



BGSE FINANCIALS LTD

Newsletter



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Weekly Takeaway

One-Line Weekly Takeaway

Markets received a significant boost from falling crude oil prices as ceasefire hopes between the United States and Iran reduced geopolitical risk, easing inflation concerns and improving the outlook for energy-importing economies such as India.

Headline Story of the Week

Ceasefire Hopes Between US & Iran Drag Oil Prices Lower: What Lies Ahead?

Global crude oil markets witnessed a sharp correction during the week as diplomatic progress between the United States and Iran reduced fears of a prolonged Middle East conflict.

Brent crude oil, which had surged to nearly **\$126 per barrel during April 2026**, has corrected sharply to below **\$78 per barrel**, removing a substantial geopolitical risk premium from global energy markets.

Cooling Risk Premium — Markets Respond Positively

Earlier this year, energy markets had priced in:

- Potential supply disruptions
- Escalation of regional conflict
- Blockage of key global shipping routes

As ceasefire discussions gained traction, traders began unwinding these risk premiums, resulting in a sharp decline in crude oil prices.

Market Impact:

- Lower inflation expectations
- Reduced pressure on global central banks
- Improved risk appetite across equity markets

Strait of Hormuz — Normalisation Underway

The Strait of Hormuz remains one of the world's most important energy corridors, facilitating nearly **20% of global crude oil trade**.

Recent Developments:

- Shipping activity gradually normalising
- Delayed cargo movements resuming
- Supply chain concerns easing

Impact:

Reduced fears of supply shortages have contributed significantly to the decline in oil prices.

Why Markets Remain Cautious

Despite encouraging developments, investors continue to monitor several unresolved risks:

Key Concerns:

- Long-term durability of the ceasefire
- Regional geopolitical alignment
- Israel's strategic position regarding Iran
- Potential future disruptions in energy logistics

Conclusion:

The market has removed some risk premium, but not all uncertainty.

Risk of Temporary Oversupply

As shipping routes normalise, previously delayed cargoes could enter global markets simultaneously.

Potential Outcome:

- Short-term supply glut
- Additional pressure on crude prices
- Further cooling of energy inflation

This could extend the current downward trend in oil prices.

India Emerges as a Major Beneficiary

India imports more than **85% of its crude oil requirements**, making it one of the largest beneficiaries of falling oil prices.

Positive Implications:

- ✓ Lower import bill
- ✓ Improved current account balance
- ✓ Reduced inflationary pressure
- ✓ Stronger rupee stability
- ✓ Better corporate profitability

Market View:

Lower crude prices are among the most positive macro developments for India in 2026.

Market Impact — What Investors Should Watch**Positive for:**

1. Aviation
2. Paints
3. FMCG
4. Auto
5. Logistics
6. Consumption-oriented sectors

Monitor:

- Final ceasefire implementation
- Global crude inventories
- OPEC+ production decisions
- Shipping activity through Hormuz

Price Outlook**Base Case:**

- Crude maintains a downward bias
- Inflation concerns ease globally
- Emerging markets benefit

Risk Case:

- Ceasefire breaks down
- Regional tensions re-emerge
- Supply disruptions return

Markets will continue monitoring geopolitical developments closely.

Takeaway

The sharp decline in crude oil prices driven by improving US-Iran relations is currently the most important macro development for global markets. For India, lower oil prices provide a significant economic tailwind by easing inflation, supporting the rupee, and improving overall market sentiment.

Weekly Market Compass | – Market Pulse

Assessing Trend Strength, Market Breadth & Institutional Participation

This section evaluates the underlying health of the market through trend analysis, breadth, institutional flows, volatility, and sector participation.

Primary Market Trend

Current Status: Consolidation with Positive Undertones

- Nifty continues to trade in a broad consolidation range
- Markets have absorbed multiple global shocks without a major breakdown
- Falling crude oil prices have improved overall market sentiment

Interpretation: The market is currently consolidating before its next directional move, with improving macro conditions providing support.

Momentum Analysis

Momentum Condition: Neutral to Positive

- Selling pressure has reduced following the sharp decline in crude oil prices
- Domestic buying continues to support declines
- Sector rotation remains healthy

Interpretation:

Momentum is gradually improving, but a decisive breakout is still required for a sustained rally.

Market Breadth & Participation

Current Breadth: Positive

Broader markets continue to outperform benchmark indices.

Key Observations:

- Midcaps remain near record highs
- Small caps continue attracting buying interest
- Capital goods and infrastructure stocks remain leadership groups

Interpretation: Market participation remains broad, suggesting underlying strength despite benchmark consolidation.

Institutional Flow Dynamics

FII Activity

- Foreign investors remain cautious
- Geopolitical uncertainty and global asset allocation continue to influence flows

DII Activity

- Domestic institutions continue to provide strong support
- SIP inflows and domestic liquidity remain robust

Net Effect: Domestic liquidity continues to offset foreign selling pressure and provide market stability.

Volatility & Risk Perception

India VIX — Controlled Volatility

- Volatility remains elevated compared to long-term averages
- However, panic conditions are absent

Current Market Behaviour:

- ✓ Sharp intraday moves
- ✓ Sector rotation
- ✓ Stock-specific opportunities

Interpretation: Volatility remains tradable rather than destructive.

Sector Leadership

Leading Sectors

- Capital Goods
- Power
- Infrastructure
- Select PSU Banks

Neutral

- Private Banks
- Telecom

Lagging

- Oil & Gas
- Energy
- FMCG (select pockets)

Interpretation: Leadership remains concentrated in domestic growth and capex-driven themes.

Key Technical Levels to Watch

Index	Support Zone	Resistance Zone
NIFTY 50	23,500 – 23,700	24,200 – 24,500
BANK NIFTY	55,500 – 56,500	58,000 – 58,500

Market Phase Assessment

Current Phase: Healthy Consolidation

Characteristics:

- ✓ Strong domestic liquidity
- ✓ Broad market participation
- ✓ Stable macro-outlook improving due to lower crude prices
- ✓ Sectoral rotation remains active

Markets are consolidating gains rather than entering a corrective phase.

What This Means for Strategy

Investors

- Continue selective accumulation
- Focus on quality businesses and sector leaders

Traders

- Prefer range-based trading
- Buy on declines near support
- Maintain disciplined stop-losses

Market Mood Indicator

Parameter	Status
Trend	Consolidative
Momentum	Improving
Breadth	Positive
Volatility	Moderate
Risk Appetite	Selective Positive

Takeaway

The market remains in a healthy consolidation phase supported by strong domestic liquidity, resilient broader market participation, and improving macro conditions following the decline in crude oil prices. While benchmark indices continue to trade within a range, underlying market strength remains intact

Weekly Market Compass | Macro & Global Cues

Key Economic & Global Drivers Shaping Market Direction

The global macro environment has shifted significantly over the past few weeks, with easing geopolitical tensions helping cool energy prices, while artificial intelligence-led investments continue to drive global equity markets. For India, falling crude prices provide a meaningful economic tailwind, although global growth and trade risks remain relevant.

Global Macro — Oil Markets Take Centre Stage

US–Iran Ceasefire Hopes Ease Energy Concerns

The biggest macro development this week remains the sharp decline in crude oil prices following progress in ceasefire negotiations between the United States and Iran.

Key Developments:

- Brent crude corrected from nearly **\$126/barrel** to below **\$78/barrel**
- Strait of Hormuz shipping activity gradually normalising
- Supply disruption fears easing

Market Impact:

- Lower inflation expectations
- Reduced pressure on central banks
- Improved sentiment toward emerging markets

Strait of Hormuz — Why It Matters

The Strait of Hormuz handles approximately **20% of global oil trade** and remains one of the world's most important energy corridors.

Recent Improvements:

- ✓ Shipping traffic normalising
- ✓ Delayed cargoes moving again
- ✓ Supply chain disruptions easing

Impact: The reduction in geopolitical risk premium has become a major positive for global financial markets.

Artificial Intelligence Continues to Drive Markets

Technology & AI Remain Global Leadership Themes

Markets in:

- Japan
- South Korea
- Taiwan

- United States

continue to benefit from strong demand for:

- AI infrastructure
- Semiconductors
- Data centres
- Cloud computing

Positive Impact:

Strong earnings expectations continue to support technology valuations globally.

Risk:

Valuations remain elevated and could become vulnerable to earnings disappointments.

Global Trade & Growth Outlook

Trade Recovery Remains Uneven

While lower oil prices improve economic conditions, global trade continues to face challenges from:

- Tariff-related uncertainties
- Slower inventory cycles
- Weak manufacturing activity in some regions

Conclusion: Global growth is stabilising but remains uneven across major economies.

Central Bank Outlook

Global Rate Environment Becoming More Supportive

Lower energy prices are helping reduce inflationary pressures globally.

Implications:

- Lower probability of aggressive rate hikes
- Improved liquidity conditions
- Better support for equity valuations

Conclusion:

Falling crude prices may provide central banks additional flexibility in the coming quarters.

Indian Macroeconomic Outlook

India Emerges as a Major Beneficiary of Lower Oil Prices

India imports over **85% of its crude oil requirements**, making lower oil prices highly beneficial.

Benefits:

- ✓ Lower import bill
- ✓ Improved current account balance
- ✓ Reduced inflation pressure
- ✓ Better fiscal flexibility
- ✓ Improved corporate profitability

Conclusion: The decline in crude prices is one of the most positive macro developments for India this year.

Inflation Outlook Improving**Positive Drivers:**

- Falling crude oil prices
- Stable food inflation
- Improved supply chain conditions

Market Impact:

- Better consumer spending environment
 - Supportive conditions for corporate earnings
 - Improved economic confidence
-

Currency Outlook**Rupee Stability Improving**

Lower oil prices reduce pressure on:

- Foreign exchange reserves
- Current account deficit
- External financing requirements

Conclusion: The rupee outlook has improved materially compared to earlier months.

Policy Support Remains Strong**RBI & Government Position**

Current macro conditions provide policymakers with:

- ✓ Greater flexibility on growth initiatives
- ✓ Better inflation management
- ✓ Improved financial system stability

Domestic policy remains supportive for medium-term growth.

Macro Transmission Chain

US–Iran Ceasefire Progress → Lower Crude Oil → Lower Inflation → Stronger Rupee → Improved Earnings Outlook → Better Market Sentiment

Key Macro Variables to Watch**Global**

- Final implementation of US–Iran ceasefire
- Brent crude oil prices
- AI and semiconductor demand
- Global bond yields

Domestic

- USD/INR movement
 - Inflation trajectory
 - FII flow trend
 - Corporate earnings revisions
-

Takeaway

The macro backdrop has improved meaningfully with the sharp decline in crude oil prices and easing geopolitical tensions. For India, lower energy costs provide a significant economic advantage through lower inflation, improved currency stability, and stronger corporate profitability, creating a more supportive environment for equities.

Weekly Market Compass | Sector Radar

Current Sectoral Market Structure

The sharp decline in crude oil prices and improving macro conditions have triggered a noticeable shift in market leadership.

The market is currently favouring:

- ✓ Infrastructure & Capital Goods
- ✓ Power & Utilities
- ✓ Select Financials
- ✓ Consumption-oriented businesses

while energy-linked sectors continue to undergo a re-rating.

Leading Sector #1 — Capital Goods & Infrastructure

Infrastructure remains one of the strongest themes in the market.

Key Drivers:

- Strong government capex spending
- Robust order books
- Improved project execution
- Continued urbanisation and industrial investment

Beneficiaries:

- **Larsen & Toubro**
- Capital goods manufacturers
- Engineering & construction companies

Conclusion:

Infrastructure remains the preferred long-term growth theme in Indian equities.

Leading Sector #2 — Power & Utilities

The power sector continues to witness strong investor interest.

Positive Factors:

- Rising electricity demand
- Renewable energy expansion
- Transmission and distribution investments

Market View:

Power remains one of the most structurally attractive sectors in the current cycle.

Conclusion:

Momentum and earnings visibility remain favourable.

Leading Sector #3 — Private & PSU Banks

Financials continue to benefit from:

- Strong credit growth
- Stable asset quality
- Improving economic outlook

Positive Drivers:

- ✓ Better liquidity conditions
- ✓ Improving loan demand
- ✓ Lower inflation expectations

Conclusion:

Banks remain an important pillar of market stability.

Emerging Opportunity — Consumption & FMCG

Lower crude oil prices are a significant positive for consumption-focused businesses.

Benefits:

- Reduced input costs
- Improved disposable income
- Better operating margins

Beneficiary Areas:

- FMCG
- Retail
- Consumer Durables
- Quick Service Restaurants

Conclusion:

Consumption could emerge as a key beneficiary if oil prices remain subdued.

Technology & IT — Stabilising

The IT sector is beginning to stabilise after a prolonged period of underperformance.

Positive Factors:

- AI spending remains robust globally
- Valuations have corrected
- Earnings expectations becoming realistic

Risks:

- Global growth slowdown
- Delayed discretionary spending

Conclusion:

Selective opportunities exist in quality IT companies.

Oil & Gas — Mixed Outlook

Lower crude prices create mixed outcomes across the sector.

Positive:

- Lower energy costs
- Reduced inflation pressure

Negative:

- Margin pressure for upstream producers
- Potential earnings downgrades if crude remains weak

Conclusion:

Sector performance is likely to remain stock specific.

Sector Rotation Insight

Capital Moving Toward:

- ✓ Infrastructure
- ✓ Power
- ✓ Financials
- ✓ Consumption

Capital Moving Away From:

- ✗ Pure energy plays
- ✗ High-cost cyclical sectors
- ✗ Companies dependent on elevated commodity prices

Sector Valuation & Positioning

Sector	View	Commentary
Capital Goods	Positive	Strong order books
Infrastructure	Positive	Government capex support
Power	Positive	Demand growth visible
Banking	Positive	Stable earnings outlook
Consumption	Improving	Beneficiary of lower oil
IT	Neutral Positive	Selective opportunities

Oil & Gas	Mixed	Crude-sensitive earnings
Metals	Neutral	Awaiting demand clarity

Preferred Sector Allocation

Overweight

- Capital Goods
- Infrastructure
- Power
- Private Banks
- Consumption

Neutral

- IT
- Telecom
- Metals

Underweight

- Crude-sensitive upstream energy names

What This Means for Investors

- ✓ Falling oil prices are changing sector leadership
- ✓ Domestic growth themes remain dominant
- ✓ Earnings visibility is strongest in infrastructure, power and financials

Takeaway

The combination of lower crude oil prices, strong domestic capex spending, and resilient economic activity continues to favour infrastructure, power, banking, and consumption sectors. Investors should focus on sectors with improving earnings visibility and strong structural growth drivers.

Weekly Market Compass | Market Risks & What Can Go Wrong

Identifying Key Downside Risks & Market Vulnerabilities

While the macro environment has improved following the decline in crude oil prices, several risks continue to warrant close monitoring. Markets remain highly sensitive to geopolitical developments, global liquidity conditions, and institutional flows.

Current Risk Environment — Improving but Fragile

The sharp correction in crude oil has reduced immediate inflation fears, but investors should not assume risks have completely disappeared.

The market has moved from a **high-risk environment** to a **moderate-risk environment**.

1. Geopolitical Risk — Ceasefire Not Yet Fully Tested

Although ceasefire negotiations between the United States and Iran have improved sentiment:

Key Concerns:

- Final implementation remains uncertain
- Regional alliances remain divided
- Future military escalations cannot be ruled out

Market Impact:

- Sudden spike in crude oil prices
- Global risk-off sentiment
- Increased volatility

Conclusion:

The Middle East remains the single most important geopolitical risk for markets.

2. Crude Oil Risk — Lower but Not Eliminated

Brent crude has corrected sharply from recent highs.

However:

- Oil markets remain dependent on geopolitical stability
- OPEC+ production decisions remain important
- Supply disruptions can quickly reverse sentiment

Impact on India:

- Inflation
- Fiscal balance
- Corporate margins
- Rupee stability

Conclusion: Lower oil prices are positive, but investors should continue monitoring energy markets closely.

3. FI Selling Risk

Foreign Institutional Investors remain cautious.

Key Drivers:

- Global asset allocation shifts
- Geopolitical uncertainty
- Emerging market risk assessment

Impact:

- Caps benchmark index upside
- Creates short-term volatility

Positive Counterbalance:

- Strong domestic institutional buying
-

4. Global Valuation Risk — AI Driven Markets

Technology and semiconductor stocks continue to lead global markets.

Risk Factors:

- Elevated valuations
- Concentrated institutional positioning
- High earnings expectations

Conclusion:

Any disappointment from major AI-related companies could trigger broader market volatility.

5. Global Growth & Trade Risk

Despite improving energy conditions:

Challenges Remain:

- Trade tariff uncertainties
- Slower manufacturing activity
- Weakness in certain export markets

Impact:

- Export-oriented sectors
 - Global industrial demand
 - Corporate earnings visibility
-

6. Currency Risk — Rupee Stability Must Continue

Lower oil prices have improved India's currency outlook.

However:

Risks Include:

- Renewed crude oil spike
- Global dollar strength
- Persistent FII outflows

Conclusion: Currency stability remains a key support pillar for Indian equities.

7. Technical Risk — Markets Still Range-Bound

NIFTY 50

Level	Range
Support	23,400 – 23,700
Major Support	23,000
Resistance	24,200 – 24,500

BANK NIFTY

Level	Range
Support	550,00 – 56,500
Resistance	5,000 – 59,000

Conclusion: Until resistance levels are decisively crossed, markets may continue to remain volatile and range bound.

8. Domestic Liquidity — Major Positive Cushion

One of the strongest positives for Indian markets remains:

Domestic Institutional Support

- ✓ Strong SIP inflows
- ✓ Consistent DII buying
- ✓ Healthy retail participation

This continues to absorb foreign selling pressure and support broader market resilience.

Market Risk Heat Map

Risk Factor	Intensity	Status
Geopolitical Risk	● High	Active
Crude Oil Volatility	● Moderate	Improving

FII Selling	● Moderate	Ongoing
Global AI Valuation Risk	● Moderate	Emerging
Currency Risk	● Moderate	Stable
Global Growth Risk	● Moderate	Ongoing
Technical Consolidation	● Low–Moderate	Active
Domestic Liquidity	● Positive	Supportive

Key Risk Triggers to Watch

Bearish Triggers

- Breakdown in US–Iran ceasefire progress
- Sharp rebound in crude oil prices
- Renewed FII selling
- Global technology correction
- Dollar strength

Positive Triggers

- Continued decline in crude prices
- Stable rupee movement
- Strong DII inflows
- Improvement in global risk appetite
- Breakout above key resistance zones

Risk Management Guidelines

- ✓ Follow disciplined stop-losses
- ✓ Avoid overleveraging positions
- ✓ Focus on quality companies with earnings visibility
- ✓ Maintain diversified exposure
- ✓ Review portfolio allocation regularly

Takeaway

Although macro risks have eased significantly due to falling crude oil prices and improving geopolitical sentiment, markets remain vulnerable to sudden external shocks. Strong domestic liquidity continues to provide stability, but disciplined risk management remains essential in the current environment.

Weekly Market Compass | Core Portfolio Stock Ideas

High-Conviction Opportunities

This section highlights stocks selected based on a combination of technical strength, improving price action, sector momentum, and stable earnings performance. The stocks are exhibiting constructive chart structures and offer favourable risk-reward opportunities over the next 1–3 weeks.

1. NTPC Limited

- **Buy:** ₹365.80 or CMP
- **Target:** ₹385 – ₹400
- **Stop Loss:** ₹345

Summary

NTPC continues to trade above its key medium and long-term moving averages, indicating a strong underlying trend. The stock is witnessing positive price action with sustained institutional participation. Stable earnings growth, healthy cash flows, and continued power demand growth provide a supportive backdrop. The combination of technical strength and earnings visibility supports the potential for further upside.

2. GlaxoSmithKline Pharmaceuticals

- **Buy:** ₹2,332 or CMP
- **Target:** ₹2,450 – ₹2,600
- **Stop Loss:** ₹2,250

Summary

The stock is maintaining strength above its 50-day and 200-day moving averages while displaying improving price action. The pharmaceutical sector continues to offer defensive characteristics in volatile markets. Stable quarterly earnings and improving operational performance support the possibility of a breakout towards higher levels.

3. KPI Green Energy

- **Buy:** ₹409.15 or CMP
- **Target:** ₹435 – ₹450
- **Stop Loss:** ₹398

Summary

KPI Green continues to benefit from strong momentum within the renewable energy space. The stock remains technically well-positioned above major moving averages and is showing signs of a breakout from consolidation. Consistent earnings growth and increasing participation in renewable projects provide strong support for further upside potential.

4. KEC International

- **Buy:** ₹541.45 or CMP
- **Target:** ₹565 – ₹590
- **Stop Loss:** ₹520

Summary

KEC International is displaying improving price action and remains supported by its long-term trend structure. Strong order book visibility, infrastructure spending momentum, and stable quarterly earnings continue to strengthen the investment case. The stock appears positioned for a potential breakout from its recent trading range.

5. KPIT Technologies

- **Buy:** ₹760 or CMP
- **Target:** ₹775 – ₹820
- **Stop Loss:** ₹745

Summary

KPIT Technologies continues to benefit from increasing global demand for automotive software and mobility solutions. The stock is stabilising above important technical levels and showing constructive price action. Stable earnings performance, strong client demand, and positive sector outlook support expectations of further upside.

Research Methodology

The above stock ideas are selected using a combination of:

Technical Analysis

- ✓ 50-Day Moving Average
- ✓ 200-Day Moving Average
- ✓ Price Action Analysis
- ✓ Breakout & Trend Structure Evaluation

Fundamental Analysis

- ✓ Quarterly Earnings Performance
- ✓ Earnings Stability

- ✓ Sector Outlook
- ✓ Business Growth Prospects

Risk Management Notes

- ✓ Strictly adhere to stop-loss levels
- ✓ Avoid averaging losing positions
- ✓ Book partial profits near target zones
- ✓ Maintain disciplined position sizing
- ✓ Review positions periodically based on market developments

Takeaway

The current market environment continues to favour stocks demonstrating strong trend structures, breakout potential, and stable earnings visibility. Infrastructure, power, renewables, healthcare, and technology remain key areas where technical strength and fundamental support are aligning to create attractive opportunities.

Disclaimer – Stock Recommendations

The stock recommendations provided in this report are based on a combination of technical analysis (including moving averages, Bollinger Bands, Fibonacci retracement, volume and price action) and fundamental analysis (including quarterly performance and financial ratio analysis).

These recommendations are intended solely for informational and educational purposes and should not be construed as an offer, solicitation, or recommendation to buy or sell any securities.

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Investors are advised to:

- Conduct their own independent research
- Assess their risk tolerance and financial objectives
- Consult with a qualified financial advisor before making any investment decisions

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The analyst and/or associated entities may or may not have positions in the securities discussed. Any such positions, if held, are subject to regulatory disclosures

Weekly Market Compass | Tactical & Trading Opportunities

Index Strategy & Short-Term Execution Framework

This section focuses on short-term trading opportunities based on index structure, market sentiment, institutional flows, and volatility conditions.

The current market environment continues to favour:

- Tactical positioning
- Sector rotation trades
- Stock-specific opportunities
- Disciplined risk management

over aggressive directional bets.

Current Market Setup

Markets have responded positively to the sharp decline in crude oil prices and easing geopolitical concerns.

Key Positives:

- ✓ Lower crude oil prices
- ✓ Improving rupee outlook
- ✓ Strong domestic liquidity support
- ✓ Positive broader market participation

Key Risks:

- △ Geopolitical uncertainty remains unresolved
- △ FIIs continue to remain cautious
- △ Global growth concerns persist

Conclusion:

The market has improved materially but remains highly news driven.

1. NIFTY 50 — Positive Consolidation

Market Context

- Nifty continues to consolidate above key support zones
- Broader market participation remains strong
- Lower crude oil prices are acting as a positive catalyst

Key Technical Levels

Level Type	Range
Immediate Support	24,000 – 23,900
Major Support	23,700
Resistance Zone	24,500 – 24,700
Breakout Trigger	Above 24,700

Trading Bias

- Above 24,500:
 - Positive momentum likely to continue
- Above 24,700:
 - Fresh breakout possible
- Below 23,900:
 - Short-term weakness may emerge

Current bias remains **Neutral to Positive**.

2. BANK NIFTY — Relative Strength Continues

Market Context

Bank Nifty continues to outperform due to:

- ✓ Strong credit growth
- ✓ Stable asset quality
- ✓ Improved macro outlook

Key Technical Levels

Level Type	Range
Immediate Support	56,000
Major Support	55,500
Resistance Zone	57,500 – 58,000

Trading Bias

- Above 56,000:
 - Positive structure remains intact

- Above 58,000:
 - Fresh momentum expected

Banking remains one of the strongest pillars supporting the broader market.

3. Options Strategy — Controlled Volatility Environment

Current Environment

- India VIX remains relatively subdued
- Event-driven volatility remains possible

Preferred Strategies

- ✓ Bull Call Spreads
- ✓ Directional Option Buying near support levels
- ✓ Defined-Risk Spread Strategies
- ✓ Short-duration momentum trades

Avoid

- ✗ Aggressive naked option selling
- ✗ Large overnight leveraged positions
- ✗ Averaging losing trades

Sector-Based Trading Opportunities

Strong Momentum Sectors

- Power
- Capital Goods
- Infrastructure
- Renewable Energy
- Select Financials

Watchlist Sectors

- IT
- Pharma
- Consumption

Weak Relative Strength

- Crude-sensitive upstream energy plays

- Commodity-dependent sectors

Trading Checklist

Before entering any trade:

- ✓ Define Entry, Target & Stop Loss
- ✓ Maintain favourable risk-reward ratios
- ✓ Avoid overtrading during volatile sessions
- ✓ Focus on liquid stocks and strong setups
- ✓ Respect position sizing rules

Market Sentiment Meter

Indicator	Status
Trend	Positive Consolidation
Volatility	Controlled
Liquidity	Strong
Institutional Support	Positive
Risk Appetite	Improving

Takeaway

Markets continue to consolidate with a positive bias supported by easing crude oil prices, improving macro conditions, and strong domestic liquidity. Traders should focus on sector leaders and breakout candidates while maintaining disciplined risk management.

Market Compass | Events, Macro & Levels

Key Events, Macro Triggers & Market Direction

Markets enter the new week with sentiment improving due to falling crude oil prices and easing geopolitical concerns. However, investors will continue to monitor global developments closely as several macro variables remain capable of influencing market direction.

Primary Market Trigger — US–Iran Ceasefire Progress

Geopolitical Tensions Showing Signs of Easing

The biggest development remains the progress toward a ceasefire agreement between the United States and Iran.

Market Implications:

- ✓ Lower crude oil prices
- ✓ Reduced inflation concerns
- ✓ Improved global risk appetite
- ✓ Better outlook for emerging markets

Investor Focus:

Markets will closely monitor the implementation and durability of the agreement.

Crude Oil — India's Most Important Macro Variable

Current Scenario

- Brent crude has corrected significantly from recent highs
- Supply concerns have eased
- Shipping activity through the Strait of Hormuz is gradually normalising

Why It Matters for India

Lower crude prices support:

- ✓ Lower inflation
- ✓ Reduced import bill
- ✓ Improved fiscal position
- ✓ Better corporate profitability
- ✓ Stronger rupee outlook

Market View:

Continued stability in oil prices could act as a major positive catalyst for Indian equities.

Global Technology & AI Theme

AI Investment Cycle Remains Intact

Global markets continue to monitor:

- Semiconductor demand
- AI infrastructure spending
- Cloud computing investments
- Technology sector earnings

Key Markets to Watch:

- United States
- Japan
- South Korea
- Taiwan

Impact:

Strong AI-related earnings could continue supporting global risk sentiment.

Institutional Flow Watch

Foreign Institutional Investors (FIIs)

FIIs remain cautious due to:

- Global asset allocation changes
- Geopolitical uncertainty
- Currency considerations

Domestic Institutional Investors (DIIs)

Domestic flows continue to provide strong support through:

- SIP inflows
- Mutual fund investments
- Retail participation

Conclusion:

DII participation remains one of the strongest support pillars for the market.

Indian Macro Indicators to Watch

Key Variables

- Rupee movement
- Inflation data
- Crude oil prices
- Corporate earnings revisions

Positive Indicators

- ✓ Lower energy costs
- ✓ Stable banking system
- ✓ Strong capex pipeline
- ✓ Improving consumption outlook

Sectoral Themes for the Week

Preferred Sectors

- Power
- Infrastructure
- Capital Goods
- Banking
- Renewable Energy

Watchlist Sectors

- IT
- Pharma
- Consumption

Sensitive Sectors

- Upstream Oil & Gas
- Commodity-sensitive businesses

Key Technical Levels

Index	Support Zone	Resistance Zone
NIFTY 50	23,900 – 24,000	24,500 – 24,700
BANK NIFTY	55,500 – 56,000	57,500 – 58,000

Technical Outlook

- Above resistance levels:
 - Momentum could accelerate
- Below support levels:
 - Consolidation may deepen

Expected Market Behaviour

Markets are likely to remain:

- ✓ Selectively bullish
- ✓ News-driven
- ✓ Sector-rotation focused
- ✓ Supported by domestic liquidity

However:

△ Volatility may emerge around geopolitical developments and global market movements.

Weekly Investor Checklist

- ✓ Monitor crude oil prices daily
 - ✓ Watch developments in the Middle East
 - ✓ Track FII and DII activity
 - ✓ Focus on sectors showing relative strength
 - ✓ Maintain disciplined risk management
-

Takeaway

The coming week begins with improving macro conditions and easing energy-related risks. Falling crude oil prices, supportive domestic liquidity, and resilient economic fundamentals continue to provide a constructive backdrop for Indian equities. However, investors should remain alert to geopolitical developments and global market volatility.

Weekly Market Compass | Conclusion & Positioning

Current Market Stance

- **Overall, Bias:** Constructive with Selective Opportunities
- **Trend:** Consolidation within a broader uptrend
- **Volatility:** Moderate and event-driven
- **Leadership:** Power, Infrastructure, Capital Goods, Financials & Select Midcaps

Markets have demonstrated resilience despite geopolitical uncertainty, elevated volatility, and persistent foreign selling. The recent decline in crude oil prices has significantly improved the macro-outlook and reduced one of the largest risks facing global markets.

What Defined Markets This Week

The dominant theme during the week was the sharp correction in crude oil prices following progress in ceasefire negotiations between the United States and Iran.

Key Developments:

- ✓ Brent crude corrected sharply from conflict-driven highs
- ✓ Inflation concerns moderated globally
- ✓ Rupee outlook improved
- ✓ Domestic growth expectations strengthened
- ✓ Broader market participation remained healthy

Conclusion: The market's focus has shifted from geopolitical escalation toward economic recovery and earnings visibility.

India's Macro Advantage is Strengthening

India remains one of the largest beneficiaries of lower crude oil prices.

Positive Implications:

- Lower import bill
- Reduced inflation pressure
- Improved current account position
- Better fiscal flexibility
- Enhanced corporate profitability

With over 85% of crude oil requirements imported, sustained stability in energy prices could become a major tailwind for the Indian economy over the coming quarters.

Market Leadership Has Changed

The current rally is no longer being driven by a handful of large-cap stocks.

Instead, leadership has broadened to:

Preferred Themes

- Infrastructure
- Capital Goods
- Power & Utilities
- Banking & Financials
- Renewable Energy

These sectors continue to benefit from:

- ✓ Government capex spending
 - ✓ Improving earnings visibility
 - ✓ Structural growth drivers
 - ✓ Strong institutional participation
-

What Investors Should Focus On

Long-Term Investors

Continue accumulating quality businesses with:

- Strong earnings visibility
 - Healthy balance sheets
 - Sector leadership positions
 - Sustainable growth prospects
-

Traders

Focus on:

- Breakout opportunities
- Relative strength sectors
- Defined risk-reward setups
- Strict stop-loss discipline

Avoid emotional decision-making and excessive leverage.

Key Variables to Monitor

Global

- US–Iran ceasefire implementation
- Brent crude oil prices
- Global bond yields
- AI and technology sector momentum

Domestic

- FII and DII flows
- Rupee stability
- Corporate earnings upgrades
- Infrastructure and capex momentum

The Road Ahead

While short-term volatility is likely to persist, the broader market structure remains constructive.

The combination of:

- ✓ Falling crude oil prices
- ✓ Strong domestic liquidity
- ✓ Stable banking system
- ✓ Improving macro conditions

creates a favourable backdrop for Indian equities.

Markets may continue to witness sector rotation, but the overall investment environment remains supportive for disciplined investors.

Key Message for Investors

1. Stay invested but stay selective.
2. Focus on earnings, not headlines.
3. Use volatility as an opportunity, not a threat.
4. Quality businesses and disciplined risk management remain the foundation of long-term wealth creation.

Final Word

The sharp decline in crude oil prices has provided a meaningful boost to India's macroeconomic outlook and reduced one of the biggest risks facing markets in 2026. While geopolitical developments and global uncertainties remain important, domestic fundamentals continue to strengthen. As we enter the second half of the year, investors should remain focused on sectors benefiting from India's capex cycle, energy transition, and consumption recovery. The market may not move in a straight line, but the underlying foundation remains encouraging

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