

Key International events:

According to data from the US Federal Reserve, **Industrial Production in the US rose by 0.7% MoM in April 2026 after falling by a revised 0.3% MoM in March 2026**. Economists had expected industrial production to rise by 0.3% MoM.

As per minutes of the April 28-29, 2026 US FOMC meeting, **a majority of Federal Reserve officials warned the central bank would likely need to consider raising interest rates if inflation continued to run persistently above their 2% YoY target**. "Many" officials called for the Fed to drop its easing bias and signal that its next move could be a rate hike.

According to the US Energy Information Administration, **crude oil inventories in the US plunged by 7.9 mn barrels in the week ended May 15, 2026, after falling by 4.3 mn barrels in the previous week**. Economists had expected crude oil inventories to decrease by 2.9 mn barrels.

As per the US Labor Department, **initial jobless claims in the US dipped to 209,000 in the week ended May 16, 2026, a decrease of 3,000 from the previous week's revised level of 212,000**. Economists had expected jobless claims to inch up to 213,000 from the 211,000 originally reported for the previous week.

According to Eurostat data, **Eurozone inflation accelerated as the harmonized index of consumer prices rose by 3.0% YoY in April 2026, up from the 2.6% YoY increase in March 2026**, driven by higher energy prices.

The European Commission downgraded its growth outlook for the Euro area economy to 0.9% YoY in CY26, slower than the 1.2% YoY projected earlier. The forecast for CY27 was trimmed to 1.2% YoY from 1.4% YoY.

According to the European Central Bank, **the Euro area Current Account Surplus fell to EUR 15 bn in March 2026, down from EUR 26 bn in February 2026**. The Current Account Surplus was EUR 29 bn in March 2025.

As per China's National Bureau of Statistics, **China's industrial production rose 4.1% YoY in April 2026, slower than the 5.7% YoY increase in March 2026**. Economists had expected industrial production to rise by 6.0% YoY.

According to Japan's Cabinet Office, **Japan's Gross Domestic Product (GDP) rose a seasonally adjusted 0.5% QoQ in Q1 CY26, up from 0.2% QoQ increase in Q4 CY25**. Economists had expected GDP to rise by 0.2% QoQ.

As per Japan's Ministry of Economy, Trade, and Industry data, **Japan's industrial production dropped 0.4% MoM in March 2026**, slower than the 2.0% MoM fall in February 2026.

As per Japan's Ministry of Finance, **Japan recorded a merchandise trade surplus of JPY 301.9 bn in April 2026, following the JPY 643.0 bn surplus in March 2026**. The surplus beat economists' forecasts for a deficit of JPY 29.7 bn.

Key Domestic events:

According to Moody's Ratings, **India and other oil importing nations are likely to negotiate bilaterally to secure energy supplies**, potentially through coordinated transit corridors, but a return to pre-war volumes is unlikely in CY26.

According to RBI data, **India's foreign exchange reserves increased by USD 6.29 bn to USD 696.99 bn during the week ended May 08, 2026**. Gold reserves increased by USD 5.64 bn, Foreign Currency Assets increased by USD 562 mn and Special Drawing Rights were up by USD 85 mn during the week.

As per NSO data, **India's overall unemployment rate for persons aged 15 years and above came in at 5.2% in April 2026, marginally higher from 5.1% in March 2026**. Rural unemployment rose to 4.6% while urban unemployment eased marginally to 6.6% in April 2026, from 4.3% and 6.8%, respectively, in the previous month.

As per data from the Commerce Ministry, **India's merchandise exports rose 13.8% YoY to a 4-year high of USD 43.56 bn in April, 2026. Still, the trade deficit widened to a 3-month high of USD 28.38 bn**, as imports surged 10% YoY to a 6-month high of USD 71.94 bn, driven by rising inflows of gold and silver.

According to the Comptroller and Auditor General (CAG) of India, **20 states utilised 77.23% of their combined annual budgeted capital expenditure of Rs 10.26 trillion, amounting to Rs 7.92 trillion in FY26**.

As per a notification issued by the Directorate General of Foreign Trade, **the Centre has tightened import rules for silver bars by moving key categories of silver imports from the "free" category to the "restricted" list**.

According to RBI Governor, Sanjay Malhotra, **RBI is keeping a close vigil on whether and when the West Asia conflict-induced supply shock can become embedded in the general price level that may warrant monetary policy action**.

According to an RBI report, **credit card transaction volumes in India increased to 5.7 bn in CY25, up from 2.16 bn in CY21, while transaction value rose to Rs 23.2 trillion from Rs 8.9 trillion during the same period**.

According to an RBI report, **UPI processed 85.5% of all payment transactions in India by volume but accounted for just 9.5% of the total value in H2 CY25**. Meanwhile RTGS, which handled a mere 0.1% of volumes, accounted 68.6% of total transaction value during the same period.

According to India Ratings and Research, **India's economic growth is projected to slow down to 6.7% YoY in FY27**, driven by higher crude oil and food prices amid uncertainty arising from the West Asia conflict, along with the likely impact of an evolving El Nino on agriculture.

According to ICRA, **India's economic growth likely slowed to a three-quarter low of 7% YoY Q4 FY26 from 7.8% YoY in Q3 FY26**, as slower expansion in the industrial and services sectors offset a slight improvement in agriculture. They expect FY26 Gross Domestic Product (GDP) growth at 7.5% YoY, slightly lower than the NSO's estimate of 7.6% YoY. For FY27, they downwardly revised their GDP growth projection to 6.2% YoY, down from the earlier estimate of 6.5% YoY.

According to India Ratings and Research, **the RBI is unlikely to either raise or cut the repo rate during the rest of FY27 and is expected to maintain status quo at 5.25%**. They project retail inflation at 4.4% YoY for FY27.

According to Crisil Ratings, with the West Asia conflict pushing global crude oil prices sharply higher, **India's oil trade deficit is expected to widen significantly in FY27. This, along with pressure on remittances from West Asia, is projected to push India's Current Account Deficit (CAD) to 2.2% of GDP in FY27, against an estimated 0.8% in FY26**.

According to the Power Ministry, **India touched an all-time high peak power demand of 260.45 GW, and it was met without any shortfall**. The government has projected peak power demand to reach 270 GW in CY26.

The United Nations has revised downward India's economic growth forecast for CY26 to 6.4% YoY from its earlier projection of 6.6% YoY, citing global uncertainties and economic shocks arising from the ongoing West Asia crisis. For FY27, the GDP growth is projected at 6.6% YoY.

As per data from the Ministry of Commerce and Industry, **India's infrastructure output, as measured by the Index of Eight Core Industries (ICI), grew by 1.7% YoY in April 2026** against a revised growth of 1.2% YoY in March 2026.

According to ICRA, **the domestic two-wheeler industry is projected to witness moderate wholesale volume growth of 3-5% YoY in FY27**.

According to S&P Global, **the flash India Composite Purchasing Managers' Output Index (PMI) fell to 58.1 in May 2026, down from a final reading of 58.2 in April 2026**. The HSBC Flash India Manufacturing PMI fell to 54.3 in May 2026, from a final reading of 54.7 in April 2026 while the Flash India Services PMI Business Activity Index rose marginally to 58.9 from a final reading of 58.8 in April 2026.

As per RBI data, **India's outward Foreign Direct Investment (FDI) dropped 10.8% YoY to USD 5.6 bn in April 2026, down from USD 6.33 bn in April 2025**. Sequentially, it rose from USD 5.08 bn in March 2026.

As per RBI data, **Currency In Circulation (CIC) continued to rise at a sharp pace, increasing 11.5% YoY to a record high of Rs 42.86 trillion as on May 15, 2026**.

According to CRISIL Ratings, **the FMCG sector is expected to post 8-10% YoY revenue growth in FY27, marginally higher than the 8% YoY growth witnessed in FY26**, as players partially pass on the higher prices of crude-linked inputs.

Equity Round up: BSE Sensex opened at 74,808. It made a weekly high of 75,946 and a low of 74,180 before closing 177 points higher at 75,415.

Events to watch out for the next week:

International Events

1. US GDP for Q1 CY26 on 28 May'26
2. US PCE Price Index for Apr'26 on 28 May'26
3. EU Economic Confidence for May'26 on 28 May'26
4. China Industrial Profits for Apr'26 on 27 May'26

Domestic Events

1. Fiscal Deficit for Apr'26 on 29 May'26
2. Forex Reserves for week ended 22 May 2026 on 29 May 2026
3. Bank Credit Growth for Apr'26 on 29 May'26

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	75,415	0.24
Nifty 50	23,719	0.32
BSE 100	25,158	0.42
BSE 200	11,048	0.56
Nifty Midcap 150*	22,504	1.11
Nifty Smallcap 250*	16,775	0.31
BSE FMCG	18,551	-1.46
BSE HC	47,268	0.16
BSE IT	28,065	4.08
BSE Auto	57,290	-0.23
BSE BANKEX	60,904	0.69
BSE CG	78,317	1.94
BSE CD	57,858	-0.52
BSE Oil & Gas	27,124	1.08

* BSE Midcap and BSE Small Cap indices data is not available for 22*May'26 so included Nifty Indices.

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.48% 2035)	7.11%	9 bps
Interbank Call	5.27%	6 bps
INR/USD	95.69	-0.29%
Gold (Rs/10gm)	1,58,117	-0.06%

Taken during market hours, 10 Year G-Sec (6.48% 2035) and Interbank Call as on 21 May '26

World Indices	Closing	% Change WoW
Dow Jones*	50,286	0.44
Nasdaq*	26,293	-1.28
FTSE	10,472	2.24
DAX	24,780	2.58
Hang Seng	25,606	-1.37
Nikkei	63,339	3.14
Bovespa*	1,77,650	-0.40
Indonesia Jakarta	6,162	-8.35

* Data as on 21 May '26

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	785.9	819.2	-33.3
DII	231.8	227.2	4.6

Data for FPI from 15 May 2026 to 21 May 2026. Data for DII from 15 May 2026 to 18 May 2026.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,719	23,776	57

*May 2026 Expiry

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