



Monthly Newsletter

May 2026



Markets in Recovery: India & Global Trends (Apr 2026)

Market Recap — April 2026

April 2026 Performance				
Nifty 50 23997.55 +7.46 %	BSE Sensex 76,913.50 +6.90 %	Mid Cap 59784.85 +13.55 %	Small Cap 18,007.15 +18.44 %	Gold (₹/10g) 1,53,000 +3.14 %

Indian equities staged their strongest monthly recovery in 28 months as the US–Iran ceasefire announced mid-April reversed the worst of the March drawdown. The Nifty 50 rose 7.46% to close at approximately 23998, while the BSE Sensex advanced 6.90% to 76,914 — partially undoing the previous month's 11%+ rout. Mid-cap and small-cap indices outperformed sharply, gaining 13.55% and 18.44% respectively as risk appetite returned across the broader market.

The trigger for the rebound was the mid-April US–Iran ceasefire agreement, which de-escalated the Strait of Hormuz crisis and saw Brent crude pull back from \$119/bbl peaks to the \$95–102 range during the month. Cheaper valuations after March's selloff, a steady Q4 FY26 earnings season, and the RBI's April 6–8 MPC decision to hold the repo rate at 5.25% with a neutral stance further supported sentiment. Notably, FPIs continued to sell — net outflows of approximately ₹60,847 crore in April per NSDL — but the pace moderated meaningfully versus March's record ₹1.17 lakh crore exit.

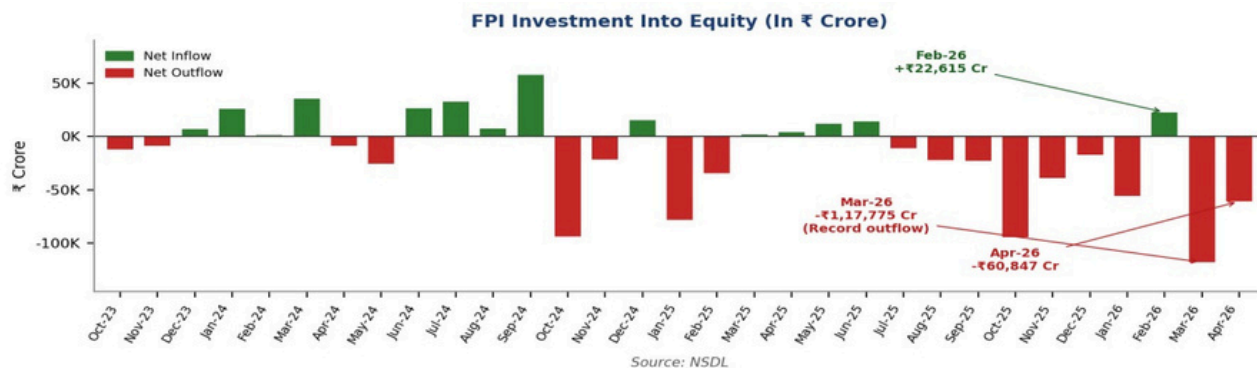
Sector leadership was led by Realty (+21.9%), Media (+15.4%), Metal (+15.2%), FMCG (+12.2%), and Bank (+9.1%) as oil-sensitivity reversed and rate-sensitive sectors benefited from RBI's pause. Adani group names led individual gainers (Adani Enterprises +37%, Adani Ports +26%) on the back of relief rally and stake-related newsflow. IT was the standout laggard — the Nifty IT index posted small negative returns as Q4 earnings commentary from TCS, Infosys and HCL Tech underscored cautious client spending and intensifying AI-led pricing pressure.

Global Market Overview

Global equities recovered through April as the ceasefire and a softening in Fed rhetoric reduced systemic risk. The S&P 500 closed up roughly 4–5% for the month, recouping a meaningful share of March losses. Brent crude unwound to around \$80–85/bbl in mid-April after the truce, before re-accelerating to ~\$101.91/bbl on April 22 as Iran seized two ships near the Strait of Hormuz, signalling the ceasefire's fragility. The IEA flagged ongoing structural risk to MENA supply, while Goldman Sachs and Moody's left their downward revisions to India's CY2026 GDP growth (5.9–6.2% range) intact pending durable de-escalation.

The RBI on April 8 held the repo rate at 5.25% with a neutral stance, citing supply-side uncertainty from West Asia. The MPC cut its FY27 GDP forecast modestly to 6.9% and projected FY27 CPI at 4.6% (with core ex-food/fuel at 4.4% — its first explicit core projection). The CPI March 2026 print released April 14 came in at 3.40% (Provisional, MoSPI) vs 3.21% in February, while WPI for March released April 15 jumped to 3.88% (Provisional, DPIIT) from 2.13% in February — confirming oil-led wholesale pressure feeding through with a lag. Forex reserves stabilised in the \$700–720 billion range as RBI scaled back intervention post-ceasefire.

April 2026: Recovery Amid Continued FPI Outflows



➤ US–IranWar:April2026Developments

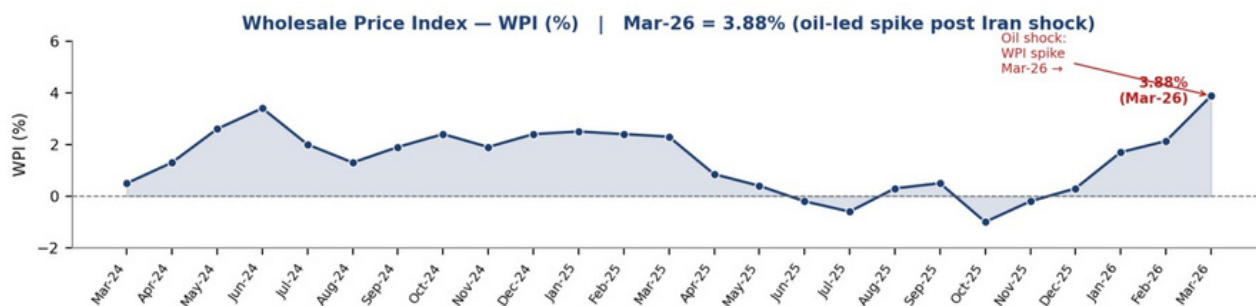
- April 1: Brent crude continues to trade above \$110/bbl in early April amid ongoing Strait of Hormuz disruption; Qatar Energy's Force Majeure on LNG cargoes remains in force from late March.
- April 6–8: RBI MPC unanimously holds repo rate at 5.25% with a neutral stance; Governor Sanjay Malhotra cites supply-side risks from West Asia and revises FY27 CPI forecast up to 4.6%.
- Mid-April (week of Apr 13): US-brokered ceasefire announced between Washington, Tel Aviv and Tehran; oil corrects sharply with Brent falling toward \$85–90/bbl on partial reopening of the Strait of Hormuz.
- April 17: USS Pinckney (DDG 91) commences blockade and freedom-of-navigation operations in the Indian Ocean and northern Arabian Sea under "Project Freedom" to protect commercial shipping.
- April 22: Iran's IRGC seizes two container vessels in the Strait of Hormuz; Brent crude spikes 3% to settle at \$101.91/bbl as ceasefire credibility deteriorates. Equity markets see a sharp risk-off intraday move.
- Late April: India's forex reserves stabilise around \$710 billion as RBI throttles back intervention; the rupee trades in a 92.50–94.00 band against the dollar with two-way volatility for the first time since the war began.
- Throughout April: Mojtaba Khamenei consolidates internal power within the IRGC; UN-mediated backchannels begin in Doha but no durable framework on Hormuz transit security emerges by month-end.

➤ FPI Activity—April 2026

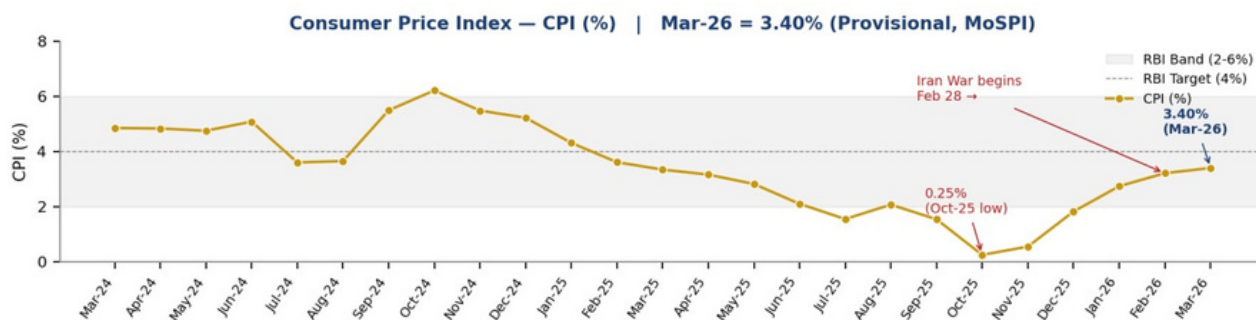
- FPIs net sold approximately ₹60,847 crore (~\$6.9 billion) in Indian equities in April 2026 per NSDL—the second largest monthly outflow on record, but markedly smaller than March's record ₹1.17 lakh crore exit.
- Selling concentrated in Financials, IT, and Auto—the three largest weight sectors in the Nifty 50—even as Realty, Metal and FMCG attracted selective inflows during the post-ceasefire week. Domestic institutions absorbed the bulk of FPI supply, with mutual fund equity AUM hitting fresh highs.
- Cumulative CYTD 2026 FPI equity outflow has crossed ₹1.88 lakh crore through April-end—already 1.5x the entire FY25 full-year outflow in just four months. The currency-hedged outflow is somewhat smaller given RBI's defence of the rupee.
- Despite continued FPI selling, broader market breadth was strongly positive—Nifty 500 +10.5%, Nifty Smallcap 100 +18.4%, Nifty Midcap 100 +13.6%—as DIIF flows, retail SIP momentum (~₹26,000 crore/month run-rate), and short-covering drove the recovery.

India's Inflation Update: WPI and CPI Figures

WPI



CPI



Source: MoSPI, DPIIT

- CPI for March 2026 came in at 3.40% (Provisional, MoSPI, released April 14, 2026) vs 3.21% in February — the first clear oil-pass-through reading. WPI for March 2026 was 3.88% (Provisional, DPIIT, released April 15, 2026) vs 2.13% in February, with crude petroleum & natural gas WPI up 36.16% MoM driving the headline jump. April data is due May 13–14 and is expected to remain in the 3.4–3.8% CPI range as oil partially unwinds.

- The RBI Monetary Policy Committee on April 8, 2026 held the repo rate unchanged at 5.25% with a neutral stance — its second consecutive pause. The MPC raised its FY27 CPI forecast to 4.6% (vs 4.0% earlier) and gave a first-ever explicit core inflation projection of 4.4%, while trimming FY27 real GDP growth to ~6.9%.

- Governor Sanjay Malhotra explicitly cited West Asia conflict-driven supply uncertainty as the reason for the pause, noting that "real rates remain in restrictive territory" and that the cutting cycle is "largely complete" unless inflation surprises materially below target. Bond markets rallied into the policy on ceasefire news, with the 10-year G-sec yield easing to ~6.45% from ~6.65% in late March.

- Risk to the inflation outlook: (i) re-escalation of the Strait of Hormuz disruption pushing Brent back above \$110/bbl could add 40–60 bps to headline CPI per 10% crude move; (ii) an emerging El Niño risk flagged by IMD could pressure food prices into Q2 FY27; (iii) excised duty cut on petrol/diesel announced in late March only partially passed through, with residual upside risk to fuel CPI.

- The next MPC meeting is scheduled for June 3–5, 2026. Market consensus is positioned for a continued pause through Q2 FY27, with the first cut not priced until late Q3 FY27 conditional on durable ceasefire and a sub-4.5% core CPI print sequence.

Market Performance Snapshot: April 30, 2026

Script Name	Apr-26 Close	30D %
Top 5 Nifty 50 Gainers		
ADANIENT	2,408.40	+37.0%
ADANI PORTS	1,677.00	+26.3%
TRENT	4,114.60	+25.8%
NESTLEIND	1,458.60	+24.2%
HINDALCO	884.45	+17.4%
Top 5 Nifty 50 Losers		
INFY	1,281.00	-7.0%
TCS	2,468.40	-4.8%
HCLTECH	1,404.00	-4.0%
WIPRO	194.49	-2.8%
TECHM	1,404.50	-2.5%

Index	Apr-26 Close	30D %
NIFTY REALTY	12,833.0	+21.9%
NIFTY METAL	1,456.0	+15.2%
NIFTY MEDIA	51,072.0	+15.4%
NIFTY FMCG	37,273.0	+12.2%
NIFTY CONSUMER D.	25,917.60	+12.9%
NIFTY AUTO	54,863.35	+9.0%
NIFTY BANK	22,605.0	+9.1%
NIFTY FIN. SVCS.	6,480.0	+9.0%
NIFTY PSU BANK	26,300.0	+9.5%
NIFTY CHEMICALS	21,295.0	+8.0%
NIFTY PHARMA	13,070.0	+5.0%
NIFTY HEALTHCARE	10,240.0	+4.5%
NIFTY OIL & GAS	27,260.0	+1.5%
NIFTY IT		-2.1%

Source: NSE, ICICI Direct Research, Outlook Money. Prices and percentage moves rounded; April 2026 figures are point-to-point monthly returns calculated from end-March to end-April closes.

Rolling Monthly Index Returns (%)

Particular	Ma y-2 5	J un-2 5	Jul-25	Aug-2 5	Sep-25	Oct-25	Nov-2 5	Dec-25	Jan-26	Fe b-2 6	Mar-26	Apr-26
Nifty 50	+1.7%	+3.1%	-3.5%	-1.4%	+0.8%	+4.5%	-0.5%	-0.3%	-3.2%	+2.3%	-11.3%	+7.5%
Nifty Midcap 50	+4.5%	+5.3%	-2.3%	-3.1%	+1.5%	+6.7%	-1.2%	-1.2%	-4.5%	+1.2%	-8.9%	+13.6%
Nifty Smallcap 50	+7.8%	+7.3%	-2.3%	-4.7%	+1.6%	+5.3%	-1.8%	-2.3%	-3.4%	+1.2%	-9.5%	+18.4%
Nifty 500	+3.5%	+3.6%	-3.0%	-2.0%	+1.2%	+4.3%	-0.8%	-0.9%	-3.6%	+1.8%	-11.0%	+10.5%

Source: NSE / niftyindices.com

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