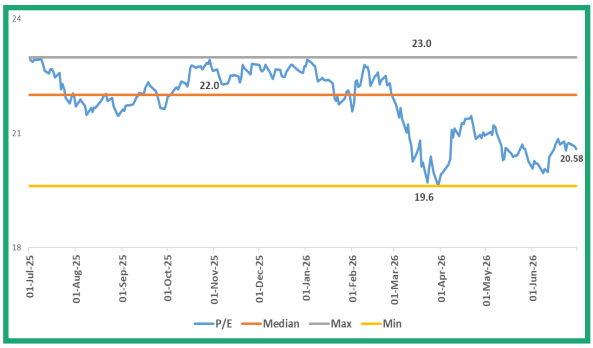
Monthly Market Wrap

June 2026

NIFTY 50 P/E

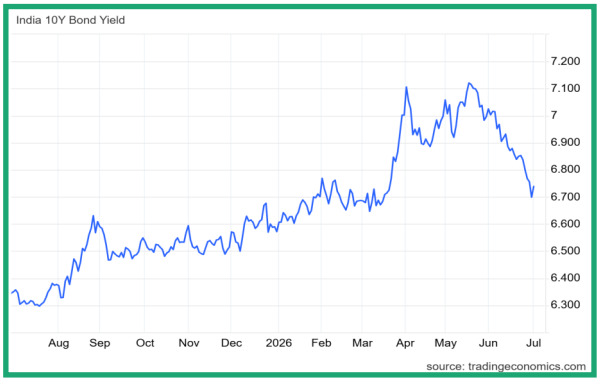


Source: Nifty Indices, GEPL Capital

Crude Oil

Source: Trading Economics

Bond Yield



Source: Trading Economics

USD/INR

Source: Trading Economics

- **INDEX MOVEMENT**

⇒ The Nifty ended the June series at 23,865, gaining 1.35%, while forming a Doji candlestick, reflecting indecision. The index continues to trade between the 50-day and 100-day EMAs, with a decisive breakout likely to determine the next directional move.

⇒ Despite the consolidation, the broader market bias remains positive, supported by improving market breadth. Additionally, July seasonality remains favorable, with historical data (2009-2025) showing 76% positive occurrences and an average return of 2.26%, making it the strongest month for the Nifty.

- **CRUDE OIL MOVEMENT**

⇒ Brent Crude has corrected nearly 39% from its recent high of $119 and is currently trading around $72.50, returning to its pre U.S.-Iran conflict levels.

⇒ The decline has been driven by the reopening of the Strait of Hormuz and easing geopolitical tensions, which have significantly reduced the risk premium embedded in crude oil prices.

- **INDIA BOND YIELD MOVEMENT**

⇒ The Indian 10-year government bond yield has faced a strong rejection at the multi-year downward-sloping trendline connecting the 2013 and 2018 swing highs. Following this rejection, the yield has declined from its recent high of 7.14% to around 6.70%, indicating a resumption of the prevailing downtrend.

⇒ The current price structure suggests that bond yields are likely to remain under pressure in the near term, with the next major support placed around the 6.60% level.

- **CURRENCY (USD/INR) MOVEMENT**

⇒ USD/INR has witnessed a decisive breakout from a falling wedge pattern while also forming a double-bottom pattern near the 50% Fibonacci retracement level, signalling a potential trend reversal.

⇒ The pair continues to sustain above its 20-day EMA, indicating that the recovery is likely to extend towards the 95.80-96.90 zone.

⇒ Adding to the bullish outlook, momentum indicators have registered a positive hidden divergence, reinforcing the likelihood of further upside in the near term.

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ACTIONABLE POINTERS

⇒ Despite the consolidation, the broader market bias remains positive and the July seasonality remains favourable. The upside level is at 24,300 and 24,500 and downside support at 23800 and 23,500.

⇒ The current market volatility should act as an opportunity to add to positions. Historical trends show that despite FII selling, DIIs have been buying more than FIIs are selling, providing a liquidity cushion.

⇒ Earnings season should begin in the second week of July 2026, which will act as a key trigger. Further companies in the Banks, FMCG, Realty, Metals, and Jewellery sectors will start reporting provisional operational numbers for Q1 FY2027 from the start of the month.

⇒ Rainfall will be the biggest domestic macro trigger. A deficient monsoon could lead to higher food inflation, pressure RBI policy, and impact rural consumption. Conversely, normal rainfall would be positive for FMCG, tractors, fertilizers, and rural-focused companies.

Sectoral View

⇒ In the Power sector, All-India electricity generation grew 11.6% YoY to 166.5 BU. Peak power demand came at ~264 GW on June 2026, due to intense heat waves, following the record-breaking peak demand in May 2026. Stocks to watch out for includes Tata Power, NTPC, and Waaree Energies.

⇒ In the Automobile sector, major companies such as Tata Motors, Maruti Suzuki, TVS Motors, and Bajaj Auto posted strong sales growth for the month of June 2026 on a YoY basis. The healthy performance across the segment indicates continued support to the consumer, infrastructure, and rural momentum. Stocks to watch out for includes TVS Motors, Mahindra & Mahindra, SJS Enterprises, and Fiem Industries.

⇒ Chemicals sector should be in the watchlist as the removal of Chinese export rebates may shift market share to Indian players. Stocks to watch out for includes SRF and Navin Fluorine International.

Conclusion

The overall backdrop remains constructive but volatile. India's domestic growth remains resilient, supported by strong PMI, consumption, government capex, and DII inflows. However, oil prices, monsoon outcomes, inflation, and geopolitical developments are likely to determine market direction over the next few months. A disciplined, staggered investment approach with a focus on quality businesses is likely to outperform aggressive positioning in this environment.

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ECONOMIC UPDATES

⇒ The US and Iran signed a memorandum of understanding (MoU) to end hostilities, implementing an immediate ceasefire and launching a 60-day negotiation period to finalize a comprehensive agreement. The pact includes the reopening of the Strait of Hormuz—a critical global energy shipping route—and the lifting of the US naval blockade. The agreement has eased geopolitical tensions, reducing concerns over potential supply disruptions and leading to a moderation in elevated crude oil prices.

⇒ The US Federal Reserve kept its benchmark interest rate unchanged at 3.50%-3.75% at its June policy meeting, citing persistently elevated inflation, with CPI remaining above 4%, largely driven by higher energy prices. While rates were left unchanged, the Fed maintained a hawkish stance, signalling that further rate hikes could be considered later in CY2026 if inflation continues to remain above its 2% target.

⇒ The India-UK Free Trade Agreement (FTA) is set to come into effect on July 15, 2026, granting duty-free access to nearly 99% of Indian exports to the UK and significantly enhancing the competitiveness of key export sectors. Major beneficiaries include textiles, leather, engineering goods, processed food, and marine products, with tariffs of up to 70% on processed food, 21.5% on marine products, 18% on engineering goods, 16% on leather and footwear, and 12% on textiles being progressively reduced to zero under the agreement.

⇒ The Finance Ministry is set to approve a Budget allocation of ₹1.25 lakh crore for the India Semiconductor Mission (ISM) 2.0, reinforcing the country's ambition to emerge as a global semiconductor manufacturing hub. The proposed outlay marks a sharp increase from the ₹76,000 crore allocated under ISM 1.0, underscoring the government's stronger commitment to building a robust domestic chip ecosystem. ISM 2.0 will focus on strengthening semiconductor equipment and materials manufacturing, fostering indigenous intellectual property, and developing resilient supply chains to position India as a preferred global semiconductor destination.

GLOBAL INDEX PERFORMANCE

GLOBAL INDICES PERFORMANCE				
INDEX	PRICE	52W H	52W L	1M % CHANGE
DOW JONES INDUSTRIAL AVERAGE	52,123	52,656	43,341	2%
NASDAQ	26,214	27,190	20,182	-3%
HANG SENG	22,881	28,056	22,518	-10%
NIKKEI 225	70,435	72,832	39,289	6%
KOSPI	8,326	9,386	3,053	-6%

FII & DII MOVEMENTS

(in Cr)	Jun-26	May-26	Apr-26	Mar-26	Feb-26
FIIs	-49,029	-55,963	-70,135	-1,22,540	-6,641
DIIs	85,800	82,669	51,064	1,42,960	38,423

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