forecasts. Compared to the previous month however, the core CPI rose 0.2%, less than 0.4% in April and below forecasts of 0.3%.

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