



**IDBI** capital

# MONTHLY OVERVIEW

**Jun-26**

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## Key Observations of May 2026

The Indian stock market traded largely sideways throughout the month, with benchmark indices struggling to maintain momentum at higher levels. Despite intermittent recovery attempts, markets faced consistent selling pressure near key resistance zones, limiting any meaningful upside and keeping the broader trend range-bound. Investor sentiment remained cautious amid persistent global uncertainties and heightened market volatility. Concerns surrounding international developments and fluctuating global market conditions continued to influence domestic equities, resulting in periodic risk-off behaviour and subdued participation from investors.

Investor sentiment was weighed down by rising inflation concerns, driven by Brent crude oil prices trading above USD 90 per barrel and continued weakness in the Indian rupee. Higher crude prices and currency depreciation raised concerns over input costs, inflationary pressures, and their potential impact on corporate earnings and economic growth. As a result, market participants remained cautious, with near-term trends expected to be influenced by commodity price movements, currency fluctuations, and broader macroeconomic developments.

### **SECTORAL SNAP SHOT:**

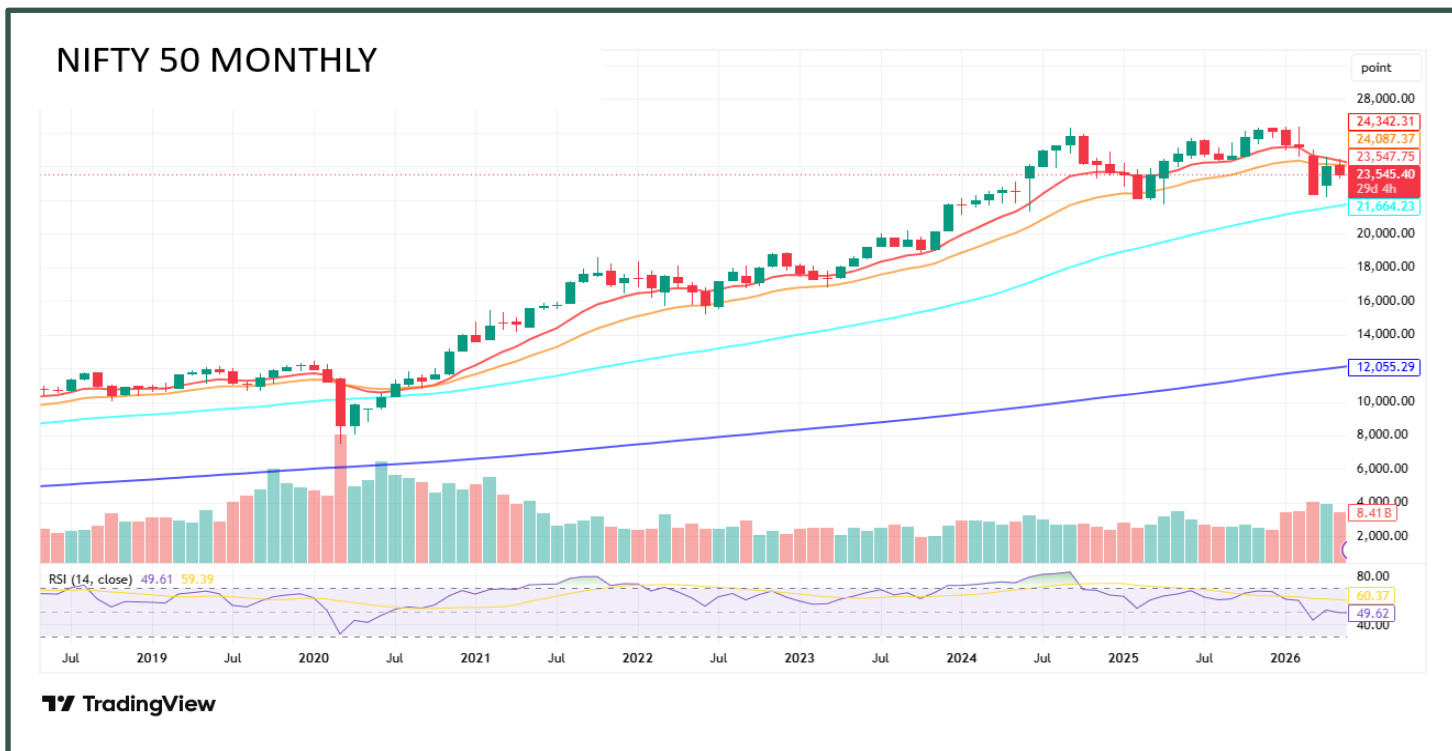
Indian equity markets witnessed a mixed sectoral performance during the month, reflecting a cautious investment environment amid global uncertainties and elevated market volatility. The Metals sector emerged as the best performer, with the Nifty Metal index gaining 4.74%, Healthcare-related sectors also remained resilient, with Nifty Pharma advancing 4.36% and Nifty Healthcare rising 3.18%, Auto sector posted a modest gain of 1.62%, indicating steady demand trends despite a challenging macroeconomic backdrop.

In contrast, several sectors faced selling pressure during the month. FMCG was the weakest performer, declining 3.31%, as concerns over rising input costs and inflation weighed on sentiment. Realty also slipped 1.39%, while the IT sector declined 0.93% amid continued uncertainty in global technology spending and export-driven businesses.

### **INSTITUTIONAL ACTIVITY:**

In May 2026, Foreign Institutional Investors (FIIs) continued to remain net sellers in Indian equities, recording net outflows of approximately Rs. 55,963 crores, compared to Rs. 70,136 crores in April 2026. This represents a significant reduction in selling pressure of nearly Rs. 14,173 crores.

Domestic Institutional Investors (DIIs), on the other hand, strengthened their support for the market, with net inflows rising to approximately Rs. 82,669 crores in May 2026 from Rs. 51,064 crores in April 2026. This marks an increase of around Rs. 31,605 crores in domestic buying activity, reflecting strong confidence among local investors and institutions.



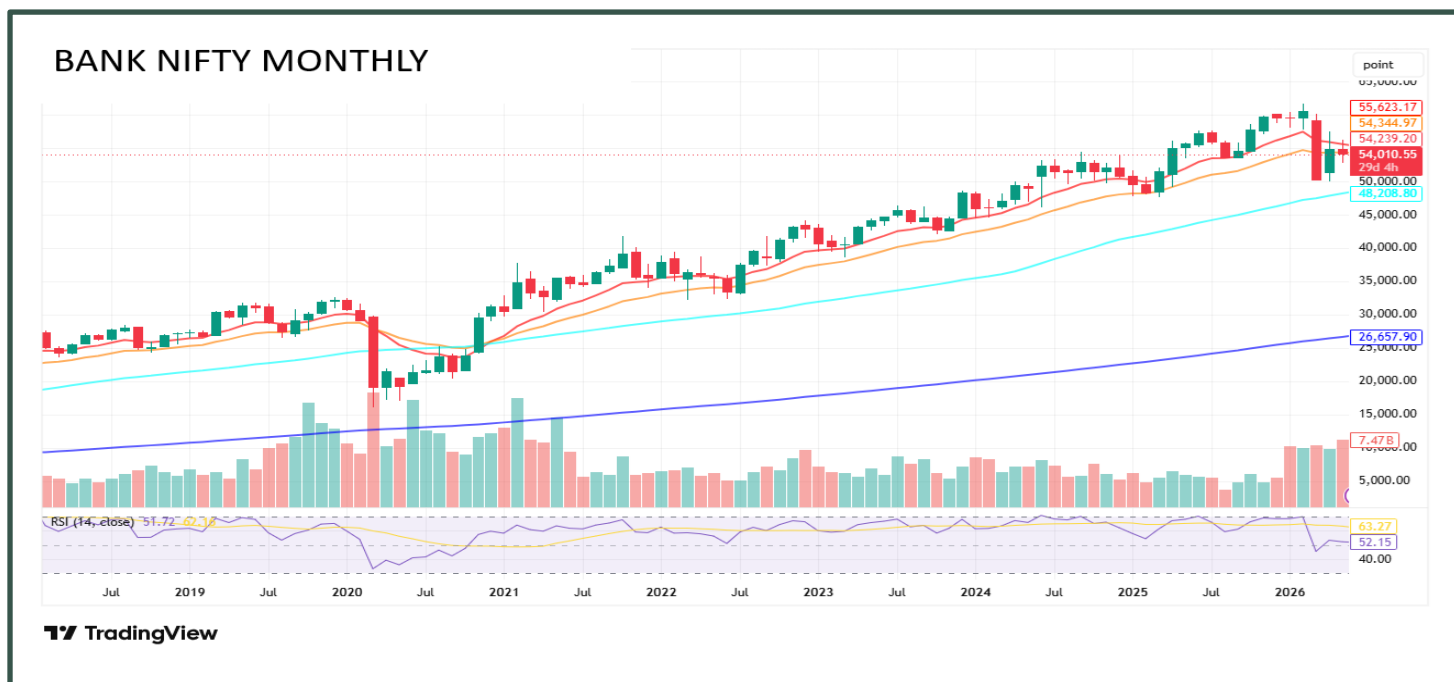
#### Nifty Outlook – June 2026

Nifty 50 continued to trade within a defined range throughout May month, reflecting a lack of directional conviction among market participants. The index witnessed repeated selling pressure at higher levels, which prevented any meaningful breakout despite intermittent buying support at lower levels. The overall price action remained subdued, indicating a balance between buyers and sellers amid prevailing macroeconomic and global uncertainties. Volatility remained relatively contained during the month as the market consolidated after the sharp recovery witnessed earlier. From a technical standpoint, Nifty 50 formed an inside bar candle on the monthly chart for the second consecutive month, highlighting an extended phase of consolidation and indecision. The formation of back-to-back inside bar candles suggests that the market is awaiting a decisive trigger before embarking on its next directional move. Going forward, the overall view remains neutral to sideways unless a decisive breakout occurs. A sustained move above the 24,600 mark could attract fresh buying interest and pave the way for further upside, while a breach of the crucial support level of 22,200 may trigger renewed selling pressure, potentially extending the decline towards the 50-monthly Simple Moving Average (SMA) near 21,790. Nifty 50 remains in a consolidation phase and is likely to stay range-bound in the near term, with the next meaningful trend expected to emerge only after a breakout from the current trading range.

**Given the current market structure, here are some of the quality mid-to-large-cap names that look promising from the next 3-4-month perspective: BHEL, BHARTIARTL, CUB, HINDCOPPER, DIVISLAB, NMDC, ONGC.**

Nifty Outlook	
Short Term - Daily	Neutral
Medium Term - weekly	Neutral
Long Term - Monthly	Positive

Nifty Technical Data		
Monthly Closing		23,548
Monthly High		24,482
Monthly Low		23,263
Monthly Bias:		<b>Neutral</b>
Support Level:	21,800	21,300
Resistance Level:	24,600	25,000
Moving Averages		
50 DSMA		23,683
200 DSMA		24,985
200 WEEK MOVING AVG.		22,055



### Bank Nifty Outlook – June 2026

Bank Nifty traded within a narrow range throughout May month, mirroring the broader market's consolidation phase. The index faced persistent resistance at higher levels, resulting in repeated bouts of profit booking and limiting any sustained upward momentum. Despite intermittent buying support at lower levels, Bank Nifty remained largely range-bound, reflecting cautious sentiment among investors. Banking sector performance was muted during the month. PSU Banks fell about 3.85% MoM due to profit booking and weakness in public sector lenders, while Private Banks remained resilient with a modest 0.17% MoM gain. Technically, Bank Nifty formed an inside bar candle, signalling continued consolidation and market indecision. The pattern highlights the importance of the mother candle range and suggests the index is awaiting a decisive breakout for its next directional move. Going forward, the overall view on Bank Nifty remains sideways to neutral unless a decisive breakout occurs. On the upside, immediate resistance is placed at 57,500, which marks the high of the mother candle, and a sustained move above this level could signal a resumption of bullish momentum. On the downside, key support is seen near 49,900, and a breach of this level may trigger renewed selling pressure. If the support zone is decisively broken, the index could extend its decline towards the 200-week SMA near 49,200, which continues to act as a crucial long-term support level. Until a breakout from the current range materializes, Bank Nifty is expected to remain in a consolidation phase with a neutral bias.

Overall, the current price structure suggests a bearish-to-cautious stance. Traders are advised to remain selective and adopt a cautious approach until clearer signs of stability and trend reversal emerge within the banking space.

Bank Nifty Outlook	
Short Term - Daily	Neutral
Medium Term- Weekly	Neutral
Long Term- Monthly	Positive

Banking Sector Performer	
Top Outperformer	YESBANK KOTAKBANK
Top Underperformer	SBIN HDFCBANK

Bank Nifty Technical Data	
Monthly Closing	54,239
Monthly High	56,334
Monthly Low	52,783
Monthly Bias:	Neutral
Support Level:	49,900      48,300
Resistance Level:	57,500      60,200
Moving Averages	
50 DSMA	54,476
200 DSMA	57,022
200 WEEK MOVING AVG.	49,167

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