Dear Investor,

In June 2026, the Nifty 50 rose 1.67% on a one-month basis, extending its three-month gain to 7.40%, as the index recovered ground following May's decline and stabilised broadly in the 23,700-24,000 range through the month. The Nifty 500 posted a similar move, gaining 1.71% over one month with a three-month advance of 12.40%, indicating that broad market participation kept pace with, and modestly outperformed, the large-cap benchmark. The synchronised recovery across large-cap and broad-market indices points to a more uniform, if still modest, improvement in risk appetite compared with May's large-cap-led weakness, as easing West Asia tensions and a firmer rupee supported sentiment through the month.
Broader market segments recorded stronger gains than the frontline indices in June 2026. The Nifty Next 50 rose 0.87% over one month and 18.89% over three months, while the Nifty Midcap 150 advanced 0.98% on a one-month basis, with its three-month gain at 17.36%. The Nifty Smallcap 250 gained 4.34% over one month, with a sharper 24.14% rise over three months, and the Nifty Microcap 250 led all segments with a 6.41% one-month gain and a 33.20% three-month surge, underscoring continued strong risk appetite at the lower end of the market. The Nifty India FPI 150 rose a comparatively modest 0.68% over one month and 9.98% over three months, suggesting foreign-flow-sensitive stocks lagged the broader domestic-led rally even as FII selling moderated through the month.

Index Name	1M	3M	Volatility (%) 1 Yr	Beta 1 Yr	P/E	P/B	DY
Nifty 50	1.67	7.40	**13.06**	1.00	20.58	**3.12**	1.24
Nifty Next 50	0.87	18.89	**16.92**	1.14	18.67	**3.47**	1.23
Nifty 500	1.71	12.40	**14.00**	1.05	22.72	**3.48**	1.05
Nifty Midcap 150	0.98	17.36	**16.22**	1.11	29.17	**4.78**	0.66
Nifty Smallcap 250	4.34	24.14	**17.09**	1.08	35.52	**3.74**	0.66
Nifty Microcap 250	6.41	33.20	**19.63**	1.18	28.49	**3.60**	0.59
Nifty India FPI 150	0.68	9.98	**13.63**	1.02	22.03	**3.55**	1.16

FIIs & DIIs Flows

In June 2026, FIIs remained net sellers in the cash segment, recording a net outflow of ₹49,028.63 crore, with gross purchases of ₹3.40 lakh crore against gross sales of ₹3.89 lakh crore. This outflow eased further compared with May's ₹55,963.33 crore, marking the fourth consecutive month of moderating FII selling and suggesting foreign investor caution is gradually receding. DIIs continued to provide strong counterbalancing support, posting a net inflow of ₹85,800.14 crore, with gross purchases of ₹4.23 lakh crore against gross sales of ₹3.37 lakh crore, a further step-up from May's inflows and the strongest monthly DII buying of the year to date. Overall, the combination of easing FII outflows and strengthening DII inflows suggests domestic capital continued to absorb foreign selling pressure at an accelerating pace, reinforcing the stabilising cushion for the broader market evident since March.

SKG INVESTMENTS & ADVISORY

Sectoral Highlights as on 30th June TRI data

Index Name	1M	3M	Volatility (%) 1 Yr	Beta 1 Yr	P/E	P/B	Dividend Yield
Nifty NBFC	8.92	19.96	**24.23**	1.54	24.26	**3.90**	0.56
Nifty Commercial & Transport Services	7.90	26.88	**20.96**	1.36	39.91	**4.95**	0.75
Nifty Hospitals	7.39	20.75	**16.42**	0.67	70.68	**10.75**	0.16
Nifty Retail	7.08	18.92	**19.13**	1.06	-	**8.47**	0.10
Nifty Consumer Services	7.03	18.58	**18.91**	1.12		**7.96**	0.18
Nifty Private Bank	6.43	16.05	**16.01**	1.11	18.21	**2.18**	0.67
Nifty Bank	6.41	14.99	**16.35**	1.15	14.46	**1.85**	0.80
Nifty Realty	6.00	27.41	**25.35**	1.55	36.49	**3.93**	0.36
Nifty500 Healthcare	5.27	17.21	**13.25**	0.61	44.10	**6.19**	0.47
Nifty Financial Services	5.11	13.50	**16.73**	1.19	16.97	**2.69**	0.94
Nifty MidSmall Healthcare	5.01	20.35	**14.40**	0.66	45.40	**6.08**	0.37
Nifty Media	4.98	17.16	**21.02**	0.92	35.11	**1.56**	1.19
Nifty Healthcare Index	4.93	13.75	**13.89**	0.61	41.81	**5.86**	0.51
Nifty Financial Services 25/50	4.57	12.75	**16.82**	1.20	16.55	**2.79**	1.02
Nifty Consumer Durables	4.32	10.44	**20.62**	1.20	65.56	**11.74**	0.36
Nifty REITs & Realty	4.27	14.78	**13.49**	0.75	50.71	**2.56**	3.35
Nifty PSU Bank	4.20	8.60	**23.24**	1.32	8.14	**1.20**	1.02
Nifty Pharma	4.11	14.04	**14.18**	0.58	38.69	**5.31**	0.62
Nifty Construction	3.57	22.72	**21.87**	1.31	20.83	**2.91**	0.87
Nifty Housing Finance	3.56	24.12	**20.06**	1.11	35.32	**1.66**	0.76
Nifty Telecommunications	2.46	40.29	**20.85**	1.05	15.98	**16.49**	0.33
Nifty Financial Services Ex-Bank	1.85	17.56	**20.39**	1.38	22.64	**4.29**	0.69
Nifty Capital Goods	1.59	24.89	**19.74**	1.15	49.53	**10.81**	0.52
Nifty Chemicals	1.34	18.84	**17.22**	1.04	47.46	**4.34**	0.59
Nifty MidSmall Financial Services	0.73	22.64	**20.35**	1.31	28.72	**3.33**	0.38
Nifty Auto	0.66	11.70	**21.04**	1.33	30.55	**4.58**	1.10
Nifty FMCG	-0.97	7.50	**13.90**	0.66	33.57	**8.43**	0.93
Nifty Oil & Gas	-1.34	2.44	**16.13**	0.87	8.76	**1.50**	2.49
Nifty Insurance	-1.55	3.84	**16.05**	0.84	34.15	**7.92**	0.49
Nifty MidSmall IT & Telecom	-3.56	17.99	**20.45**	1.00	17.88	**8.51**	0.96
Nifty Power	-4.42	16.14	**18.96**	0.91	21.46	**2.75**	1.46
Nifty Metal	-6.51	12.89	**22.30**	1.13	16.69	**2.77**	1.69
Nifty IT	-9.56	-9.01	**23.67**	0.76	17.26	**4.72**	3.48

Economic Updates

RBI Holds Repo Rate at 5.25%, Retains Neutral Stance

RBI's Monetary Policy Committee unanimously voted to hold the repo rate at 5.25% at its June 3-5, 2026 meeting, the first pause after a year of easing that brought cumulative cuts of 100 basis points since February 2025. Governor Sanjay Malhotra confirmed the SDF rate stays at 5%, while the MSF rate and Bank Rate remain at 5.5%. The RBI cut its FY27 GDP growth forecast to 6.6% (from 6.9%) and raised its FY27 CPI inflation forecast to 5.1% (from 4.6%), citing the West Asia conflict, elevated energy prices, and monsoon uncertainty as key risks.

RBI Opens FCNR(B) Swap Window to Attract NRI Dollar Deposits

Alongside its June 5 policy decision, the RBI opened a US dollar-rupee swap window for fresh three-to-five-year FCNR(B) deposits mobilised between June 8 and September 30, 2026, under which the central bank absorbs the entire currency-hedging cost, normally 3-3.5% a year, on an at-par swap basis, with eligible deposits also exempt from CRR and SLR requirements. With hedging costs removed, banks moved quickly to raise USD FCNR(B) rates by 150-200 basis points, with some already quoting up to 7.1% by mid-June. The RBI last used this exact tool in 2013 under Governor Raghuram Rajan during the taper tantrum, when it drew in roughly $34 billion and helped stabilise the rupee; estimated inflow from this round could bring in $20-40 billion, directly replenishing reserves that had fallen to ~$681 billion by late May.

RBI Finalises TReDS Directions, Widens MSME Trade-Finance Access

RBI issued the final Master Direction on the Trade Receivables Discounting System (TReDS) on June 23, 2026, consolidating existing rules to simplify MSME onboarding and broaden platform participation. Key changes: insurance companies and government-notified credit guarantee funds can now participate as financiers/guarantors on TReDS, financiers can source guarantee cover from any government-backed credit guarantee trust (not just one designated fund), and the mandatory due-diligence burden on MSME sellers has been eased. TReDS platform operators must meet a new ₹25 crore minimum net worth requirement (with a grace period to March 2028). This is a structural, if incremental, positive for MSME liquidity and working-capital financing, relevant background for the fund's smallcap and MSME-adjacent holdings given how credit-starved that segment typically is.

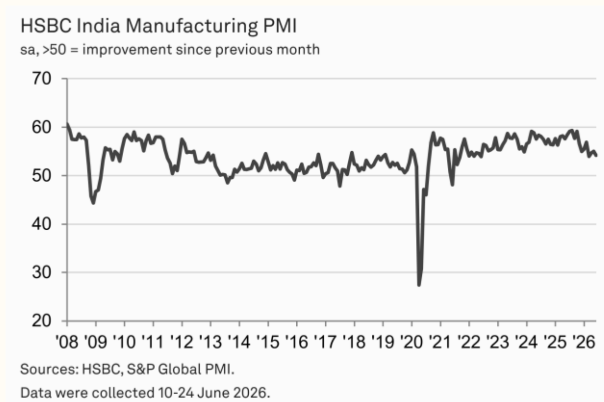
Monsoon Opens with 40% June Rainfall Deficit on El Niño

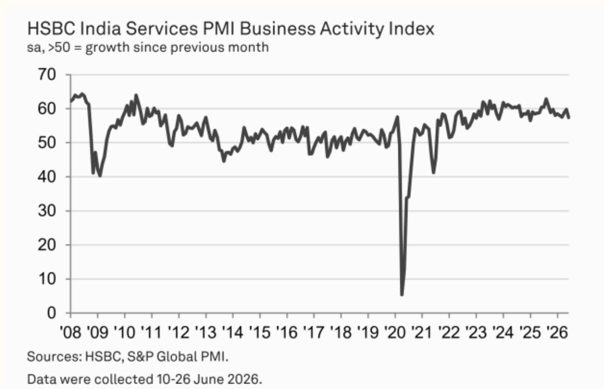
India's southwest monsoon posted a national rainfall deficit of roughly 40% for June 2026, per IMD data, central India was worst hit at 50% below normal, with the shortfall driven by a combination of El Niño, and an absence of supportive low-pressure systems in the Bay of Bengal. The monsoon arrived on time over Kerala on June 4 but progress stalled thereafter. Roughly half of India's kharif sowing depends on timely June-July rainfall, and the RBI itself flagged 'below normal monsoon' as an upside risk to its FY27 inflation forecast at the June MPC meeting, making a persistent deficit a factor to watch for rural consumption and food inflation.

India's Manufacturing and Services PMI Both Ease from May's Highs in June, Remain Firmly Expansionary

The HSBC India Manufacturing PMI fell to 54.2 in June from 55.0 in May, the second-weakest improvement since mid-2022, as growth in output, new orders and exports all slowed, per S&P Global. Input cost and output price inflation both eased on the month.

The HSBC India Services PMI fell to 57.4 from 59.8, the weakest upturn in 17 months, as new orders slowed and hiring paused, though exports rose at their fastest pace in three months. The combined HSBC India Composite PMI eased to 57.1 from 59.3, the slowest private-sector growth since March, with all three indices still comfortably above the 50 expansion mark.





Small & Mid-cap Update

SIP contributions for June 2026 stood at ₹31,781 crore, with cumulative SIP assets under management reaching ₹17.70 lakh crore. Total outstanding SIP accounts rose to 1,051.59 lakh, a net addition of roughly 4.87 lakh accounts as new registrations of 55.51 lakh outpaced discontinuations of 50.64 lakh during the month, reflecting continued retail participation through systematic investment plans. The latest available data on equity mutual fund flows, for June 2026, shows total net inflows of ₹13,759.61 crore across large, mid and small cap exclusive categories. Mid cap funds led with ₹6,090.17 crore (44.26%), followed by small cap funds at ₹5,601.96 crore (40.71%), while large cap funds received ₹2,067.48 crore (15.03%). The allocation remains heavily growth-oriented, with mid and small cap categories together accounting for nearly 85% of net inflows, broadly consistent with May's pattern and signalling sustained investor preference for higher-growth segments over large caps.

Outlook

June 2026 extended the stabilisation that began late in May, with all seven headline indices posting positive one-month returns for the first time since February, the Nifty Microcap 250 led with a 6.41% gain, while the Nifty India FPI 150 lagged at 0.68%. Sectoral performance was sharply divergent: NBFCs (+8.92%), private banks (+6.43%) and PSU banks (+4.20%) rallied on the RBI's capital-inflow measures, while IT (-9.56%) and metals (-6.51%) fell on export-order weakness and profit-taking after a strong prior run. Flows told a consistent story of improving sentiment: FII net outflows eased to ₹49,029 crore from ₹55,963 crore in May, while DII net inflows strengthened further to ₹85,800 crore. The rupee's sharp recovery from its record low and the RBI's foreign-capital measures are constructive for the near term, but June's CPI and WPI prints, due 12 and 14 July, will be the first real test of whether the West Asia-driven cost-push pressure evident in May's data has begun to ease.

Newsroom

1. SKG in Mint - Companies slipped into losses in Q4. Is the worst still ahead?
2. SKG in Business Today- Are Investors Ready For Next Wave Of Listings?
3. SKG in Mint - Expert view: Broader market to remain range-bound in medium term by Kush Gupta