

05 June 2026

Key International events:

According to a report by MNI Indicators, the **Chicago Business Barometer**, a leading indicator for the US economy, **spiked to 62.7 in May 2026 from 49.2 in April 2026**. Economists had expected the index to rise to 51.2.

According to the US Institute for Supply Management, the **US Manufacturing Purchasing Managers' Index (PMI)** rose to **54.0 in May 2026 from 52.7 in April 2026**. Economists had expected the index to inch up to 53.1.

As per data from the US Institute for Supply Management, the **US Services PMI** rose to **54.5 in May 2026 from 53.6 in April 2026**. Economists had expected the index to tick up to 53.7.

According to payroll processor ADP, **private sector employment in the US shot up by 122,000 jobs in May 2026 after increasing by a downwardly revised 105,000 jobs in April 2026**. Economists had expected private sector employment to surge by 117,000 jobs against the addition of 109,000 jobs originally reported for April 2026.

The **Office of the US Trade Representative (USTR)** has proposed an **additional tariff of 12.5% on India and 53 other economies, including China, Vietnam and the UK**, after an investigation concluded that these countries failed to address the import of goods made with forced labour.

As per data from the US Labor Department, **initial jobless claims in the US climbed to 225,000 in the week ended May 30, 2026, an increase of 13,000 from the previous week's revised level of 212,000**. Economists had expected jobless claims to edge down to 212,000 from the 215,000 originally reported for the previous month.

As per final survey results from S&P Global, the **Euro Area Manufacturing Purchasing Managers' Index (PMI)** fell to **51.6 in May 2026 from a near four-year high of 52.2 in April 2026**. The flash score was 51.4.

As per flash data from Eurostat, **Euro area inflation rose to 3.2% YoY in May 2026 from 3.0% YoY in April 2026**. Inflation accelerated to the highest since 2023 as the Middle East conflict continue to push energy prices higher, strengthening the chances of an interest rate hike from the European Central Bank next week.

As per final survey data from S&P Global, the **Euro Area final Composite Purchasing Managers' Index (PMI)** dropped to **48.5 in May 2026 from 48.8 in April 2026**. However, the score was above the flash estimate of 47.5.

Survey data from S&P Global revealed that **China's Headline RatingDog Manufacturing Purchasing Managers' Index (PMI)** fell to **51.8 in May 2026 from 52.2 seen in April 2026**. Economists had expected the index to fall to 51.4.

As per survey data from S&P Global, **China's RatingDog Services Purchasing Managers' Index (PMI)** rose to **54.4 in May 2026 from 52.6 in April 2026**, exceeding expectations of 52.3. Services activity expanded at its fastest pace in three months as stronger demand and new client acquisitions boosted business activity.

According to S&P Global, the **final Japan Services Purchasing Managers' Index (PMI)** fell to **50.0 in May 2026 from 51.0 in April 2026**, marking the end of a 13-month expansion streak.

As per survey data from the Japanese Cabinet Office, **Japan's seasonally adjusted Consumer Confidence Index** rose to **33.6 in May 2026 from 32.2 in April 2026**. The expected score was 32.0.

Key Domestic events:

As per RBI data, bank credit growth remained resilient despite prevailing geopolitical uncertainties, with loans expanding faster than deposits. **Bank credit rose 16.2% YoY to Rs 211.87 trillion and deposits grew 12.2% YoY to Rs 256.88 trillion in the fortnight ended May 15, 2026**, leaving a gap of about 400 bps.

As per RBI data, **India's forex reserves dropped USD 7.51 bn to USD 681.38 bn during the week ended May 22, 2026**. In the previous reporting week, the kitty had dropped by USD 8.09 bn to USD 688.89 bn. Foreign Currency Assets decreased USD 2.87 bn to USD 543.03 bn and Gold reserves also declined USD 4.53 bn to USD 114.79 bn during the week.

According to RBI's annual report, **its gains from foreign exchange transactions rose 52% YoY during FY26**. The gains stood at Rs 1.69 trillion in FY26 against Rs 1.11 trillion during FY25. In FY26, the central bank sold a gross USD 195 bn in the spot market to curb volatility in the foreign exchange market.

As per RBI data, **its outstanding net short Dollar position in the forward market decreased for the first time in six months to USD 95.30 bn at the end of April 2026 from USD 103.06 bn at the end of March 2026**.

According to a PTI poll of economists and treasury heads, **the RBI is likely to keep the benchmark Repo Rate unchanged in the June 2026 monetary policy review**. Most participants expect at least two rate hikes during the fiscal year, while some anticipate more than two increases if inflationary pressures intensify.

According to the Commerce and Industry Ministry, **the government will gradually phase out the Wholesale Price Index (WPI) and introduce a detailed Producer Price Index (PPI) covering output, input and services prices**. The DPIIT will release the revised series of WPI with new base year 2022-23 on June 15, 2026 which would replace the existing series with base year 2011-12.

According to Gartner Inc, **end-user spending on public cloud services in India is forecast to grow 28.1% YoY to total USD 17.5 bn in 2026, up from USD 13.7 bn in 2025**. Infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS) are expected to be the fastest-growing segments in India's cloud market, projected to grow 40% YoY and 25.4% YoY, respectively.

The **Organisation for Economic Co-operation and Development (OECD)** raised its growth forecast for India by **20 bps to 6.3% YoY for FY27**. However, it flagged that energy price shocks amid the conflict in West Asia are weighing on economic activity and rekindling inflationary pressures.

As per data compiled by S&P Global, the **HSBC India Services Purchasing Managers' Index (PMI)** rose to **59.8 in May 2026, up from 58.8 in April 2026**. The reading was the highest since November 2025, when it was also 59.8.

The **RBI has rejected media reports claiming that it has sold gold, insisting its stock of the yellow metal remained unchanged at 880.52 tonnes**. The physical stock of gold has remained the same since April 03, 2026.

The **Union Cabinet has recommended an ordinance to ease tax rules for foreign investors in some categories of securities**. The move comes at a time when the INR has weakened 6% against the USD, and Foreign Portfolio Investors (FPIs) have pulled out a record Rs 2.25 trillion from Indian equities since January 2026.

The **Union Cabinet approved a one-time Price Stabilisation Fund of up to Rs 100 bn to help shield scheduled Indian airlines from sharp fluctuations in Aviation Turbine Fuel (ATF) prices** amid the ongoing West Asia crisis. The budgetary support would be provided to Oil Marketing Companies (OMCs) in the form of interest-free advances through the Ministry of Petroleum and Natural Gas.

According to Kpler Ltd, **India's exports of refined petroleum products fell to about 930,000 barrels per day (bpd) in May 2026, their lowest level since October 2022**, as refinery maintenance, changing production priorities and stronger domestic demand curtailed overseas shipments.

According to a report by ICRA, **states increased their use of RBI's Special Drawing Facility window in FY26**. Reliance on Ways and Means Advances and overdraft facilities declined to multi-year lows. In FY26, 19 states availed funds under the SDF for 3,008 days, compared with 16 states for 2,809 days in FY25.

As per Bloomberg-compiled data, India's money market turnover jumped to a record as state-owned lenders stepped up borrowing to fund booming credit demand. **The value of trades in the Tri-Party Repurchase segment, which accounts for about 70% of the nation's money markets, rose to an all-time high of Rs 5.5 trillion (USD 57.8 bn) on May 13, 2026 and has stayed elevated since**.

According to the International Financial Services Centres Authority (IFSCA) bulletin, **gross premiums underwritten by IFSC Insurance Offices (IIOs) operating in GIFT City quadrupled to USD 648.68 mn in FY26 from USD 162.10 mn in FY25**, driven primarily by strong growth in the reinsurance business.

Equity Round up: BSE Sensex opened at 75,203. It made a weekly high of 76,220 and a low of 73,493 before closing 532 points lower at 74,243.

Events to watch out for the next week:**International Events**

1. US Trade Balance for Apr'26 on 09 Jun'26
2. US CPI for May'26 on 10 Jun'26
3. US PPI for May'26 on 11 Jun'26
4. Eurozone Sentix Investor Confidence for Jun'26 on 08 Jun'26
5. ECB rate decision on 11 Jun'26

Domestic Events

1. Forex Reserves for week ended 5 June 2026 on 12 June 2026
2. Bank Credit data for May'26 on 11 Jun'26

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	74,243	-0.71
Nifty 50	23,367	-0.77
BSE 100	24,848	-0.84
BSE 200	10,936	-0.90
Nifty Midcap 150*	22,252	-1.42
Nifty Smallcap 250*	17,055	0.37
BSE FMCG	17,927	-1.85
BSE HC	46,908	0.22
BSE IT	28,221	0.20
BSE Auto	57,633	-0.60
BSE BANKEX	61,479	0.57
BSE CG	80,011	-1.00
BSE CD	58,654	1.68
BSE Oil & Gas	26,556	-0.69

* BSE Midcap and BSE Small Cap indices data is not available for 5th June '26 so included Nifty Indices.

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.48% 2035)	6.99%	(-) 1 bps
Interbank Call	5.27%	(-) 9 bps
INR/USD	94.94	-0.06%
Gold (Rs/10gm)	1,54,238	-1.42%

Taken during market hours, 10 Year G-Sec (6.48% 2035) and Interbank Call as on 04 June '26

World Indices	Closing	% Change WoW
Dow Jones*	51,562	1.76
Nasdaq*	26,831	-0.32
FTSE	10,405	-0.54
DAX	25,018	-0.48
Hang Seng	24,962	-0.88
Nikkei	66,588	0.39
Bovespa^	1,70,331	-2.70
Indonesia Jakarta	5,595	-8.69

* Data as on 04 June '26, ^Bovespa as on 03 June '26

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	1468.9	1857.4	-388.5
DIIIs	441.2	257.9	183.3

Data for FPI from 29 May 2026 to 03 June 2026. Data for DII from 29 May 2026 to 01 June 2026.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,367	23,440	73

*June 2026 Expiry

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