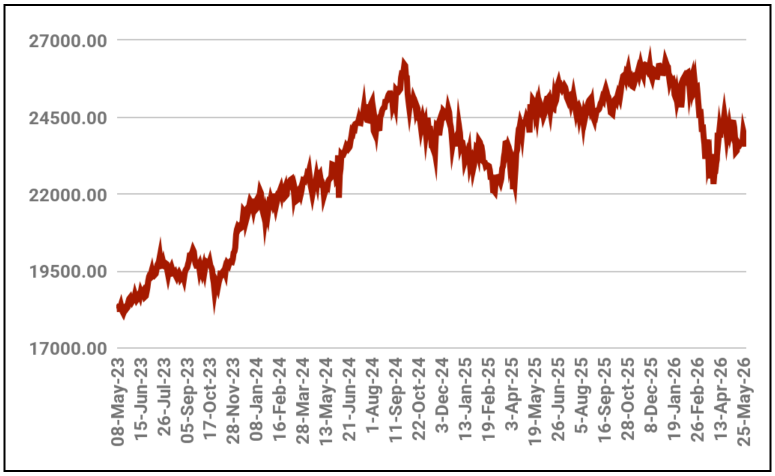
SHRIRAM Insight
HAR HAATH MEIN DHAN KI REKHA

EQUITY MONTHLY REPORT

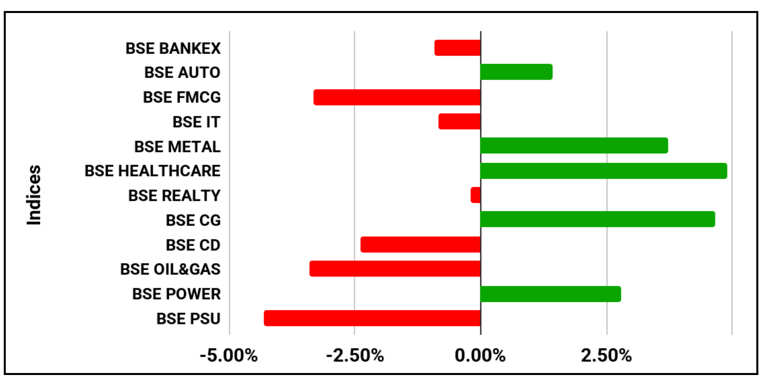
May 2026

Nifty Movement



(Source: NSE)

Sectoral Indices(% change)



(Source: Investing.com)

Market Commentary

The market experienced a notable market correction in the month of May 2026, driven by a surge in global crude oil prices, consistent Foreign Portfolio Investor (FPI) selling, and rising US Treasury yields. Despite these headwinds, domestic liquidity and retail participation remained resilient.

The **BSE Sensex** lost 2137.76 points or 2.78% to close at 74775.74 and the **NSE Nifty** down 449.80 points or 1.87% to settle at 23547.75. The **BSE Mid-Cap index** up 1.58% to settle at 46860.51. The **BSE Small-Cap index** increased 2.49% to settle at 52980.52.

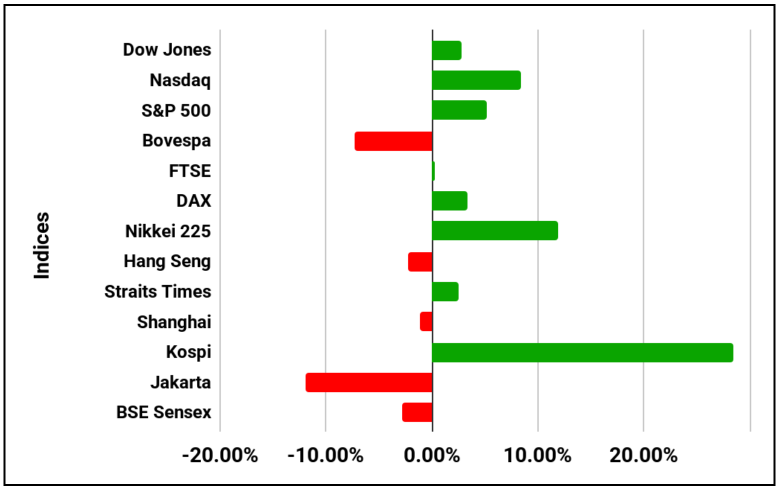
The **Reserve Bank of India** (RBI) kept its key **repo rate** unchanged at **5.25%** for the third consecutive meeting in June. Reverse Repo Rate remained unchanged at 3.35% in April while Cash Reserve Ratio remained unchanged at 3% in June. Interbank Rate in India increased to 6.75% on Wednesday May 27 from 6.66% in the previous day.

The **gross domestic product** expanded by 7.7% in the 2026 financial year, revised slightly higher from the second estimate of 7.6%, to mark the sharpest growth rate since FY2022.

Retail inflation accelerated to 3.93% in May from 3.48% in the previous month. From the previous month, consumer prices rose by 0.8%.

Wholesale prices advanced 9.68% year-on-year in May 2026, accelerating from a marginally revised 8.26% rise in April.

Global Indices (% change)



(Source: Investing.com)

Industrial production expanded 4.9% year-on-year in April 2026. Industrial production in March had expanded by 3.2%. The comparable figure in April 2025 stood at 5.7%.

The **current account** surplus of $7.1 billion in the final quarter of the 2026 financial year, narrowing from the surplus of $13.7 billion.

Trade surplus widened to USD 105.43 billion in May 2026 from USD 102.72 billion in the same period of 2025. Export growth accelerated to 19.4% year-on-year, reaching a record high of USD 376.78 billion, up from April's 14.1% increase while imports jumped 27.4% yoy to USD 271.35 billion, accelerated from 25.3% growth in April.

Th**e HSBC Composite PMI** rose to 59.3 in May 2026, surpassing the preliminary estimate of 58.1. The manufacturing PMI rose to 55.0 in May 2026, a three-month high, from 54.7 in April, and was revised higher from the flash estimate of 54.3 while the services PMI was revised higher to 59.8 in May 2026, a final reading of 58.8 in April.

The **unemployment rate** rose to 5.5% in May of 2026 from 5.2% in the previous month, the highest in nearly one year.

Goods and Services Tax collections saw a moderation in May 2026, reaching Rs 1.94 lakh crore. This figure represents a 3.2% increase compared to the same month last year. Import-linked revenues significantly boosted overall collections, while domestic revenue experienced a decline. For the initial two months of FY27, GST revenue showed a positive growth trend.

Domestic passenger vehicle dispatches from companies to dealers rose 27.3% year-on-year to a record 4,38,854 units in May this year. Passenger vehicle (PV) dispatches stood at 3,44,656 units in May 2025, as per SIAM. Total two-wheeler sales rose 14.8% to 19,02,209 units last month as against 16,57,116 units in May last year. Three-wheeler dispatches to dealers were up 31.1% last month at 70,720 units as against 53,942 units in the year-ago period. In the PV segment, utility vehicles continued to be the volume driver in clocking a growth of 24.8% at 2,45,549 units as compared to 1,96,821 units in May last year. Passenger car dispatches also rose 28.8% at 1,20,975 units last month as compared to 93,951 units in the year-ago period. In the two-wheeler segment, motorcycle sales in May 2026 were up 7.2% at 11,13,973 units as against 10,39,156 units in the year-ago month. Scooter sales witnessed faster growth at 27.4% at 7,39,667 units last month as compared to 5,80,696 units in the same period last year. Overall vehicle wholesales across categories in May grew 16.8% at 23,52,693 units as compared to 20,14,158 units in the same month last year.

Retail sales of vehicles rose by 10% to 2.53 million units year-on-year in May, according to FADA. Passenger vehicle registrations surged 30% in rural India, ahead of a 19% increase in urban markets. In the commercial vehicle segment, rural sales growth at 8% outpaced urban's 2.6% rise. While total passenger vehicle registrations grew 23% in May, those of two-wheelers, three-wheelers, and commercial vehicles went up by 7.5%, 3.6% and 5.3%, respectively. Tractor sales grew 11%. The share of electric in total two-wheeler sales grew to 9.25% from 6.11% a year ago. In the passenger vehicle segment too, the share of electric in total sales went up to 6.6% this May from 4.5% a year earlier, and that of CNG to 23.3% from 19.9%.

Automobile retail sales rose 9.6% year-on-year in May, as per FADA. Vehicle registrations across categories climbed to 25.31 lakh units in May. Passenger vehicles emerged as the strongest-performing segment, with retail sales surging 23.3% year-on-year to 402,591 units. Rural markets significantly outpaced urban centres, growing 30.4% compared with 18.8% in cities, reflecting stronger demand from non-metro regions. The share of CNG-powered passenger vehicles rose to 23.3% during the month, while electric vehicles accounted for 6.6% of PV sales. Overall, alternative-fuel vehicles represented more than 38% of passenger vehicle registrations. Two-wheeler sales, the largest segment by volume, rose 7.5% year-on-year to 1.84 million units. Urban demand grew 11.8%, while rural sales increased 4.7%. Electric two-wheelers accounted for 9.25% of registrations in May, up from 6.11% a year earlier, as buyers increasingly sought fuel-efficient alternatives. Commercial vehicle sales rose 5.3% to 83,823 units, with rural markets again outperforming urban areas. Rural CV registrations increased 8.1% compared with 2.6% growth in cities. Tractor sales climbed 11.2% year-on-year to 83,092 units, benefiting from healthy farm economics and expectations of stronger agricultural activity as the sowing season approaches. Three-wheeler registrations rose 3.6%, while wheeled construction equipment sales declined 17.5% due to a high base effect.

Global

Global markets in May experienced a broad-based rally, defying the traditional "sell in May" adage as investors grew confident in resilient economic growth and strong corporate earnings.

Chinese stock benchmark - **Shanghai Composite Index** lost 1.06%. In the US, the **Dow Jones Industrial Average** soared 2.78%, the **S&P 500** up 5.15%, and the **Nasdaq** increased 8.36%.

China

China's Reverse Repo Rate remained unchanged at 1.40% in April. Reverse Repo Rate in China averaged 2.46% from 2012 until 2026, reaching an all time high of 4.40% in July of 2013 and a record low of 1.40% in May of 2025.

Annual inflation held steady at 1.2% in May 2026, unchanged from the previous month. On a monthly basis, consumer prices edged down 0.1%, reversing a 0.3% increase in April.

The RatingDog General Composite PMI rose to 54.0 in May 2026 from 53.1 in the prior month. The manufacturing PMI eased to 51.8 in May 2026 from an over five-year high of 52.2 in April while the services PMI increased to 54.4 in May 2026 from 52.6 in April. The NBS Composite PMI Output Index increased to 50.5 in May 2026 from 50.1 in April. The manufacturing PMI edged down to 50.0 in May 2026 from 50.3 in the previous month while the non-Manufacturing PMI rose to 50.1 in May 2026 from 49.4 in the prior month.

The unemployment rate edged lower to 5.1% in May 2026, compared with the previous month's 5.2%. For the January-May period, the average surveyed urban unemployment rate stood at

The foreign exchange reserves climbed by USD 31.7 billion to USD 3.442 trillion in May 2026, marking a 0.93% rise from USD 3.411 trillion in April.

House prices fell 3.5% year-on-year in May 2026, matching April's pace. On a monthly basis, new home prices edged down 0.2%, after a 0.1% decrease in April.

U.S.

ThThe economy added 172,000 jobs in May 2026, following an upwardly revised 179,000 gain in the previous month. Private nonfarm payrolls increased by 120 thousand in May of 2026. The unemployment rate remained at 4.3% in May 2026.

The annual inflation rate rose to 4.2% in May 2026, marking its highest level since April 2023, from 3.8% in April. Compared to the previous month, the CPI was up 0.5%, slightly less than 0.6% in April. The annual core inflation rate went up to 2.9%, a new high since September 2025, compared to 2.8%. Compared to the previous month however, the core CPI rose 0.2%, less than 0.4% in April.

Trade deficit narrowed to $55.9 billion in April 2026 from a revised $56.6 billion in March. Exports rose 2.6% ($8.3 billion) to a record $327.1 billion while the imports increased 2.0% ($7.6 billion) to $383.0 billion.

The S&P Global Composite PMI stood at 51.5 in May 2026, down slightly from 51.7 in April. The manufacturing PMI climbed to 55.1 in May 2026, up from 54.5 in April while the services PMI eased to 50.7 in May of 2026 from 51 in the previous month.

Auto Sales May' 26

Maruti Suzuki India reported its highest-ever monthly sales, with total dispatches rising 34.76% year-on-year to a record 242,688 units in May. The company had sold a total of 180,077 units in the same month last year. Domestic sales also reached an all-time high of 193,535 units in May 2026 compared to 138,690 units in the year-ago month. Exports stood at 41,914 units last month against 31,219 units in May 2025.

Hero MotoCorp reported 12% rise in dispatches at 5,70,068 units in May 2026. In the year-ago period, the sales stood at 5,07,701 units. The company's global business recorded 78% growth with dispatches of 33,284 units.

Tata Motors Passenger Vehicles sales in the domestic & international market for May 2026 stood at 59,790 units, compared to 42,040 units during May 2025, recording a growth of 42%. Total sales include domestic sales of 59,090 units (up 42% YoY) and international business of 700 units (up 45% YoY).

Bajaj Auto Ltd reported a 20% on-year growth in total vehicle sales, including exports, at 4,61,257 units in May. The auto maker had a total vehicle sales of 3,84,621 units in May 2025. Total domestic sales for the reporting month stood at 2,48,031 vehicles, a growth of 10% year-on-year, while exports spiked 34% at 2,13,226 units from 1,58,888 vehicles in May 2025.

Mahindra & Mahindra reported a 20% year-on-year growth in total vehicle sales to 99,636 units in May. In the utility vehicle segment, the company sold 58,021 units in the domestic market, up 11% from the year-ago period. Total UV sales, including exports, stood at 59,573 units. Domestic sales of commercial vehicles rose 19% to 24,079 units.

TVS Motor Company recorded monthly sales of 566,585 units in May 2026 with a growth of 31% as against 431,275 units in May 2025. Total two-wheelers registered a growth of 31% with sales increasing from 416,166 units in May 2025 to 543,111 units in May 2026. Domestic two-wheeler registered growth of 24% with sales increasing from 309,287 units in May 2025 to 384,565 units in May 2026. The Company's total International Business sales registered a growth of 49% increasing from 118,437 units in May 2025 to 175,991 units in May 2026.

Eicher Motors Limited's **Royal Enfield** reported motorcycle sales of 1,03,231 units in month of May 2026 compared to 89,429 units in month of May 2026, recording a growth of 15%. Total sales include international business of 9,116 units (down 33% YoY).

Escorts Kubota Limited Agri Machinery Division reported an 18.9% year-on-year increase in tractor sales for May 2026, with total volumes rising to 12,310 units compared to 10,354 units in May 2026. Domestic tractor sales stood at 11,887 units in May 2026, registering a growth of 22.5% compared with 9,703 units sold in May 2025. Export tractor sales declined 35% year-on-year to 423 units in May 2026, down from 651 units in May 2025.

AUTO SALES DATA (Y-o-Y)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	MAY-26	MAY-25		MAY-26	MAY-25		MAY-26	MAY-25	
MARUTI	242688	180077	34.77	200774	148858	34.88	41914	31219	34.26
HEROMOTOCO	570068	507701	12.28	536784	488997	9.77	33284	18704	77.95
TMPV	59790	42040	42.22	59090	41557	42.19	700	483	44.93
BAJAJ-AUTO	461257	384621	19.93	248031	225733	9.88	213226	158888	34.20
M&M	99636	83010	20.03	94636	79364	19.24	5000	3646	37.14
TVSMOTOR	566585	431275	31.37	390594	312838	24.86	175991	118437	48.59
EICHERMOT	103231	89429	15.43	94115	75820	24.13	9116	13609	-33.01
ESCORTS	12310	10354	18.89	11887	9703	22.51	423	651	-35.02

(Source:BSE)

AUTO SALES DATA (M-o-M)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	MAY-26	APR-26		MAY-26	APR-26		MAY-26	APR-26	
MARUTI	242688	239646	1.27	200774	199592	0.59	41914	40054	4.64
HEROMOTOCO	570068	566086	0.70	536784	532433	0.82	33284	33653	-1.10
TMPV	59790	59701	0.15	59090	59000	0.15	700	701	-0.14
BAJAJ-AUTO	461257	513792	-10.22	248031	248210	-0.07	213226	265582	-19.71
M&M (PV)	99636	94627	5.29	94636	89657	5.55	5000	4970	0.60
TVSMOTOR	566585	473970	19.54	390594	353962	10.35	175991	120008	46.65
EICHERMOT	103231	113164	-8.78	94115	104129	-9.62	9116	9035	0.90
ESCORTS	12310	10857	13.38	11887	10398	14.32	423	459	-7.84

(Source:BSE)

AUTO SALES DATA - COMMERCIAL VEHICLE (Y-o-Y)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	MAY-26	MAY-25		MAY-26	MAY-25		MAY-26	MAY-25	
TMCV	32850	28147	16.71	30784	25872	18.99	2066	2275	-9.19
ASHOKLEY	14923	15484	-3.62	14148	14534	-2.66	775	950	-18.42
FORCEMOT	2614	3088	-15.35	2560	3002	-14.72	54	86	-37.21
SMLMAH	1767	1543	14.52	1678	1503	11.64	89	40	122.50

(Source:BSE)

AUTO SALES DATA - COMMERCIAL VEHICLE (M-o-M)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	MAY-26	APR-26		MAY-26	APR-26		MAY-26	APR-26	
TMCV	32850	34833	-5.69	30784	32965	-6.62	2066	1868	10.60
ASHOKLEY	14923	14646	1.89	14148	14242	-0.66	775	404	91.83
FORCEMOT	2614	3113	-16.03	2560	3053	-16.15	54	60	-10.00
SMLMAH	1767	1741	1.49	1678	1711	-1.93	89	30	196.67

(Source:BSE)

ELECTRIC 2-WHEELER RETAIL SALES

COMPANY	MAY-26	APR-26	MAY-25	% (Y-o-Y)	% (M-o-M)
TVS MOTOR	42376	40011	25804	64.22	5.91
BAJAJ AUTO LTD	39104	34555	22643	72.70	13.16
ATHER ENERGY	28190	28459	14101	99.91	-0.95
HERO MOTOCORP	19044	15904	7385	157.87	19.74
OLA ELECTRIC	15139	12327	18967	-20.18	22.81
AMPERE/GREAVES ELECTRIC	7696	7012	4332	77.65	9.75

(Source:BSE)

ELECTRIC 4-WHEELER RETAIL SALES

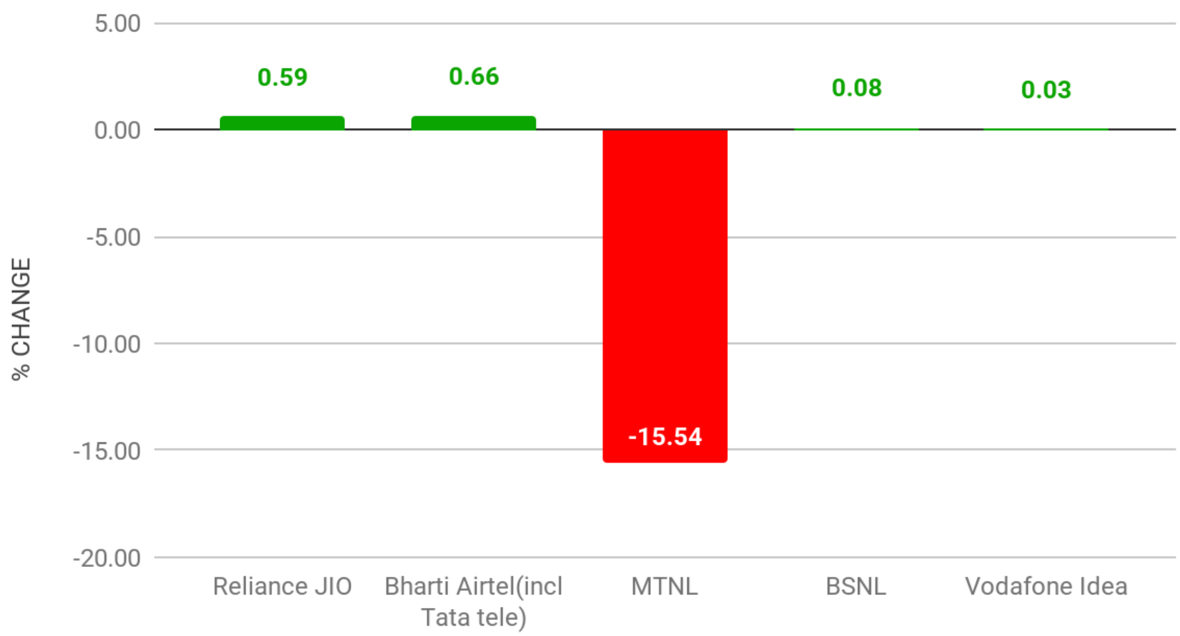
COMPANY	MAY-26	APR-26	% (M-o-M)
TATA MOTORS	10236	9290	10.18
MAHINDRA & MAHINDRA	6134	5853	4.80

(Source:BSE)

Telecom Subscription Data as on 30th April 26

The number of total telephone subscribers in India increased from 1330.58 million at the end of March 2026 to 1337.54 million at the end of April 2026, thereby showing a monthly growth rate of 0.52%. Urban telephone subscription increased from 778.79 million at the end of March 2026 to 783.12 million at the end of April 2026 and the rural telephone subscription also increased from 551.79 million to 554.41 million during the same period. The monthly growth rates of urban and rural telephone subscription were 0.56% and 0.47% respectively during the month of April 2026.

Service Provider wise growth in total subscribers (March 26 - April 26)



Monthly growth in telecom subscription in %

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