



CA (Dr.) Ashok Ajmera's Weekly Column as on May 30th, 2026

" Investor sentiment remained guarded through the week, with geopolitical tensions, firm oil prices and MSCI index adjustments driving market volatility."



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Indian equities ended the week on a weaker note, with the NIFTY50 and BSE SENSEX declining 0.7% and 0.8%, respectively, as heavy selling linked to MSCI index rebalancing erased much of the market's earlier gains on Friday. Investor sentiment remained cautious throughout the week amid rising geopolitical tensions, uncertainty surrounding US-Iran negotiations, a weakening rupee, and firm Brent crude prices. The rupee strengthened during the week, helped by a sharp appreciation on Friday amid declining oil prices and likely RBI support. The currency closed at 95 per US dollar, marking a weekly gain of around 0.7% despite a challenging global backdrop.

The top gainers in the Nifty 50 index were TMPV (up 8.41%), Adani Ent. (up 8.10%), Tech Mahindra (up 4.34%), Larsen (up 3.82%) and Eternal (up 3.57%). The major losers in the Nifty 50 index were ONGC (down 8.48%), Max Healthcare (down 5.68%), ITC (down 4.91%), HDFC Life (down 3.54%) and HDFC Bank (down 2.90%).

FII and DII activity

In the week gone by, FIIs were net sellers of Rs. 23,734.68 Crores and DIIs were net buyers of Rs. 25,803.45 Crores. In the previous week FIIs were net sellers of Rs. 4,352.45 Crores and DIIs were buyers of Rs. 14,989.28 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 2.46% and worst performing sector was Nifty Healthcare, down by 1.78% in the week.

Global Market and Major Developments

US

US stock markets ended the holiday-shortened week higher, with major indexes posting strong gains and several reaching record highs. The Nasdaq Composite led the advance, supported by continued enthusiasm around AI-related stocks, while the Russell 2000, S&P 500, and S&P MidCap 400 also performed well. Investor sentiment was boosted by optimism surrounding a potential US-Iran peace agreement, which helped drive oil prices lower and encouraged risk-taking, despite reports of renewed US strikes on Iranian targets later in the week.

Economic data presented a mixed picture. April's Personal Consumption Expenditures (PCE) index—the Federal Reserve's preferred inflation measure—showed inflation remained elevated, with annual headline PCE rising to 3.8% and core PCE increasing to 3.3%. At the same time, Fed officials maintained a cautious stance, signaling that interest rate hikes could remain on the table if inflation continues to rise. Meanwhile, first-quarter GDP growth was revised down to 1.6% from an initial estimate of 2.0%, reflecting weaker consumer spending and investment, although growth still improved from the previous quarter. Durable goods orders, however, surged 7.9% in April, driven largely by transportation equipment demand.

In fixed-income markets, US Treasury bonds gained as yields declined across most maturities, supported by falling oil prices and optimism over easing geopolitical tensions. Strong demand for a 7-year Treasury auction further improved sentiment, pushing the benchmark 10-year Treasury yield down to about 4.44% from 4.56% a week earlier. High-yield bonds also delivered positive returns, though some gains faded as investors questioned the sustainability of geopolitical developments and weighed the Federal Reserve's increasingly hawkish tone on inflation.

Particulars	Close (29/05/2026: Friday)	Open (25/05/2026: Monday)	Previous Close (22/05/2026 Friday)	Change (%)
Nifty 50	23,547.75	23,940.25	23,719.30	-0.72
Sensex	74,775.74	76,135.82	75,415.35	-0.85
Nifty Midcap 100	61,723.80	61,952.45	61,389.30	0.54
Nifty Small cap 100	18,138.80	18,130.20	17,956.20	1.02
Sectoral Indices				
Nifty Bank	54,239.20	54,610.55	54,055.35	0.34
Nifty Auto	26,338.45	26,400.45	26,017.10	1.24
Nifty IT	29,080.15	29,103.65	28,912.50	0.58
Nifty PSU Bank	8,156.15	8,102.40	8,006.15	1.87
Nifty Fin Services	25,354.00	25,805.80	25,531.50	-0.70
Nifty Pharma	24,345.80	24,615.15	24,573.95	-0.93
Nifty FMCG	49,383.35	50,572.80	50,249.80	-1.72
Nifty Metal	13,440.95	13,355.70	13,271.60	1.28
Nifty Realty	782.55	783.10	774.40	1.05
Nifty Media	1,408.30	1,387.75	1,374.55	2.46
Nifty Energy	40,878.00	40,609.15	40,237.60	1.59
Nifty Private Bank	26,326.40	26,639.75	26,376.20	-0.19
Nifty Infra	9,353.05	9,460.80	9,359.50	-0.07
Nifty Commodities	10,295.00	10,329.75	10,242.70	0.51
Nifty Consumption	11,261.00	11,427.75	11,310.25	-0.44
Nifty PSE	10,227.35	10,473.50	10,362.50	-1.30
Nifty Serv. Sector	29,685.15	30,222.20	29,932.65	-0.83
Nifty Healthcare	15,392.75	15,698.80	15,671.20	-1.78
Nifty Oil & Gas	11,200.25	11,512.35	11,372.30	-1.51
Nifty INDIA MFG	15,889.90	15,935.75	15,791.85	0.62
US Indices				
Dow Jones	51,037.09	50,691.07	50,585.07	0.89
S&P 500	7,580.05	7,511.79	7,473.48	1.43
NASDAQ 100	30,333.18	29,854.58	29,481.64	2.89
Commodities				
Gold (in Rs./ 10 gram)	1,55,575	1,59,150	1,58,679	-1.96
Brent Crude oil	91.88	97.50	104.24	-11.86



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Europe

European markets posted modest gains during the week, with the pan-European STOXX Europe 600 Index rising 0.14% in local currency terms. Investor sentiment was influenced by ongoing developments surrounding a potential US-Iran agreement that could restore oil and gas flows through the Strait of Hormuz. Major continental indexes ended higher, with Germany's DAX gaining 0.87%, France's CAC 40 rising 0.83%, and Italy's FTSE MIB advancing 1.06%, while the UK's FTSE 100 declined 0.54%. Market volatility increased on Friday due to an MSCI EMEA Index rebalancing.

The European Central Bank (ECB) maintained a cautious stance on inflation, with some policymakers indicating openness to further rate hikes due to persistent energy price pressures and geopolitical risks in the Middle East. Several ECB officials signaled that a June rate increase remains likely. Meanwhile, Germany's unemployment rate unexpectedly fell to 6.3% in May, while Italy's first-quarter GDP growth was revised up to 0.3%, supported by stronger domestic demand and exports.

Economic data across Europe remained broadly positive. EU passenger car registrations rose 5.1% year over year in April, driven by continued demand for electric vehicles and government incentives. In the UK, shop price inflation accelerated to 1.2% in May, reflecting higher shipping and raw material costs, while food inflation eased to 2.7%, providing some relief to consumers.

Japan

Japan's equity markets surged to record highs during the week, with the Nikkei 225 rising 4.72% and the TOPIX gaining 1.66%. Investor sentiment was boosted by progress toward a US-Iran ceasefire extension and nuclear negotiations, which eased concerns over energy supplies and import costs for Japan. Technology and AI-related stocks led gains, particularly semiconductor and electronic component manufacturers.

Economic data presented a mixed picture. Tokyo core inflation slowed to 1.3% in May, remaining below the Bank of Japan's 2% target and complicating the case for further rate hikes. Meanwhile, 10-year Japanese government bond yields declined as softer inflation and reduced geopolitical risks supported bond markets. The yen was largely unchanged at JPY 159.3 against the US dollar, as easing geopolitical concerns were offset by the continued gap between Japanese and US interest rates.

China

Chinese equities delivered mixed performance during the week as investors balanced strong industrial profit growth against renewed regulatory concerns. The CSI 300 Index rose 0.97%, while the Shanghai Composite fell 1.08%, and Hong Kong's Hang Seng Index declined 1.65%. Market sentiment was influenced by stronger-than-expected industrial earnings and increased scrutiny of offshore brokerage platforms serving mainland investors.

China's industrial profits grew 24.7% year over year in April, accelerating from 15.8% in March, driven by stronger earnings in energy, raw materials, and technology-related export sectors. However, weakness in consumer-oriented industries continued to highlight an uneven economic recovery. Meanwhile, regulators intensified their crackdown on unlicensed cross-border brokerage operations, weighing on offshore-listed Chinese brokerage stocks and Hong Kong market sentiment.

Major Developments in Domestic Markets

1. India's state-owned maritime lender, Sagarmala Finance Corporation, plans to launch India's first-ever blue bond—targeting up to ₹10 billion—to fund maritime and coastal infrastructure projects while attracting environmentally focused investors.
2. India's foreign exchange reserves fell by \$7.5 billion to \$681.4 billion, their lowest level in more than a year, as the RBI spent reserves to support the rupee amid pressure from higher oil prices, capital outflows, and geopolitical tensions; the decline was driven by a drop in both gold holdings and foreign currency assets.
3. India has directed state-run fuel retailers to build enough LPG storage to cover 30 days of demand and is also expanding crude oil storage, as the government seeks to strengthen energy security and guard against supply disruptions following recent global energy market turmoil.
4. India's weather office has forecast the weakest monsoon in 11 years, with rainfall expected at 90% of the long-term average, raising concerns over crop production, food inflation, rural incomes, and economic growth as an emerging El Niño is expected to suppress rainfall during the crucial June–September season.
5. A Reuters poll found that the RBI is expected to keep the repo rate unchanged at 5.25% in June, but a majority of economists now anticipate at least one rate hike by the end of 2026 as rising oil prices, rupee weakness, and inflation risks from geopolitical tensions increase pressure on monetary policy.
6. The RBI plans to expand the digital rupee (e₹) by using it more widely in welfare and direct-benefit transfer schemes and by testing cross-border payment applications with countries such as Singapore and the UAE, despite a decline in retail e-rupee circulation over the past year.
7. Indian life insurers have urged the government to double the tax-free premium limit for insurance policies from ₹5 lakh to ₹10 lakh, arguing that higher inflows would boost long-term savings and demand for ultra-long government bonds, helping finance public borrowing needs.
8. India has invited proposals from domestic and foreign defence firms for a fifth-generation stealth fighter jet programme, aiming to accelerate the development of an advanced combat aircraft for the Indian Air Force amid growing regional security challenges and the need to modernise its ageing fleet.
9. India's rice exports fell 1.3% year-on-year to 8.39 million tonnes in January–April 2026, as the Iran conflict disrupted shipments of premium basmati rice to key Gulf markets, causing basmati exports to drop 7%, while higher freight and insurance costs further weighed on trade.



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10. India's crude oil processing fell 8.9% month-on-month to 5.23 million barrels per day in April, the lowest in several months, as refinery maintenance shutdowns and disruptions to Middle East crude supplies amid tensions around the Strait of Hormuz weighed on operations.

Ajcon Global's observations and view:

Short term view:

1. Markets are likely to remain range-bound with a cautious bias as investors await the RBI policy outcome, US payroll data, and developments in crude oil prices amid ongoing geopolitical uncertainties. Market direction is likely to remain stock-specific, with earnings revisions, institutional flows, and sector rotation driving near-term sentiment.

2. 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.

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