

**Domestic Equity Market Update**

- Indian equities ended the week on a positive note, with the large cap-oriented BSE Sensex ending higher by 0.54% & Nifty 50 ending higher by 0.74% WoW, respectively. The BSE Midcap index ended higher by 3.00% and the BSE Small cap index ended higher by 4.62%.
- On the BSE sectoral front, indices ended on a mixed note. Auto, Realty and Healthcare were the biggest outperformers.
- Domestic equity markets ended the week on a positive note as investors responded positively to a series of corporate earnings announcements for Q4 FY26 and encouraging vehicle sales data for April 2026 from leading automobile manufacturers. Sentiment was supported by a decline in crude oil prices on expectations that a peace deal could soon be reached. However, gains were limited by sustained foreign fund outflows and rising tensions in West Asia.

Global Market Updates

- US equity markets ended the week on a positive as optimism around a potential U.S.-Iran peace agreement boosted risk appetite. Cooling crude oil prices and a strong earnings backdrop supported broad based gains, with technology-oriented stocks leading the advance and pushing key benchmarks to fresh record closing levels.
- European equity ended the week on a mixed note as investors turned cautious after a strong rally earlier in the week. Uncertainty surrounding the durability of Middle East peace efforts and tighter monetary policy signals from a regional central bank weighed on sentiment, triggering broad-based declines across major markets and sectors
- Brent oil futures fell from 114.44 USD/bbl to 100.06 USD/bbl as optimism grew around a possible US-Iran deal to end the conflict.

Macro Data & Domestic News Released During the Week

- As per Government data, Gross GST collection rose 8.7% YoY to a record of about Rs 2.43 trillion in April 2026.
- According to data from the National Payments Corporation of India, the Unified Payments Interface (UPI) transaction value dipped 1.7% MoM in April 2026 to Rs 29.03 trillion.
- According to the Naukri JobSpeak Index report, India's white-collar hiring grew by 6% YoY in April.
- As per data from S&P Global, the HSBC India Manufacturing Purchasing Managers' Index (PMI) rose to 54.7 in April 2026 on the back of a sharper export.
- S&P Global downwardly revised India's GDP growth forecast for FY27 to 6.6% YoY from their earlier estimate of 7.1% YoY, citing external economic shock from energy supply disruptions.
- According to S&P Global, the HSBC India Services Purchasing Managers' Index (PMI) rose to a 5-month high of 58.8 in April 2026, up from a 14-month low of 57.5 in March 2026.
- According to Knight Frank, India's real estate sentiment score fell sharply to 49 in Q1 CY26 from 60 in Q4 CY25, slipping into pessimistic territory amid rising global uncertainties.
- According to ICRA, India's power demand is projected to rise by 5.0-5.5% YoY in FY27 compared to a tepid 1% YoY growth in FY26.
- From Nifty 200 universe, 112 companies have announced their Q4 FY26 earnings thus far. At an aggregate level, Sales, EBITDA and PAT have grown by 13.56%, 14.07% and 13.15% YoY, respectively. Excluding Financials, Sales, EBITDA and PAT have grown by 18.63%, 13.30% and 12.80% YoY respectively.**
- From Nifty 500 universe, 245 companies have announced their Q4 FY26 earnings thus far. At an aggregate level, Sales, EBITDA and PAT have grown by 12.84%, 15.75% and 13.84% YoY, respectively. Excluding Financials, Sales, EBITDA and PAT have grown by 16.61%, 15.23% and 12.44% YoY respectively.**

Outlook

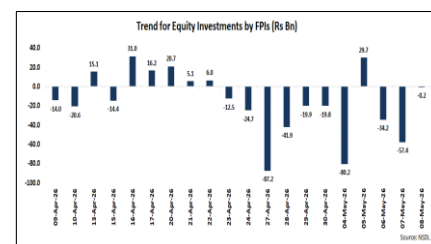
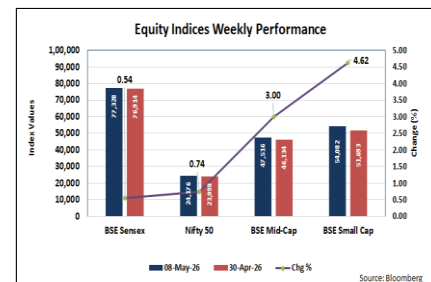
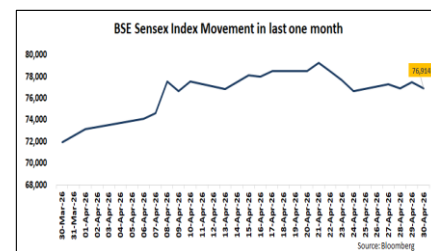
Going forward, the Indian equity market is likely to be driven by any moves around the final details pertaining to India-US trade deal, Q4 FY26 earnings season and guidance given by managements, crude price volatility, weak monsoons, rising concerns over AI-led disruptions, geopolitical tensions, movement in the US Dollar index and INR, improvement in consumption demand, FPI/DII flows and moves by the RBI to support liquidity. Trends from Q4 FY26 earnings season seem to indicate positive momentum across sectors. However, fund managers believe that the impact of raw material inflation on account of the supply side disruption could be felt in the coming quarters. Recent call for restraint in using crude and its derivatives from Prime Minister, may be suggestive of rising supply chain issues which may impact the overall economic growth.

With the recent correction, driven by the ongoing war in the middle east and the blockade of Strait of Hormuz by Iran, the market valuations have meaningfully come off for large caps on back of FPI selling while there are also opportunities to be taken in Mid and Small cap space in names which can incrementally deliver higher earnings growth going ahead. Interestingly, Mutual Funds' cash, as a percentage of their total AUM, has dipped to recent lows, suggesting that Indian Mutual Funds feel that valuations are right to deploy higher cash.

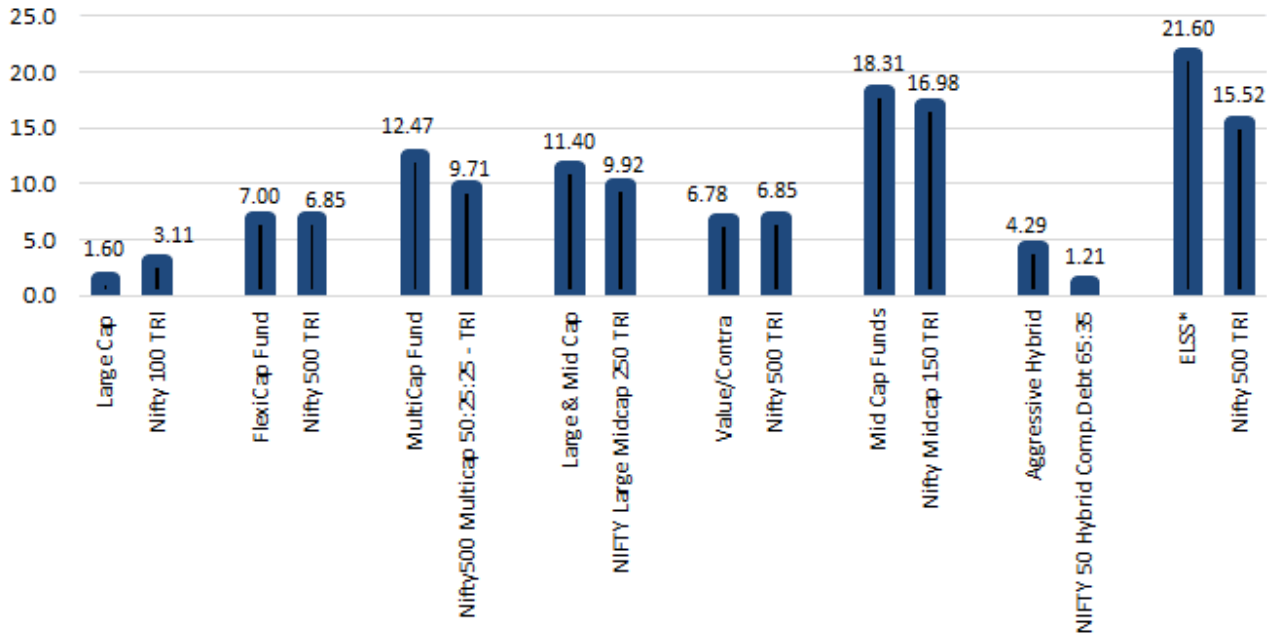
The US-Iran conflict has emerged as the near-term risk to markets which can drive oil prices higher and be a sentiment-negative event. As signs have emerged of containment of the conflict, energy prices are showing signs of cooling off. The OPEC too has announced production hikes, which could ease oil prices once the Hormuz traffic normalises. Thus, investors could use the market volatility due to this event as an investing opportunity.

Fund Managers who can be fairly nimble and identify growth ideas, could generate alpha vs their peers. While FPIs have been big sellers in the Indian markets, India's relative underperformance vs its peers in the recent months and depreciated Rupee are likely to gradually make the Indian markets attractive for them. The FPIs' holdings in Indian markets have also fallen to recent lows which implies that they may not be willing sellers for long.

Investment deployment strategy could remain 60% lumpsum and rest 40% to be staggered over the next 3-4 months. Mutual Fund investors can look to focus on categories like Flexicap, Multicap, Large and Midcap, Value and Hybrid funds while using STPs as an instrument to invest in Midcap and Smallcap funds. Aggressive investors may also look at Business Cycle Funds for allocation. All allocations should be done in line with the risk profile and product suitability of the investor.



**Avg. Returns of Recommended Funds vs Benchmark in last one year
(Absolute %)**



Note:* ELSS performance is for 3 years on CAGR basis

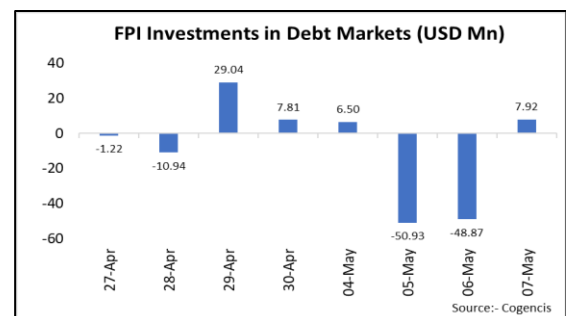
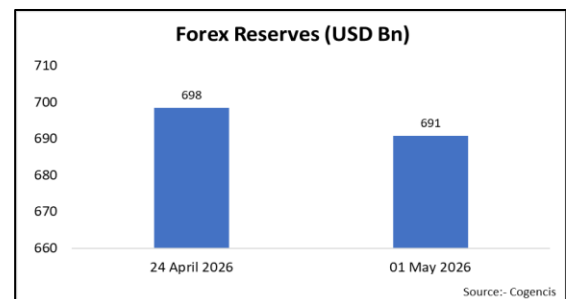
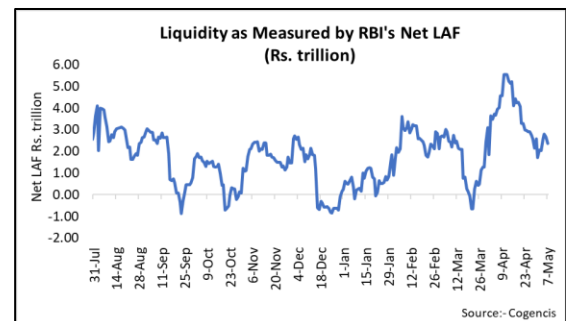
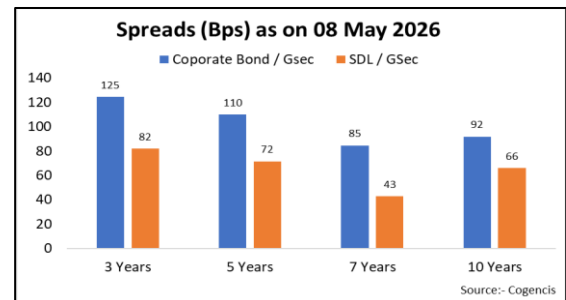
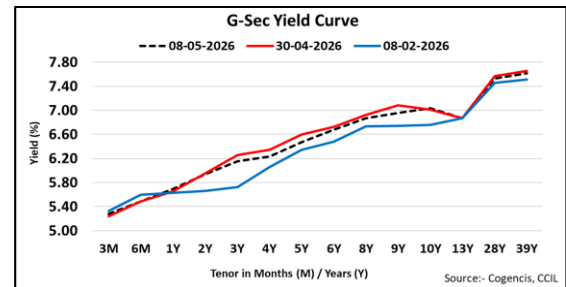
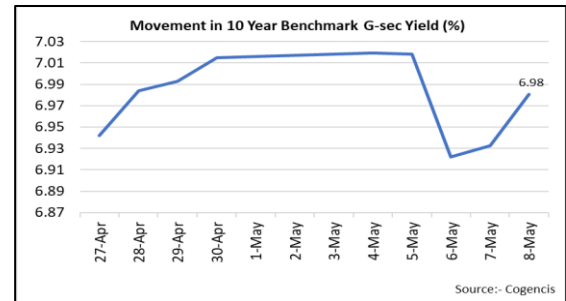
Returns Absolute %			Returns Compounded Annualised %			
Category Average of Recommended Funds	1 Month	6 Months	1 Year	2 Years	3 Years	5 Years
Large Cap Funds	1.54	-3.98	1.60	5.47	14.68	14.35
Flexi Cap Funds	3.04	-2.22	7.00	8.75	17.37	16.32
Multi Cap Funds	2.34	0.76	12.47	9.38	21.95	21.51
Large & Mid Cap Funds	5.35	-0.17	11.40	10.49	21.19	18.27
Mid Cap Funds	7.91	1.78	18.31	15.25	25.74	21.76
Small Cap Funds	9.30	2.17	18.21	11.06	23.32	20.89
Value/Contra Funds	3.31	-1.74	6.78	7.22	19.19	18.60
Focused Funds	3.19	-0.77	7.75	9.40	18.62	17.33
Aggressive Hybrid Funds	2.20	-1.22	4.29	8.33	14.78	13.63
Dynamic Asset Allocation Funds	1.60	-0.37	5.24	7.41	13.33	12.94
Equity Linked Saving Schemes	7.31	2.15	11.85	10.35	21.60	17.53
Business Cycle Funds	4.80	-1.27	9.80	10.60	17.28	--
Nifty 50 TRI	0.77	-5.01	0.72	5.35	11.06	11.55
Nifty 500 TRI	4.44	-1.53	6.85	6.68	15.52	14.09
NIFTY Large Midcap 250 TRI	5.49	0.03	9.92	8.47	18.39	16.38
Nifty Infrastructure TRI	4.75	1.29	9.60	7.05	21.29	19.39

Note: Data as on May 08, 2026. Returns less than 1 year are in absolute % terms, whereas returns above 1 year are in CAGR terms. Data has been sourced from ACE MF.

Weekly Overview - Fixed Income Markets & Mutual Funds for week ended 08 May 2026

- Domestic G-Sec prices closed the week ended 8th May 2026 on a positive note wherein the yield on the 10-year benchmark, the 6.48% G-Sec 2035 bond, closed 3 bps lower at 6.98% as against its previous weekly close of 7.01% on 30th April 2026.
- In case of AAA rated corporate bonds, yields up to the one-year segment were mixed in the range of (-) 12 bps to 50 bps on a WoW basis. In case of the greater than one-year segment, yields fell by up to 19 bps on a WoW basis.
- Movement in G-sec yields :-**
 - Indian G-sec yields fell amid optimism that a potential US–Iran peace deal could ease crude oil prices, improve risk sentiment, and reduce inflationary pressures. However, gains were limited as market participants trimmed holdings in anticipation of upcoming supply of new 10-year government securities and refrained from taking on additional risk ahead of the weekend, amid ongoing US–Iran tensions.
 - The total Government bond supply for the week stood at Rs 526 bn (SDLs + G-secs). In this, the G-secs' auction was to the tune of Rs 340 bn. The average cut off yield for 10-year G-sec was 6.94%. There was no 10-year G-sec auction in the previous week. The SDLs' auction was to the tune of Rs 186 bn and the maturities were in the range of 5-15 years. The average cut off yield for 10-year SDLs for the week came in at 7.73% compared to 7.70% in the previous week. The G-secs' auction was for the following: New GS 2036.
 - Banking system liquidity deteriorated marginally, wherein liquidity, as measured by the RBI's net Liquidity Adjustment Facility (LAF), stood at a daily average surplus of ~Rs 2.48 trillion during the week as against a daily average surplus of ~Rs 2.51 trillion bn during the previous week.
- Macro Data released during the week :-**
 - India's Net Direct Tax collections rose by 5.12% YoY to Rs 23.4 trillion in FY26. Net corporate tax collections grew 11.4% YoY to Rs 10.99 trillion, non-corporate tax collections remained nearly flat, rising just 0.04% YoY to Rs 11.83 trillion. Thus, it achieved roughly 96.7% of the RE target, falling short by around Rs 810 bn.
 - According to the Finance Ministry, Scheduled Commercial Banks have recorded a robust credit growth of 15.9% YoY in FY26. Credit growth to agriculture and allied sector accelerated to 15.7% YoY in FY26, up from 10.4% YoY in FY25. Industrial credit expanded 15% YoY in FY26, up from 8.2% YoY growth in FY25.
 - As per RBI data, India's foreign exchange reserves decreased by USD 7.79 bn to USD 690 bn during the week ended May 1, 2026. Gold reserves fell by USD 5.02 bn, Foreign Currency Assets decreased by USD 2.8 bn while Special Drawing Rights were up by USD 15 mn.
- Other macro-economic news :-**
 - According to the Chief Economic Adviser, V Anantha Nageswaran, the ongoing West Asia crisis poses a multi-channel macroeconomic challenge for India, potentially widening the Current Account Deficit (CAD) to over 2% of GDP in FY27 from less than 1% in FY26.
 - As per CRISIL, Brent crude oil prices increased 16% MoM to USD 121 per barrel in April 2026, reflecting elevated risk premiums amid continued constraints on key supply flows. They upwardly revised their Brent crude price assumption to USD 90-95 per barrel for FY27, up from USD 82-87 per barrel.
 - S&P Global downwardly revised India's GDP growth forecast for FY27 to 6.6% YoY from their earlier estimate of 7.1% YoY, citing external economic shock from energy supply disruptions, rising oil and gas prices and currency volatility.
- Global Updates :-**
 - According to the US Labor Department, job openings in the US edged down to 6.87 mn in March 2026 from an upwardly revised 6.99 mn in February 2026.
 - According to the US Commerce Department, the US trade deficit grew to USD 60.3 bn in March 2026, up from a revised USD 57.8 bn in February 2026.
 - According to S&P Global, the Euro area Composite Purchasing Managers' Index (PMI) fell to 48.8 in April 2026 from 50.7 in the previous month. The reading was moderately above the flash estimate of 48.6.
- Outlook :-**

The liquidity condition, as measured by RBI's net LAF, deteriorated marginally, but remained in surplus during the week. In its April 2026 MPC meeting, the RBI had kept the Repo Rate unchanged at 5.25% and continued with its neutral stance. RBI estimated Consumer Price Index (CPI) inflation for FY27 at 4.6% YoY. RBI also introduced a core inflation estimate of 4.4% YoY. Real GDP growth for 2026-27 is projected at 6.9% YoY. India's retail inflation, measured by the Consumer Price Index (CPI), accelerated to 3.40% YoY in March 2026, from 3.21% YoY in February 2026, based on the new series data. **The RBI also highlighted upside risks to inflation and downside risks to the domestic growth outlook. The recent cut in excise duty can weigh down on fiscal numbers, resulting in near term volatility in bond yields. On the other hand, if India's nominal growth picks up, it will aid in tax collection. This, along with persistent liquidity support, robust FPI inflows, the probable inclusion of Indian G-secs in Bloomberg's index, lower duration supply as announced by RBI, any positive effect of recently concluded trade deals, government's continuous focus on fiscal consolidation which may lead to favorable demand-supply dynamics, and probable de-escalation of the Middle East (ME) conflict may aid in keeping liquidity comfortable and be a positive for debt yields during latter half of CY26. As the monsoon season approaches, its timing, adequacy and spatial distribution will be keenly watched. While El-Niño can have an adverse impact on rainfall, the same may get partially offset by a positive Indian Ocean Dipole. In the US, as widely anticipated, the Federal Reserve kept rates unchanged in the April Policy meeting, keeping their target range at 3.50-3.75%. In the near term, the duration and severity of geopolitical tensions in the ME will continue directing sentiments and capital flows, thus remaining a key monitorable. Thus, at this juncture, with lucrative yields, a case continues to exist for investment into Corporate Bonds that are at the 3-5-year segment of the curve. Hence, investors can look at Corporate Bond Funds and Short Duration Debt Funds for a horizon of 15 months and above. For a horizon of 24 months and above, investors may consider Income Plus Arbitrage FoFs or consider Dynamic Bond Funds for tactical opportunity. As yields in the less than 1-year segment remain high for corporates, for a horizon of 3 months and above, investors can consider Arbitrage Funds and Low Duration Funds. Whereas for a horizon of up to 3 months, investors can consider Overnight Funds and Liquid Funds. Investors should invest in line with their risk profile and product suitability.**



Category Average Returns as on 08 May 2026

Annualised Returns *	1 Day	1 Week	1 Month	2 Month	3 Months	6 Months	9 Months	1 Year	2 Year	3 Year
Overnight Funds	4.88	4.97	4.88	5.04	4.95	5.07	5.19	5.27	5.86	6.14
Liquid Funds	5.96	5.72	5.75	6.85	6.53	6.17	6.05	6.12	6.65	6.81
Floater Funds	1.14	9.94	6.40	4.02	5.53	4.82	5.15	5.72	7.37	7.37
Low Duration Funds	4.25	8.11	6.18	5.17	5.57	5.05	5.31	5.93	6.87	6.89
Money Market Funds	7.33	7.56	6.04	6.05	6.00	5.71	5.74	6.20	6.94	7.02
Ultra Short Duration Funds	5.19	6.04	6.07	6.28	6.21	5.58	5.62	5.98	6.59	6.67
Banking And PSU Funds	-3.01	14.18	5.68	2.48	3.88	3.16	3.96	4.77	6.82	6.69
Corporate Bond Funds	-8.34	14.31	5.67	2.33	3.93	3.10	3.93	4.83	7.02	6.85
Medium Duration Funds	-8.66	15.15	4.91	2.23	4.04	3.78	4.58	5.21	7.40	7.00
Short Duration Funds	-5.17	12.75	5.58	2.61	4.04	3.38	4.09	4.95	6.92	6.72
Medium To Long Duration Funds	-34.73	17.51	5.41	0.67	3.38	1.79	2.24	2.08	5.84	5.78
Long Duration Funds	-96.57	31.19	10.34	-0.88	2.55	0.30	0.37	-1.13	4.87	5.33
Dynamic Bond Funds	-29.56	15.37	5.14	1.06	3.48	2.02	2.49	2.08	6.03	6.08
Credit Risk Funds	-1.92	12.30	16.22	9.59	9.42	7.92	7.74	7.87	9.42	8.75
Gilt Funds / Gilt Funds with 10 year constant duration	-73.79	23.77	6.31	-0.86	2.82	0.96	1.22	0.34	5.41	5.70
Conservative Hybrid Funds	-39.85	27.07	12.08	2.66	0.73	0.92	2.91	3.62	6.22	8.08
Index Funds	-3.17	12.41	5.80	2.96	4.64	4.49	4.73	5.26	7.38	7.07
Arbitrage Funds	20.21	6.56	5.47	5.09	5.33	5.90	5.68	5.65	6.40	6.75

* Return figures for all schemes are Annualised for < 1 year and Compounded Annualised for >= 1 year

Recommended Funds' Average Returns (% Annualised Returns)	1 Months	3 Months	6 Months	1 Year	2 Year	3 Year
Medium to Long Duration Funds & Long Duration Funds	7.75	2.47	1.18	1.40	5.98	6.10
Dynamic Bond Fund	5.26	4.95	3.42	3.32	6.71	6.60
Gilt Funds & Gilt Funds with 10 year constant duration	6.69	4.43	2.60	2.03	6.30	6.44
Short Duration / Medium Duration	5.89	4.38	3.76	5.41	7.23	7.11
Banking and PSU Funds	6.15	4.34	3.95	5.41	7.08	6.93
Corporate Bond Funds	5.84	4.29	3.66	5.23	7.33	7.20
Ultra Short Duration Funds /Low Duration / Floater Funds	6.37	6.16	5.67	6.36	7.12	7.20
Money Market Funds	6.23	6.16	5.87	6.37	7.17	7.29
Liquid Funds & Overnight Funds	5.87	6.71	6.32	6.22	6.75	6.91
Arbitrage Funds	5.80	5.55	6.11	5.92	6.67	7.02

Please Note that all the Dividend options factor in the taxation applicable for corporates
Return figures for all schemes are Annualised for < 1 year and Compounded Annualised for >= 1 year
Returns shown in the chart above are for growth options.
Source for entire data stated above is Accord Fintech Pvt Ltd.

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