



**CA (Dr.) Ashok Ajmera's Weekly Column as on June 6th, 2026**

---

**" Indian Markets Decline Amid RBI Caution and Global Uncertainty, While Bond Tax Reforms Offer Support"**



## CA (Dr.) Ashok Ajmera's Weekly Column

The Indian equity markets endured a volatile and weak week ending June 5, 2026, with the Nifty 50 sliding roughly 0.77% to close at 23,366.70 and the BSE Sensex dropping 0.71% to settle at 74,243.34, marking their second consecutive weekly loss. Investor sentiment was primarily dampened by the RBI's cautious monetary stance, which included an upwardly revised inflation forecast of 5.1% and a lowered FY27 GDP growth projection to 6.6%, alongside persistent foreign fund outflows and escalating US-Iran geopolitical tensions. However, losses were partially cushioned by the government's announcement of tax exemptions on foreign investment in Government Securities (G-Secs), a strategic move aimed at arresting persistent FII outflows, supporting the Indian Rupee, and boosting foreign capital inflows.

The top gainers in the Nifty 50 index were Titan (up 4.55%), Adani Ent. (up 3.77%), Infosys (up 3.15%), Coal India (up 3.14%) and Eternal (up 2.36%). The major losers in the Nifty 50 index were NTPC (down 6.53%), Ultratech Cement (down 4.96%), Bajaj Finserv (down 4.51%), Tata Consumer Prod (down 4.03%) and HDFC Life (down 3.28%).

### FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 31,114.47 Crores and DIIs were net buyers of Rs. 33,933.05 Crores. In the previous week FIIs were net sellers of Rs. 23,734.68 Crores and DIIs were buyers of Rs. 25,803.45 Crores. In the month of May 2026, FIIs were net sellers of equities worth Rs. 55,963.33 Crores and DIIs were net buyers of equities worth Rs. 82,668.93 Crores.

### Sector Movement

The Outperforming sector in the week was Nifty Media, up by 6.69% and worst performing sector was Nifty FMCG, down by 2.19% in the week.

### Global Market and Major Developments

#### US

U.S. equity markets ended the week lower, with technology stocks leading the decline amid profit-booking in AI-related names and concerns over elevated valuations. Investor sentiment was also weighed down by volatility in crude oil prices due to ongoing Middle East tensions. While optimism around artificial intelligence remained supportive, a stronger-than-expected U.S. jobs report pushed Treasury yields higher and raised concerns that the Federal Reserve may maintain a restrictive monetary policy stance for longer.

The U.S. labor market continued to demonstrate resilience in May, with nonfarm payrolls increasing by 172,000, significantly ahead of expectations, while prior-month data was revised upward. Job openings also rose to their highest level in nearly two years, reflecting continued demand for labor. However, signs of moderation emerged as jobless claims moved higher and corporate layoffs increased for a third consecutive month, with companies increasingly citing AI-driven efficiency measures as a reason for workforce reductions.

Economic activity remained robust, as both manufacturing and services PMIs exceeded expectations and indicated continued expansion. At the same time, survey data pointed to persistent inflationary pressures, particularly in the services sector. The combination of strong growth, resilient labor markets, and sticky inflation led Treasury yields to rise during the week, with the 10-year U.S. Treasury yield climbing to around 4.55%. Bond markets remained under pressure as investors reassessed the timing and extent of potential Federal Reserve rate cuts.

Particulars	Close (06/06/2026: Friday)	Open (01/06/2026: Monday)	Previous Close (29/05/2026 Friday)	Change (%)
<b>Nifty 50</b>	23,366.70	23,654.50	23,547.75	<b>-0.77</b>
<b>Sensex</b>	74,243.34	75,203.02	74,775.74	<b>-0.71</b>
<b>Nifty Midcap 100</b>	60,754.90	61,978.20	61,723.80	<b>-1.57</b>
<b>Nifty Small cap 100</b>	18,110.30	18,238.95	18,138.80	<b>-0.16</b>
<b>Sectoral Indices</b>				
<b>Nifty Bank</b>	54,496.25	54,403.85	54,239.20	<b>0.47</b>
<b>Nifty Auto</b>	26,165.95	26,439.20	26,338.45	<b>-0.65</b>
<b>Nifty IT</b>	29,010.30	29,349.20	29,080.15	<b>-0.24</b>
<b>Nifty PSU Bank</b>	8,259.05	8,187.35	8,156.15	<b>1.26</b>
<b>Nifty Fin Services</b>	25,056.80	25,428.70	25,354.00	<b>-1.17</b>
<b>Nifty Pharma</b>	24,248.05	24,547.85	24,345.80	<b>-0.40</b>
<b>Nifty FMCG</b>	48,302.45	49,474.55	49,383.35	<b>-2.19</b>
<b>Nifty Metal</b>	13,221.65	13,505.15	13,440.95	<b>-1.63</b>
<b>Nifty Realty</b>	768.90	786.65	782.55	<b>-1.74</b>
<b>Nifty Media</b>	1,502.45	1,423.65	1,408.30	<b>6.69</b>
<b>Nifty Energy</b>	40,346.10	40,983.90	40,878.00	<b>-1.30</b>
<b>Nifty Private Bank</b>	26,299.25	26,386.45	26,326.40	<b>-0.10</b>
<b>Nifty Infra</b>	9,182.25	9,398.75	9,353.05	<b>-1.83</b>
<b>Nifty Commodities</b>	10,103.30	10,336.10	10,295.00	<b>-1.86</b>
<b>Nifty Consumption</b>	11,193.35	11,316.70	11,261.00	<b>-0.60</b>
<b>Nifty PSE</b>	10,080.45	10,250.65	10,227.35	<b>-1.44</b>
<b>Nifty Serv. Sector</b>	29,517.65	29,809.90	29,685.15	<b>-0.56</b>
<b>Nifty Healthcare</b>	15,409.35	15,473.05	15,392.75	<b>0.11</b>
<b>Nifty Oil &amp; Gas</b>	11,106.20	11,257.65	11,200.25	<b>-0.84</b>
<b>Nifty INDIA MFG</b>	15,730.15	15,963.75	15,889.90	<b>-1.01</b>
<b>US Indices</b>				
<b>Dow Jones</b>	50,872.08	51,166.12	51,037.09	<b>-0.32</b>
<b>S&amp;P 500</b>	7,383.73	7,582.29	7,580.05	<b>-2.59</b>
<b>NASDAQ 100</b>	28,957.60	30,295.25	30,333.18	<b>-4.53</b>
<b>Commodities</b>				
<b>Gold (in Rs./ 10 gram)</b>	1,55,594	1,55,118	1,55,575	<b>0.01</b>
<b>Brent Crude oil</b>	92.79	92.58	91.88	<b>0.99</b>



**AJCONGLOBAL**  
YOUR FRIENDLY FINANCIAL ADVISORS

## Europe

European equity markets ended the week with a mixed performance, as investors weighed geopolitical developments alongside trade policy uncertainty. Sentiment was supported by expectations of progress in U.S.-Iran negotiations and a potential ceasefire in the Middle East, but gains were capped after the U.S. administration signaled plans to impose fresh tariffs on several trading partners. Among major markets, Germany underperformed, while France posted modest gains and the UK and Italy closed slightly lower.

Economic data pointed to a softer growth environment across the eurozone. Revised estimates showed that the region's economy contracted by 0.2% in the first quarter of 2026, compared with earlier expectations of slight growth. Consumer demand also remained weak, with eurozone retail sales declining 0.4% in April, reflecting subdued spending on non-food products. The data reinforced concerns about the pace of economic recovery amid ongoing external uncertainties.

Despite the broader slowdown, some pockets of resilience were visible. France's industrial production edged higher in April and the country's trade deficit narrowed, supported by stronger exports of transport and technology-related equipment. In the UK, new car registrations recorded their strongest May performance since 2019, driven by robust demand for electric and plug-in hybrid vehicles. The continued shift toward electric mobility highlights a key area of strength within the European economy despite broader growth challenges.

## Japan

Japanese equity markets delivered a mixed performance during the week, with the Nikkei 225 posting modest gains while the broader TOPIX index edged lower. Investor sentiment remained cautious amid lingering geopolitical uncertainties in the Middle East and elevated energy prices, which continue to pose upside risks to inflation. Market attention remained focused on the Bank of Japan after Governor Kazuo Ueda's comments increased expectations of a potential rate hike, as the central bank signaled greater concern over inflation risks than downside risks to economic growth.

Economic data painted a mixed picture, with nominal wage growth accelerating to 3.5% year-on-year and real wages rising for a fourth consecutive month, indicating improving income conditions. However, household spending contracted for the fifth straight month, highlighting continued consumer caution. Meanwhile, the yen weakened toward the closely watched 160-per-dollar level despite recent government interventions, prompting renewed warnings from authorities and keeping currency market developments firmly in focus.

## China

Chinese equity markets ended the week lower as investors assessed mixed signals from the economy and ongoing policy support measures. The official manufacturing PMI eased to the neutral 50 level in May, indicating slowing momentum in the industrial sector, while a private-sector survey continued to show expansion, suggesting that smaller and privately owned businesses remain relatively resilient. The divergent readings reinforced expectations that policymakers may continue to rely on targeted stimulus measures rather than broad-based economic support.

Despite broader market weakness, developments in the artificial intelligence sector provided a positive undertone. Investor sentiment was supported by reports that Tencent is testing AI-powered features within WeChat and that AI startup DeepSeek is exploring a potential fundraising round at a significant valuation. These developments highlighted China's increasing focus on AI commercialization, helping technology-related stocks outperform and partially offset concerns surrounding the uneven pace of economic recovery.

## Major Developments in Domestic Markets

1. The RBI kept the repo rate unchanged at 5.25% with a neutral stance, choosing to support growth despite a nearly 5% depreciation in the rupee, while simultaneously announcing measures to attract foreign capital—including tax exemptions for foreign bond investors, incentives for NRI dollar deposits, and concessional forex facilities—as it raised its FY27 inflation forecast to 5.1% and lowered GDP growth expectations to 6.6% amid rising oil prices and geopolitical uncertainties.
2. The Indian government has abolished capital gains tax on foreign investments in government securities included in global bond indices, a move expected to enhance the attractiveness of India's \$1.7 trillion government bond market and build on the nearly \$35 billion of foreign inflows received since Indian bonds were added to major global indices, while also supporting the rupee and reducing borrowing costs.
3. India's economy grew a stronger-than-expected 7.8% year-on-year in the January–March 2026 quarter, beating forecasts of 7.2%, driven by robust private investment, higher agricultural output and strong construction activity, while full-year FY26 GDP growth was estimated at 7.7%, reaffirming India's position as the world's fastest-growing major economy despite geopolitical uncertainties and rising energy prices.
4. India and the U.S. are expected to finalize the first tranche of their bilateral trade agreement by mid-July, with Commerce Minister Piyush Goyal stating that both sides are rapidly resolving remaining issues, while the deal is expected to provide India preferential market access over competitors despite ongoing discussions around proposed U.S. tariffs and trade-related concerns.
5. SEBI has accused listed jewellery company Rajesh Exports of inflating its revenue by ₹1,598 crore (about \$190 million) through alleged circular transactions involving its Swiss subsidiary between FY18 and FY20 and has barred promoter Rajesh Mehta and former CFO Rajesh Ajmera from holding key managerial positions or accessing the securities market pending further investigation.
6. Indian companies are looking to deepen their presence in Venezuela's oil and gas sector, with Petroleum Minister Hardeep Singh Puri reaffirming support for Venezuela's energy reconstruction as India—now the second-largest importer of Venezuelan crude—purchased about 427,000 barrels per day in May, while both countries explore long-term energy partnerships and investment opportunities amid global supply disruptions.
7. Russian President Vladimir Putin has offered India unrestricted access to advanced defence technologies, including the Su-57 fifth-generation stealth fighter jet and air defence systems, with full technology transfer and joint production rights, in a move that could



**AJCONGLOBAL**  
YOUR FRIENDLY FINANCIAL ADVISORS

significantly strengthen India's indigenous defence manufacturing and military modernization efforts amid rising regional security challenges.

8. India has launched E85 fuel (85% ethanol blended petrol), priced about ₹20 per litre lower than conventional E20 petrol, marking a significant step toward reducing crude oil imports, promoting cleaner fuels, and accelerating the adoption of flex-fuel vehicles.
9. India has been included among more than 15 countries selected for Anthropic's Project Glasswing initiative, giving eligible Indian organizations in critical sectors such as technology, healthcare, finance and infrastructure access to the company's advanced AI-powered cybersecurity model, Mythos, to strengthen cyber resilience and identify software vulnerabilities more effectively.
10. India's Larsen and Toubro signed a pact with the southern factory hub of Tamil Nadu to invest 186 billion rupees (\$1.94 billion) in projects that include electronics manufacturing and a data centre, the state government said on Thursday.

#### **Ajcon Global's observations and view:**

##### **Short term view:**

1. Indian markets are likely to remain range-bound with a positive bias, supported by stronger-than-expected Q4 GDP growth and the government's decision to exempt foreign investors from capital gains tax on eligible government bonds.
2. Global cues will remain the key monitorable, with investors tracking developments in U.S. tariff negotiations, Middle East geopolitical tensions, crude oil prices and U.S. and India inflation data, which could drive near-term volatility and stock-specific movements.
3. We continue to recommend accumulation in selective fundamentally strong stocks across sectors such as Railways, defence, logistics & tourism, banking and financial sector, FMCG, food processing, fertilisers, agro-based industries, infrastructure, IT many of which are attractively valued amid the current geopolitical situation. Special emphasis should be given to some small & midcap stocks having great stories.

##### **Medium - and Long-term view**

1. We believe that in spite of whatever is happening globally, the Indian economy is still strongly placed as compared to the global peers due to higher GDP estimates, still manageable inflation, pro-active RBI policies & managing the oil crisis well, while the rupee remains the near-term concern. Post, the recent correction many stocks have become attractive to take position from Medium to long term point of view as we believe that any adversity brings with it a greater opportunity, which has been proved time and again in the past.
2. Our faith remains in the Equity as the best asset class in the World but advice caution to the investors to be selective & remain invested in fundamentally strong companies, taking timely decisions.

#### **Disclaimer**

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provides any assurance of returns to investors.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations, 2014.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking Company. It may therefore have commercial relationship for the above said services with the Company covered in this Report. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.



**AJCONGLOBAL**  
YOUR FRIENDLY FINANCIAL ADVISORS

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited. While we would endeavor to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

It is confirmed that CA (Dr.) Ashok Ajmera or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

#### **Analyst Certification**

I, CA (Dr.) Ashok Ajmera, research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

#### **For research related queries,**

**Contact:** Divya Makwana - Research Analyst at - [research@ajcon.net](mailto:research@ajcon.net)

**Website:** [www.ajcononline.com](http://www.ajcononline.com)

#### **Registered and Corporate office**

408 - (4<sup>th</sup> Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062