

Monthly Newsletter



April 2026 Edition

- Risk-off returns
- FII selling pressure
- Oil drives markets

Find out
more inside!

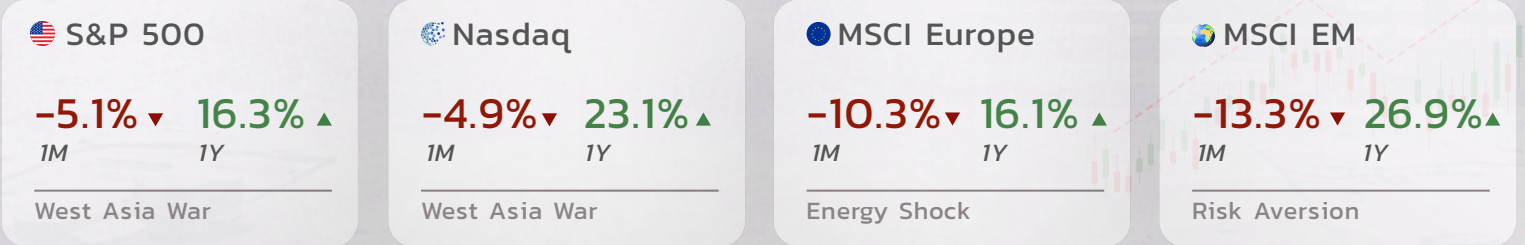


Wealth First | Market Dashboard

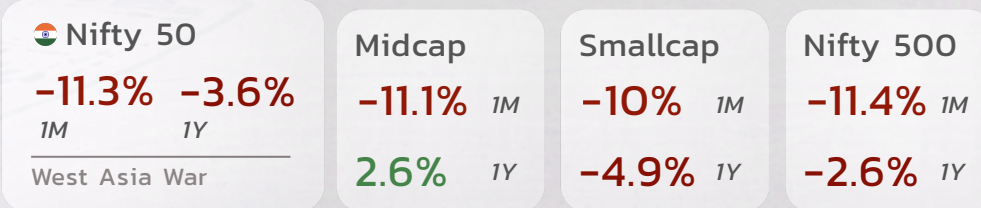


April 2026

Global Markets



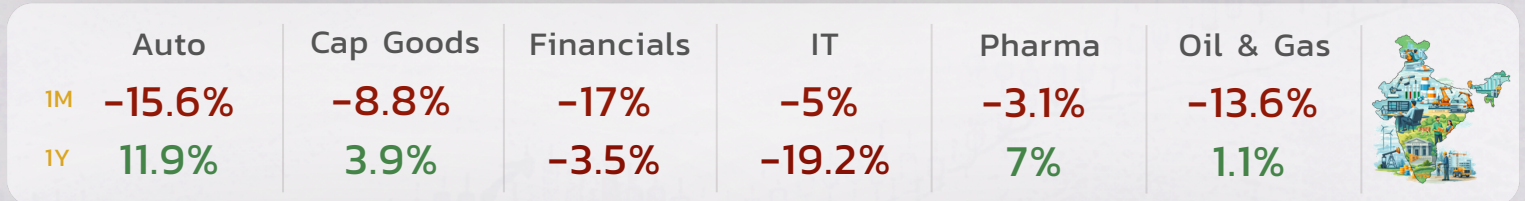
Indian Markets



Fixed Income



Sector Watch



India Macro Snapshot

	Mar	Feb
CPI Inflation	TBD	3.2%
PMI Manufacturing	53.8	56.9
PMI Services	57.2	58.4
GST Collections (Lac Cr)	₹1.83	₹1.83

Commodities

	Price (\$)	1M	1Y
Gold	4,696	11%	50.4%
Silver	75	20.2%	119.8%
Brent Crude	104	42.7%	39.1%



Money Flows

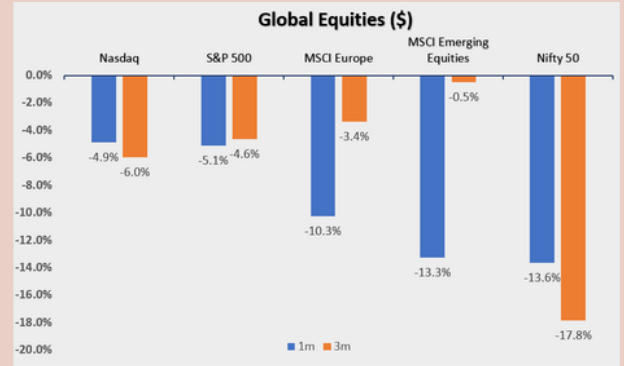


USD/INR 93.5 1M: -2.6% 1Y: -8.6%	USD/JPY 158.6 1M: -1.6% 1Y: -5.4%	USD/CNY 6.9 1M: -0.6% 1Y: 5.2%	USD/EUR 0.86 1M: -2% 1Y: 7%	Dollar Index 99.9 1M: -2.4% 1Y: 4.3%
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Key Insights For the Month

1 Global Risk-Off Intensifies as West Asia War Continues

Global markets weakened as risk aversion deepened. S&P 500 (-5.1%) and Nasdaq (-4.9%) declined amid geopolitical tensions and inflation concerns. Emerging markets underperformed (MSCI EM -13.3%) due to capital outflows and a stronger dollar. Rising crude and West Asia conflict drove a clear flight to safety.



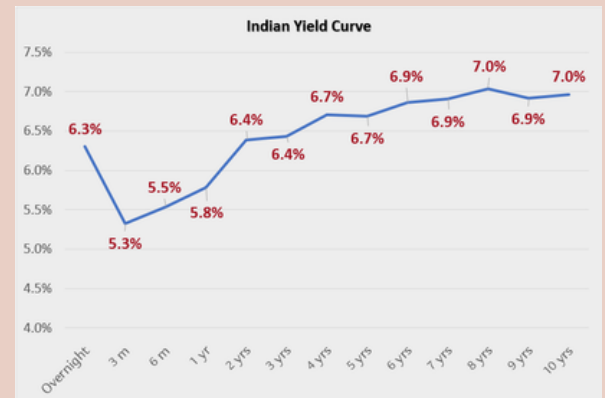
2 Record FII Outflows Trigger Sell-Off in Indian Markets

Indian markets fell sharply (Nifty 50 -11.3%) as FIIs pulled out ~₹1.14 lakh crore, the highest ever monthly outflow amid war, oil shock, and a stronger dollar. Despite this, midcaps remain the only segment positive on a 1Y basis, indicating the sell-off was largely liquidity-driven.



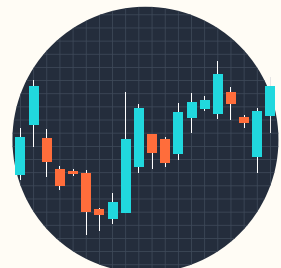
3 Oil Surge Drives Yield Spike and Currency Pressure

Brent crude (+42.7% 1M) pushed India's 10Y yield to ~7%, diverging from softer global yields. Higher oil raised inflation and fiscal concerns, increasing borrowing costs. INR weakened (-2.6%) alongside FII outflows, reflecting commodity-led pressure on currency and bonds.



OUTLOOK

Markets are likely to remain volatile, and the current phase may not mark a clear bottom. While valuations are improving, risks from geopolitics, oil, and currency persist. In this environment, timing the bottom is difficult. Making staggered, disciplined allocation is the more effective approach.



Behavioral Finance

Behavioural Paralysis at Market Bottoms

Refers to investors freezing and avoiding capital deployment when opportunities are most attractive. Despite liquidity and lower valuations, fear and uncertainty delay action.

Real-Life Example: COVID Market Crash (March 2020)

In March 2020, global markets saw one of the sharpest corrections in history. The Nifty 50 fell ~38% from its January peak to March lows, while global indices like the S&P 500 dropped over 30% in a matter of weeks. Valuations became significantly more attractive, and many investors held substantial cash waiting for "the right time."

However, sentiment at the bottom was dominated by:

- Fear of economic shutdowns and unknown virus impact
- Continuous negative news flow (lockdowns, rising cases)
- Expectations of further downside

Even seasoned investors hesitated to deploy capital. The dominant thinking was: "Let things stabilize first."

What followed was a sharp and rapid recovery. From March 2020 lows, markets rebounded over 40-50% within months. By the time clarity emerged, prices had already moved significantly higher, leaving many investors underinvested.

Key takeaway:

Market bottoms aren't missed due to lack of capital or information, but due to the inability to act under uncertainty. By the time confidence returns, much of the recovery is already behind.

This is why disciplined frameworks like staggered deployment or pre-defined allocation, are key to capturing opportunities.

