

Monthly Newsletter



June 2026 Edition

- Oil Price Tests Markets
- FII Selling Pressure
- Inflation Risks Re-Emerge

Find out
more inside!





Wealth First | Market Dashboard



May 2026

Global Markets

S&P 500 4.8% ▲ 28.2% ▲ <small>1M 1Y</small> Mega-Cap Earnings	Nasdaq 9.5% ▲ 42.1% ▲ <small>1M 1Y</small> AI Infrastructure Spend	MSCI Europe 1.7% ▲ 17.1% ▲ <small>1M 1Y</small> ECB Easing Expectations	MSCI EM 9.4% ▲ 51.4% ▲ <small>1M 1Y</small> AI Supply Chain
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Indian Markets


Nifty 50 -1.9% ▼ -5.2% ▼ <small>1M 1Y</small> FII Selling Pressure	Midcap 2.6% 1M 6.8% 1Y	Smallcap 1.6% 1M 0.9% 1Y	Nifty 500 -0.1% 1M -0.6% 1Y
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Fixed Income

India 10Y	7.0%
US 10Y	4.5%
Japan 10Y	2.7%

Sector Watch

	Auto	Cap Goods	Financials	IT	Pharma	Oil & Gas
1M	1.6%	4.7%	-0.9%	-0.9%	4.6%	-3.4%
1Y	12.9%	13.7%	-3.2%	-22.1%	13.5%	-1.1%



India Macro Snapshot

	May	Apr
CPI Inflation	TBD	3.48
PMI Manufacturing	55.0	54.7
PMI Services	59.8	58.8
GST Collections (Lac Cr)	₹1.94	₹2.43

Commodities

	Price (\$)	1M	1Y
Gold	4539.7	-1.6%	38.0%
Silver	75.59	0.3%	129.1%
Brent Crude	91.12	-15.8%	45.1%



Money Flows

FII - Equity (Cr) ₹56 k (May)	FII - Debt (Cr) ₹100 (May)
DII - Equity (Cr) ₹83 k	New Bond Issues (Cr) ₹30 k

USD/INR 95.01 <small>1M -0.1% 1Y -10.0%</small>	USD/JPY 159.27 <small>1M -1.4% 1Y -9.5%</small>	USD/CNY 6.77 <small>1M 0.9% 1Y 6.4%</small>	USD/EUR 0.86 <small>1M -0.5% 1Y 2.7%</small>	Dollar Index 98.91 <small>1M -0.8% 1Y 0.4%</small>
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Key Insights For the Month

1

Oil Shock Tests India's Resilience

Escalating tensions in West Asia kept Brent crude close to \$92 per barrel, raising concerns over inflation and supply chains. As India imports nearly 89% of its crude oil needs, higher energy prices remain a key macro risk. Despite these headwinds, domestic markets remained resilient, supported by strong economic fundamentals.



2

Domestic Liquidity Continues to Support Markets

FII remained net sellers of Indian equities, withdrawing nearly ₹56,000 crore in May amid a weak rupee and continued investor preference for global AI-driven opportunities. However, DIIs offset these outflows for the month with investments of ₹82,700 crore, highlighting the growing role of domestic savings in supporting market stability.



3

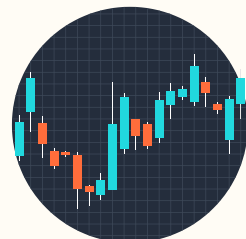
Inflation Risks Re-Emerge Across Global Markets

Rising crude oil prices and supply-chain concerns have renewed inflation worries globally. While India's retail inflation remained contained at 3.16%, bond yields stayed elevated, with the U.S. 10-year yield at 4.45% and the Indian 10-year yield at 7.0%. Markets will closely watch commodity prices and central bank actions.



OUTLOOK

Markets are expected to remain range-bound in the near term as macro risks, including a prolonged Strait of Hormuz disruption, adverse El Niño weather conditions, and continued FII outflows toward AI-focused global opportunities, outweigh the support from strong domestic liquidity, keeping sentiment cautious.



Behavioral Finance

Decision Reversal Risk

refers to the tendency of investors to abandon a well-researched investment decision when faced with short-term volatility, negative news flow, or market uncertainty. Instead of reassessing the original investment thesis, investors often reverse course based on recent emotions, leading to poor long-term outcomes.

Real-Life Example: Retail Investors During the 2020 Market Crash

During the COVID-19 market correction in March 2020, many investors sold quality stocks and mutual funds after sharp declines.

- Fear of further losses led investors to exit at depressed valuations
- Negative news flow reinforced pessimistic sentiment
- Short-term volatility overshadowed long-term fundamentals

What followed:

- Markets recovered strongly over the next 12–18 months
- Many quality businesses reached new highs
- Investors who remained invested participated in the recovery, while many who exited struggled to re-enter at attractive levels

The original investment decision was based on long-term wealth creation, but temporary uncertainty caused many investors to reverse course at the wrong time.

Behavioral Takeaway

- Market volatility does not automatically invalidate an investment thesis
- Re-evaluate the reasons for investing before making a decision to exit
- Emotional reactions often increase the risk of poor timing

Key Insight

Successful investing is not only about making good decisions, but also about staying committed to them. Decision Reversal Risk reminds investors that temporary market noise can be costly when it causes them to abandon a fundamentally sound long-term strategy.

