

The stock market was volatile in May 2026 due to lingering uncertainty about peace talks between the United States and Iran. Both sides have carried out strikes on each other's military bases while talks were going on. The Nifty and Sensex fell by 2 – 3% on a month-on-month basis in May. Nifty closed the month below the sentimentally important level of 24,000. Though progress in negotiations between the US and Iran has resulted in Brent crude oil price below \$100 per barrel, but sentiment in the market has been risk off.

FII flows have been negative for the 4 months in the first 5 months of calendar year 2026. The biggest FII selloff was seen in May, with FII net outflow of nearly Rs 2.2 lakh crores. The surge in outflows in May is attributed to the MSCI index (which is tracked by many global ETFs) rebalancing. Lower weight given to India in MSCI's rebalancing triggered FII / FPI sell-off. Continued FPI outflows have widened the Balance of Payments deficit and resulted in INR depreciation.

FII outflows have impacted large caps, especially Nifty stocks. The broader market outperformed the leading indices in May, with Nifty 500 (comprising of large cap, midcap and small cap stocks) ending the month flat. Midcaps and Small Caps outperformed large caps. Midcap gained 2.6% MOM, while small caps gained 1.6% in May. Most industry sectors were in the red in May. Telecom, healthcare, capital goods, metals and automobiles outperformed the broad market index in May, while oil & gas, consumer durables, infrastructure, FMCG and banks underperformed.

Among international markets, the US markets outperformed in May, with the S&P 500 rising 5%. The gain in the S&P 500 has been propelled largely by the Big Tech stocks. NASDAQ continued to be a strong outperformer, gaining 10%. Among other developed markets, Nikkei (Japan), DAX (Germany), CAC (France) and FTSE were in the green. Emerging markets continued to outperform developed markets with the MSCI EM Index gaining 9.5%, while the MSCI World Index (index of 23 developed markets) gained 4.3%. The Shanghai Composite (China) was down 1%. India underperformed within the emerging market pack.

The market may continue to remain volatile or rangebound if the stalemate in the Persian Gulf continues and energy flows remain disrupted. Valuations seem reasonable at the broad market level and across market cap segments. Long-term investors may find current valuations attractive. In the long term, large, mid and small-cap Indian companies are likely to benefit from the structural reforms made by the Government, e.g., Atmanirbhar Bharat, Make in India, Digital India, Atal Innovation Mission, Defence sector reforms, labour law reforms, etc. Investors should remain disciplined and continue to invest with long investment horizons.

### **NFO Alert: Marcellus Global Equities Fund — Now Open**

Your income is in rupees, but your aspirations — overseas education, international travel, global lifestyle — are increasingly priced in dollars. The Marcellus Global Equities Fund, launching via GIFT City (IFSCA-regulated), offers Indian residents a structured way to evaluate adding dollar-denominated global equities to their portfolio. The NFO window is open June 8–19, 2026, with a minimum investment of USD 5,000 (~? 4.5 lakhs). Key features include simplified tax compliance (taxes paid at the fund level), fully digital onboarding with just PAN and Aadhaar, and flexibility to redeem in foreign currency. Managed by Marcellus Investment Managers, the team's existing global strategy has delivered approximately 25% CAGR in INR terms since inception (Oct 2022) — though this reflects their PMS strategy and past performance is not indicative of future results. Investors may evaluate this fund based on their overall asset allocation, currency exposure goals, and long-term financial objectives. Reach out to us if you'd like to explore whether this fits your portfolio.

### **Marcellus Global Equities Fund NFO: Invest in Global Markets via GIFT City**

Marcellus Global Equities Fund NFO opens June 8–19, 2026. Learn how Indian residents can invest in global equities via GIFT City with simplified tax compliance and USD exposure.

<https://metainvestment.in/2026/06/09/marcellus-global-equities-fund-nfo-gift-city/>

### **Step-Up SIP Strategy: Scale Your Mutual Fund Investments in 2026**

Learn how the Step-Up SIP strategy helps Indian investors grow wealth faster. Understand formulas, diversification rules, tax implications, and build a ?1 crore corpus.

<https://metainvestment.in/2026/06/08/step-up-sip-strategy-scale-mutual-fund-investments/>

## **Electronic Gold Receipts (EGR): NSE's New Way to Own Gold Digitally**

NSE launched Electronic Gold Receipts (EGRs) on May 4, 2026. A beginner-friendly guide to EGR products, taxation, and how they compare with Gold ETFs, Gold Mutual Funds and SGBs for Indian investors.

<https://metainvestment.in/2026/05/20/electronic-gold-receipts-egr-nse-launch-investment-guide/>

## **RBI MPC June 2026: Repo Rate Held at 5.25% — What It Means for You**

RBI MPC kept the repo rate unchanged at 5.25% in June 2026 amid geopolitical risks and rising inflation. Here's what Indian investors and borrowers need to know.

<https://metainvestment.in/2026/06/05/rbi-mpc-june-2026-policy-repo-rate-unchanged/>

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