

TOP DOWN & BOTTOM UP

*Are you investing on hope or on insight?
In volatile times, your odds improve when your decisions are backed by understanding*

Deficit Cracks Widen

Fiscal slippage accelerates as revenues weaken and war-linked spending begins to distort FY27 assumptions

Subsidy Burden Builds

Food, fertilizer, and fuel support surge, adding fresh strain to already stretched government finances

Corporate Signals Turn Cautious

From pricing-led growth to capex deferrals, management commentary points to a more fragile operating environment

Policy Push Intensifies

RBI and government roll out aggressive measures to attract flows and cushion emerging macro stress

Markets Find New Anchors

Record DII ownership and fading FII presence mark a decisive shift in who drives Indian markets

Global Tensions Reshape Trade

Tariffs, supply shifts, and geopolitical alignments are redrawing global trade and capital flow dynamics

**In a market this noisy, knowledge isn't optional
— it's the true wealth.**



#StayInformedStayAhead

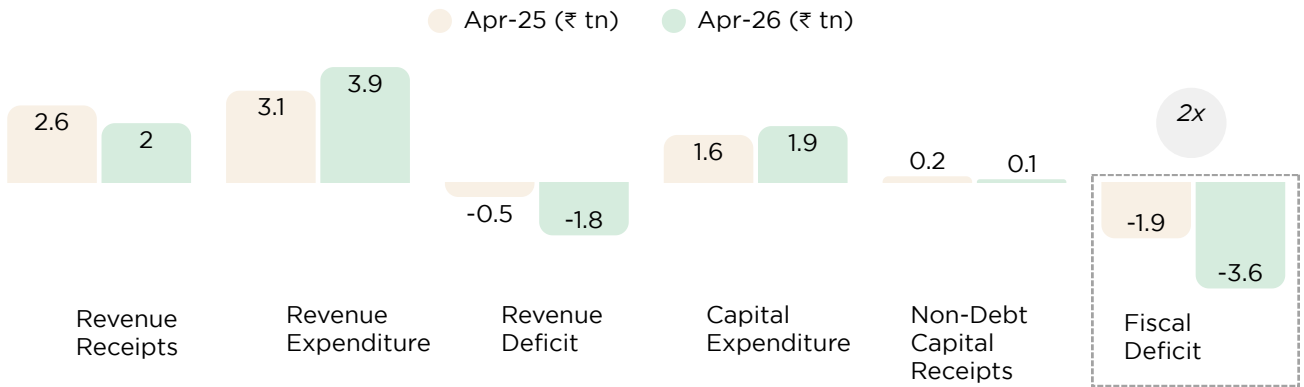
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TOP DOWN & BOTTOM UP

BSE Mcap: ₹455.0 tn | Composite PMI: 59.3 | GST Collection: ₹1.9 tn | Forex Reserves: \$682.3 bn

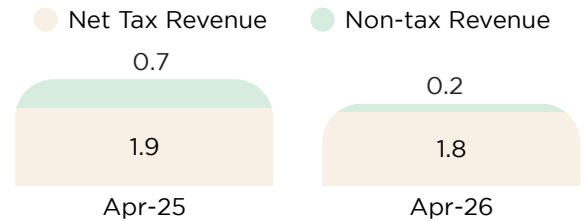
Double Trouble - Revenue Misses, Expense Hits

India's Fiscal Deficit Rose ~2x to ₹3.6 tn (21.4% of FY27 BE) in Apr'26



Revenue Falls Short

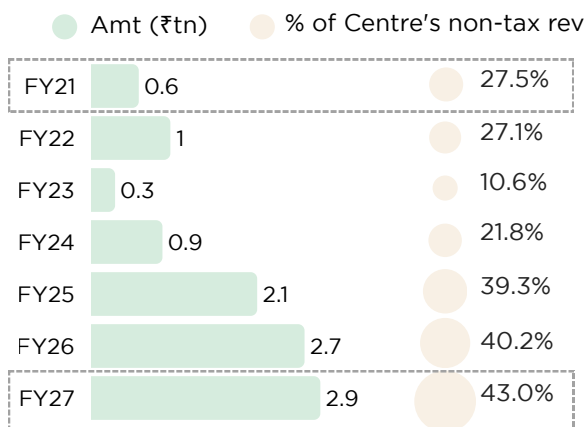
- ▲ Net Tax Revenue decreased 6.3% to ₹1.8 tn driven mainly by decrease in GST
- ▲ Non-Tax revenues decreased by 71% to ₹0.2 tn due to high base in FY25



Plugging The Gap

- ▲ Govt raised import tariffs on gold & silver from 6% to 15%
- ▲ Govt approved one time budgetary support of ₹100 bn as interest free loan to OMCs for ATF price stabilization
- ▲ Govt received ₹2.9 tn dividend from RBI for FY27, up 6.7% YoY

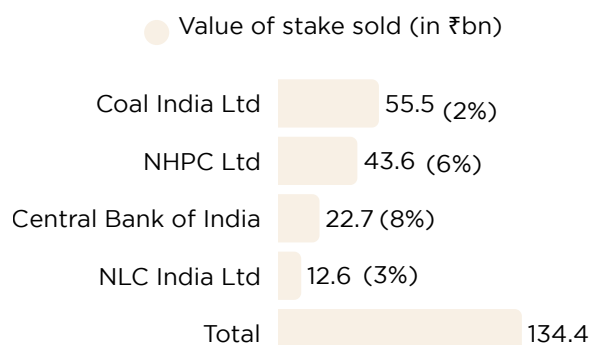
RBI Dividends act as ATM



OMCs started taking price hikes

Fuel (as of 9th Jun'26)	Price Hikes	Current Price (Delhi)
Petrol	₹7.4 / litre	₹102.1 / litre
Diesel	₹7.5 / litre	₹95.2 / litre
CNG	₹6 / kg	₹83.1 / kg
Domestic LPG	₹89 / 14.2 kg cylinder	₹ 942
Commercial LPG	~₹1,422 / 19 kg cylinder	₹ 3,113.5

Fire-sale divestments

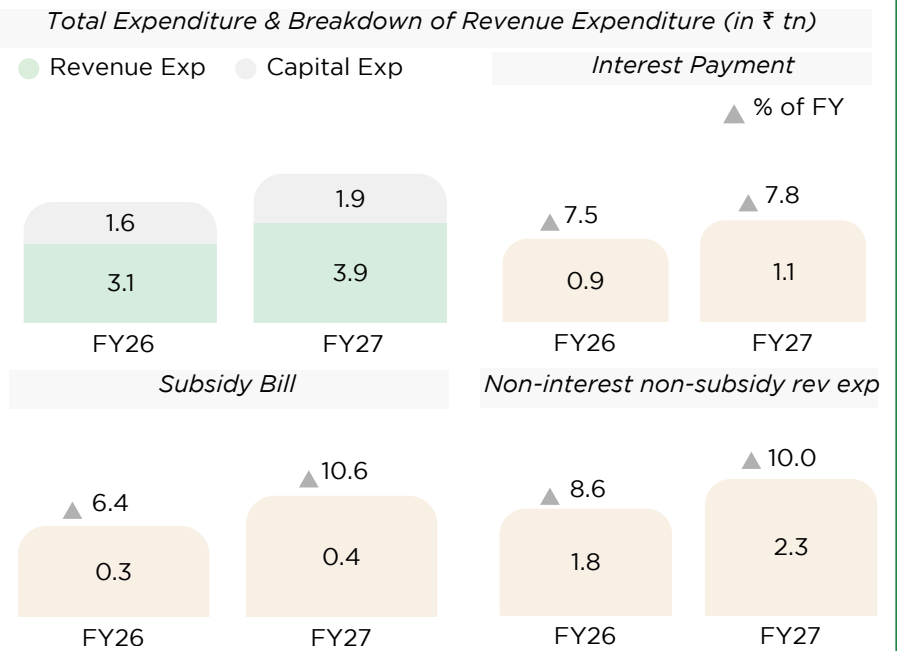


The War Bill Arrives: Expenses Soar

▲ Total expenditure rose by 23.4% to ₹5.8 tn (10.8% of BE) in Apr'26 vs ₹4.7 tn in Apr'25

▲ Govt's subsidy bill increased by 52% YoY to ₹0.4 tn in Apr'26 driven by higher food subsidies (+50% YoY) & urea subsidies (+57% YoY)

▲ Interest expenses rose 18% YoY to ₹1.1 tn while non-interest & non-subsidy expenditure grew 27% to ₹2.3 tn



The Cascade Effect

OMCs are absorbing ₹5.5 bn daily losses from petrol, diesel & LPG sales. This risks reducing OMC's dividends to central govt. Furthermore, elevated crude prices cascades into a weak ₹, higher inflation, lower corporate profits leading to lower taxes & less headroom for govt capex

Subsidy bill for urea & other fertilizer could touch ₹3.8 tn if current price levels persist. **This is up 124% from BE of ₹1.7 tn** - Times of India

Did you know?

ICRA pegs Govt's net fiscal slippage from the West Asia conflict at ₹1,250 bn (0.3% of GDP) - ₹2,750 bn of extra expenditure vs ₹1,500 bn of extra income.

Crude-led INR weakness, a fatter subsidy bill, and softer tax/PSU dividend inflows, this will lead to FY27 fiscal deficit widen 0.4% over the BE of 4.3%

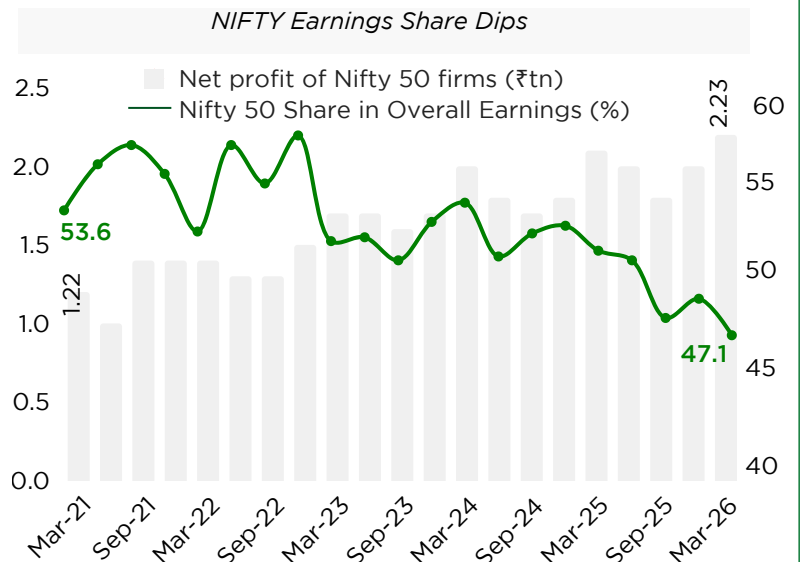


NIFTY50 Q4FY26 RESULT SNAPSHOT

▲ Net Sales at ₹20.1 tn, up 11.4% YoY

▲ Net Profit (adj for exceptional items) grew 4.5% YoY to ₹2.2 tn *Marked 8th consecutive quarter of single digit growth*

▲ Nifty 50's share in PAT of all listed companies declined to 47.1% in Q4FY26, from 51.8% in Q4FY25 & 49.8% in Q3FY26 *This is their lowest share in last 21 quarters*



STRAIGHT FROM THE HORSE'S MOUTH

FMCG 

We are not going to do charity, I am not going to hesitate to take tough calls, where in the states the structural profitability is not there because of regulators. This is a time when the industry is in crisis - **United Breweries Ltd**

Logistics 

Have a surcharge mechanism for both fuel and currency in commercial business, so volatility is largely neutralized - **Blue Dart Express Ltd**

Oil & Gas 

Investment for completing past committed capex is being incurred as we speak...but deferring and having a wait and watch stance on starting new capex - **Hindustan Petroleum Corporation Ltd**

Have increased our Russian crude procurement from 25% in Q3 to 31% in Q4 and it continues to increase to fill up our supply gaps in the light of the current situation - **Bharat Petroleum Corporation Ltd**

Consumer Durables 

Cost impact is close to 20%, we have passed on 11%...do not intend to pass on the entire impact...look at controlling what price hikes we pass out so that we are not in a situation where inflation becomes very high affecting the demand - **Asian Paints Ltd**

Price increase that we are seeing is quite significant... We are seriously talking about double-digit inflation. And it will get passed through as and when the costs start hitting us - **Voltas Ltd**

Defence 

Our revenue from exports will increase starting this year as most countries are increasing their spend on defence given the present geopolitical situation...actively engaging with customers in Europe & other international markets
- **Data Patterns (India) Ltd**

Tech 

Most of our growth this year has been pricing led because volumes have been softer... AI revenue are coming at a better pricing - **Infosys Ltd**

Auto 

India can't directly leapfrog from ICE to EVs because we can't replace the import of oil with dependency on imported raw materials for batteries...we believe hybrids have to be accelerated in India - **Amara Raja Energy and Mobility Ltd**

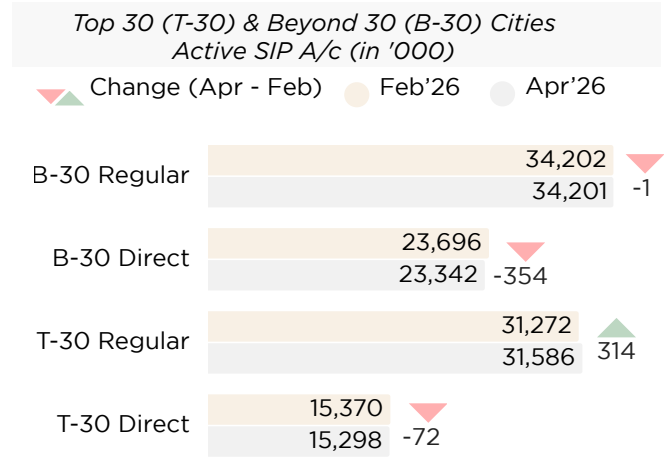
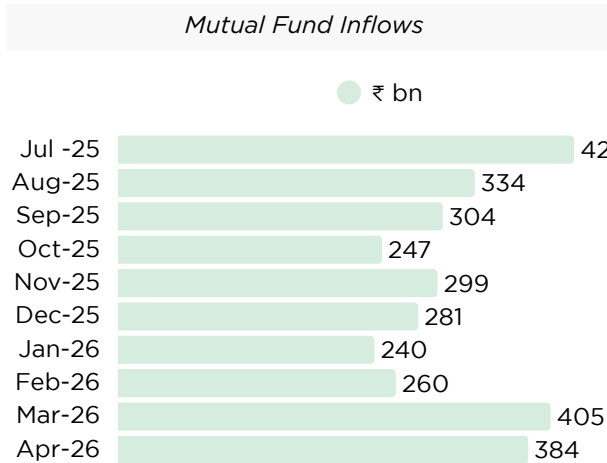
There has been a decline in the motorcycle industry's growth between Q4 & April... price hike is being taken by almost all companies...depending on the product group, almost 30-40% of the benefit of GST rate cut could get rolled back - **Bajaj Auto Ltd**

Metal 

Because of diesel escalation and shortage because of the war, transportation cost is already up by ₹200-250/ton...have started talking to transporters as we want to convert the entire fleet to EV trucks - **Godawari Power & Ispat Ltd**

SIGNS OF SLOWDOWN

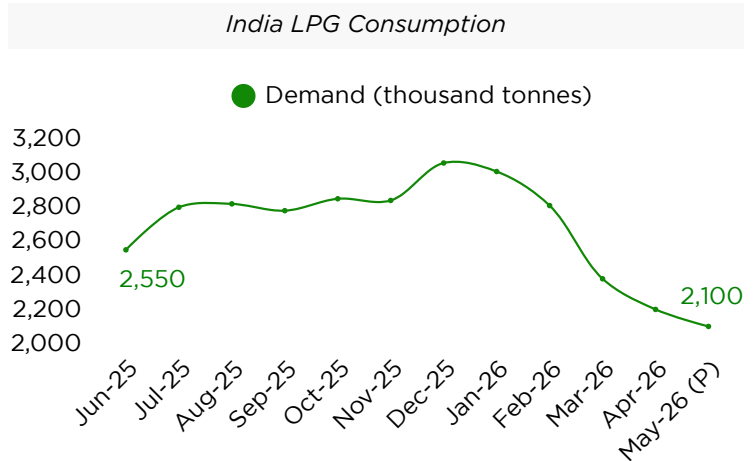
- ▲ India's trade deficit widened to \$28.4 bn in Apr'26 vs \$20.7 bn in Mar'26
- ▲ India's Apr'26 gems & jewellery exports fell by 9.1% to \$2.5 bn driven by gold jewellery (21.8%) & diamonds (19.7%)
- ▲ Equity MF net inflows fell 5% MoM to ₹384.4 bn in Apr'26
295k unique investors added in Apr'26, lowest since Jun'23
- ▲ Active SIP accounts have fallen by 113k in 2 month period ended Apr'26



Source - Business Standard

- ▲ Retail construction equipment sales fell 2.3% YoY to 6.3k units in Apr'26
In FY26, domestic construction equipment sales fell 6.7% YoY to 113k units while exports rose 32% YoY to 17k units

- ▲ India's LPG consumption declined to 5Y low at 2.1 MT, down 4% MoM & 19% YoY



- ▲ Infra projects worth ₹1.5 bn & more saw cost overruns of ₹5.7 tn as of Apr'26 with revised cost at ₹42.8 tn

- ▲ Capex by 18 major states grew 4.7% YoY to ₹6.2 tn in FY26 vs 10% growth in FY25

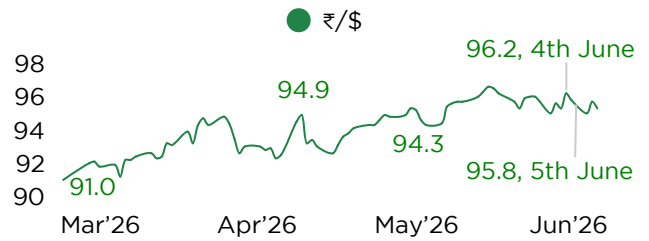
- ▲ India's rice exports fell 6% YoY to \$1 bn in Apr'26
- ▲ India's outbound FDI fell 10.8% YoY to \$5.6 bn in Apr'26
- ▲ Industrial output grew 4.9% in Apr'26 vs 5.8% in Apr'25 driven by 5% decline in mining output
- ▲ Coal India's production declined 11.6% YoY in May'26 to 56.1 MT
- ▲ Coal India sold only 39% of its allocated 30.5 MT in Apr'26
Prices held 51% above auctioned rates
- ▲ India's unemployment rate at 6M high of 5.2% in Apr'26 vs 5.1% in Mar'26
- ▲ Housing sales in top 8 cities fell 2% to 96k units in Jan-Mar'26

BANKING UPDATE

RBI MPC Update

- MPC kept the policy repo rate unchanged at 5.25%, maintaining 'neutral' policy stance
- FY27 real GDP growth forecast decreases to 6.6% from 6.9%
- FY27 CPI inflation estimate increases to 5.1% from 4.6% estimated earlier

₹ corrected to 95.8 on 5th June from 96.2 following measures announced in the MPC update



RBI takes steps to attract foreign flows

- Expanded Fully Accessible Route to include all new issuances of 15Y, 30Y & 40Y govt sec vs upto 10Y earlier
- Scrapped 12.5% LTCG on sale & 20% withholding tax on interest of govt bond for FPIs & BIS w.e.f 1st Apr'26
- Removed FPI restrictions on short term investment limits, concentration limits, and security wise limits
- Investment limits for NRIs & OCIs in Indian listed equities without SEBI registration have been enhanced, & same facilities extended to all individual Persons Resident Outside India
- A concessional forex swap facility will be available till 30th Sep'26 to incentivize ECBs by PSUs
- RBI will bear the full hedging cost for banks mobilising fresh 3-5 year FCNR(B) deposits until 30th Sep'26
- Time period for realization of export proceeds restored to 9 months from earlier extended period of 15 months

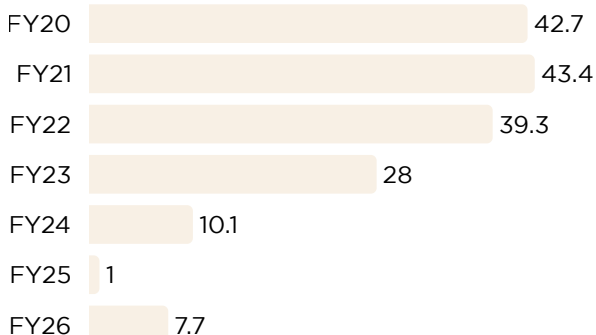
▲ RBI net sold \$53.1 bn in spot forex market in FY26 (FY25: net sell of \$34.5 bn)
Forex reserves at \$682.3 bn on May 29th vs \$728.5 bn on Feb 27th with net \$ short position at \$95.3 bn at Apr'26 end vs \$103.1 bn in Mar'26

▲ RBI conducted a 3 year \$/₹ Buy/Sell swap of \$5 bn on May 26th, received bids worth \$9.8 bn

▲ Credit card spends rise 7% to ₹2 tn in Apr'26
Credit card issuances rose 8.2% YoY to 119.4 mn

▲ Net FDI into India rose sharply to \$7.7 bn in FY26 from \$1 bn in FY25

Recovery Year | Net FDI (in \$ bn)



Source - RBI

▲ Outward remittance under LRS down 2% YoY to \$29 bn in FY26

▲ Flow into NRI deposits down 10.8% YoY to \$14.4 bn in FY26

▲ Bank credit rose 16.2% YoY to ₹211.9 tn, while deposits grew 12.2% to Rs 256.9 tn in fortnight ended 15th May

Credit deposit spread at 4% is the highest since July'24

COMPANY UPDATE

Metal & Energy

- Waaree Renewable to acquire 55% of power transmission infrastructure firm APSPL for ₹12.3 bn
- Inox Clean Energy acquired 6 GW solar manufacturing assets from USA's Boviet Solar Technology's at an EV of \$750 mn
- Adani Green Energy has commissioned a 3.4 GWh BESS at Gujarat, largest single site BESS outside China
- Clean Max Enviro raised \$575 mn to fund 1 GW of solar and wind projects in Rajasthan and Karnataka
- Tata Steel's UK plant secures US tariff exemption to export steel at lower rate
Fire broke out at its UK plant on 3rd Jun'26, causing substantial damage to a vital production line

Healthcare & Pharma

- Wockhardt receives US FDA approval for its Complicated UTI drug, having market opportunity of \$9 bn, exclusively till 2038
- Zydus Lifesciences to acquire USA oncology firm Assertio for \$166.4 mn
- Anupam Rasayan to buy 43.3% in Bliss GVS Pharma for ₹13.7 bn
Will also launch an open offer to acquire additional 26% stake
- Gujarat Themis Biosyn acquires Japan's MicroBiopharm for ₹13 bn, expanding into CDMO

BFSI

- Prudential to acquire 75% stake in Bharti Life Insurance for ₹35 bn
- Kotak Mahindra Bank received RBI approval to acquire up to 9.9% each in AU Small Finance Bank & Federal Bank
- TVS Venu Group acquires 9.9% stake in Jana Small Finance Bank for ₹5.1 bn

Defence

- Bharat Forge signs MoU with AP govt to establish India's first pvt sector marine gas turbine repair, overhaul and development facility at Vizag
- Nibe Ltd successfully conducted firing trials of its indigenous Suryastra rockets with strike ranges of 150 & 300 km

FMCG

- PepsiCo to invest ₹57 bn in MP, Assam & TN until 2030 to increase prod capacity
- Varun Beverages extends PepsiCo bottling license until 2049, eases restriction to diversify beyond PepsiCo business

Real Estate

- Mahindra Lifespaces launches ₹16.5 bn ultra-premium residential project in Mumbai
- Puravankara has secured a 14.6-acre land parcel in Bengaluru with GDV of ₹23 bn

Others

- Tata Electronics & ASML sign MoU to build India's 1st front end 300 mm semiconductor fabrication plant in Guj
- Tega Industries, in partnership with Apollo Global, has acquired Molycop at \$1.5 bn EV
Molycop is a leading global supplier in grinding media to the mining industry
- Bharti Airtel to raise stake in Airtel Africa through ₹282.2 bn share swap deal with promoter
Their holding in Airtel Africa is expected to rise to 79%
- Dalmia Bharat to acquire Jaiprakash Associates' cement assets (5.2 MTPA cement & 3.3 MTPA clinker capacity) from Adani group at ₹28.5 bn EV

CAPEX UPDATE

AI & Tech

- L&T to invest ₹450 bn in green hydrogen, data centres & semiconductors over next 5 years
- Sterlite Technologies to invest upto \$100 mn in USA to strengthen its manufacturing capacity in AI Data Centres & Telecom

Automotive

- JK Tyre to invest ₹49.8 bn to expand tyre capacity by 24% to ~26 mn p.a. by FY30
- Apollo Tyres to invest ₹35 bn capex for growth & capacity expansion *₹30 bn will be spent in India with balance in Europe*
- TVS Motor to invest ₹35 bn to expand capacity by 1.5 mn units to 8.3 mn units
- Eicher Motors to invest ₹22 bn in a greenfield AP plant, expanding capacity by 0.9 mn units to 2.9 mn
- Hero MotoCorp to invest ₹15 bn in FY27 to expand cooters, EV portfolio
- Toyota Kirloskar to invest ₹12 bn in Karnataka's KWIN City for vehicle manufacturing and testing

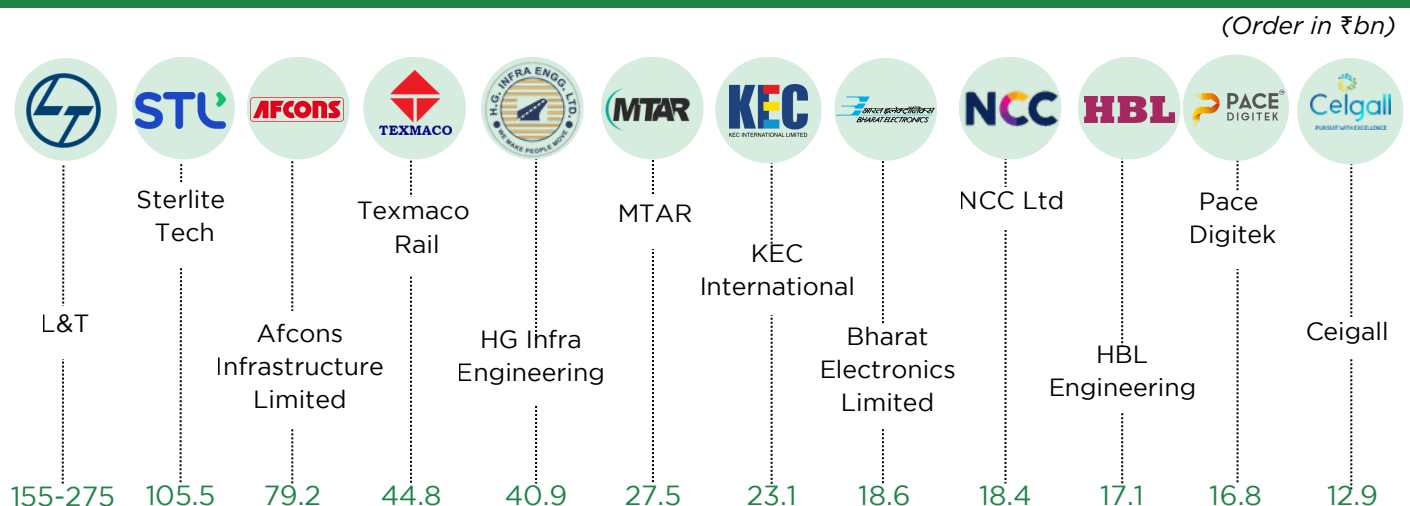
Metals & Energy

- RIL, NTPC, Adani & Bajaj group to invest ₹6.5 tn in nuclear energy sector in Mah *Aims to add 25.4 GW power generation capacity*
- Coal India to invest ₹1 tn through FY31 across mining infrastructure, evacuation systems, coal gasification, thermal power & clean energy projects
- Ola Electric to invest ₹20 bn investment in EV & Cell manufacturing subsidiary

Others

- APSEZ to invest ₹1 tn over FY31 across container terminals, liquid cargo facilities and logistics networks *₹600 bn allocated for domestic port expansion to add 143 MTPA capacity*
- SRF to invest ₹23 bn for a 20k MTPA HFO & 30k MTPA AHF manufacturing facility in Odisha
- Bajaj Finserv to invest ₹15-20 bn in AI innovation startups over 5 yrs
- Knowledge Realty Trust to invest ₹7 bn over next 3 years to develop 1.4 mn sq ft in Bengaluru

ORDER BOOK INFLOW UPDATE



GOVT. INITIATIVES

Centre Infra & Capex

- Plan to invest \$20bn in offshore data acquisition to boost domestic O&G production
- 4 highway projects approved across Odisha, Telangana, Bihar & MP worth ₹242 bn
- Approved ₹234 bn, 3 rail multi-tracking rail projects across 6 states
- ₹206.7 bn approved for semi-high speed rail project connecting Ahmedabad & Dholera
- 2 new semiconductor projects approved worth ₹40 bn boosting chip packaging and display manufacturing

Incentives & Schemes

- ₹2.6 tn ECLGS 5.0 approved for MSMEs and airlines amid Gulf disruptions
Scheme earmarks ₹50 bn for airlines
- ₹375 bn coal gasification incentive scheme approved
Targets conversion of 75 MT into syngas & downstream products by FY30
- Govt approves ₹56.6 bn 5 yr scheme for improving India's cotton productivity
- ₹95.9 bn scheme approved in Delhi NCR to phase out ageing trucks & buses and replace them with BS-VI or EVs
- ₹2.6 tn MSP outlay approved for 14 kharif crops for FY27 with all MSPs fixed at least 50% above production costs

State Infra & Capex

- Andhra Pradesh SIPB approved 25 projects worth ~₹2 tn
Led by Reliance's ₹1.1 tn Vizag data centre
- UP govt approves 2400 MW thermal power project worth ₹330 bn
Project is 50:50 JV between NTPC & UP Rajya Vidyut Utpadan Nigam
- Odisha Mining Corporation to invest ₹8 bn to set up a 1.5 mtpa pellet plant focusing utilization of low grade iron ore

Policy & Regulation

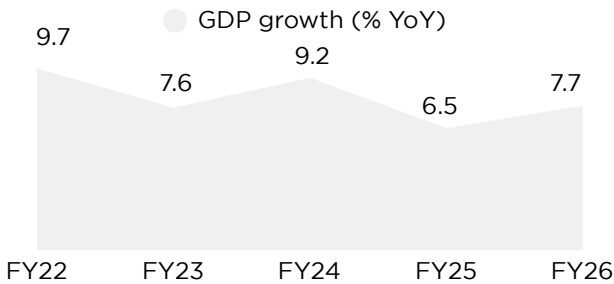
- Govt introduces 60 day approval mechanism to accelerate Chinese FDI in key sectors
- Govt waives customs duty on cotton imports till October 30th to ease textile industry input costs
- Govt bans sugar exports until 30th Sep'26
Permits 8,606 tonnes of raw sugar exports to USA under TRQ scheme
- Cabinet approves ₹10 per quintal sugarcane price hike for 2026-27 season
- Govt will release ₹900 bn as interest free capex loans to states in Q1FY27 under SASCI scheme
- Govt amends LPG rules, offers flexibility for consumers shifting to PNG

Others

- Indian Strategic Petroleum Reserves Ltd signed a MoU with ADNOC to explore the possibility of storing ADNOC crude oil at ISPRL's 2.5 MTPA underground oil storage facility in Karnataka
- Approved development of new 6 km metro corridor worth ₹21.7 bn in Ahmedabad
- Govt extends MFI Credit Guarantee Scheme till Aug 31 or ₹200bn guarantee exhaustion, whichever is earlier
- ATF prices for international flights reduced by \$400/kl, domestic kept unchanged
- Govt reduced export levies on petrol, diesel & ATF from June 1 to ₹1.5, ₹13.5 & ₹9.5 /litre, respectively
Domestic fuel tax rates remain unchanged
- Govt directs OMCs to build 30 day LPG storage capacity

INDIA UPDATE

- ▲ India's GDP grew 7.7% in FY26, with Q4FY26 growth at 7.8%



- ▲ India's pvt sector capex rose 67% YoY to ₹7.7 tn in Sep'25
Manufacturing contributed ₹3.8 tn while services contributed ₹3.1 tn

- ▲ India's retail inflation at 3.5% in Apr'26 vs 3.4% in Mar'26 driven by rising food prices

- ▲ India's WPI inflation at 42-month high of 8.3% in Apr'26, driven by fuel prices spiking 24.7% due to the West Asia crisis

- ▲ India adds record 15.3 GW of solar capacity during Q1CY26, up 143% YoY
Solar accounted for 77% of the 19.9 GW total power capacity added

300 GWh of renewable energy was curtailed due to transmission constraints, this accounted for 2/3rd of total curtailment



- ▲ IMD cuts monsoon forecast to 90% of normal amid emerging El Niño risks

- ▲ Govt cuts down urea & DAP req for Kharif season from 19.4 MMT & 5.9 MMT to 19 MMT & 5.6 MMT, respectively due to El Niño

- ▲ India's finished steel consumption rose 8.1% in Apr'26 to 13 MT

- ▲ India's FCI foodgrain reserves reached 60.4 MT as of April 1
This is 3x of the mandatory buffer of 21 MT

- ▲ E-way bill generation grew 12% YoY in Apr'26 to 133.4 mn

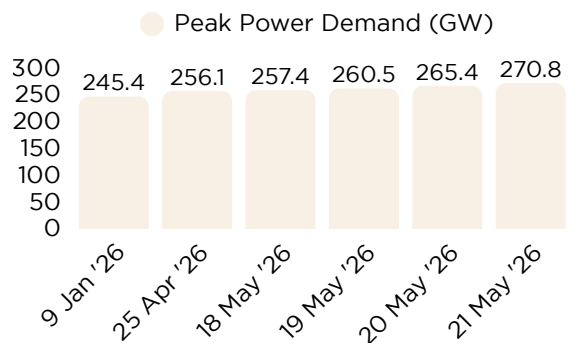
- ▲ Indian pharma market grew 10.3% in Apr'26 with sales at ₹217 bn - Pharmarack report

- ▲ May'26 net GST collection rises 3.3% to ₹1.7 tn
Excluding a ₹100 bn one-time payment on account of spectrum allocation, normalized gross & net GST grew at 9% & 10.1%, respectively

Growth largely supported by import linked revenues. Gross GST from imports grew 19.1% YoY to ₹596.5 bn while net customs increased 19.7% to ₹494 bn



- ▲ India's power consumption grew 11.6% YoY to 165 bn units in May'26
Peak power demand jumped to 271 GW



- ▲ Life insurers' NBP rose 39% YoY to ₹305.5 bn in Apr'26
LIC's NBP grew 38% YoY to ₹187.8 bn while pvt insurers grew 41% to ₹117.7 bn

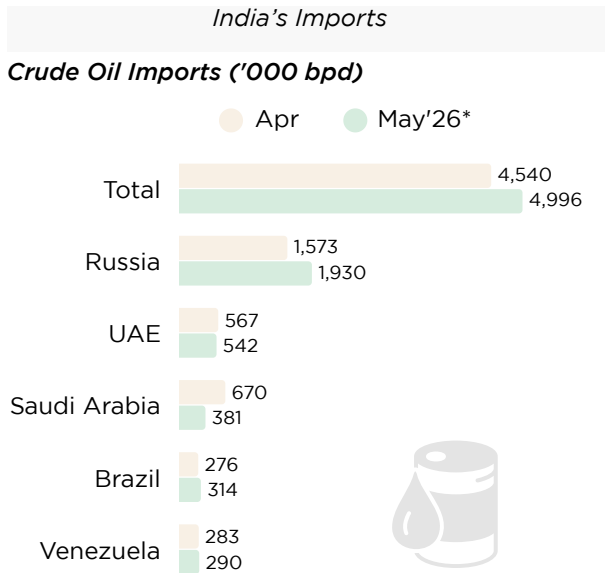
- ▲ Non-life insurers' premium grew 8.7% YoY to ₹241.2 bn in May'26 led by growth in general (+5.9%) & standalone health (+31.7%)

- ▲ India's engineering goods exports grew 8.8% to \$10.4 bn in Apr'26 with increase in USA (+7.1%) & EU (+13%) offset by West Asia & North Africa (-18.1%)

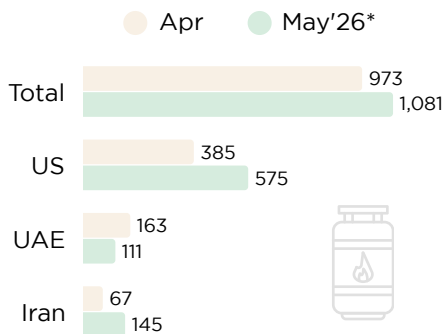
- ▲ India's petroleum consumption fell 4.6% YoY to 19.3 MMT in Apr'26
LNG imports plunged 29.6% to 1,954 MMSCM

INDIA UPDATE

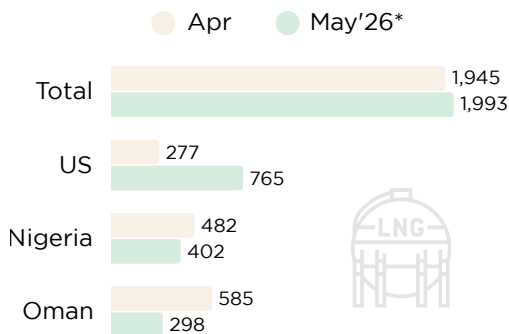
▲ India's May'26 crude oil & LPG imports up 10% & 11% MoM to 5 mn bpd & 1.1 MT, respectively (kpler)



LPG Imports ('000 tonnes)



LNG Imports ('000 tonnes)



* till May 28

▲ India shipped a record ~2 MT seafood exports worth \$8.5 bn in FY26

▲ Policies with sum assured > ₹20 mn accounted for 34% of term insurance sales in FY26 vs 24% in FY25 - Policybazaar

▲ Domestic PV sales grew 25.4% YoY to 440k units in May'26, with e4W registrations up 82% YoY to 25.5k units

Company	May 2026 Sales (Units)	YoY Change (%)
Maruti Suzuki	190,337	40
Tata Motors PV	59,090	42.2
Mahindra & Mahindra	58,021	10.7
Hyundai	47,837	9.1
Toyota Kirloskar	30,574	4.4
Kia India	27,586	23.6
Total*	440,000	25.4

*Total includes other players also

May'26 saw interesting trends in the auto industry

- Major players reported price hikes in their products driven by increasing commodity & raw material prices
- MSIL reported a 147% & 31% YoY jump in its mini & compact segment to 16.3k & 81.5k units, respectively, indicating possible downtrading
- It also reported 1.4x increase in its CNG bookings. TMPV reported 2.5x surge in EV bookings since the conflict began. Electric 2W registrations also grew 58% YoY to 164k units in May'26

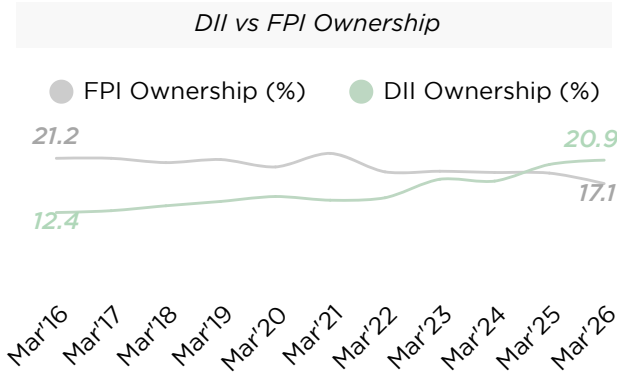


▲ India's currency in circulation rose 11.5% YoY to a record ₹42.9 tn as of May 15

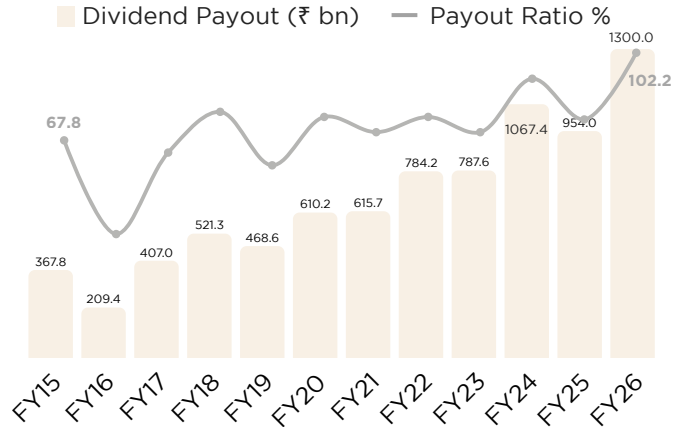
▲ India's domestic air traffic fell 4.2% YoY to 13.8 mn flyers in Apr'26
IndiGo expanded market share to 65% from 63.3% in March

CAPITAL MARKET UPDATE

▲ DII holdings in Nifty 500 increase to a record 20.9% while FII falls to an all time low of 17.1% in Mar'26
FII to DII ownership ratio contracted to 0.8x



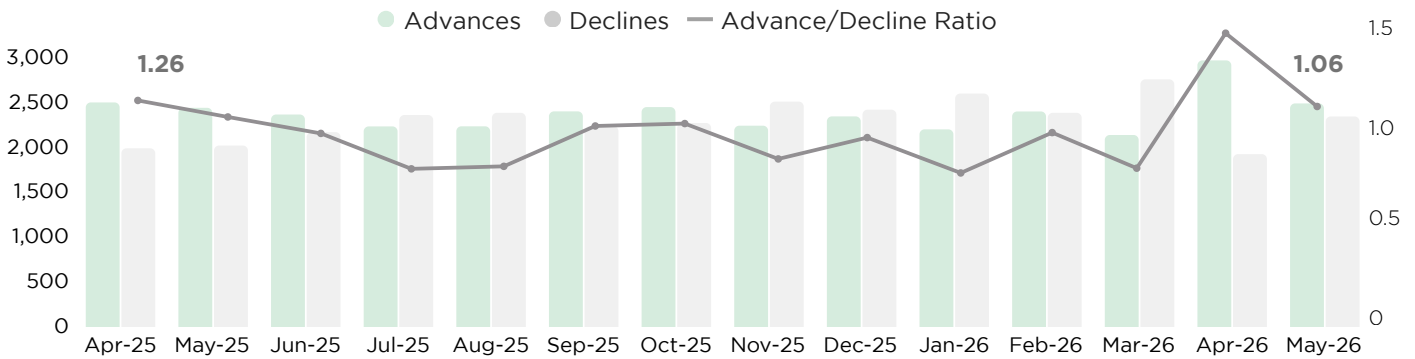
▲ India's top 16 IT services companies paid a record ₹1.3 tn in dividend & buyback in FY26, up 36.3% YoY



▲ Share of Active equity schemes fell from 44.8% in FY25 to 43.4% in FY26
First decline in share in industry's AUM since COVID

▲ SEBI proposes allowing employers to pay part of employee salaries in mutual fund units
Also proposes AMC's to pay distributor commissions partly in MF units

▲ BSE advance-decline ratio stood at 1.1 in May'26, with 2498 stocks gaining and 2352 declining



Promoter Significant Stake Sale

Company	Seller	Stake	Value (₹ bn)
Billionbrains Garage Ventures Ltd	Peak XV, Ribbit Capital, YC Holdings	4.7%	53.6
Premier Energies Ltd	Promoters	5.3%	22.9
One 97 Communications Ltd	SAIF Partners & Elevation Capital	1.3%	9.6
Alkem Laboratories Ltd	Promoters	1.5%	9.3
PB Fintech Ltd	Promoters	0.8%	6.7


▲ SEBI issues interim order against Rajesh Exports & promoter alleging 97-99% revenue inflation

INTERNATIONAL UPDATE

USA 

- ▲ USA proposes tariffs of up to 12.5% on imports from 60 economies over forced-labour concerns
Countries include UK, India, China, Japan and South Korea
- ▲ USA doubles Section 232 tariffs on steel and aluminium to 50%
- ▲ USA Treasury expects to borrow \$189 bn in Q2, \$79 bn above prior forecast
- ▲ USA adds 172k jobs in May'26 led by hospitality, healthcare and local govt
- ▲ USA wholesale inflation rises 6% YoY in Apr'26, highest since Dec'22
- ▲ SpaceX files for its IPO aiming to raise \$75 bn at a \$1.8 tn valuation
Anthropic & OpenAI confidentially file for their IPOs as well

We are definitely in a moment where there's more greed than there is fear
David Solomon, CEO - Goldman Sachs

China **Trump visits China**

- China commits to buy at least \$17 bn of USA farm products annually through 2028; orders 200 Boeing aircraft
- Both sides agreed to address rare-earth supply disruptions and establish formal trade mechanisms to reduce future tariff escalations

- ▲ China's exports surge 19.4% YoY in May'26 with trade surplus at \$105.4 bn vs \$84.8 bn in Apr'26

EU 

- ▲ EU approves tariff cuts on USA imports to avoid higher duties on car exports
EU will remove tariffs on many USA industrial goods while accepting a 15% USA tariff on most exports
- ▲ EU unveils Tech Sovereignty Package to prioritize European software, cloud and AI in public contracts
- ▲ Eurozone inflation rises to 3.2% in May'26 with energy prices up 10.9% YoY
Inflation at highest level in over two years

Rest of the World 

- ▲ OPEC+ ministers decide to increase oil quotas by 188k bpd for July'26
- ▲ Taiwan and South Korea surpass India in global market-cap rankings amid semiconductor-led rally
Strong gains in AI-linked chipmakers including TSMC, Samsung and SK Hynix
- ▲ Samsung allocates 12% of chip-unit profits to employees under new labor agreement
Translates into \$340k/employee bonus for 2026

INDIA ECONOMIC DATA

Economic Indicator	Apr'26	Mar'26	Apr'25
WPI inflation (in%)	8.3	3.9	0.9
CPI inflation (in%)	3.5	3.4	3.2
Core Sector Growth (in%)	1.7	1.2	1.0
Trade Deficit (in bn\$)	28.4	20.7	27.1



India's WPI rose to a 42 month high of 8.3% in April primarily led by higher fuel & power prices (+24.7% in April vs 1.1% in March) due to the West Asia crisis

Economic Indicator	May'26	Apr'26	May'25	MoM	YoY
Composite PMI	59.3	58.2	59.3	1.9%	0.0%
GST Collection (in ₹tn)	1.9	2.4	1.9	-20.0%	3.2%
AVG USD INR	95.4	93.4	85.2	2.2%	12.0%
Forex Reserves (\$ bn)	682.3	690.7	691.5	-1.2%	-1.3%

*All the numbers are rounded to a single decimal place

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	<p>Indian IT - From Cash Cows to Code Red</p>
	<p>The Calm before the Credit Storm</p>
	<p>Siddhartha Bhaiya, FM Brief @PMS Bazaar</p>

Note: Figures are rounded and approximate, based on latest available data.

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