

Indian equity markets rebounded on Friday, May 22, 2026 amid easing oil prices, a strengthening rupee and a rally in global markets — capping a turbulent week on an encouraging note and delivering the most constructive weekly close since the May 11 selloff began. The Nifty 50 closed at 23,719.30, up 64.60 points (+0.27%) from Thursday's close of 23,654.70, while the Sensex settled at 75,415.35 — up approximately 232 points. Bank Nifty surged 615.95 points (+1.15%), closing at 54,055.35 — the first sustained close above 54,000 since May 16, the single most constructive Bank Nifty signal of the week. The week closes with the Nifty ending at 23,719 — essentially flat from last Friday's close of 23,654, having absorbed an extraordinary 545-point intraday range across five sessions without a single closing breach of the 23,300 structural floor. Bank Nifty's reclaim of 54,000 on a closing basis heading into the weekend is the week's single most important technical development.

### Nifty 50 Performance

The Nifty 50 opened at 23,671.20, touched a high of 23,835.65, a low of 23,671 — the open was also the day's low, a structurally bullish signal confirming zero intraday selling pressure — and closed at 23,719.30, up 64.60 points (+0.27%). The index opened and immediately moved higher, never looking back — the open equalling the day's low is the most bullish intraday structure possible, confirming institutional accumulation from the very first tick. The close at 23,719 — the highest weekly close since May 15 — restores the 23,700 zone as structural support heading into next week. The session high of 23,835 fell just 24 points short of the 23,860 ceiling that rejected two gap-up opens this week — a retest of this level next week on any diplomatic progress would break it cleanly.

### Technical Analysis

Nifty closed at 23,719.30 — RSI recovering from 45–46 toward 47–50 zone — approaching the critical neutral 50 level from below for the third time this week. The MACD bearish crossover remains active but the histogram has shown clear deceleration across the week's final two sessions — a positive close on Monday would formally arrest the negative expansion. Traders monitored US-Iran diplomatic talks throughout the session — the War Powers "hostilities terminated" statement from Trump this week is the structural backdrop that removed the imminent strikes resumption risk and enabled today's quiet accumulation. The week's defining technical achievement: the 23,300–23,317 demand zone absorbed three consecutive intraday tests across Monday, Wednesday and Thursday without a single closing breach — a triple validation that now serves as the most robust structural floor of the post-April 8 recovery cycle.

Bank Nifty opened at 53,483.85, hit a high of 54,213.05, a low of 53,483.55 — again, the open was the day's low — and closed at 54,055.35, up 615.95 points (+1.15%). The index opened and immediately surged, reclaiming 54,000 intraday and sustaining it through the session to close at 54,055 — the first sustained close above 54,000 since May 16 and the strongest Bank Nifty session of the corrective phase — today's Bank Nifty breakout above 54,000 confirms that domestic institutional conviction at 53,000 was genuine and not just technical. RSI recovering from extreme oversold 41–43 zone toward 45–47 — the mean reversion from multi-week lows is gaining decisive traction. MACD bearish crossover intact but histogram showing pronounced deceleration.

### Nifty Technical Levels

**Support: 23,600, 23,400, 23,300**

**Resistance: 23,860, 24,000, 24,200**

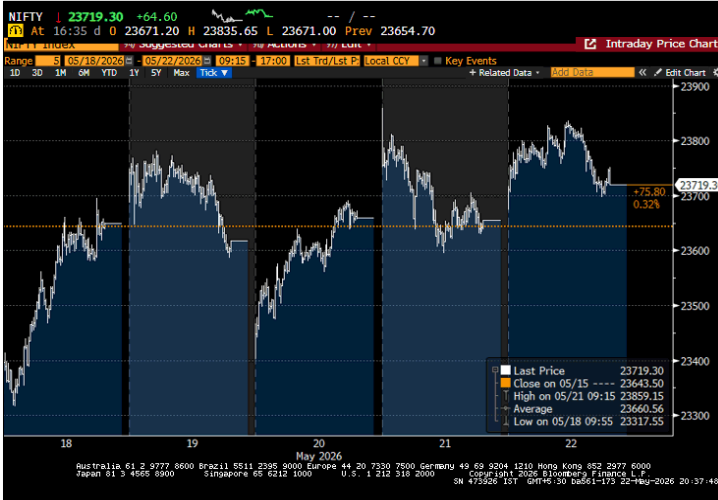
### Bank Nifty Technical Levels

**Support: 54,000, 53,500, 53,000**

**Resistance: 54,500, 55,000, 55,500**

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## Nifty Weekly Chart



## Sensex Weekly Chart



## Market in Retrospect

Benchmark indices ended Friday higher.

Nifty ended 0.27% higher, ending at 23,719 over the week ended higher by 0.32%. Over the week the broader markets represented by the NIFTY 500 Index ended 0.53% higher, ending at 22,651. Over this week, Nifty IT was the top gainer, gaining by 4.31%, followed by Nifty Realty was gaining by 2.39%. Nifty VIX was the top loser, losing by 4.68%.

Over the week, Grasim Industries was the top gainer, gaining by 7.55%, followed by Wipro and Infosys gained by 6.90% & 4.96% respectively. Power Grid was the top loser, losing by 3.78%, followed by Tata Steel and Tata Consumer Products losing by 3.53% & 3.42% respectively.

## Market Turnover (In Crore) 22-05-2026

Name	Last	Previous
NSE Cash	1,13,338.48	1,21,251.10
NSE F&O	4,39,702.97	3,89,058.78
BSE Cash	10,139.33	10,102.59
BSE F&O	9,659.00	66,686.77

## FII Derivatives Flow (In Crore) 22-05-2026

Instrument	Purchase	Sale	Net
Index Future	11534.62	10545.47	989.15
Index Option	891073.54	879018.42	12055.12
Stock Future	169457.57	164983.84	4473.73
Stock Option	52766.61	52402.64	363.97

## Institutional Flow (In Crore) 22-05-2026

Institution	Purchase	Sale	Net Last Day	Net Week	Net Month
FII	9354.70	13711.79	4357.09	7572.83	46000.15
DII	16519.23	11528.41	4990.82	16948.10	68450.68

## NIFTY Top Gainers (for five trading days)

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Grasim Industries	0.03	7.55	906466.00	1749626.00
Wipro	1.69	6.90	40014399.00	17989380.00
Infosys	0.57	4.96	8803066.00	17379320.00
Trent	3.02	4.76	1087977.00	706460.80
Hindalco Industries	0.90	3.91	4136312.00	6205824.00

## NIFTY Top Losers (for five trading days)

Name	%1D	%5D	Day Vol	Avg 5 Day Vol
Hindustan Unilever	1.13	3.02	1382889.00	1191111.00
Oil & Natural Gas Corp	1.98	3.12	11563330.00	12025180.00
Tata Consu Products	0.26	3.42	1808205.00	1915044.00
Tata Steel	0.29	3.53	22023114.00	44131370.00
Power Grid Corp	1.75	3.78	15105294.00	10947010.00

## Bulk and Block Deals

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

## 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	4777.49	0.23	0.76	3.19	4.88	25.10	24.41	20.19	4.10	3.75
ACWI	1106.89	0.48	0.72	3.32	5.12	27.08	23.45	18.82	3.79	3.45
Asia Pacific	266.74	2.22	0.16	4.34	4.97	37.53	19.95	14.74	2.31	2.11
EM	1675.52	2.33	0.44	4.26	6.91	43.77	18.21	12.52	2.46	2.16

US European In	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
Dow Jones	50625.40	0.68	2.22	2.29	2.01	20.94	25.72	21.64	5.72	5.54
NASDAQ	26455.50	0.62	0.88	7.29	15.60	39.79	43.08	28.47	8.34	6.92
S&P500	7479.23	0.45	0.95	4.78	8.25	28.02	27.34	21.98	5.66	5.04
BOE VIX	16.68	0.48	9.50	11.84	12.62	17.75	NA	NA	NA	NA
FTSE100	10467.80	0.23	2.67	0.08	2.05	19.78	16.97	13.13	2.37	2.20
CAC40	8123.18	0.46	2.15	0.41	4.61	3.29	18.74	14.85	2.00	1.92
DAX	24893.57	1.17	3.94	2.89	1.45	3.73	17.05	15.85	2.00	1.88

Asian Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
Nikkei225	63339.07	2.68	3.14	6.07	8.12	70.45	23.42	22.06	2.95	2.79
Hang Seng	25606.03	0.86	1.37	2.13	3.06	8.76	13.32	11.47	1.35	1.20
STI	5068.15	0.44	1.58	2.95	1.21	30.54	17.05	15.93	1.62	1.63
Taiwan	42267.97	2.18	2.66	8.57	19.36	95.21	28.72	20.79	4.06	4.15
KOSPI	7847.71	0.41	4.73	21.19	24.42	196.77	21.37	8.99	2.24	2.12

BRIC Indices	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr	PE Ratio	Est.PE	PB Ratio	Est PB
IBOVESPA	175195.25	1.38	1.18	9.17	8.05	27.63	11.92	8.75	1.63	1.42
SHANGHAI Com	4112.90	0.87	0.54	0.16	0.76	21.68	19.48	14.46	1.58	1.42
SENSEX	75415.35	0.31	0.24	1.63	8.34	7.72	21.22	19.08	3.02	2.77
NIFTY	23719.30	0.27	0.32	0.75	6.92	4.56	21.90	19.35	2.97	2.75
NSE VIX	17.91	0.49	4.68	2.13	24.70	3.78				

LME	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Copper	13515.50	1.03	3.03	2.15	4.25	41.77
Aluminium	3637.00	0.40	0.56	2.25	17.23	47.16
Zinc	3522.50	0.93	1.73	2.32	4.14	30.80
Lead	2004.50	1.26	0.52	2.09	2.01	1.55
Nickel	18727.00	1.07	0.91	2.75	7.94	20.03

Polymer Mkt	Index	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
HDPE	1500.00	4.46	6.25	64.84	63.04
LDPE	1700.00	1.73	2.86	58.88	47.83
Injection Grade	1400.00	1.41	4.76	55.56	48.94
General purpose	1430.00	1.38	4.67	53.76	45.92
Polystyrene HIPS	1700.00	0.00	4.49	41.67	39.34
Polystyrene GPPS	1630.00	0.00	3.55	48.18	39.32

Shipping Ind	Index	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Baltic Dry	2964.00	1.36	5.93	10.80	45.08	121.03
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	4.58	0.18	0.34	6.40	12.13	1.08
UK	4.90	1.33	5.28	0.20	12.54	3.12
Brazil	6.20	0.58	3.47	5.63	1.21	8.82
Japan	2.76	0.40	1.69	14.93	30.27	75.65
Aus	4.92	0.86	2.96	0.70	4.11	10.44
India	7.09	0.30	0.40	2.44	5.52	13.07

Money Mkt	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
ICE LIBOR USD	4.85	0.03	1.54	8.04	13.11	14.20
MIBOR	2.20	0.64	1.97	1.25	8.45	7.28
INCALL	5.32	9.69	9.69	0.37	13.19	2.39

Agro Cmdty	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Coffee	272.35	0.38	2.04	5.81	3.11	17.72
Cotton	77.70	0.36	3.61	1.20	15.66	9.44
Sugar	14.66	1.61	0.95	6.15	6.08	14.62
Wheat	649.75	0.35	2.20	7.04	10.60	4.59
Soybean	1197.25	0.25	1.72	1.50	2.68	9.81

Forex	Rate	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
USD Index	99.33	0.07	0.04	0.75	1.57	0.63
EUR	1.16	0.14	0.19	0.87	1.54	2.85
GBP	0.74	0.03	0.81	0.50	0.42	0.12
BRL	5.02	0.33	0.68	1.16	2.87	13.68
JPY	159.10	0.08	0.23	0.24	2.80	9.48
INR	95.71	0.52	0.28	1.99	5.04	10.14
CNY	6.80	0.08	0.25	0.49	1.60	6.03
KRW	1516.85	0.55	1.24	2.54	4.87	8.82

Energy	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
NYMEX Crude	97.51	1.20	7.50	4.89	46.87	59.33
Natural Gas	2.94	2.58	0.68	2.76	7.43	27.17

Precious Metals	Price	%Ch1D	%Ch5D	%Ch1M	%Ch3M	%Ch1Yr
Gold(\$-Oz)	4508.36	0.76	0.70	4.88	13.76	36.84
Silver(\$-Oz)	75.61	1.40	0.51	2.70	14.28	128.72

### India RBI Dividend Trails Estimates, Clouds Deficit Goal

India's central bank will transfer a record yet smaller-than-expected dividend to the government this year, limiting fiscal support as soaring energy prices put public finances under strain. The Reserve Bank of India's annual dividend, approved by the board Friday, will be 2.87 trillion rupees (\$30 billion), higher than last year's record 2.69 trillion rupees. The amount is lower than the nearly 3 trillion rupees forecast by most economists. The less-than-expected dividend payout puts the government's fiscal deficit target of 4.3% of gross domestic product at risk as higher oil prices increase subsidy and energy costs. The shortfall could force the government to cut spending or borrow more, even as Prime Minister Narendra Modi has called for austerity and fuel saving to protect foreign-exchange reserves and public finances. "If oil prices remain where they are, this will not be an added support for fiscal which will be under pressure," said Dhiraj Nim, economist at ANZ Banking Group. The fiscal deficit could reach 4.6% of the gross domestic product in the current financial year, from 4.3% budgeted, given the "somewhat smaller" than expected dividend payout, Nim said. The central bank makes an annual transfer to the government from surplus income generated through investment earnings, valuation gains on foreign exchange holdings including the dollar, and fees from printing currency notes.

### India Central Bank Says Near Term Outlook Clouded by Iran War

India will need to monitor the impact of the Middle East crisis on domestic prices closely, the country's central bank said in its monthly report. Local demand remains the key driver of growth, though "the near-term outlook is somewhat clouded by supply-side pressures," the Reserve Bank of India said in its State of the Economy report released Friday. While headline inflation remains firmly within the RBI's 2%-6% tolerance band, "the pass-through to domestic prices needs to be monitored," it said. The RBI's Monetary Policy Committee is scheduled to meet June 3-5 to decide on interest rates. Expectations of tighter policy have risen as the central bank is expected to take steps to support the rupee, which slid to a record low of near 97 per dollar earlier this week. "Financial conditions, crude oil prices and capital flows continue to pose challenges to the external sector outlook," the RBI said. Still, robust services exports, foreign-exchange reserves and measures taken by the government and the central bank "are likely to cushion" the economy against external headwinds. The RBI board approved a record, though smaller-than-expected, dividend transfer to the government, limiting fiscal support as rising energy prices strain public finances. The central bank will transfer 2.87 trillion rupees (\$30 billion) of surplus this year, up from 2.69 trillion rupees last year, but below the nearly 3 trillion rupees forecast by most economists in a Bloomberg News survey.

### Rupee Plunge Sees India Turn to 2013 Taper Tantrum Playbook

India's central bank may need to draw on its 2013 taper tantrum playbook and earlier balance-of-payments crises to mount an effective defense of the beleaguered rupee. The Reserve Bank of India under Governor Sanjay Malhotra is considering a range of measures to stabilize the currency, including raising interest rates, additional currency swaps and steps to raise dollars from overseas investors. The urgency has grown after the rupee slumped to a record low of nearly 97 per dollar this week, driving up import costs and further eroding investors' confidence. The RBI's immediate priority: arrest further depreciation. The rupee appreciated in the last two trading sessions on RBI interventions and expectations of a rate increase. The rupee strengthened 0.5% to close at 95.7050 per dollar on Friday. The local currency had fallen to its record low of 96.9650 on Wednesday.

### Palm Oil Markets Split as Indonesia Export Revamp Confuses Trade

Palm oil buyers are picking up spot cargoes at bargain rates even as futures prices climb, as traders attempt to understand the impact of a radical export overhaul announced by top producer Indonesia earlier this week. President Prabowo Subianto announced the plan on Wednesday, citing palm oil, coal and ferronickel. Coordinating Minister for Economic Affairs Airlangga Hartarto later said that only secondary processed products, including crude palm oil and refined, bleached and deodorized olein, would be routed through a new state commodity export body. Traders have since been seeking details on the full slate of affected goods, with the trade ministry expected to issue more information later today.

### Iran War Spurs Extreme Bear Scenarios for Asia Currencies, Bonds

The Iran war is piling pressure on emerging Asian markets, pushing some currencies and bond yields toward levels once considered unlikely. As the conflict drags on, some analysts are mapping out more extreme bearish scenarios. That includes India's rupee weakening to 100 per dollar, the Indonesian rupiah sliding to 18,000, and the Philippine peso depreciating to 65 as high energy prices fuel inflation and weigh on import-dependent economies. Bond markets are also feeling the strain. Benchmark yields in India may test peaks last seen in 2022, while the head of the money market association in the Philippines say yields may climb toward 8%, a multi-year high. Asia is reeling from a more than 40% surge in crude prices since the war broke out late February. The pain is being felt most acutely in India, Indonesia and the Philippines, which rely on foreign capital to fund current-account deficits. Rising US Treasury yields have further dented the appeal of emerging-market assets, pressuring central banks to tighten policy even as the economic fallout from the conflict deepens. Indonesia has already moved to defend the rupiah, with the central bank surprising markets on Wednesday with a larger-than-expected rate hike and a pledge to step up currency intervention.

### India State Fuel Pumps Rattled by Sharp Spike in Fuel Demand

- India's state-run fuel retailers are struggling to keep pace with a surge in diesel demand as industrial and commercial consumers shift to cheaper retail outlets.
- The increase in diesel demand is due in part to the agricultural season but also to bulk buyers shifting to retail due to price differential, according to Sujata Sharma.
- The spike in demand at state-owned outlets has caused a wedge between public and private distributors, with state-run retailers selling at a discount despite losses.

### Trump Dangles Taiwan Call That Could Derail US-China Ties

- US President Donald Trump indicated he would speak directly with Taiwanese President Lai Ching-te, a move that would risk disrupting ties between the world's two largest economies.
- A direct call between a sitting US president and Taiwan's leader could upend the carefully managed ambiguity governing cross-strait relations since 1979, when Washington recognized Beijing and severed formal ties with Taipei.
- China's Foreign Ministry spokesman Guo Jiakun urged the US to uphold the understandings reached at the summit and "handle the Taiwan question with extra prudence," as China's opposition against US official exchanges with Taiwan remains consistent, clear and firm.

### India Weighs Measures Including Rate Hike to Stabilize Rupee

The Reserve Bank of India is considering all of its available options to stabilize the rupee, including an interest rate hike, more currency swaps and raising dollars from investors overseas, according to people familiar with the matter. Top officials at the RBI, including Governor Sanjay Malhotra, have held a series of internal meetings to discuss the possible course of actions available after the rupee plunged to a fresh low of almost 97 to a dollar this week, the people said, asking not to be identified because the discussions are private. One of the options on the table is raising interest rates, one of the people said. The next scheduled monetary policy decision is on June 5, although the RBI has previously made an out-of-cycle adjustment in May 2022. Other measures include raising dollars overseas through a deposit scheme for non-resident Indians and selling a sovereign dollar bond, another person said. The latter would be decided by the government, the person said.

### **Cochin Shipyard to invest in deeptech platform Maritech**

Cochin Shipyard on Thursday said it has signed an agreement to make a 5 percent share capital investment in Dehradun-based deeptech platform Maritech Integrated Maritime under its flagship startup programme, USHUS. Through strategic investments and collaboration with startups, the programme aims to nurture emerging technologies with the potential to strengthen India's maritime ecosystem. CSL has earmarked a total corpus of Rs 50 crore under the USHUS programme to support and invest in various startups operating in the maritime sector. The shipbuilder said it has partnered with IIMK LIVE and IIT Madras for the implementation of the programme. The initiative is aligned with the central government's vision of promoting innovation, entrepreneurship, indigenisation, and the growth of technology-driven startups.

### **JSW Motors ties up Rs 8,000 crore funding from India's top bank**

Billionaire Sajjan Jindal's automotive business has secured about Rs 8,000 crore (\$826 million) funding line from India's largest lender, keeping its plans for a new energy vehicle venture on track. The facility from State Bank of India, the country's top lender, carries a tenor of more than 10 years, according to people familiar with the matter. It will partly fund JSW Motors Ltd.'s "greenfield manufacturing facility" in the western Indian state of Maharashtra. SBI may sell down part of the exposure to other lenders in the event of demand in the secondary loan market, the people familiar said, asking not to be identified as the details are private. A bank spokesperson did not respond to messages seeking comment.

### **UK Eases Russian Sanctions to Prevent Diesel and Jet Fuel Crunch**

The UK moved to loosen its Russian sanctions in a controversial move aimed at preventing shortages of diesel and jet fuel, as the war in Iran eats into global oil buffers. The move highlights how Britain has become more reliant on fuel imports than other major European nations, and has prompted political backlash over the government's commitment to support Ukraine. The European Union is not currently planning a similar measure, according to people with knowledge of the matter, who asked not to be named discussing non-public information. Fuel prices have soared since the conflict started at the end of February, disrupting refinery output in a region that Europe relied on for supplies and bolstering global competition for available barrels. Still, some airlines have recently said they don't anticipate fuel shortages in Europe this summer, while the UK's dependence on imports has increased with the closure of the Grangemouth refinery in Scotland and the Lindsey plant in North Lincolnshire.

### **Rice Prices Extend Rally to One-Year High as Crop Concerns Mount**

A benchmark Asia rice price rose to the highest in more than a year, as worries loom over harvests across the region. Prices for Thai 5% broken white rice climbed to \$446 a ton as of Wednesday, the highest since February 2025, according to the Thai Rice Exporters Association. It marks a third weekly gain and comes after the US Department of Agriculture forecast global rice production in the 2026-27 season to decline for the first time in 11 years. A spike in fertilizer and fuel prices has raised concerns that some farmers in Southeast Asia may skip planting of the current crop. India, the world's largest exporter, is also facing the prospect of a lower-than-average monsoon. The country's supply is grown during the annual rains, which are expected to be affected by the looming El Nino weather pattern.

### **Iran Threatens to Retaliate Beyond Middle East If US Attacks**

Iran warned it would retaliate beyond the Middle East if the US or Israel attacks it again, following renewed threats from President Donald Trump. The US and Iran seem deadlocked over how to turn their fragile ceasefire into a more permanent peace, with neither side toning down its belligerent rhetoric in recent days. Trump said late Tuesday he might order a new round of strikes in the coming days as he tries to force Iran to make concessions over its nuclear program and reopen the Strait of Hormuz to lower energy prices.

### **Dr Reddy's Launches Oral Semaglutide Biosimilar Obeda In India**

Dr Reddy's Laboratories Ltd on Wednesday announced the launch of its oral semaglutide biosimilar, indicated for Type 2 diabetes mellitus, in India under the Obeda brand. This launch follows Dr Reddy's recent generic semaglutide injection launches in India and Canada. Dr Reddy's prescription-based drug Obeda (semaglutide tablets) is available in 3 mg, 7 mg and 14 mg strengths and recommended for once-daily oral use. It is priced at Rs 99, Rs 135, and Rs 225 per tablet for the 3 mg, 7 mg, and 14 mg doses, respectively. Oral semaglutide, a glucagon-Like Peptide-1 receptor agonist (GLP-1 RA), is indicated as an adjunct to diet and exercise to improve glycaemic control in adults with type 2 diabetes.

### **RBI's VRR Auction Sees Weak Demand For Fifth Straight Time Despite Tightening Liquidity**

Demand for the Reserve Bank of India's variable rate repo (VRR) auction remained weak for the fifth consecutive time on Wednesday, despite narrowing surplus liquidity in the banking system and expected outflows from goods and services tax payments. Banks placed bids for a lower amount against the notified size, reflecting their reluctance to borrow from the central bank even as liquidity conditions tightened. Today, the central bank received bids worth Rs 16,435 crore for five-day VRR auction, on a notified amount of Rs 1.50 lakh crore. The RBI accepted the entire amount at a cut-off rate of 5.26 per cent. Earlier, the RBI had received bids of Rs 16,005 crore against Rs 1 lakh crore on May 18, Rs 7,190 crore against Rs 50,000 crore on May 12, Rs 10,795 crore against Rs 75,000 crore on May 7, and Rs 25,715 crore against Rs 1 lakh crore on April 30. During the period, surplus liquidity in the banking system ranged between Rs 2.58 lakh crore and Rs 1.51 lakh crore. Market participants said that the liquidity is likely to tighten in the coming days after the goods and services tax outflows schedule today, which will put pressure on the overnight rates in the money market. In a variable rate repo (VRR) auction, banks borrow short-term funds from the RBI at market-determined rates.

### **RBI to Inject \$5 Billion Equivalent Cash Via Swap Auction**

India's central bank will inject liquidity to the equivalent of \$5 billion via a swap auction. The buy/sell swap auction on May 26 will be for a tenor of three years. The move to inject cash comes as surplus liquidity in the banking system has dwindled due to excise tax outflows and the central bank's forex interventions to support the rupee. The authority has been selling dollars to slow the drop as the currency breached record lows. Excess cash in the banking system has dropped to 1.6 trillion rupees (\$16.5 billion) from as much as 5.3 trillion rupees in early April, according to a Bloomberg Economics index. The RBI is also expected to announce a record dividend to the government on Friday, which will add to banking cash. The move is also likely a preemptive step by the RBI to provide adequate liquidity due to upcoming swap maturities, said Debendra Kumar Dash, fixed income trader at AU Small Finance Bank Ltd.

### **Global Funds Ready for Further Rupee Weakness With 100 in Sight**

Global investors expect the Indian rupee to weaken further, with some even gaming out scenarios where the currency falls to an unprecedented 100 per dollar. Firms including Aberdeen Investments, MetLife Investment Management and Gamma Asset Management SA say the rupee hitting three digits versus the greenback remains a possibility, as a prolonged stalemate in the US-Iran war pushes up India's oil import bill and drives investors toward the greenback. The rupee was already under pressure before the Middle East conflict began, weighed down by widening external balances and foreign fund outflows. The oil shock has since compounded the pressures, stoking speculation over how far the currency could fall. For global funds invested in Indian equities and bonds, currency losses can quickly erode local gains. They have bought just \$1.3 billion of local index-eligible debt so far in 2026, while pulling a record \$23 billion from stocks.

### **Trump Says Iran Strike Called Off After Gulf Allies Appealed**

US President Donald Trump said he held off on a new bombardment of Iran at the request of Saudi Arabia and other Persian Gulf allies, who are pushing for a deal to end the war. Trump said the US delayed the strikes "for a little while, hopefully maybe forever," because of discussions with Iran, and that any deal would have to include "no nuclear weapons for Iran." Qatar said diplomatic efforts are underway to find a resolution to the conflict, but Tehran hasn't confirmed renewed talks, and the US president gave no details on what targets US forces would have attacked or what kind of deal he would accept.

### Scorching Summer Pushes India's Power Demand to Record Again

India's peak electricity demand climbed to a record for the second consecutive day as blistering heat pushed up use of cooling appliances such as air-conditioners. Consumption hit an all-time high of 260.45 gigawatts on Tuesday, the power ministry said in a post on social media platform X. That surpassed the previous record of 257.4 gigawatts usage on Monday afternoon, according to data published on Grid Controller of India's website. While solar generation helped meet the daytime demand, supplies struggled to keep pace with consumption after sunset when renewable output faded. Peak evening demand also soared to a record 247.2 gigawatts at around 10:29 p.m. local time on Monday, exceeding even the daytime highs during the summer of 2025. The sharp increases in electricity use are stretching India's grid as it seeks to balance the growing renewable capacity with demand during non-solar hours. Intense heat wave conditions across the country, with daytime and night temperatures remaining well above seasonal norms, are further amplifying the problem. The heat wave is likely to persist across northern, eastern and western regions in the coming days, India's weather office has warned.

### India Raises Fuel Prices Again as Iran War Squeezes Refiners

India's state-run refiners raised fuel prices for the second time in less than a week, as they grapple with economic losses after the Middle East conflict drove the cost of crude significantly higher. Prices of diesel and gasoline in New Delhi were increased by a modest 1% and 0.9%, respectively, to 91.58 rupees and 98.64 rupees a liter. That followed a hike on Friday for both fuels across India, the first boost in four years that elevated prices to the highest level since May 2022. India is heavily dependent on imported crude and fuels, especially from the Middle East, and surging energy prices are weighing heavily on the South Asian nation's economy. Overnight, the US issued a new waiver allowing the purchase of Russian oil, which India has relied on to plug the supply gap. Fuel prices in New Delhi were raised by 3% on Friday, but the combined hikes are still modest in comparison to the 50% surge in Brent crude since the war began, leaving major retailers grappling with heavy losses. A sharp depreciation of the Indian rupee against the US dollar is adding to the economic pain.

### Indian Airlines Plead With Oil Majors to Postpone Jet Fuel Hikes

India's airlines have asked state-run oil refiners to hold off on hiking jet fuel prices for domestic flights until the conflict in the Middle East ends, people familiar with the matter said, in a bid to alleviate their rising cost pressures and mounting losses. The proposal floated by airlines including Air India Ltd., IndiGo and SpiceJet Ltd. is being considered by the refiners, said the people, who asked not to be named because the discussions are private. India's oil and gas ministry is also involved in discussions, and may intervene again as it did in April and May. So-called aviation turbine fuel prices in India are set by the country's oil marketing companies, which usually make any revisions on the first day of the month. The price setting has been deregulated for years, but in April — after global oil prices surged due to the Iran conflict — the government limited the most recent jet fuel price hike to 25% and required the oil majors to keep them constant in May.

### Russian Oil Flows Rebound as Key Black Sea Port Fully Restarted

Russia's crude exports from its Novorossiysk port on the Black Sea surged last week, following the restart of shipments from all crude berths for the first time since early April. The resumption of full flows helped to stabilize nationwide four-week average shipments. On this basis, exports averaged 3.61 million barrels a day in the period to May 17, little changed from 3.64 million in the 28 days to May 10, tanker-tracking data compiled by Bloomberg show. Satellite images examined by Bloomberg show a tanker moored at Novorossiysk's Berth 1A on May 13. It was the first picture since April 2 to show the berth in use, after the port was damaged by a Ukrainian drone attack. That was part of a campaign that has included strikes on the Baltic ports of Primorsk and Ust-Luga as well as refineries and pumping stations, with Kyiv seeking to disrupt the oil trade that helps to finance Moscow's four-year-long war with its neighbor. Exports of Russian crude have become vital for key buyers China and India following Iran's closure of the Strait of Hormuz in the early days of the Middle East conflict. The move halted about 15 million barrels a day of crude flows from the Persian Gulf, with only about one-third diverted to other routes, leaving refiners scrambling for alternatives.

### India Tells State Banks to Use EVs, Video Calls to Cut Fuel Use

India's state-run banks have been directed by the government to use video conferencing facilities for meetings and limit overseas travel to reduce fuel usage and preserve foreign exchange reserves. All state-run financial entities including banks and insurance companies have also been asked to hire electric vehicles to the extent possible, while transitioning their existing petrol-and-diesel-powered vehicles to an electric fleet in a phased manner. The development comes amid a series of austerity measures put in place to reduce the drawdown of foreign exchange reserves and support the rupee, which fell as much as 0.4% to 96.3925 per dollar on Monday. The Indian rupee is down 6.7% against the dollar in Asia's worst performance this year. The government notification dated May 18 also states that chairpersons and managing directors of state-run financial entities should use video conferencing for meetings held overseas as far as possible to cut spending. A finance ministry spokesperson didn't immediately respond to an email seeking comment. As the world's third-largest importer of oil, India is among the worst hit nations due to the ongoing crisis in the Middle East. With the Strait of Hormuz, a key waterway for energy effectively blocked for more than two months because of the Iran war, energy prices have soared, threatening to impact demand in India. Over the past week, Prime Minister Narendra Modi's government has doubled import taxes on gold and silver, while also tightening import rules for these precious metals to shield the economy. State refiners raised retail fuel prices for petrol and diesel, the first such increase in four years, and the government is now looking to sharply reduce the taxes paid by foreign investors on India bonds to boost inflows.

### Kalshi, Polymarket Defy India Ban on Online Betting Platforms

- Polymarket and Kalshi Inc. are allowing customers in India to sign up and trade on their prediction markets despite the country's technology ministry warning that the platforms are illegal.
- India's Ministry of Electronics and Information Technology said users are accessing "illegal and blocked prediction market and online betting platforms" and told internet providers to cut off access to the venues.
- Kalshi and Polymarket have emphasized their adherence to US laws, but the ongoing business in India underscores the willingness of these startups to push the boundaries of local laws as they expand around the globe.

### Emerging Markets Slide as Oil at \$110 Stokes Inflation Worries

- Emerging-market bonds and stocks came under heavy pressure as oil prices rose above \$110 a barrel, raising concerns that central banks globally will be forced to keep interest rates elevated.
- MSCI's emerging stocks gauge was down 0.4% as of 11 a.m. in London, and the Indonesian rupiah and Indian rupee fell to new record lows.
- The fallout of oil shock is beginning to show up in economic data, prompting governments to roll out measures to safeguard their countries, with China's growth slowing and Indian producer prices surging.

### Bitcoin At Two-Week Low As Crypto Liquidations Hit \$500 Million

Bitcoin weakened to its lowest level in more than two weeks as broad macro risks stemming from the US-Iran war prompted traders to cut back their positions. The original cryptocurrency fell as much as 2.2% to \$76,551 on Monday, the lowest since May 1, before paring some losses. It was hovering around \$76,800 at 7:15 a.m. in London. Other tokens, including Ether and Solana, also fell. Bitcoin's price slumped as cryptocurrencies across the board saw nearly \$500 million in liquidations of bullish bets within 15 minutes during early Asia trading on Monday, according to Coinglass data. Roughly \$590 million in bullish positions were unwound in the 24 hours leading into early European trading, Coinglass data show. The token has been under pressure in recent days as uncertainty around the US war with Iran weighed on risk assets. US-listed spot Bitcoin exchange-traded funds saw more than \$1 billion in outflows last week for the first time since late January.

### India Can Ride Out Disruption After Russian Oil Waiver Lapse

India's oil refiners are expected to weather disruption in supply after the US allowed its waiver on Russian crude purchases to expire, thanks to weaker demand and available barrels from the US and the Middle East. China's virtual absence from the market has been key to preserving spot supply, according to traders familiar with the matter. India's own demand is also cooler, as a result of maintenance that has cut back overall purchases from private refiners. All the while, there are offers of prompt-loading crude coming from the US, the United Arab Emirates, Oman and Iraq, the traders said — though total Middle East flows remain a fraction of what they were before the war began. They asked not to be named as they are not authorized to speak to the media. Discounted Russian oil barrels have been a mainstay for the world's third-largest crude importer since 2022, when the invasion of Ukraine triggered a raft of sanctions and cut off the producer's traditional markets. After a brief pullback last year, under pressure from Washington, Indian processors have again been enthusiastically snapping up Moscow shipments. In May, flows are expected to come in at close to 1.9 million barrels a day, according to Kpler data, close to peak levels — though that still includes a period under the US permit that was allowed to expire over the weekend, despite entreaties from Indian officials and a Brent price that is now more than 50% above pre-war levels.

### India Weighing Edible Oil Import Duty Hike to Support Farmers

- India is considering a request to raise import duties on vegetable oil to help local farmers fetch better prices for their crops.
- The government is examining the potential impact of higher taxes on the industry, with no decision taken yet.
- India imports about 60% of its edible oil needs and the government has been stepping up efforts to curb foreign-exchange outflows and reduce dependence on imported goods.

### Gold Drops as Fed's Waller Says Next Move Likely to be Rate Hike

Gold declined as traders ramped up bets on Federal Reserve monetary tightening after Governor Christopher Waller warned the Iran war's energy shock could fuel inflation. Bullion slipped as much as 1.1% as bond yields and the dollar climbed. Waller said he supports making clear the central bank's next interest-rate move is just as likely to be an increase as a cut, as the energy shock from the Iran war pushes up prices. Traders have now fully priced a quarter-point rate hike by December for the first time. Higher rates typically weigh on gold as it pays no interest. Waller said his current position is to be patient in holding rates until the war's impact is clearer, but warned Friday that he wouldn't rule out a future hike if inflation doesn't start to slow soon. Meanwhile, US consumer sentiment fell in May to a record low and long-term inflation expectations worsened notably due to the Middle East conflict. The University of Michigan's final May sentiment index declined to 44.8 this month from 49.8 in April, according to the survey released Friday. The data also showed consumers expect prices to rise an annualized 3.9% over the next five to 10 years, up from 3.5% in April and the highest in seven months. Bullion has traded within a fairly narrow range since falling sharply in the early days of the Iran war, as investors weigh higher rates against the prospect of a high-inflation, low-growth scenario. Bullion is down about 15% since the conflict began in late February.

### Eicher Motors and Volvo Group establish vehicle financing JV in India; Vinod Kumar Aggarwal appointed Executive Vice Chairman

Eicher Motors and Volvo Group have entered into a 50:50 joint venture to establish a dedicated vehicle financing and leasing business in India for customers of Eicher and Volvo commercial vehicles. As part of the arrangement, Eicher Motors' board has approved an investment of up to Rs 750 crore to acquire a 50% stake in Volvo Financial Services India, which will serve as the captive financing arm for both partners. The new entity will integrate the existing workforce, assets and operational infrastructure of Volvo Financial Services India, while continuing operations through its current regional offices across key cities such as Mumbai, Delhi and Bengaluru. The venture aims to combine Volvo's global financial services expertise with Eicher's domestic market reach to improve financing accessibility and speed up credit approvals for fleet operators. Over time, the companies may also explore extending financing solutions to Royal Enfield customers and dealers. Separately, Eicher Motors has appointed Vinod Kumar Aggarwal as Executive Vice Chairman for a three-year term, subject to shareholder approval, while Pradeep Mathew has been named Chief of Product Development for Royal Enfield with effect from May 22, 2026.

### **Maruti Suzuki to increase vehicle prices by upto Rs 30,000 from June 2026**

Maruti Suzuki India has announced a price hike across its entire vehicle portfolio effective June 2026, with increases of up to Rs 30,000 depending on the model. The company stated that the revision has been necessitated by continued inflationary pressures and rising input costs, which it had been attempting to offset through internal cost optimisation initiatives over the past few months. However, due to the sustained increase in overall cost pressures, the automaker has decided to pass on a portion of the additional burden to customers. The revised prices will come into effect at the beginning of June 2026.

### **India's electrical equipment industry may scale to USD 235 billion by 2035**

- A report by McKinsey & Company projects India's electrical equipment industry could grow nearly 4x to USD 195-235Bn by 2035 from around USD 50Bn in 2025, driven by rising electrification, renewable energy adoption, and expanding domestic manufacturing.
- Domestic consumption is expected to reach USD 170-205Bn, while exports could surpass USD 60Bn over the same period.
- The report highlighted that without significant localisation and capacity expansion, import dependence may exceed 70% by 2035, creating a potential USD 130Bn production gap.
- Key growth opportunities are expected in power electronics, batteries, solar PV, transformers, cables & wires, and renewable energy equipment, with India targeting import dependence reduction to below 14% through aggressive manufacturing expansion and policy support.

### **Balaji Amines commissions India's first commercial DME manufacturing plant in Solapur**

- Balaji Amines has commissioned India's first commercial-scale Dimethyl Ether (DME) manufacturing facility, positioning the company as an early mover in the domestic alternative fuel value chain and creating a differentiated growth avenue beyond its traditional amines and derivatives portfolio.
- The Solapur-based DME plant with 1 lakh tonne annual capacity provides Balaji Amines exposure to a structurally emerging clean fuel opportunity, especially after BIS permitted up to 8% DME blending with LPG, which could gradually support domestic substitution of imported LPG over the medium term.
- The project reflects the company's strategic focus on specialty and value-added chemical expansion through technology-driven manufacturing, with the use of advanced overseas technology potentially strengthening product quality, operational efficiency, and scalability in a nascent Indian market.
- Management's initial focus on aerosol applications and commercial heating segments indicates a calibrated commercialization strategy, which may help the company establish stable domestic demand before large-scale adoption in LPG blending applications gains momentum.
- Apart from alternative fuels, the company's increasing focus on EV battery-linked chemicals such as DMC and NMP highlights a broader transition towards high-growth energy transition themes, which could improve long-term business diversification and enhance the specialty chemicals mix over time.

### **Hinduja Leyland Finance Merger with NDL Ventures Receives BSE Clearance**

BSE Limited has issued its No-Objection / No Adverse Observation Letter for the proposed merger of Hinduja Leyland Finance Limited (HLFL), a material subsidiary of Ashok Leyland, with NDL Ventures Limited (formerly NXTDIGITAL Limited), marking a significant regulatory milestone for the transaction. The merger, proposed under Sections 230 to 232 of the Companies Act, 2013, involves the absorption of HLFL into NDL Ventures and has been under consideration since 2022, with formal board approval granted in November 2025. Following the clearance from BSE and comments received from SEBI on May 18, 2026, the company can now proceed with filing the scheme before the National Company Law Tribunal (NCLT). The approval remains valid for six months, subject to compliance with various conditions laid down by BSE and SEBI to safeguard shareholder interests.

### **Recent IEA report suggest EV ramp up from 20 GWh to 200 GWh a 10x EV battery surge, PCBL Nanovace biggest beneficiary & expect Rs10bn EBITDA at peak utilization levels beyond FY30E**

- As per a recent & latest IEA report, India's EV battery demand is expected to rise sharply from 20 GWh in 2025 to nearly 200 GWh by 2032, a 10x surge which could significantly accelerate investments across the domestic battery materials and localization ecosystem. This creates a long-term structural opportunity for Indian specialty chemical and advanced material companies especially for PCBL
- PCBL Chemical which is strategically diversifying beyond traditional carbon black into advanced battery materials through its dedicated platform Nanovace positioning itself to participate in the fast-growing lithium-ion battery supply chain.
- These are critical inputs for EV batteries, energy storage systems, semiconductor packaging, and high-voltage applications.
- The Gujarat Pilot facility is expected to commence operations in some time, indicating some execution progress in the new segment.
- Management expects customer qualification and validation processes to conclude within FY27E, after which commercial scale-up could accelerate gradually through FY28E. This indicates that the battery chemicals business may become a meaningful growth driver over the medium term.
- PCBL is aggressively strengthening its intellectual property portfolio with multiple patent filings across geographies, including a US patent for proprietary nanomaterial technology. This could help the company build technological differentiation and improve entry barriers in specialized battery materials.

### **EPACK Durable Ltd receives Rajasthan Investment Promotion Scheme incentives for Bhiwadi facility**

- EPACK Durable Ltd has received Entitlement Certificates under the Rajasthan Investment Promotion Scheme (RIPS-2024) for its Bhiwadi manufacturing facility, recognizing it as a "Large Category" unit under the Electronics System Design & Manufacturing (ESDM) thrust sector.
- The approved incentives include a 1) Turnover Linked Incentive (TLI) at an effective rate of 1.32% of eligible net sales for 10 years, 2) 100% electricity duty exemption for 7 years, and 3) 50% reimbursement of eligible skilling and training expenses.
- The company stated that these incentives are expected to enhance long-term manufacturing competitiveness, improve operational efficiencies, and support future expansion plans in Rajasthan.

### **Blue Star to Acquire Remaining 51% Stake in Blue Star Qatar, Making It a Wholly Owned Subsidiary**

- Blue Star to acquire the remaining 51% stake in Blue Star Qatar W.L.L. (BSQ) from Al Malki Trading & Contracting Co. for a consideration not exceeding Rs 5Mn, subject to fair market valuation and regulatory approvals in India and Qatar.
- Currently, Blue Star holds 49% equity but enjoys 95% economic interest and management control in BSQ, while ATC holds 51% equity with 5% economic interest due to earlier Qatar regulations requiring majority local ownership.
- Following regulatory changes allowing 100% foreign ownership in Qatar, the acquisition aims to simplify the shareholding structure without any change in control.
- Upon completion, expected within 8 months, BSQ will become a wholly owned subsidiary of Blue Star.
- BSQ, incorporated on February 12, 2007, operates in design, engineering, installation, maintenance, and contracting of mechanical, electrical, and plumbing systems in Qatar, with FY26 turnover of QAR 53Mn (Rs 1.4Bn).

### **Maruti Suzuki expands Kharkhoda capacity with second plant commissioning**

Maruti Suzuki India has commenced commercial production at the second manufacturing plant at its Kharkhoda facility in Haryana, adding 250,000 units of annual production capacity. With this expansion, the company's total installed production capacity has increased to 2.65 million units per annum across its facilities in Gurugram, Manesar, Hansalpur, and Kharkhoda. Maruti Suzuki had started operations at the first Kharkhoda plant in February 2025 with a similar capacity, taking the total capacity at the facility to 500,000 units annually. The expansion is in line with the company's earlier announced plan to add 500,000 units of capacity during FY2026-27. The Kharkhoda plant currently manufactures the Brezza compact SUV and Victoris mid-size SUV, while the facility is expected to eventually scale up to an annual production capacity of 1 million units.

### **Lumax Auto Technologies completes amalgamation with IAC International Automotive India**

Lumax Auto Technologies Limited announced that its amalgamation with IAC International Automotive India Private Limited has officially become effective from May 18, 2026, following the filing of the certified order issued by the New Delhi Bench of the National Company Law Tribunal with the Registrar of Companies by both entities. While the merger has now been operationally completed, the appointed date for the scheme remains October 1, 2025.

### **TVS Motor Acquisition of 4.9% stake in Jana Small Finance Bank**

- TVS Motor Company's Investment Committee has approved the acquisition of a 4.9% stake in Jana Small Finance Bank through the purchase of 51,60,903 equity shares from Jana Holdings Limited for a consideration of ~Rs. 1.93 bn under a Share Purchase Agreement.
- The investment forms part of a broader transaction under which TVS VENU intends to acquire up to 9.9% stake on a fully diluted basis, through a mix of primary warrant subscription and secondary share purchase. The structure has been intentionally kept below the 10% threshold to avoid additional regulatory compliance requirements.
- Jana Small Finance Bank is the fourth-largest small finance bank in India, catering to over 12 million customers through a network of 822 outlets across 23 states. The bank reported advances and deposits of over Rs. 350 bn each, along with a PAT of Rs. 3.26 bn in FY26.
- The transaction is expected to be completed within the next three months, subject to customary closing conditions and requisite approvals from the RBI.
- The proposed investment aligns with the broader TVS Group strategy of strengthening its financial services presence, complementing its existing businesses through TVS Credit Services and the recently announced acquisition of PGIM India Asset Management, thereby expanding the group's overall financial ecosystem.

### **Eicher Motors Greenfield Capacity Expansion Update**

- Eicher Motors has received approval from the Andhra Pradesh Government for the allotment of 215.7 acres of land at Tada for setting up a new greenfield manufacturing facility, indicating the company's preparation for future growth.
- The company's current motorcycle production capacity of around 14.6 lakh units per annum is already running close to full utilisation. Along with ongoing brownfield expansion projects in Tamil Nadu, total capacity is expected to increase to nearly 20 lakh units per annum by FY28e.
- The proposed project may involve an investment of up to Rs. 25 bn, which the company plans to fund through internal accruals.
- The detailed expansion plan and proposed capacity addition will be finalised in the upcoming Board meetings, suggesting a phased expansion strategy based on future demand visibility.
- The development is positive for Eicher Motors as it reflects management's confidence in the long-term growth potential of Royal Enfield. With existing plants operating near full capacity, the new facility should support future volume growth, new launches and export opportunities over the coming years.

### **S&P 500 Is Set for Longest Weekly Rally Since 2023**

Hopes for a deal between the US and Iran that will turn a fragile ceasefire into lasting peace fueled Wall Street optimism, driving stocks toward their longest streak of weekly gains since 2023. Following an 18% surge from war-fueled lows, the S&P 500 was set for an eighth straight week of gains. Two-year yields hit the highest since February 2025 as Federal Reserve Governor Christopher Waller supports making clear the next rate move is just as likely to be an increase as a cut. Money markets fully priced in a hike by December. US oil whipsawed, hovering near \$98. Nearly three months into the conflict, Tehran is considering the latest proposal submitted by the US. Pakistan said its army chief was headed to the Iranian capital, signaling progress in talks to end the war. A Qatari negotiating team arrived in Tehran in coordination with the US to secure a deal, Reuters reported. US Secretary of State Marco Rubio said there's been "some progress" on the situation, but "we're not there yet." The United Arab Emirates has made a more concerted push for an end to the war, joining Saudi Arabia and Qatar in urging President Donald Trump to give negotiations a chance. Investors are looking past macro headwinds and rewarding rhetoric around peace prospects, and that has acted as a tailwind for equities, according to Craig Johnson at Piper Sandler.

### **Progress in Iran Talks Undercut Over Uranium, Hormuz Tolls**

Iran said the latest proposal from the US partly bridged the gap between the warring sides, but comments from the Islamic Republic's supreme leader about keeping Tehran's uranium stockpile and a dispute over tolls in the Strait of Hormuz clouded the outlook for a breakthrough. Tehran is in the process of responding to a text submitted by the US, which "has narrowed the gaps to some extent," the semi-official Iranian Students' News Agency reported on Thursday, without saying where it got the information. "Further narrowing requires an end to the temptation for war on Washington's part." While that signaled progress, a Reuters report that Supreme Leader Mojtaba Khamenei issued a directive that the country's near-weapons-grade uranium should not be sent abroad initially sent oil prices higher. Then President Donald Trump said he opposed efforts by Iran and Oman to establish some form of permanent toll system through Hormuz.

### **Alberta Calls Vote on Oil-Rich Region's Future in Canada**

- Alberta Premier Danielle Smith said she'll call a referendum on whether the province should stay in Canada or start a legal process that could eventually lead to its independence.
- The vote will be held Oct. 19 and is a response to a bid by separatist activists to break away from Canada, with Smith's government proposing a new question that avoids the legal problems the petition process faced.
- Smith said her position and that of her United Conservative Party is to remain in Canada, but she was "deeply troubled" by a court decision that blocked a previous effort to force a referendum on secession.

### **Japan Inflation Eases to Four-Year Low, Complicating BOJ Hike**

Japan's key inflation gauge rose at the slowest pace in four years as the government continued to help ease the cost of living, creating difficult optics for the Bank of Japan to raise interest rates soon. Japan's core consumer price index, which excludes fresh food, rose 1.4% in April from a year earlier, the Ministry of Internal Affairs and Communications said Friday. That was lower than all estimates in a Bloomberg survey of economists. Taking out energy prices as well, the CPI climbed 1.9% on an annual basis, also below expectations.

### **Trump's \$1.8 Billion Settlement Fund Hits Senate GOP Backlash**

Senate Republicans pushed back on President Donald Trump's \$1.8 billion account to pay political allies alleged to be victims of government "weaponization," a dramatic setback for the president that defied his threats to vanquish perceived political foes within his own party. The lawmakers, who are also at odds over taxpayer funding for Trump's White House ballroom, abandoned plans to pass a partisan \$72 billion immigration enforcement package before leaving Washington for a week-long Memorial Day break because of the disagreement over the two Trump priorities. Majority Leader John Thune said Thursday the Senate would "pick up where we left off" after the break.

### **US Enlists Small Biotech for Experimental Ebola Treatment**

US officials are working with a small biotech company to provide an experimental treatment that may be used in patients exposed to Ebola, according to a person familiar with the matter. The closely held firm, Mapp Biopharmaceutical Inc., is working with the Biomedical Advanced Research and Development Authority, or BARDA, to deliver its drug for potential use in patients, said the person, who asked not to be identified. Mapp, based in San Diego, focuses on developing vaccines and treatments for infectious diseases. The company had an experimental drug for Ebola that was given to a few American aid workers during a 2014 outbreak in Africa. On its website, the company says that drug, ZMapp, has been discontinued, but it lists another early-stage treatment for the virus in its pipeline. That drug, MBP134, is a monoclonal antibody, a class of medicine aimed at boosting the immune system by identifying antibodies from people who were infected and making large amounts of them. The drug was designed to target “all Ebola viruses that are known to cause disease in humans,” including the species currently circulating in Africa, according to the company’s website. In an early-stage clinical trial, it was found to be safe and well tolerated, but its efficacy in people hasn’t been established. BARDA is funding the drug’s advanced development. The treatment has not been approved so its use requires authorization from regulators and public health authorities. Mapp declined to comment on its manufacturing capacity and inventory, adding that the existing doses are owned by the US government. Health authorities are contending with a rare strain of Ebola in central Africa that has no approved treatment or vaccine. The outbreak has killed at least 139 people in the Democratic Republic of Congo and Uganda, according to the latest tally from the World Health Organization, with hundreds of suspected cases. It may be months before a vaccine is ready for human trials. The US is discussing vaccines and potential treatments, including monoclonal antibodies, with international partners, Satish Pillai, the incident manager for the Centers for Disease Control and Prevention’s Ebola response.

### **China Launches Major Crackdown on Cross-Border Stock Trading**

- China has launched a campaign against illegal cross-border trading to stem capital outflows, threatening severe penalties against popular brokers and ordering non-compliant accounts to be liquidated within two years.
- The securities regulator plans to penalize brokerages Futu Holdings Ltd., Tiger Brokers and Long Bridge Securities Ltd. for operating on the mainland without a license, and will confiscate all “illegal gains” from their domestic and overseas entities.
- The joint plan aims to dismantle unauthorized offshore investment services that target mainland investors and steer investors toward regulated channels for overseas investment, with overseas institutions banned from marketing in China related to securities, futures and fund products.

### **UAE Joins Saudis, Qatar in Urging Trump Not to Restart War**

- The United Arab Emirates, Saudi Arabia, and Qatar have urged US President Donald Trump to give negotiations a chance to end the Iran war, citing fears of retaliation from Tehran that could harm Gulf economies.
- The countries' leaders have told Trump that military action won't achieve America's goals with Iran, and they differ on the kind of diplomatic deal the US should pursue, but they share a wariness of renewed hostilities.
- The UAE, Saudi Arabia, and Qatar have improved ties since the UAE's decision to leave OPEC, and they are coordinating with regional and international partners, including Pakistan, which is mediating between the US and Iran to reach a peace deal.

### **Japan's GDP grew by 2.1% in Q1 2026**

Japan's economy advanced at an annualized pace of 2.1% in Q1 2026, picking up from a downwardly revised 0.8% growth in Q4 and exceeding market expectations of 1.7%, a preliminary reading showed. It was the fastest yearly growth in six quarters, supported by a faster rise in private consumption and a solid contribution from net trade. Meanwhile, public investment rebounded strongly, increasing for the first time in three quarters, due to higher infrastructure and reconstruction-related spending. Government outlays increased for a second straight quarter, though the pace slowed sharply from the previous period. At the same time, capital expenditure continued to expand but lost momentum significantly, as high borrowing costs and weaker business confidence weighed on investment appetite.

### **Japan's trade balance swung to a surplus of JPY 301.9 billion in April 2026**

Japan's trade balance swung to a surplus of JPY 301.9 billion in April 2026 from a deficit of JPY 149.5 billion in the same month a year earlier, sharply beating market expectations for a shortfall of JPY 29.7 billion. It was the largest trade surplus since November, as export growth continued to outpace imports. Exports surged 14.8% year-on-year to a near-record JPY 10,507.3 billion, accelerating from an 11.5% rise in March while marking the strongest growth in three months and exceeding the consensus of 9.3%, supported by robust demand from China, the U.S., ASEAN economies, and the EU. Meanwhile, imports increased 9.7% to JPY 10,205.4 billion, easing slightly from March's 10.9% gain but still exceeding market forecasts of 8.3%. Import demand remained resilient, partly supported by the Japanese government's sizeable stimulus measures introduced in late 2025. The latest reading marked the third consecutive month of import growth, although it was the softest pace in the sequence.

### **Japan's annual inflation edged down to 1.4% in April 2026**

Japan's annual inflation edged down to 1.4% in April 2026 from 1.5% in the prior month. Food prices rose the least in 18 months amid a further slowdown in rice costs. Inflation also slowed for transport (1.5% vs 2.1%), housing (0.8% vs 1.0%), clothing (1.5% vs 2.1%), household items (1.8% vs 2.7%), recreation (1.3% vs 2.3%), and miscellaneous goods (0.1% vs 0.7%). Healthcare costs were flat after rising 0.2% previously. In contrast, inflation for communication accelerated (7.4% from 7.0%). Meanwhile, electricity prices fell at a slower pace (-2.6% vs -8.0%), as did gas prices (-3.4% vs -5.2%), with the impact of subsidies fading. Tokyo reportedly moves to ease living costs amid the impact of a weak yen and high energy prices. Core inflation also eased to 1.4% from 1.8% in March, the lowest level since March 2022, remaining below the central bank's 2% target for a third consecutive month. On a monthly basis, consumer prices inched 0.1% higher, slowing from March's 0.4% increase.

### **The Eurozone's trade surplus collapsed to €7.8 billion in March 2026**

The Eurozone's trade surplus collapsed to €7.8 billion in March 2026, down from a record €34.1 billion a year earlier, as exports fell 5.5% to €265.3 billion. The decline follows last year's peak, when US consumers rushed to boost foreign purchases ahead of tariffs introduced in April 2025. Exports declined sharply in chemicals (-31.9%), machinery and vehicles (-2.0%), and food and drink (-1.3%). Shipments to the US plunged 38.8%, while exports to China (-4.6%) and Turkey (-9.3%) also fell. Meanwhile, imports grew 4.4% to €257.4 billion, driven by higher purchases of fuels and lubricants (8.3%) and crude materials (5.8%) due to soaring energy costs tied to the US-Israel-Iran conflict. Imports of machinery and vehicles also climbed 6.8%. Nearly all major trade partners saw increased imports, led by Switzerland (11%), Norway (8.6%), Japan (8.9%), and Brazil (4.6%). For Q1 2026, the surplus shrank to €16.6 billion from €55.4 billion in the same period of 2025.



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