



# MARKET ● SPOTLIGHT

May 2026

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## **Markets on Edge: Crude, Elections & Macro Stress**

May 2026 is expected to remain volatile for Indian markets, driven by a mix of domestic and global factors. State elections are a key near-term trigger, as policy decisions—especially on fuel prices—may remain on hold until results are out. However, if crude oil prices stay elevated, there is a strong possibility of petrol and diesel price hikes post-elections, which can push inflation higher and slow down consumption. At the same time, geopolitical tensions around the US–Israel–Iran conflict and the Strait of Hormuz continue to keep crude prices volatile. Any disruption in supply can further increase costs for India, while weakness in the rupee can amplify imported inflation and keep FII flows inconsistent.

Sector-wise, elevated crude remains the biggest concern. Aviation, Tyres, FMCG, and OMCs may face margin pressure due to higher input and logistics costs, while broader demand may also get impacted if fuel prices rise. The final phase of Q4 earnings will be crucial, with Banking stocks in focus for growth and margins, and IT dependent on global demand outlook. Auto sales numbers will provide important cues on consumption trends, while the monsoon outlook will be key for rural demand. Overall, market direction will depend on crude stability, election outcomes, earnings performance, and global developments, with risks tilted to the downside if crude remains high and fuel prices are hiked.

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Risk Remains High as Crude, Currency & Global Tensions Intensify

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## APRIL MONTH WRAP-UP

▲ Nifty	22,331.45(+7.46%)
▲ Sensex	71,947.90(+6.90%)
▲ Banknifty	50,275.25(+9.13%)
▲ Nifty ENERGY	40,771.90(+16.99%)
▲ NIFTY OIL & GAS	10,778.35(+8.40%)
▲ Nifty METAL	12,833.45(+15.21%)
▲ Nifty Midcap	59,784.35(+13.55)
▲ Nifty Smallcap	18,007.90(+18.44)

## KEY HIGHLIGHTS OF APRIL

- **Ceasefire-Led Recovery:** Markets rebounded from lower levels, with midcap and smallcap indices leading despite ongoing uncertainty.
- **Energy Sector in Focus:** Energy and Power stocks led the rally, emerging as the key area of strength.
- **FII Selling Pressure:** FIIs remained heavy sellers, with net outflows of nearly ₹60,000 crore.
- **Crude Volatility:** Crude oil stayed highly volatile, keeping inflation concerns and market direction uncertain.

## TECHNICAL OUTLOOK

### NIFTY

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- Nifty remains stuck in an indecisive range of 23,800–24,300, indicating lack of clear directional momentum.
- On the upside, 24,300, 24,600, and 25,000 are key resistance levels.
- On the downside, 23,800 is a crucial support; a break below this could open the path towards 23,150.

### BANK NIFTY

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- Bank Nifty appears relatively weak, facing rejection at the 200 DMA and witnessing a decline below the 20 DMA.
- On the upside, 55,500, 56,000, and 57,000 will act as key resistance levels, likely to cap any recovery.
- On the downside, 54,000 is a crucial support; a break below this could open a downside window towards 52,800.

## IPO's PERFORMANCE APR 2026

IPO Name	Issue Price (INR)	Listing Price (INR)	Listing Gain (%)	Subscription
Om Power Transmission Ltd.	175	178	1.71%	2.3X
OnEMI Technology Solutions Ltd.	171	-	-	0.25X

## EXPECTED IPO's MAY 2026

- Bagmane Prime Office REIT
- Milky Mist Dairy Food
- Duroflex

## SME IPO's PERFORMANCE APR 2026

IPO Name	Issue Price (INR)	Listing Price (INR)	Listing Gain (%)
Emiac Technologies Ltd.	98	108	10.2%
Safety Controls & Devices Ltd.	80	83	3.75%
Mehul Telecom Ltd.	98	108	10.2%
Adisoft Technologies Ltd.	172	205	19.19%
Amba Auto Sales & Services Ltd.	135	-	-

## EXPECTED SME IPO's MAY 2026

- Value 360 Communications
- Recode Studios

## KEY TRIGGERS FOR MAY



- **State Elections & Policy Impact:** Election outcomes may influence policy decisions, with potential fuel price hikes post-results if crude remains elevated.
- **Geopolitical Tensions:** Escalation in US–Israel–Iran conflict and risks around the Strait of Hormuz may keep crude volatile and markets on edge.
- **Crude Oil & Inflation Risk:** Sustained high crude prices can increase inflationary pressure and impact consumption trends.
- **Rupee Movement & FII Flows:** Weakness in the rupee may amplify imported inflation and keep FII flows volatile.
- **Earnings, Auto Sales & Monsoon:** Final phase of Q4 earnings, monthly auto sales data, and monsoon outlook will be key indicators for demand and market direction.

## SECTORS TO WATCH



Auto sector will be closely tracked through monthly sales numbers, as demand sentiment may weaken if fuel prices rise.

Crude related sector may remain under pressure due to rising input costs and margin concerns.



Power sector may show resilience amid strong demand outlook.

Pharma may stay defensive, supported by stable demand and a strong technical structure.



## TOP PICKS FOR MAY

**BUY**

**Mazdock**



**CMP 2733**

**SL 2550**

**TGT 3000**

**BUY**

**PFC**



**CMP 448**

**SL 400**

**TGT 525**

**BUY**

**JSW Energy**



**CMP 560**

**SL 510**

**TGT 630**

## INVESTMENT IDEA

### SONA BLW



SONA COMSTAR

CMP 607

TGT 850 (40%)

Duration 1 Year

## TOP MUTUAL FUNDS



Largecap/  
Bluechip Fund

**ICICI PRU  
LARGE & MID  
CAP FUND**



Multicap Fund

**Nippon  
India Multi  
Cap Fund**



SmallCap

**HDFC Small  
Cap Fund**



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