

MONTHLY DIGEST



MAY - 2026

SECURITY INVESTMENTS LIMITED



I've always said, the key organ here isn't the brain, it's the stomach. When things start to decline - there are bad headlines in the papers and on television - will you have the stomach for the market volatility and the broad-based pessimism that tends to come with it?

- Peter Lynch

Global Markets

The stock market recovered after the US and Iran agreed on a ceasefire. Risk sentiments improved globally. The US market was strong, with the S&P 500 rising 10%. NASDAQ was a strong outperformer, gaining 15%. Among developed markets, Nikkei (Japan), DAX (Germany), and CAC (France) were in the green. FTSE remained flattish in April. The Shanghai Composite (China) gained 5.65%. Emerging markets outperformed, with the MSCI Emerging Markets gaining nearly 15% in April.

Indian Equity Markets

The Nifty gained 7.5% in April, closing near the 24,000 level. The Sensex climbed to 76,913, gaining 6.9% on a month-on-month basis. The broader market outperformed the leading indices in April. Midcaps gained 10.7% on a month-on-month basis, while small caps gained 13.4%. Among industry sectors, power, realty, capital goods, infrastructure, metals, telecom, FMCG, and consumer durables outperformed the broad market in April. IT, healthcare, oil & gas, and automobiles underperformed in April. FII sell-off in March continued in April, with net sales of nearly Rs 60,500 crores. Mutual fund net purchase in the equity market moderated to around Rs 20,000 crores.

Debt, Forex and Commodity

The ceasefire stabilized financial markets. Though yields have been rising and bond prices fell, equity markets rebounded. US 10 Treasury Bond yields jumped by 40 bps since the start of the Iran War. The US Federal Reserve kept interest rates unchanged in the April FOMC meeting, while highlighting inflation risks. The Strait of Hormuz, through 20% of global oil and gas supplies flow, is virtually shut.

The 10-year G-Sec remained firm, inching up by 6 bps. However, short-term yields have declined, with the 364 Day T-Bill yield softening by 15 bps. The INR depreciated further, closing the month at 94.75 to a dollar. The US Dollar has been fluctuating. With the US Navy blockading Iranian ports, the energy crisis has worsened. Brent crude prices have skyrocketed to over \$113 per barrel. Precious metals like gold and silver gained due to a weakening dollar. Gold gained 2.5%, while silver gained 4.8% in April.

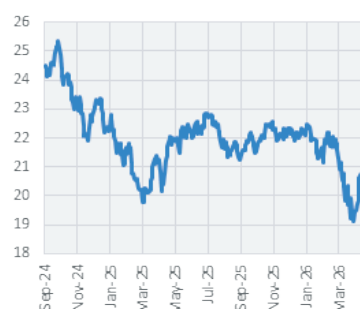
Valuations

Even though the market has rebounded, valuations are still below long-term historical average. Valuations have also come down across broader market cap segments, i.e., midcaps and small caps.

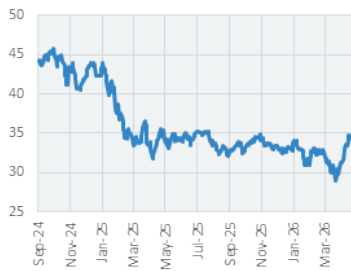
PE Ratio - Broad Market (Nifty 500)



PE Ratio - Large Cap (Nifty 100)



PE Ratio – Midcap (Nifty Midcap 150)



PE Ratio - Small Cap (Nifty Small cap 250)



Conclusion

A lasting ceasefire, however, remains elusive since both sides have taken a hard stance on certain issues, e.g., Iran’s nuclear program. With Iran shutting off the Strait of Hormuz for commercial shipping and the US blockading Iranian ports, both sides are exerting economic pressure to force the other side to come to terms. The naval blockade strategy of both sides has caused a severe energy crisis, which is worsening. Crude oil prices, which are already quite high, may rise further. Even if both sides lift the blockade, energy supplies will take several months to get restored to pre-War levels. Oil and gas plants that have shut down cannot be restarted immediately. Damage to the infrastructure in the Gulf region will also take time to get repaired and fully restored.

The overall economic and market environment is uncertain. Even though markets have stabilized somewhat, we may see a range-bound, sideways market with some short-term volatility. These are difficult financial circumstances for any economy, but more so for a growing consumption-driven economy like India, which relies mostly on imports from the Middle East for its oil and gas needs. War is always unpredictable. Although currently there is a ceasefire, we do not know when or how it will end, or what its long-term implications are. Investors need to be disciplined in their investments.

Since the market has corrected, investments made at these levels may give higher returns in the long term. Investors should focus on asset allocation and quality. Both are equally important in times of uncertainty. 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 in SIPs in mid and small caps, with a long investment horizon. Market volatility will allow you to average the rupee cost of your investment.

Bite Sized Trivia

Why is bull market called so?

Bulls have the horns pointing towards the sky, i.e. upwards. It symbolises that the market is rising. Bull market signals investor confidence and economic growth

Why is a bear market called so?

Bears attack their prey by striking downwards. It symbolises that market is falling. Bear market signals fear, risk aversion and economic recession.

In the last 25 years, Sensex was up more than 10% in 14 years.

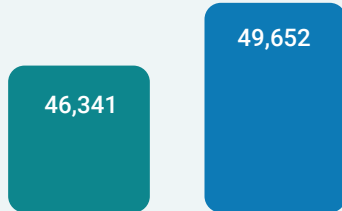
In last 25 years, Sensex gave negative returns in just 4 years.

In last 25 years, Sensex gave 0 to 10% returns in 7 years.

Market Roundup - Global Markets

Global markets rebounded in April after ceasefire between United States and Iran. Risk sentiments are positive. Improving risk sentiments are positive for Indian equities.

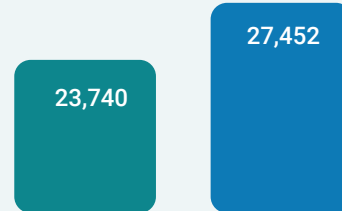
Dow Jones : **7.14% MOM** ↑



Mar 2026

Apr 2026

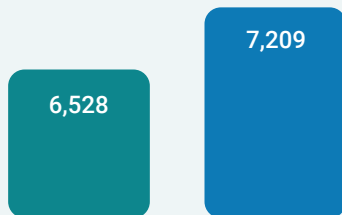
Nasdaq : **15.6% MOM** ↑



Mar 2026

Apr 2026

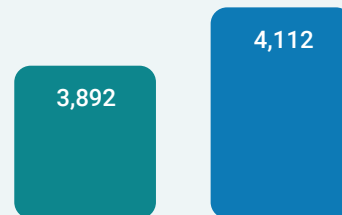
S&P 500 : **10.43% MOM** ↑



Mar 2026

Apr 2026

Shanghai Composite : **5.65% MOM** ↑



Mar 2026

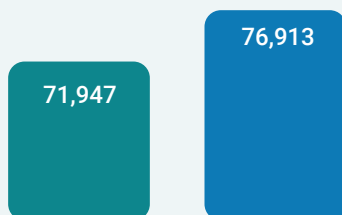
Apr 2026

*Index values are closing prices on the last trading sessions of the respective months

Market Roundup - Indian Equity Market

Indian market also rebounded in April following positive global cues. However, FII sell-off continued in March as India is underperforming versus the emerging market basket. NDA's strong showing in recently held Assembly election and signs of progress in US / Iran talks is positive for the market. Market may rally if further progress is made in US / Iran negotiations. However, market may be choppy if the stalemate in Gulf of Hormuz continues and crude oil prices rise further.

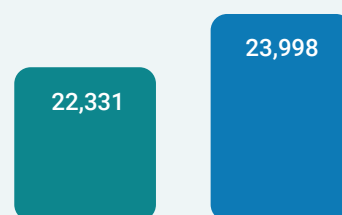
Sensex : **6.9% MOM** ↑



Mar 2026

Apr 2026

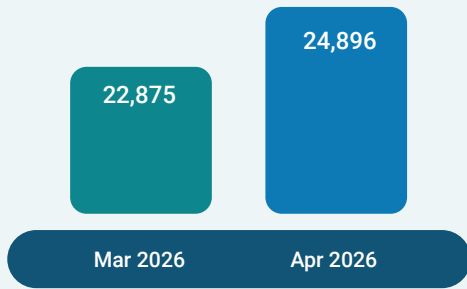
Nifty : **7.5% MOM** ↑



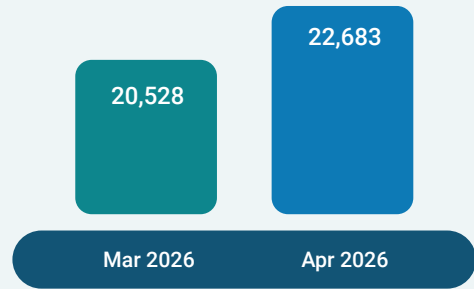
Mar 2026

Apr 2026

Nifty 100 (Large Cap) : **8.83% MOM** ↑



Nifty 500 (Broad Market) : **10.05% MOM** ↑

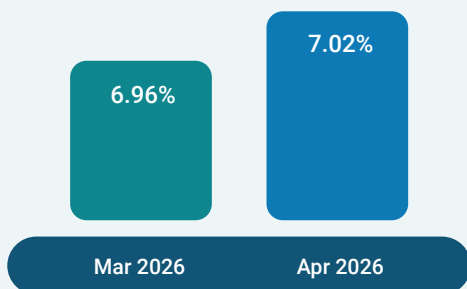


*Index values are closing prices on the last trading sessions of the respective months

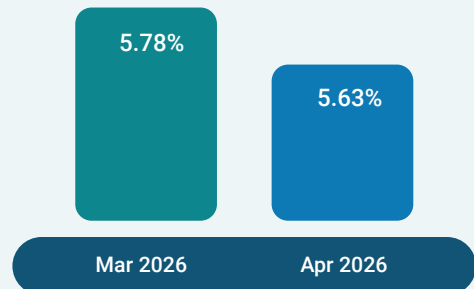
Market Roundup - Debt and Forex Market

The 10 year G-Sec remained firm inching up by 6 bps. However, short term yields have declined with the 364 Day T-Bill yield softening by 15 bps. The INR depreciated further closing the month at 94.75 to a dollar. The RBI held repo rate flat in the last MPC meeting. The RBI will have limited room for rate cuts until the inflation situation eases.

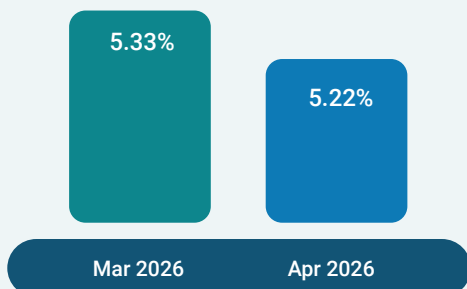
10 year G-Sec Yield* (%) : **6 bps MOM** ↑



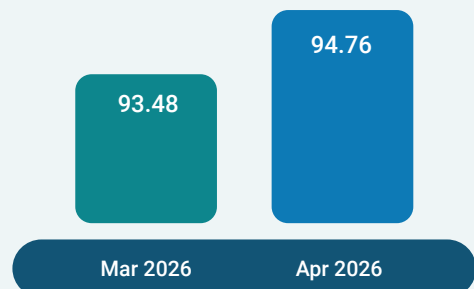
364 Day T-Bill Yield* (%) : **-15 bps MOM** ↓



91 Day T-Bill Yield* (%) : **-11 bps MOM** ↓



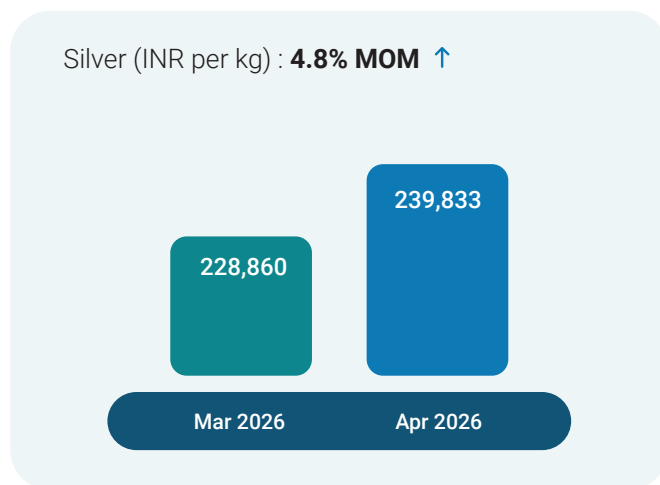
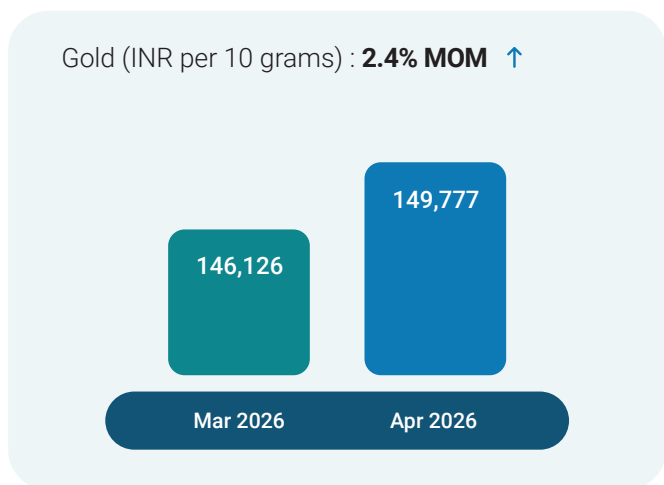
USD to INR : **14 bps MOM** ↑



*Yields as on the last auction days of the respective months. Source: RBI

Market Roundup - Commodities Market

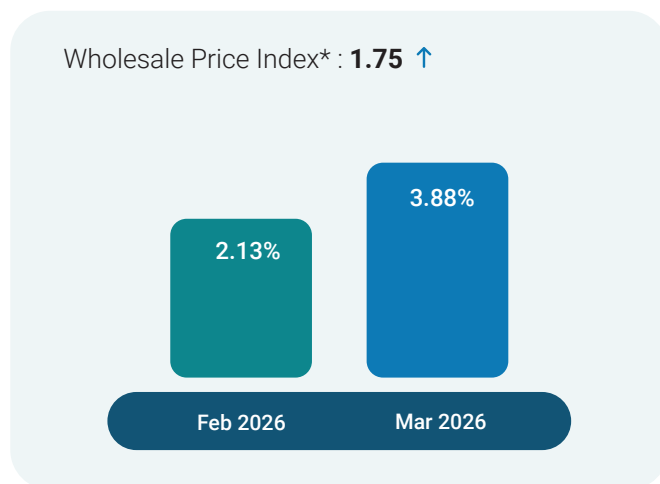
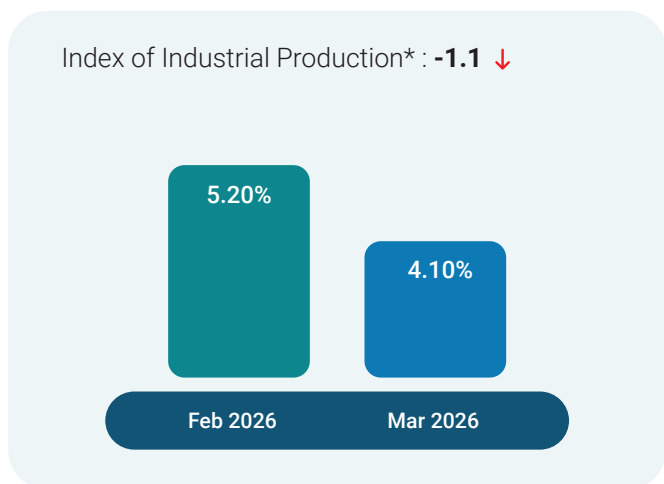
The US Dollar has been fluctuating. Precious metals like gold and silver gained due to weakening US Dollar. Gold gained 2.5%, while silver gained 4.8% in April. Despite strong US job market report, gold is continuing to hold firm, indicating long term demand for gold.



*Commodity prices are based MCX closing spot prices on the last trading sessions

Economic Indicators

Inflation rises, factory output growth moderates. The near term outlook of the Indian economy due to the Iran War is hazy, but the long term outlook remains bright due to robust GDP growth, narrowing fiscal deficit and consumption demand growth post GST rate cuts.



*Based on latest Government published data.

Knowledge Bite: Why remaining consistent in your investment is the gamechanger

Disciplined investing is essential for building wealth steadily over time. It involves consistently allocating funds toward investments, regardless of market fluctuations, which helps mitigate emotional decision-making. Mutual funds have become a much sought-after investment option over the last decade. There has been a steady increase in investor accounts. The overall size of the Indian MF Industry has grown from Rs 12.33 trillion as on 31st March 2016 to Rs 73.73 trillion as on March 31, 2026, about a 6-fold increase in a span of 10 years. Monthly SIP contribution exceeded Rs 32,000 crores in March 2026, constituting 20.5% of overall mutual fund industry's assets.

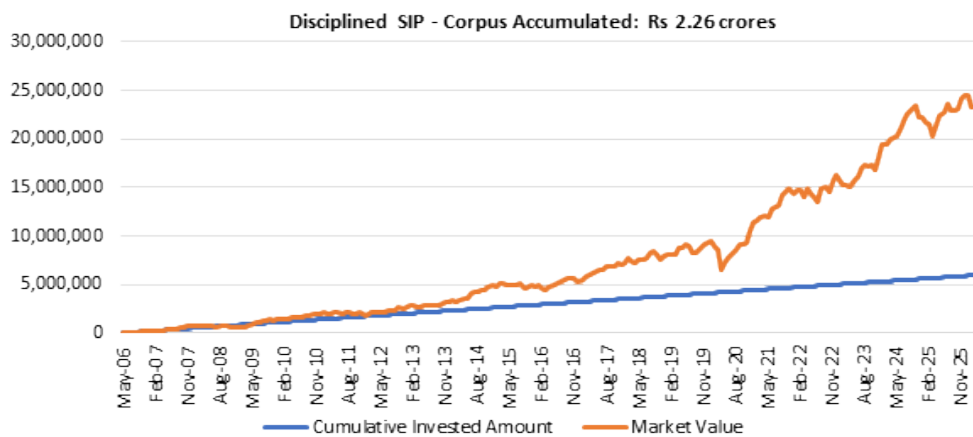
Should you stop your SIP in falling markets?

With the volatility surrounding markets since the last few months causing all market caps to go through deep corrections, the question foremost in many investors' mind is "Should I stop my SIP and redeem as the markets are falling as I do not want to lose money anymore?"

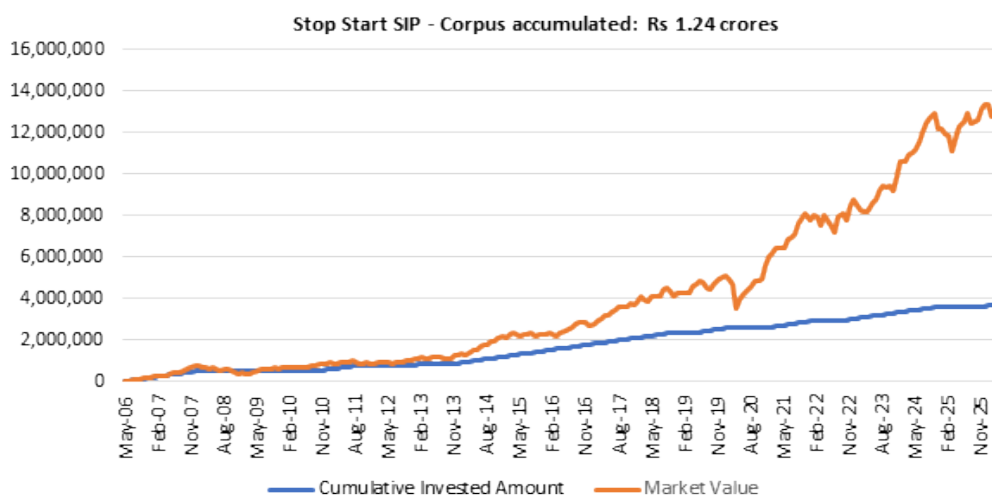
Whilst a correction can trigger all your panic buttons, this is the time to exercise the greatest restraint. Even though your fear of losing more money pushes you to stop any further investment, you should be doing just the opposite. An investor who takes the market correction as an opportunity and continues to invest rather than stopping their SIPs with a plan to resume when valuations have regained, is taking a giant step towards achieving their target corpus.

Why should you not stop your SIPs?

Let us understand this with an example: Investor A and Investor B started investing Rs 25,000 as monthly SIP in Nifty 50 TRI from 1st May 2006 till 30th April 2026. Investor A is disciplined and resilient even in the face of market volatility. The chart below shows the growth of Investor A's SIP over the last 20 years.



Investor B gives in to emotional biases and stops his SIPs during market corrections and resumes when the correction is over or when market has recovered. Please note that even though investors may want to time the market, it is almost impossible to determine market bottom. Market bottom can be confirmed only when the market is in uptrend. The chart below shows the growth of Investor B's SIP over the last 20 years.



See the table below that shows the difference in the corpus created by Investor A. While Investor A accumulated Rs 2.26 crores by staying consistent through all the market ups and downs over the last 20 years 10 years, Investor B could only accumulate Rs 1.24 crores. Even though Investor A invested Rs 22.75 lakhs more than B by the virtue of discipline, his corpus was more than Rs 1 crore higher and his profit was higher by nearly Rs 80 lakhs.

Major Drawdowns*	Instalments missed	Investor A SIP Investments	Investor B SIP Investments	Difference
2008 Global Financial Crisis	Feb 08 - Oct 10	8,25,000	-	8,25,000
US Debt Ceiling Crisis	Aug 11- Oct 12	3,75,000	-	3,75,000
Taper Tantrum	Mar 13 - Oct 13	2,00,000	-	2,00,000
US China Trade War	Sep 18 - Mar 19	1,50,000	-	1,50,000
COVID - 19	Mar 20 - Nov 20	2,50,000	-	2,50,000
Russia Ukraine War	Feb 22 - Aug 22	1,75,000	-	1,75,000
FII Sell-off / Trump tariffs	Nov 24 - Oct 25	3,00,000	-	3,00,000
Sub-total		22,75,000	-	-22,75,000
Total SIP instalments missed		-	22,75,000	-22,75,000
Cumulative SIP Invesments		60,00,000	37,25,000	22,75,000
Market Value of SIP as on 30th April 2026		2,25,98,068	1,23,65,784	1,02,32,284
Profit		1,65,98,068	86,40,784	79,57,284
Opportunity Loss		-	79,57,284	

Source: NSE, Advisorkhoj research: *More than 10% market corrections have been considered for SIP stop

The magic of Rupee Cost Averaging

Rupee cost averaging can even out any market volatility over the long term, allowing the investor to gain maximum benefits on his or her investments over time. Investing a fixed amount of money every month towards any scheme allows them to purchase more units of the scheme when the price of the investment is lower. This reduces the average cost of purchasing the financial asset over time. In the above example, Investor A was able to earn excess profits due to Rupee Cost Averaging.

Our References

FD Interest Rates

Company	Investment Period (Months)	Rate of Interest (%) (Per Annum)	Senior Citizen (%) (Per Annum)
Bajaj Finance Limited	12 to 60	7.40	7.75
ICICI Home Finance	12 to 60	7.00	7.35
LIC Housing Finance	12 to 60	6.90	7.15
Mahindra & Mahindra Financial Services Limited	12 to 60	7.00	7.35
PNB Housing Finance Limited	12 to 60	6.90	7.15
Shriram Finance Limited Unnati Deposits	12 to 60	7.25	7.80
Sundaram Home Finance Limited	12 to 60	7.15	7.50

DISCLAIMER: Interest Rates are subject to change without any prior intimation. Please confirm the rate of interest before investing.

NFO (New Fund Offer)

Scheme Name	Issue Opens On	Issue Closes On
Axis Nifty Capital Markets Index Fund	4th May 2026	15th May 2026
Motilal Oswal Contra Fund	8th May 2026	22nd May 2026



AMFI-Registered Mutual Fund Distributor (ARN-1435)
ARN Valid: 15-Feb-2025 to 15-Feb-2028

608-609, Skylark Building ,60, Nehru Place,
New Delhi – 110019



Services We Offer

Planning


- Goal Planning
- Insurance Planning
- Tax Planning


Financial Services

- Mutual Fund
- Fixed Deposit
- Life Insurance
- Health Insurance
- RBI Floating Rate Bonds
- Sovereign Gold Bonds
- Capital Gain Bonds
- NFO - Mutual Fund

Miscellaneous Services

- Real Estate
- Home Loan
- National Pension Schemes
- NRI Desk
- Loan Syndication
- Succession Planning
- Share Demat Services
- Transmission of Financial Assets at Market Place

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