

# Sector Rotation Hides Behind a Flat Nifty: Pharma Surges, Banks Crack as Brent Hits \$126 & Rupee Sets Record Low

Your weekly compass through the financial markets

Week of April 26 – May 2, 2026 | Vol. 1, Issue 9

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## DISPERSION

□ FLAT NIFTY HIDES 15-PT SECTOR SPREAD — Pharma +1.2% / Banks -2.6% | Brent \$126 (peak since Jun '22) | Rupee record low ₹95.32 | Fed holds 3.50-3.75% on 8-4 dissent

NIFTY 50  
**23,998**  
• Flat WoW

SENSEX  
**76,914**  
• Flat WoW

BRENT CRUDE  
**\$126.41**  
▲ +20% (4-wk)

USD/INR  
**95.32**  
▲ +1.1% (record low)

## INDIA VIX

**18.46**

• Flat WoW • Spiked 6% Apr 30

## SMALLCAP 100

**+1.6%**

▲ Most resilient broad index

## RBI REPO RATE

**5.25%**

Held • Next MPC Jun 3-5



## Indian Equities

BSE & NSE Weekly Performance

Indian equities closed the week broadly flat at the index level — but underneath, the rotation was the widest of 2026 so far. The Nifty 50 ended at 23,997.55 and the Sensex at 76,913.50, both within 0.5% of the prior Friday close. Yet the spread between Sun Pharma (+7.6%) and Axis Bank (-7.4%) was 15 percentage points in just five trading days. May 1 was Maharashtra Day; May 2 a non-trading Saturday — so Thursday April 30 was the last verified close.

The intra-week range told the real story. Nifty hit 24,178 on Wednesday April 29 (after the US Fed decision morning) before reversing to 23,797 on Thursday April 30 as Brent crude surged 7% intraday to \$126.41/bbl — the highest level since June 2022. Three forces drove the rotation: (1) the US Fed held rates at 3.50-3.75% with an 8-4 dissent vote, the most divided FOMC since October 1992; (2) Brent crude touched \$126 on stalled US-Iran talks completing two months of conflict; (3) the rupee broke to a fresh record low of ₹95.32 against the dollar. India VIX held at 18.46 but spiked nearly 6% on Apr 30 alone. Smallcaps were the quiet winners, up 1.6% — indicating DII conviction even as FII sold ₹8,047 Cr on Thursday.

### 15-POINT SECTOR SPREAD: PHARMA SURGES, BANKS CRACK

The headline says "flat Nifty". The truth says: a single-sector concentrated investor lost ~7% on the week; a diversified flexi-cap or multi-cap fund moved within 1% of flat. Banks, IT, and Financial Services all dropped 2.2-2.6% as FII selling concentrated in financials and Fed hawkishness deferred the RBI cut narrative. Energy and Pharma led on the rupee-weak / oil-strong combo. This is the sharpest weekly sector dispersion of 2026 so far.

### Sectoral Heatmap (Weekly)

OIL & GAS <b>+2.5%</b>	ENERGY <b>+1.9%</b>	PHARMA <b>+1.2%</b>	FIN SVCS <b>-2.2%</b>	IT <b>-2.6%</b>	BANK <b>-2.6%</b>
<b>▲ TOP GAINERS</b> Sun Pharma <b>+7.6%</b> Coal India <b>+6.8%</b> Reliance <b>+6.5%</b> Adani Enterprises <b>+4.7%</b> ONGC <b>+4.6%</b>			<b>▼ TOP LOSERS</b> Axis Bank <b>-7.4%</b> Shriram Finance <b>-7.1%</b> ICICI Bank <b>-6.3%</b> HCL Tech <b>-6.1%</b> IndiGo <b>-5.7%</b>		

### BANK SELLOFF DESPITE STRONG Q4 NUMBERS

The selling in private banks looks counter-intuitive: ICICI Bank had reported a clean Q4 the prior week (PAT ₹14,755 Cr, +9.2% YoY). The drop reflects profit-taking, FII concentration in financials (banks are the most liquid first-sale targets), and a deferred RBI cut narrative as Fed hawkishness narrows the rate-cut window. Pharma rallied on rupee weakness (40-60% US export exposure) and is insulated from oil & domestic rates. ONGC, Coal India and Reliance benefited directly from \$126 Brent.



## Global Markets

Worldwide Indices

The Wednesday April 29 FOMC meeting produced the most divided Federal Reserve vote since October 1992. The committee held the benchmark funds rate at 3.50-3.75% — widely expected — but the 8-4 dissent split caught markets off-guard. CME FedWatch has materially pared back odds of any 2026 US rate cut. US markets reacted in two stages: rallied on Wednesday on the hold, then sold off on Thursday as the dissent details emerged and oil surged. The



## Currency & Forex

Rupee Sets Fresh Record Low at ₹95.32

The Indian rupee weakened to a fresh all-time low of ₹95.32 vs USD on April 30, breaking the previous March 2026 record of 94.86. Triple-driver this week: (1) Brent at \$126 raising the import bill sharply; (2) FII outflows of ₹8,047.86 crore on April 30 alone; (3) hawkish Fed strengthening the dollar. Analysts now flag 96-97 levels as the next pressure zone if Brent stays above \$125 and the Hormuz situation

dollar index strengthened, putting fresh pressure on EM currencies including the rupee.

INDEX / VARIABLE	LEVEL	NOTE
US Fed Funds Rate	3.50–3.75%	Held Apr 29
FOMC Vote	<b>8–4 dissent</b>	<b>Most divided since '92</b>
Powell Tenure	Final meetings	Hawkish tilt
2026 Cut Odds	<b>Pared back</b>	<b>Now near-zero</b>
Iran War	Day 60+	<b>Talks stalled</b>
Hormuz Status	<b>Disrupted</b>	<b>Brent at \$126</b>

#### HAWKISH HOLD + IRAN WAR = EM HEADWIND

The combination of a hawkish Fed (no near-term cuts) and the Iran war completing two months has tightened global financial conditions exactly when EM currencies need relief. Several brokerages this week cut Nifty year-end targets citing oil and inflation risks. The EM macro backdrop is now the most challenging it has been since Q1 2026.

deteriorates further. RBI is monitoring; aggressive defence is unlikely as it would consume reserves at a stressed point.

USD/INR Close (Apr 30)	<b>95.32</b>
Previous Record	<b>94.86 (March)</b>
Prev Week	<b>94.26</b>
Week Change	<b>+1.1% (weakened)</b>
Next Pressure Zone	<b>96–97</b>

#### Institutional Flows

FII Selling Concentrated in Banks • DII Absorb

FII selling continued through the week, with Thursday April 30 alone seeing ₹8,047.86 crore of cash-equity outflows. Selling concentrated in banks and financials (most liquid first-sale targets), explaining why Axis Bank fell 7.4% and ICICI Bank 6.3% even though both have strong recent Q4 numbers. DIIs absorbed ₹3,487.10 crore on April 30 alone — powered by retail SIP inflows. Smallcaps gaining 1.6% on the week is direct evidence that DII conviction is intact.

FLOW	APR 30 (SINGLE DAY)	TREND
FII (Cash Equity)	<b>-₹8,047.86 Cr</b>	<b>Heavy single-day</b>
DII (Cash Equity)	<b>+₹3,487.10 Cr</b>	<b>Absorbing</b>
Smallcap Wk	<b>+1.6%</b>	<b>Domestic resilience</b>
Apr SIP (est)	<b>~₹33,000 Cr</b>	<b>Awaiting AMFI release</b>

#### BANK SELLOFF = FII CONCENTRATION

FII outflows tend to concentrate in the most liquid names — private banks & financial services — regardless of fundamentals. ICICI Bank had reported a strong Q4 the prior week, yet fell 6.3% this week. The selling is more about who needs to be sold (largest, most liquid) rather than what should be sold. DIIs continued buying through the week. The April AMFI release in early May should show another ₹32,000+ Cr SIP month — the structural floor that absorbs FII volatility.

#### Commodities

Brent Hits \$126.41 (Highest Since Jun '22); Gold MCX Holds Above ₹1.51 Lakh

Brent crude touched \$126.41/bbl intraday on April 30 — the highest level since June 2022. The surge was driven by stalled US-Iran framework talks completing two months of conflict, plus speculation around a US-imposed Strait of Hormuz blockade. Brent is up roughly 20% over the past four weeks (from \$105 close on April 24). WTI tracked higher in line. Gold MCX rallied in the evening session of April 30 by ₹2,544 (+1.71%) to ₹1,51,594/10g as safe-haven demand returned. Silver MCX firmed alongside gold on industrial + safe-haven demand.

COMMODITY	PRICE	TREND
Brent Crude	~\$126.41/bbl	<b>▲ Highest since Jun '22</b>
WTI Crude	~\$122/bbl	<b>▲ Tracking Brent</b>
Gold MCX	~₹1,51,594/10g	<b>▲ +1.71% (Apr 30)</b>
Silver MCX	Firm (rebound)	<b>▲ Safe-haven bid</b>
Iran War	Day 60+	<b>No truce in sight</b>

#### Fixed Income

G-Sec Yields Firm on Inflation Worries; June Cut Probability Near Zero

India's 10-year G-Sec yield held firm above 7.00% as the combination of \$126 Brent and Fed hawkishness pushed inflation expectations higher. OIS swap-implied probability of a June MPC rate cut has fallen sharply — markets now price near-zero odds of a cut at the June 3–5 meeting. The US 10-year Treasury yield held around 4.45% as the Fed's 8–4 dissent vote signalled a paused easing path.

BOND	YIELD	MOVE
India 10-Yr G-Sec	~7.00%+	<b>▲ 8–12 bps</b>
US 10-Yr Treasury	~4.45%	<b>▲ 5–8 bps</b>
IN-US Spread	~255 bps	<b>Stable</b>

#### RBI & Policy

June Cut Off The Table; Currency Defence Is Now The Priority

Repo Rate	<b>5.25% (Held Apr 8)</b>	Stance	<b>Neutral</b>
FY27 GDP	<b>6.9% (Q4 at 7.2%)</b>	Governor	<b>Sanjay Malhotra</b>
Next MPC			<b>June 3–5, 2026</b>

## TRUSTNER VIEW

Brent at \$126 is the most stressed energy backdrop India has faced since 2022. Every \$10/bbl above \$90 adds roughly \$15 billion to the annual import bill, widens the CAD by ~0.3% of GDP, and pressures CPI by 25–40 bps. This combination — Brent at \$126 + rupee at ₹95.32 + Fed hawkish — is exactly the macro backdrop where a small (5–10%) tactical allocation to gold or international funds adds defence value. For your core, stay equity-tilted via flexi-cap and multi-cap regular plans — the rotation into pharma and energy this week shows that fund managers are already adjusting.

## RBI OUTLOOK

The June MPC will be a defensive meeting. With Brent at \$126, rupee at ₹95.32, and the Fed clearly on a hawkish hold, RBI has lost flexibility to cut. Expect the MPC to maintain status-quo at 5.25% and shift focus to currency defence. For debt fund investors, the rate-cut play is over for now — short-duration regular plans (low-duration funds, money market) are the safer positioning. Long-duration bond funds may face mark-to-market pressure if yields continue rising.

## Economy Watch

Q4 Earnings: Bajaj Finance & Adani Power Strong, HUL Disappoints

COMPANY	DATE	Q4 FY26 RESULT
Bajaj Finance	Apr 29	<b>PAT ₹5,464.57 Cr (+22%); ₹6/sh div</b>
Adani Power	Apr 29	<b>PAT ₹4,017.08 Cr (+52% YoY)</b>
HUL	Apr 30	<b>Stock -2.82% on result</b>
Adani Ports	Apr 30	<b>Reported (stock +1%+ ON)</b>
Bajaj Finserv	Apr 30	<b>Reported in-line</b>
Vedanta	Apr 29	<b>Reported</b>

### Q4 MIXED: NBFCs STRONG, FMCG WEAK

The headline of Q4 this week was Bajaj Finance — PAT ₹5,464.57 crore (+22% YoY), board recommended ₹6/share dividend, and announced its first buyback proposal in two years (board meeting May 6). The stock surged 5.19% on April 30. Adani Power posted a stellar +52% YoY PAT growth on power demand strength. HUL disappointed with margin pressure from elevated raw material costs (palm oil, packaging) — the stock fell 2.82% on April 30 alone. Banking earnings broadly held up but stocks underperformed on FII flow concentration.

## Digital Assets

BTC Pressured by Hawkish Fed

Bitcoin (BTC)	~\$76,000
Ethereum (ETH)	~\$2,350
Crypto Mkt Cap	~\$2.55T

BTC eased to ~\$76,000 and ETH to ~\$2,350 as the hawkish Fed decision and stronger dollar weighed on risk assets. India: 30% flat tax + 1% TDS regulatory regime unchanged. For goal-based portfolios we continue to recommend zero crypto exposure — the asset class has shown strong correlation with equity drawdowns and fails to deliver diversification when most needed.

## Mutual Fund Pulse

April AMFI Release Imminent • SIPs Continue Steady

SIP Flows (Mar)	<b>₹32,087 Cr (Record)</b>
MF AUM (Mar)	<b>₹73.73 Lakh Cr</b>
Active SIP A/Cs	<b>10.2 Crore+</b>
Apr SIP (est)	<b>~₹33,000 Cr</b>
AMFI Release	<b>May 9, 2026 (est)</b>
Top Category	<b>Flexi Cap / Multi Cap</b>

### TRUSTNER VIEW

This week is a textbook diversification lesson. A bank-only investor lost ~7%; a diversified flexi-cap or multi-cap fund stayed within 1% of flat. The 6–percentage-point cushion is automatic, every week, with zero forecasting required. April's AMFI numbers (release May 9) should confirm another ₹32,000+ Cr SIP month — the structural floor that keeps domestic equity well-bid through FII volatility. Continue your SIPs without interruption. If you have surplus cash, top up into existing flexi-cap and multi-cap regular plans during this rotation.

## IPO Watch

Primary Market Slow Amid Volatility

ACTIVITY	STATUS	NOTE
Mainboard	Quiet week	<b>Issuers awaiting calmer window</b>
SME segment	Selective	<b>Small launches only</b>
Bajaj Finance Buyback	<b>Board mtg May 6</b>	<b>First buyback in 2 yrs</b>
Reliance Jio IPO	Q3 FY27	<b>On track per guidance</b>
NSE IPO	FY27	<b>Awaiting clearances</b>

The primary market remained subdued as issuers held back launches against rising volatility (VIX 18.46) and persistent FII outflows. The notable corporate-action highlight was Bajaj Finance — board to consider its first buyback in two years on May 6, alongside the Q4 results dividend recommendation. Mega IPOs (Reliance Jio, NSE) remain on the FY27 calendar; bankers wait for the calmer macro window.

## Geopolitical Spotlight

US-Iran War Hits Day 60+ • Brent Touches \$126 • Hawkish Fed Compounds Stress

The US-Iran conflict completed two months this week with no resolution in sight. Brokerages are now cutting Nifty year-end targets citing oil and inflation risks. The Strait of Hormuz situation remains disrupted; Iran signalled no formal negotiations would be held during FM Araghchi's Pakistan visit. Oil traders are now openly discussing a US naval blockade scenario.

- US-Iran war: Day 60+ • Talks stalled • No diplomatic breakthrough
- Brent intraday high \$126.41 (Apr 30) • Highest since June 2022
- US Fed held 3.50–3.75% with 8–4 dissent — most divided since '92
- Rupee record low ₹95.32 • Analysts flag 96–97 next pressure zone
- Multiple brokerages cutting Nifty FY27 targets on oil/inflation risks

### MACRO BACKDROP MOST STRESSED SINCE Q1

The combination of \$126 Brent, ₹95.32 rupee, and a hawkish Fed (with the most divided FOMC vote since 1992) has created the most challenging EM macro backdrop since early 2026. The defensive playbook is clear: diversified equity-tilted SIPs as the core; small (5–10%) tactical gold or international fund allocation; short-duration debt for stability. Resist the urge to rotate. The fund managers have already done it for you.



## Week Ahead

Key Events (May 5 – May 9)

06  
MAY

### Bajaj Auto Q4 + Buyback Decision

Bajaj Auto board to consider Q4 results and a buyback proposal – first in two years. Stock surged 5.19% on Apr 30 in anticipation.

07  
MAY

### Mid-cap Q4 Wave

Wave 2 of Q4 earnings – mid-cap names, PSUs, and chemicals/specialty pharma to report. Watch for sector rotation continuation.

09  
MAY

### AMFI April Data Release

April SIP, equity MF inflow, and AUM numbers expected. Sustained ₹32,000+ Cr SIP confirms domestic floor strength.

??  
MAY

### India CPI (Apr) • US CPI (Apr)

Mid-month inflation prints from both India and the US. With Brent at \$126, watch for inflation pass-through – a hot CPI would close the door on any RBI cut for the rest of FY27.



*"In investing, what is comfortable is rarely profitable."*

— Robert Arnott

### Diversification Wins — Even In a Flat Week

Sun Pharma +7.6%, Axis Bank -7.4% in one week. Bank-only investors lost 7%; diversified flexi-cap fund investors stayed within 1% of flat. The 6-pt cushion is automatic. Continue SIPs — consider topping up.

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