

# Brent Crashes 7% to \$101 on Iran 14-Point MoU Hopes — Smallcaps Hit 4th ATH, Nifty Gains 0.75%

Two consecutive weekly gains. Mid- and Smallcaps fresh ATHs. Brent's 7% drop on US-Iran MoU hopes lifts the rupee back to ₹94.48. The dispersion has shifted — equities have decoupled from oil panic.

Week of May 3 — May 9, 2026 | Vol. 1, Issue 10

Trust. Protect. Grow.

## DECOUPLING

SMID ATHs — Smallcap 100 4th ATH, Midcap 100 fresh ATH 61,911 | Nifty +0.75% (2nd weekly gain) | Brent -7% to \$101 on 14-pt Iran MoU | Rupee recovers to ₹94.48

NIFTY 50  
**24,176**  
▲ +0.75% WoW

SENSEX  
**77,328**  
▲ +0.54% WoW

BRENT CRUDE  
**\$101.0**  
▼ -7% WoW

USD/INR  
**94.48**  
▼ -0.88% (recovered)

INDIA VIX  
**~17.3**

▼ Drifted from 18.46

SMALLCAP 100  
**4th ATH**

▲ Consecutive new highs

RBI REPO RATE  
**5.25%**

Held • Next MPC Jun 3-5

## Indian Equities

BSE & NSE Weekly Performance

Indian equities posted a second consecutive weekly gain. The Nifty 50 closed at 24,176.15 (+0.75% WoW) and the Sensex at 77,328.19 (+0.54% WoW), recovering through the week despite a soft Friday print (Nifty -150.50 / -0.62%; Sensex -516.33 / -0.66%). The intra-week peak came on Wednesday May 7, with Nifty touching 24,326 — the highest level since early April. The narrative completely flipped from the prior week: Brent collapsed roughly 7% from \$126 to ~\$101/bbl on US-Iran 14-point MoU hopes (Trump's one-page draft framework to end the war), the rupee recovered from its record low of ₹95.32 (Apr 30) to ₹94.48, and India VIX drifted lower to ~17.3.

The real story, however, was the broader market. The Nifty Midcap 100 hit a fresh all-time high of 61,911, and the Nifty Smallcap 100 printed its 4th consecutive ATH (+0.22% Friday alone). On Friday, weakness in PSU Banks (-3.06%) and Financial Services (-1.66%) dragged the headline indices — but Nifty IT (+1.2%) and Nifty Capital Markets led the defensive bid, with IT recovering from the prior week's beating. Despite a sharp single-day FII sell of -₹5,835 Cr on May 6 (concentrated in PSU banks/financials), DIIs absorbed +₹6,837 Cr the same day — the largest single-day domestic buy in two weeks.

### THE DECOUPLING IS THE STORY

Brent fell 7% on Iran MoU hopes — but Indian equities only added 0.75% on Nifty. Smallcaps and Midcaps hit fresh ATHs while the headline index churned. This says: domestic SIP-driven flows are now the dominant force in mid- and smallcap discovery. Oil-driven panics are fading in importance; the ₹32K Cr/month SIP floor + Q4 earnings strength (Bajaj Auto +48% YoY, Bajaj Finance ₹5L Cr AUM) are the new structural pillars.

### Sectoral Heatmap (Friday May 8 — Where Action Concentrated)

NIFTY IT  
**+1.2%**

CAP MKTS  
**Lead**

SMALLCAP 100  
**+0.22%**

PSU BANK  
**-3.06%**

FIN SVCS  
**-1.66%**

MIDCAP 100  
**ATH 61,911**

#### ▲ WEEKLY THEMES

Smallcap 100	<b>4th ATH</b>
Midcap 100	<b>61,911 (ATH)</b>
Nifty IT	<b>+1.2% Fri</b>
Bajaj Auto (Q4)	<b>PAT +48% YoY</b>
Bajaj Finance AUM	<b>₹5.1L Cr (+22%)</b>

#### ▼ WEEKLY PRESSURE POINTS

PSU Bank Index	<b>-3.06% Fri</b>
Fin Svcs	<b>-1.66% Fri</b>
FII (May 6)	<b>-₹5,835 Cr</b>
Nifty 50 (Fri)	<b>-150.50</b>
Sensex (Fri)	<b>-516.33</b>

### PROFIT-BOOKING IN PSU BANKS; SMID ON DOMESTIC CONVICTION

PSU Bank weakness is profit-booking after a strong run, accentuated by FII concentration on the most liquid financials. Smallcap and midcap ATHs — 4th in a row for Smallcap 100 — are direct evidence of structural domestic demand: SIPs of ₹32,087 Cr/month (March record) absorbing whatever FIIs sell. The week's key behavioural lesson: if you indexed the headline, you missed the broader-market upmove. A diversified flexi-cap or multi-cap regular plan captured both.

## Global Macro & Fed

14-Point Iran MoU Drives The Risk-On Pivot

The dominant global development this week was Trump's one-page 14-point MoU draft framework to end the Iran war — now in advanced negotiation. Brent crashed roughly 7% from \$126 to ~\$101/bbl on the peace narrative, although fresh Friday clashes brought a modest reversal. Iran war Day 65+ continues with intermittent ceasefire violations, but markets are firmly pricing in eventual resolution. The US Fed's April 29 hold at 3.50-3.75% with the 8-4 dissent (most divided

## Currency & Forex

Rupee Recovers from ₹95.32 Record Low to ₹94.48

The Indian rupee staged a clean recovery this week, paring losses from the prior week's record low of ₹95.32 (Apr 30). RBI reference rate closed at ₹94.44 on May 8 with spot at ₹94.48 — a recovery of approximately 88 paise. The driver was the Brent collapse: with crude down 7% on Iran MoU hopes, the import bill stress eased and dollar demand from oil importers cooled. The dollar index also softened modestly as global risk appetite returned. The recovery is constructive — but until the Iran MoU

since Oct 1992) remains the binding constraint — market-implied odds of a 2026 cut are still depressed. Hormuz status is fluctuating with peace prospects (brief reopen-shut cycles).

VARIABLE	LEVEL	NOTE
US Fed Funds Rate	3.50-3.75%	<b>Held Apr 29 (8-4 dissent)</b>
2026 Cut Odds	<b>Near-zero</b>	<b>Hawkish hold pricing</b>
Iran War	Day 65+	<b>14-pt MoU drafted</b>
Brent (week)	<b>-7% to \$101</b>	<b>Peace narrative</b>
Hormuz	Reopen-shut	<b>Tracking peace prospect</b>

#### HAWKISH FED + COOLING OIL = NET POSITIVE FOR INDIA

The combination has flipped: oil retreated 7%, the rupee has recovered 88 paise from the record low, and the Fed's hold — while still hawkish — is now baked in. Lower Brent eases India's import bill, narrows CAD pressure, and reduces inflation pass-through. The June 3-5 MPC will likely hold given the Fed's hawkish 8-4 dissent, but the burden on RBI to defend the rupee has eased materially.

is signed, the ₹94.50 level is best treated as the new pivot rather than a confirmed reversal.

USD/INR Spot (May 8)	<b>94.48</b>
RBI Reference (May 8)	<b>94.44</b>
Prior Week Low (Apr 30)	<b>95.32 (record)</b>
Week Recovery	<b>~88 paise</b>
Driver	<b>Brent -7%</b>



#### Institutional Flows

DII Absorb FII Sell — Largest Single-Day Buy in 2 Weeks

Institutional flow asymmetry was the defining feature of mid-week trading. On May 6 alone, FIIs sold ₹5,835 crore in cash equity (concentrated again in PSU banks & financials), while DIIs bought ₹6,837 crore — the single largest domestic buy in two weeks. The DII number is direct evidence of the SIP floor at work: with March 2026 SIPs at a record ₹32,087 Cr, AMCs have ongoing dry powder to absorb FII selling without it pressuring broader-market prices. Smallcap 4th ATH is the consequence.

FLOW	MAY 6 (SINGLE DAY)	TREND
FII (Cash Equity)	<b>-₹5,835 Cr</b>	<b>PSU bank concentration</b>
DII (Cash Equity)	<b>+₹6,837 Cr</b>	<b>Largest in 2 weeks</b>
Smallcap 100	<b>4th ATH</b>	<b>SIP floor visible</b>
Mar SIPs (record)	<b>₹32,087 Cr</b>	<b>Apr release imminent</b>

#### DII ABSORPTION THESIS INTACT

The +₹6,837 Cr DII print on May 6 was the largest single-day domestic buy in 2 weeks — and exactly what kept Smallcap 100 making fresh ATHs while FIIs were selling banks. This is the structural ₹32,087 Cr/month SIP floor in real time. The April AMFI data (release expected May 9-10) is the next confirmation point.



#### Commodities

Brent -7% to \$101 on Iran 14-Point MoU; Gold Eases on Risk-On

Brent crude crashed roughly 7% on the week, falling from \$126.41 (Apr 30 high) to approximately \$101/bbl on Trump's 14-point one-page MoU draft framework to end the Iran conflict. Friday's intraday Iranian clashes brought a modest reversal but the directional move was decisive. WTI tracked the move lower. Gold eased as safe-haven demand cooled with the peace narrative; with rupee recovering, MCX gold also softened in INR terms. The energy backdrop has shifted from "most stressed since 2022" to "actively healing".

COMMODITY	LEVEL	TREND
Brent Crude	~\$101/bbl	<b>▼ -7% WoW</b>
WTI Crude	~\$97/bbl	<b>▼ Tracking Brent</b>
Gold (MCX)	Easing	<b>Risk-on rotation</b>
Iran War	Day 65+	<b>14-pt MoU drafted</b>
Hormuz	Fluctuating	<b>Reopen cycles</b>

#### TRUSTNER VIEW — ENERGY BACKDROP HEALING

Every \$10/bbl that Brent retreats below \$100 trims roughly \$15 billion off India's annual import bill, reduces CAD by ~0.3% of GDP, and dampens CPI by 25-40 bps. The week's 7% Brent fall is meaningful relief. That said, until the 14-point MoU is signed and Hormuz is reliably open, treat this as healing — not resolution. The defensive playbook stays: continue equity SIPs in flexi-cap and multi-cap regular plans; the small (5-10%) tactical gold or international allocation can be trimmed only after the MoU is formally executed.



#### Fixed Income

10-Yr G-Sec Eases Below 7% as Brent Cools; June Cut Still Off Table

India's 10-year G-Sec yield eased to just below 7.00%, pulling back from its 1-month high. The combination of Brent down 7%, rupee recovering 88 paise, and India VIX drifting lower softened inflation expectations and revived appetite for sovereign duration. The US 10-year held in a 4.40-4.50% range; OIS swap-implied odds of a June MPC cut remain low given the Fed's hawkish 8-4 dissent. The yield curve eased modestly across tenors.

BOND	YIELD	MOVE
India 10-Yr G-Sec	<7.00%	<b>▼ Eased from 1-mo high</b>
US 10-Yr Treasury	~4.45%	<b>Range-bound</b>
IN-US Spread	~250 bps	<b>Stable</b>



#### RBI & Policy

June Hold Still Likely Despite Brent Cooling

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>

## RBI OUTLOOK — JUNE MPC LIKELY HOLD

Even with Brent down 7% and the rupee recovered to ₹94.48, the June MPC will likely hold rates at 5.25%. The Fed's 8-4 dissent and near-zero 2026 cut odds keep RBI's hands tied — cutting now would reopen rupee pressure. For debt fund investors with new capital, short-duration regular plans (low-duration funds, money market) remain the safer positioning until the global rate-cut window reopens. Existing long-duration holdings can be retained but not added to.



## Economy Watch & Q4 Earnings

Bajaj Auto +48%, Bajaj Finance Crosses ₹5L Cr AUM

COMPANY	DATE	Q4 FY26 RESULT
Bajaj Auto	May 6	<b>PAT ₹3,492.21 Cr (+48% YoY); Rev +41%; ₹150/sh div</b>
Bajaj Finance	Reported	<b>AUM ₹5,09,975 Cr (+22% YoY)</b>
Paytm	May 6	<b>Reported in batch</b>
Meesho	May 6	<b>Reported</b>
Polycab India	May 6	<b>Reported (~58 firms)</b>
Maruti Suzuki	Expected	<b>Rev ₹38.5-41K Cr; PAT ₹3.9-4.5K Cr</b>
Tata Motors	May 13 (next wk)	<b>Preview only</b>

### Q4 QUALITY — AUTO & NBFC LEAD

Bajaj Auto's PAT of ₹3,492.21 Cr (+48% YoY) on revenue growth of +41% is one of the strongest Q4 prints from large-cap autos this season, capped by a generous ₹150/share dividend. Bajaj Finance crossing ₹5 lakh crore AUM (₹5,09,975 Cr vs ₹4,16,661 Cr YoY = +22%) is a structural milestone — only a handful of NBFCs globally have reached this scale. Roughly 58 companies reported on May 6 alone (Paytm, Meesho, Polycab India among them). Maruti Q4 (Rev ₹38.5-41K Cr, PAT ₹3.9-4.5K Cr expected) and Tata Motors (May 13) are next week's headliners.



## Digital Assets

Risk-On Bid Returns on Iran MoU

Bitcoin (BTC)	<b>~\$78,500</b>
Ethereum (ETH)	<b>~\$2,420</b>
Crypto Mkt Cap	<b>~\$2.62T</b>

Crypto firmed modestly as risk-on bid returned with Brent -7% and the Iran MoU narrative. India's 30% flat tax + 1% TDS regulatory regime is unchanged. For goal-based portfolios we continue to recommend zero crypto exposure — the asset class still shows correlation with equity drawdowns and fails the diversification test when most needed.



## Trustner View — The Decoupling Lesson

Domestic SIPs Are Now The Dominant Force; Oil Panic Is Fading

Two weeks ago, Brent at \$126 + rupee at ₹95.32 + Fed hawkish hold delivered a flat Nifty with violent sector dispersion. This week, Brent down 7% on Iran MoU hopes delivered Nifty +0.75% — but Smallcap 100 hit a 4th consecutive ATH and Midcap 100 a fresh ATH at 61,911. The headline index is increasingly an incomplete story.

- Brent -7% on Trump 14-point one-page MoU draft (peace narrative dominant)
- Rupee recovered 88 paise from ₹95.32 record low to ₹94.48
- Smallcap 100 4th ATH; Midcap 100 fresh ATH 61,911
- FII -₹5,835 Cr May 6, DII +₹6,837 Cr (largest single-day in 2 weeks)
- Bajaj Auto Q4 PAT +48% YoY; Bajaj Finance AUM crosses ₹5L Cr
- 10-Yr G-Sec eases below 7% as inflation expectations cool



## Mutual Fund Pulse

April AMFI Release Imminent • March Record ₹32,087 Cr SIP Holds

SIP Flows (Mar — Record)	<b>₹32,087 Cr</b>
MF AUM (Mar)	<b>₹73.73 Lakh Cr</b>
10-Yr AUM Growth	<b>6x (Mar '16: ₹12.33L Cr)</b>
AMFI Apr Release	<b>May 9-10 (imminent)</b>
Top Category	<b>Flexi Cap / Multi Cap</b>
SIP Floor Per Day	<b>~₹1,070 Cr</b>

### TRUSTNER VIEW ON MFS — SMALLCAP ATH IS THE FLOOR AT WORK

Smallcap 100 hitting a 4th consecutive ATH while FIIs sold ₹5,835 Cr on May 6 is the cleanest evidence yet that the SIP floor is now structurally large enough to absorb FII volatility in mid- and smallcap names. The 10-year industry AUM growth from ₹12.33 trillion (Mar 2016) to ₹73.73 trillion (Mar 2026) — a 6x expansion — is the tide that lifts patient SIP investors. Continue your SIPs without interruption. If you have surplus cash, top up into existing flexi-cap and multi-cap regular plans — not lump-sum into smallcaps at ATH.



## IPO Watch

Calmer Macro Reopens The Window

ACTIVITY	STATUS	NOTE
Mainboard	Window opening	<b>VIX easing helps issuers</b>
SME segment	Selective	<b>Quality launches preferred</b>
Reliance Jio IPO	Q3 FY27	<b>On track per guidance</b>
NSE IPO	FY27	<b>Awaiting clearances</b>

With Brent down 7%, the rupee recovered, and India VIX drifting back to ~17.3, the primary-market window is reopening. Issuers waiting for a calmer backdrop now have it — expect mainboard activity to pick up in late May. Mega IPOs (Reliance Jio, NSE) remain on the FY27 calendar.

**09** **AMFI April Data Release (Imminent)**

MAY

April SIP, equity MF inflow, and AUM numbers expected May 9-10. Sustained ₹32,000+ Cr SIP would confirm the structural floor through the volatility weeks.

**12** **India CPI (Apr) • IIP**

MAY

Mid-month inflation print. With Brent now back to \$101 and rupee at ₹94.48, watch for a softer-than-feared CPI — could ease the rate-cut path narrative.

**13** **Tata Motors Q4 Result**

MAY

One of the most-tracked Q4 prints. JLR margins, India CV momentum, and EV trajectory will drive the auto-sector reaction.

**??** **Maruti Suzuki Q4 • US CPI (Apr)**

MAY

Maruti expected to print Rev ₹38.5-41K Cr / PAT ₹3.9-4.5K Cr. US CPI guides Fed-path expectations and dollar.

*"The four most dangerous words in investing are: 'this time it's different.'"*

— Sir John Templeton

**Your SIP Is The Floor — Don't Step Off It**

Smallcap 100 hit a 4th ATH while FII's sold ₹5,835 Cr in one day. DII's absorbed ₹6,837 Cr the same day — the largest in 2 weeks. That's your ₹32,087 Cr/month SIP floor at work. Continue, and consider a top-up into flexi-cap regular plans.

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