

12 June 2026

Key International events:

According to the US Labor Department, the **US Producer Price Index for final demand shot up by 1.1% MoM in May 2026, matching a downwardly revised jump in April 2026**. Economists had expected producer prices to climb by 0.7% MoM compared to the 1.4% MoM surge originally reported for the previous month.

According to the US Labor Department, the **US Consumer Price Index accelerated to 4.2% YoY in May 2026 from 3.8% YoY in April 2026**, in line with estimates. Sequentially, prices rose 0.5% MoM in May 2026 after rising 0.6% MoM in April 2026.

According to the US Commerce Department, the **US Trade Deficit shrank to USD 55.9 bn in April 2026 from a revised USD 56.6 bn in March 2026**. Economists had expected the deficit to decrease to USD 55.8 bn from the USD 60.3 bn originally reported for the previous month.

According to latest data from Eurostat, the **Euro Area Gross Domestic Product (GDP) shrank 0.2% QoQ in Q1 CY26, offsetting the 0.2% QoQ growth seen in Q4 CY25**. The economy was dragged down by the massive growth slump in Ireland.

The **ECB Governing Council, led by President Christine Lagarde, hiked the benchmark Deposit Rate by 25 bps to 2.25%**. The Main Refinancing Rate was lifted to 2.40% and the Marginal Lending Rate to 2.65%. The ECB raised interest rates for the first time in nearly three years in a bid to cushion the impact of rising inflation.

As per data from China's National Bureau of Statistics, **Consumer Prices in China increased 1.2% YoY in May 2026, the same rate as seen in April 2026**. This was slightly weaker than forecasts of 1.3% YoY. Core inflation slowed to 1.1% YoY in May 2026 from 1.2% YoY in the previous month.

As per Customs data from China, **China's trade balance grew to a surplus of USD 105.43 bn in May 2026**. The print was higher than expectations for a surplus of USD 88.70 bn, and rose sharply from April 2026's reading of USD 84.80 bn. The surplus was aided chiefly by outsized growth in exports as overseas demand remained robust despite growing disruptions from the Middle East conflict.

According to the Bank of Japan, **Producer Prices in Japan jumped 6.3% YoY in May 2026**, topping forecasts for 5.6% YoY and up from the upwardly revised 5.3% YoY in April 2026 (originally 4.9% YoY).

As per data from Japan's Cabinet Office, **Japan's Gross Domestic Product (GDP) was up 1.8% YoY in Q1 CY26, missing forecasts for 2.1% YoY, which would have been unchanged**. Sequentially, GDP expanded a seasonally adjusted 0.5% QoQ, in line with expectations and steady from the previous three months.

Key Domestic events:

The **World Bank has raised its Gross Domestic Product (GDP) growth projection for India by 10 bps to 6.6% YoY for FY27, citing resilient domestic demand**. It also raised India's economic growth forecast for FY28 by 60 bps to 7.2% YoY. India's growth is expected to rebound in FY28 and FY29 after the West Asia war-led slowdown, supported by firm domestic demand and a pickup in export growth.

According to BMI, a Fitch group company, **India's GDP is likely to grow at 6.6% YoY in FY27 as compared to 7.7% YoY in FY26**, on weaker investments and consumption growth and trade shocks from the West Asia crisis. The rupee is expected to trade around 95.1 against the USD in CY26.

As per provisional estimates from MoSPI, the **central government's FY26 Debt-to-GDP ratio may have slipped to 57.85%, far higher than the 56.1% estimated in the Budget**, due to a lower-than-anticipated nominal GDP.

As per RBI data, **bank credit grew at its fastest pace in nearly two years in the fortnight ended May 31, 2026, rising 17.65% YoY**, showing sustained momentum in lending activity across the banking system. Deposit growth, however, lagged at 12.21% YoY, widening the gap between credit and deposit growth to 544 bps.

As per RBI data, **India's total outward Foreign Direct Investment (FDI) commitments declined 49.02% MoM to USD 4.49 bn in May 2026 from USD 8.84 bn in April 2026**, mainly due to lower equity investments, loans, and guarantees issued by Indian companies. However, total financial commitments by Indian entities under overseas investment increased 34.6% YoY in May 2026 from USD 3.34 bn.

As per AMFI data, **net Mutual Fund (MF) inflows into active equity schemes plunged 40% MoM in May 2026**, as weaker lump-sum investments and higher redemptions weighed on flows. Gross inflows into equity schemes fell 18% MoM to Rs 576.04 bn, while redemptions rose 9% MoM to Rs 346.96 bn, dragging net inflows down to a one-year low of Rs 229.08 bn.

As per data from the GSTN, **e-way bill generation under the Goods and Services Tax (GST) regime rose to 136.08 mn in May 2026, a near 11% YoY increase from 122.65 mn in May 2025**. On a sequential basis, e-way bill generation was up 2.03% MoM from 133.72 mn in April 2026.

According to India Ratings and Research (Ind-Ra), **RBI's forex swap measures on FCNR (B) deposits and ECBs by state-owned companies could attract USD 60-70 bn in foreign capital**. Against this backdrop, the currency is expected to recover to the sub Rs 95/USD level and eventually average around Rs 93.10 in FY27.

As per data from the Oil Ministry, **India's fuel consumption rose to 19.93 mn tonnes (mt) in May 2026, while liquefied petroleum gas consumption continued to dip**. Fuel consumption inched up from 19.47 mt in April 2026, but fell 6.5% YoY. LPG consumption fell about 20% YoY to 2.13 mt.

As per RBI data, **India reported a Current Account Surplus of USD 7.1 bn, or 0.7% of GDP, Q4 FY26**. The surplus stood at USD 13.7 bn, or 1.4% of GDP, in Q4 FY25. However, for the entire FY26, the Current Account Deficit stood at USD 25.2 bn, or 0.6% of GDP, compared to USD 22.9 bn, or 0.6% of GDP, during FY25.

According to a Reuters poll of economists, **India's inflation likely rose to RBI's medium-term target of 4% YoY in May 2026**, driven by a pickup in vegetable prices and higher fuel costs following the US and Israel war against Iran. The benign inflation trend is unlikely to continue, with state-owned fuel retailers raising fuel prices four times in May 2026 alone.

As per data from FADA, **India's automobile retail sales grew 9.55% YoY to a record 25,31,067 units in May 2026**. EV penetration crossed 11% for the first time, as dealers saw a surge in enquiries for fuel-efficient and green vehicles after last month's fuel price hikes amid the West Asia crisis.

The **six-member RBI Monetary Policy Committee (MPC) unanimously decided to keep the repo rate unchanged at 5.25% and retain the monetary policy stance at neutral**. It raised the Consumer Price Index (CPI) inflation forecast for FY27 to 5.1% YoY from 4.6% YoY projected earlier. It also reduced the FY27 Real GDP growth forecast to 6.6% YoY from the earlier projection of 6.9% YoY.

The RBI announced a series of measures aimed at attracting foreign capital inflows, including **expanding foreign investor access to government securities under the Fully Accessible Route (FAR)**, easing investment restrictions for **Foreign Portfolio Investors (FPIs)**, enhancing investment limits for **Non-Resident Indians (NRIs)** and **Overseas Citizens of India (OCIs)**, and providing temporary incentives for foreign currency fundraising.

As per data from the Ministry of Statistics & Programme Implementation (MoSPI), **India's Real Gross Domestic Product (GDP) grew at a higher pace of 7.7% YoY during FY26 as compared to 7.1% YoY in FY25**. In Q4 FY26, the GDP is estimated to have grown 7.8% YoY. Nominal GDP showed a growth rate of 8.9% YoY in FY26.

As per data from the National Statistics Office (NSO), **investment demand gathered pace in FY26 as Gross Fixed Capital Formation (GFCF) accelerated to 8.2% YoY from 6.4% YoY in FY25**. Private Final Consumption Expenditure (PFCE) growth in real terms accelerated to 7.7% YoY in FY26, from 5.8% YoY in FY25.

Equity Round up: BSE Sensex opened at 73,422. It made a weekly high of 75,608 and a low of 73,319 before closing 1,285 points higher at 75,528.

Events to watch out for the next week:

International Events

1. US Capacity Utilization for May'26 on 15th June 2026
2. US Industrial Production for May'26 on 15th June 2026
3. US Fed Interest Rate Decision on 17th June 2026
4. Eurozone Industrial Production for Apr'26 on 15th June 2026
5. Eurozone CPI Final for May'26 on 17th June 2026
6. China Unemployment Rate for May'26 on 16th June 2026
7. China Industrial Production for May'26 on 16th June 2026

Domestic Events

1. WPI Inflation for May'26 on 15th June 2026
2. Unemployment Rate for May'26 on 15th June 2026
3. Balance of Trade for May'26 on 16th June 2026

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	75,528	1.73
Nifty 50	23,623	1.10
BSE 100	25,089	0.97
BSE 200	11,009	0.67
Nifty Midcap 150*	22,258	0.03
Nifty Smallcap 250*	17,079	0.14
BSE FMCG	18,140	1.19
BSE HC	47,388	1.02
BSE IT	27,168	-3.73
BSE Auto	57,913	0.49
BSE BANKEX	63,988	4.08
BSE CG	78,892	-1.40
BSE CD	58,426	-0.39
BSE Oil & Gas	26,151	-1.52

* BSE Midcap and BSE Small Cap indices data is not available for 12th June'26 so included Nifty Indices.

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.94% 2036)	6.92%	(-) 7 bps
Interbank Call	5.27%	0 bps
INR/USD	95.11	0.18%
Gold (Rs/10gm)	1,47,800	-4.17%

Taken during market hours, 10 Year G-Sec (6.94% 2036) and Interbank Call as on 11 June '26

World Indices	Closing	% Change WoW
Dow Jones*	50,849	-1.38
Nasdaq*	25,810	-3.81
FTSE	10,416	0.11
DAX	24,594	-1.70
Hang Seng	24,718	-0.98
Nikkei	66,020	-0.85
Bovespa*	1,71,497	0.68
Indonesia Jakarta	6,008	7.38

* Data as on 11 June '26.

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	654.6	853.8	-199.3
DIIIs	566.4	417.7	148.6

Data for FPI from 05 June 2026 to 11 June 2026. Data for DII from 05 June 2026 to 10 June 2026.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,623	23,715	92

*June 2026 Expiry

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