

Monthly Newsletter



May 2026 Edition

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

Find out
more inside!

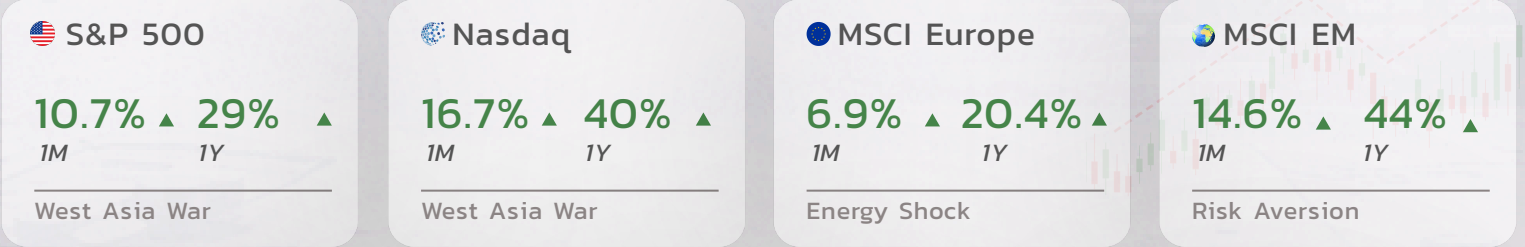


Wealth First | Market Dashboard



April 2026

Global Markets



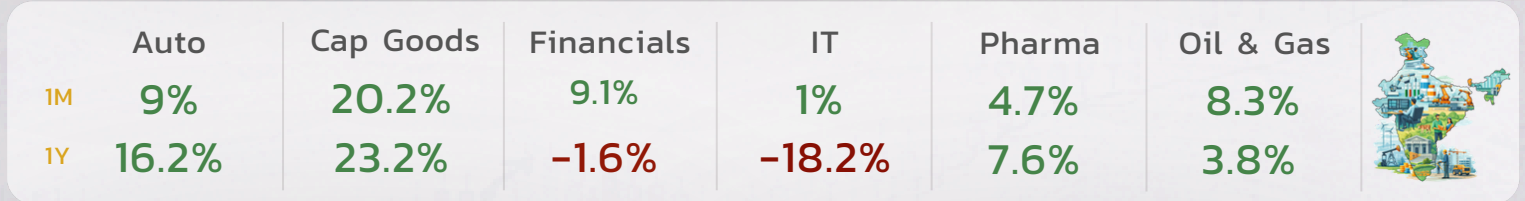
Indian Markets



Fixed Income



Sector Watch



India Macro Snapshot

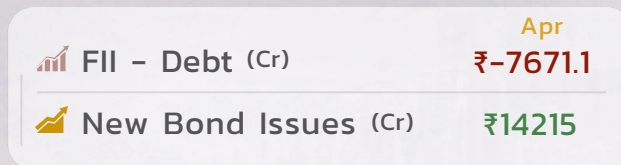
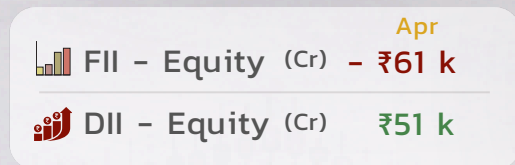
	Apr	Mar
CPI Inflation	TBD	3.40
PMI Manufacturing	55.9	53.8
PMI Services	57.9	57.2
GST Collections (Lac Cr)	₹2.43	₹2.0

Commodities

	Price (\$)	1M	1Y
Gold	4613.8	-1.7%	36.2%
Silver	75.35	0.6%	65.3%
Brent Crude	108.17	3.6%	74.1%



Money Flows



USD/INR 94.89 1M -1.5% 1Y -10.9%	USD/JPY 157.02 1M 1% 1Y -7.4%	USD/CNY 6.83 1M 1% 1Y 6.5%	USD/EUR 0.85 1M 1.2% 1Y 3.8%	Dollar Index 98.1 1M 1.8% 1Y 2.1%
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April 2026

Key Insights For the Month

1

Markets Climbed a Wall of Worry

Despite rising US-Iran tensions and oil hitting \$110, Indian markets stayed resilient, absorbing sharp March volatility and rebounding about 10.5% by April-end, showing that geopolitical risks were seen as temporary rather than structural, with no sustained risk-off sentiment.



2

Domestic Strength Offset Global Capital Flight

Despite heavy FII outflows (~₹60,847 crore in April) due to a stronger dollar, high crude, and global shifts, DII inflows and broad participation kept markets strong, with most stocks ending positive. This resilience was supported by ~10.5% YoY Q4 earnings growth, led by BFSI, energy, and autos, highlighting a shift from FII dependence to domestic liquidity backed by earnings momentum.



3

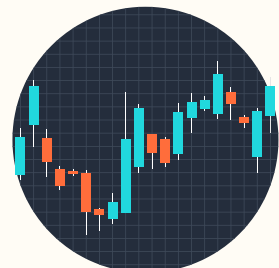
Global Risk-On Supported Local Recovery

The global environment stayed risk-on, with US indices at record highs, semiconductors up ~40% on AI demand, and MSCI Emerging Markets gaining 14.7%. Rising commodities signaled real demand, and India's recovery in autos, IT, and consumption aligned with this broader global growth and liquidity cycle despite some banking pressure.



OUTLOOK

In our view, Indian markets have demonstrated structural resilience, continuing to advance despite oil shocks and sustained FII outflows, supported by strong domestic liquidity, steady earnings, and a favorable global risk-on backdrop. We expect volatility to persist, but we see this as an opportunity to gradually accumulate



Behavioral Finance

Saliency Bias in Algorithmic Recommendations

Saliency Bias is the tendency to focus on what is most visible or highlighted, rather than what is most valuable. In modern markets, this bias is amplified by brokerage apps and media algorithms that surface "Top Gainers," "Trending," and "Most Bought" lists effectively directing investor attention.

Real-Life Example: Yes Bank Retail Surge & Collapse (2020–2022)

After its 2020 fall, Yes Bank became one of the most visible retail stocks:

- Frequently featured in "Most Traded" and "Top Volume" lists on platforms like Angel One and Groww
- Low price (₹10–₹20) made it appear "cheap" and accessible
- Social media pushed a strong "turnaround multibagger" narrative

This created a saliency loop: high visibility led to retail inflows, which drove trading activity and kept the stock visible.

However, fundamentals remained weak, with ongoing asset quality issues, capital dilution, and restructuring concerns.

What followed:

- The turnaround was slower than expected
- Prices stagnated and saw repeated corrections
- Retail interest declined as attention shifted to newer trending stocks

Investors who entered due to visibility exited once the stock stopped featuring among top gainers and lost momentum.

Behavioral Takeaway

- Investors didn't buy because they analyzed the bank
- They bought because the stock was constantly in front of them

When visibility faded, conviction disappeared

Key Insight

In algorithm-driven markets, attention is a flow variable, not a conviction variable.

Saliency Bias causes capital to chase what is highlighted, not what is valuable—and when that spotlight shifts, prices often correct or stagnate.

