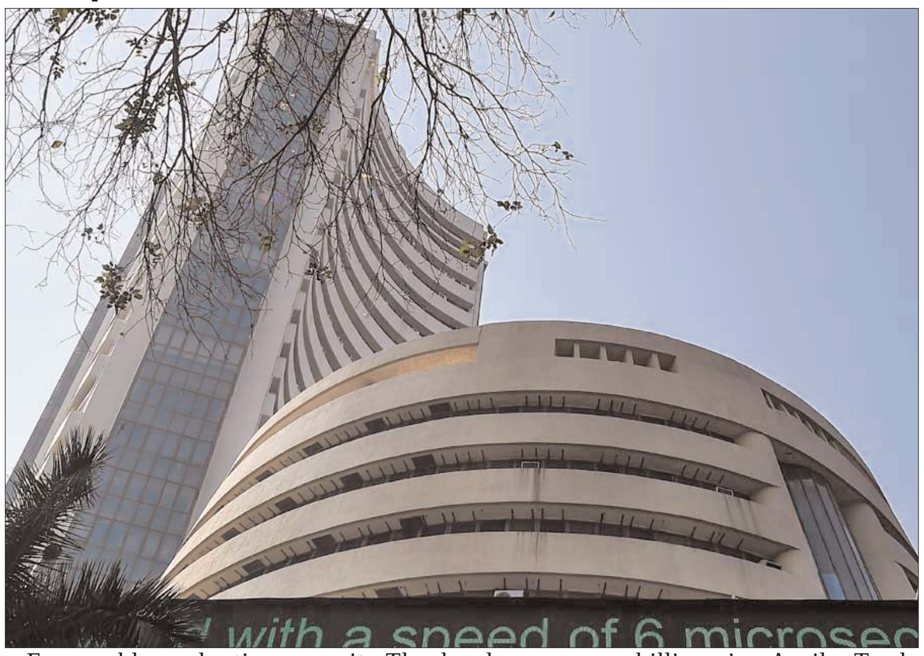
Stock markets close lower on weak rupee, inflation doubts

MUMBAI, MAY 16: Benchmark equity indices Sensex and Nifty surrendered early gains to close lower on Friday due to selling in metal, oil & gas and PSU bank shares and caution among investors amid surging crude oil prices.



The 30-share BSE Sensex dropped 160.73 points, or 0.21 per cent, to settle at 75,237.99, after swinging between gains and losses during the session. The benchmark had rallied nearly 470 points in early trade before losing momentum.

The 50-share NSE Nifty settled lower by 46.10 points, or 0.19 per cent, at 23,643.50, snapping its two-day gaining streak. Tata Steel, State Bank of India, Eternal, Reliance Industries, UltraTech Cement, Mahindra & Mahindra, Bharat Electronics Ltd, Larsen & Toubro, Trent, Axis Bank and Asian Paints were the major laggards among Sensex stocks. On the other hand, Infosys, Tech Mahindra, PowerGrid, Adani Ports, Maruti Suzuki India, Bharti Airtel, Kotak Mahindra Bank, Hindustan Unilever, and Sun Pharmaceuticals were major winners. "Investors have turned cautious post the recent relief rally, with rising bond yields, a weaker rupee, and fresh fuel price hikes reviving inflation concerns," Vinod Nair, Head of Research, Geojit Investments Ltd, said.

Favourable valuations and a solid Q4 earnings print are cushioning the downside. Focus has shifted to potential fiscal and monetary measures to defend the rupee and stabilise the Balance of Payment, he added.

"Globally, surging yields have paused the AI-led rally. Near-term direction is likely to be driven by geopolitical developments — specifically, any progress on reopening the Strait of Hormuz, with the Trump-Xi meeting positioned as the key catalyst," Nair said.

The rupee crashed below the 96 mark against the US dollar on Friday for the first time as elevated crude oil prices and inflation concerns weighed on the local unit. The local currency closed at a record low of 95.94 (provisional) against the US dollar later.

Oil marketing companies raised petrol and diesel prices by Rs 3 per litre each on Friday, to pass on part of the hit from surging global crude prices triggered by the Iran war. CNG prices in cities like Delhi and Mumbai were raised by `2 per kg, raising fears of a spike in inflation. Brent crude climbed more than 3 per cent to $109.23 per barrel.

Meanwhile, the country's exports in April rose by 13.78 per cent to $43.56 billion despite global challenges, Commerce Secretary Rajesh Agrawal said. Imports grew by 10 per cent year-on-year to $71.94 billion in April. Trade deficit during the month stood at $28.38 billion.

Asian markets ended broadly lower, with South Korea's Kospi tumbling over 6 per cent. Markets in Europe were trading lower. US markets ended higher on Thursday.

Foreign Institutional Investors (FIIs) bought equities worth Rs 187.46 crore on Thursday, and Domestic Institutional Investors (DIIs) purchased stocks for Rs 684.33 crore, according to exchange data.

On Thursday, the 30-share BSE Sensex jumped 789.74 points to close at 75,398.72. The 50-share NSE Nifty climbed 277 points to finish at 23,689.60.

PSU banks write-offs to multi-year lows in FY26

NEW DELHI, MAY 16: Loan write-offs by public sector banks declined to multi-year lows in the fiscal year 2025-26 on the back of lower slippages and better recoveries.

As per an analysis of bank earnings by PTI, most banks, including Bank of Baroda, Union Bank of India, Punjab National Bank, Central Bank of India, Indian Overseas Bank, and Indian Bank had write-offs which were the lowest in up to eight years.

Bank of Baroda reported Rs 6,330 crore write-offs in FY26, lowest since FY18, Bank of India reported Rs 5,735 crore write-off lowest since FY16, and Indian Bank reported Rs 6,695 crore write-off lowest since FY19. While Indian Overseas Bank's write-off stood at Rs 1,189 crore in FY26, which was also a multi-year low, the data compiled from banks' investor presentations showed.

Central Bank of India reported a regular and technical write-off of Rs 1,718 crore in FY26, lowest since FY22.

Banks typically write off loans when there is little chance of recovery through usual channels, and need to make 100 per cent provisions on such debt.

Loan write-offs help banks clean up their balance sheets and show lower non-performing assets (NPA) on their books. However, lenders insist that recovery efforts continue even after a write-off, which leads to a write-back of the provisions made earlier and bolsters profits.

Sachin Sachdeva, vice president, sector head — financial sector ratings at ICRA said write-offs in the PSBs have been declining over the past few years and the same can be attributed primarily to lower incremental slippages and healthy recoveries.

"Fresh non-performing advances (NPA) formation has declined steadily, and the existing pool of legacy stressed assets continues to shrink. Besides, PSBs have also strengthened their provision coverage ratios (PCR)

significantly, thereby reducing the need for write-offs. Recoveries have also improved and the banks are looking at more resolution led asset quality management over balance sheet clean-up through write-offs," Sachdeva added.

Meanwhile, asset quality of public sector banks improved significantly during the financial year 2025-26, with gross NPA ratio declining to 1.93 per cent and net NPA ratio to 0.39 per cent as on March 31, 2026, reflecting historically low levels of stressed assets, according to the Ministry of Finance release published on Tuesday.

Further, each state-owned lender maintained provisioning coverage ratio of above 90 per cent, indicating prudent provisioning practices, improved underwriting standards, effective risk management mechanisms and strengthened balance sheet resilience, release added.

Fresh slippages continued to decline during the financial year 2025-26, with slippage ratio reducing to 0.7 per cent. Total recoveries, including recoveries from written-off accounts, stood at Rs 86,971 crore, reflecting improved recovery mechanisms and better credit discipline across PSBs, the Ministry of Finance said. Improved asset quality, healthy credit expansion and higher income contributed to improved profitability of PSBs during FY 2025-26.

Aggregate operating profit reached Rs 3.21 lakh crore, while aggregate net profit increased by 11.1 per cent year-on-year to a historic high of Rs 1.98 lakh crore, marking the fourth consecutive year of aggregate profitability for state-owned banks.

Going ahead, Sachdeva said that the prevailing macro environment poses risk of higher slippages in certain segments, but the overall asset quality indicators are not expected to deteriorate materially.

The aggregate business of PSBs increased to Rs 283.3 lakh crore as on March 31, 2026, registering growth of 12.8 per cent compared to previous year.

Sri Lanka imposes 50 pc surcharge on car imports to protect currency from further slide

COLOMBO, MAY 16: The Sri Lankan government has imposed a 50 per cent surcharge on vehicle imports – excluding motorbikes and three-wheelers – considering the continuing slide of the country's currency.

President Anura Kumara Dissanayake, who is also the finance minister, in a notification on Saturday said "by this order levy on imported goods specified in the schedule here to a surcharge at the rate of 50 per cent on applicable customs duty effect from May 16 for a period of three months".

The rupee has seen over 3 per cent depreciation against the dollar by mid this month due to prevailing external pressures – primarily the Iran war, which has led to a massive surge in fuel import bill.

The rupee, which was 309 to 310 against the dollar at the beginning of the year, currently stands at over 322.

Calling it a "temporary" measure, deputy finance minister Anil Jayantha Fernando told reporters that the move is effectively aimed at making importers delay purchases for three months – a move that could potentially save foreign currency reserves. He said the applicable customs duty for cars currently stands at 30 per cent.

The island's foreign reserves, which stood at USD 7 billion by the end of March, declined to USD 6.76 billion by the end of April, mainly due to high energy costs caused by the West Asia conflict, according to central bank data.

Most Asian currencies have come under pressure in recent sessions, weakening against the US dollar amid rising oil prices, geopolitical tensions and renewed demand for safe-haven assets.

Rupee hits record low of 96.14/USD, settles at fresh closing low of 95.86/USD

MUMBAI, MAY 16: The Indian rupee crashed below the 96/USD mark on Friday before closing at an all-time low of 95.86 (provisional) against the US dollar as elevated crude oil prices and inflation concerns added to the downside pressure on the rupee.

Rupee has registered over 6 per cent losses so far this year, and in the past six trading sessions, it has depreciated nearly 2 per cent as Iran war risk escalation pushed crude oil prices higher. The dollar index moved northwards after strong US retail sales and stable labour market data reduced expectations of aggressive Federal Reserve rate cuts.

Forex traders said global uncertainties, relatively high valuations, and the lack of AI-led investment opportunities have weighed on capital flows.

Moreover, weak net FDI inflows are likely to exert pressure on the balance of payments, while rising crude oil prices stoke inflation worries.

At the interbank foreign exchange, the rupee opened at 95.86, then slumped to a record low of 96.14 in intraday trade, registering a fall of 50 paise from its previous close.

The USD/INR pair finally settled at 95.86 (provisional) against the US dollar, registering a fall of 22 paise from its previous close, helped by likely RBI intervention.

On Thursday, the rupee weakened to a fresh record low of 95.96 before closing with a marginal gain of 2 paise at 95.64 against the US dollar.

Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading at 99.15, higher by 0.34 per cent.

Brent crude, the global oil benchmark, was trading up 3.14 per cent at USD 109.04 per barrel in futures trade.

On the domestic equity market front, Sensex fell 160.73 points to settle at 75,237.99, while Nifty declined 46.10 points to 23,643.50.

Foreign Institutional Investors turned net buyers, purchasing equities worth Rs 187.46 crore on Thursday, according to exchange data.

Meanwhile, the country's exports in April rose by 13.78 per cent to USD 43.56 billion despite global challenges, Commerce Secretary Rajesh Agrawal said on Friday.

Imports grew 10 per cent year-on-year to USD 71.94 billion in April. The trade deficit during the month stood at USD 28.38 billion.

"We expect the rupee to trade with a negative bias on elevated crude oil prices and inflation concerns. Strong dollar and FII outflows may also weigh on the rupee. However, any intervention by the RBI and hiking of import duty on gold and silver may support the rupee at lower levels. USD-INR spot price is expected to trade in a range of 95.60 to 96.20," said Anuj Choudhary, Research analyst at Mirae Asset ShareKhan.

Chinese President Xi Jinping and his US counterpart Donald Trump on Friday hailed their talks as "historic" and "landmark", as the American leader wrapped up his three-day visit on a high note, but no deals on any contentious issues were announced.

Both Presidents, who held several rounds of talks covering a range of global issues, including the Iran war and bilateral trade frictions, concluded their discussions with a private meeting at Zhongnanhai, the well-guarded compound in Beijing where top leaders reside. (PTI)

Housing sales dip 2pc in Jan-Mar in top 8 cities to 96,000 units: PropTiger

NEW DELHI, MAY 16: Housing sales in January-March fell 2 per cent annually to nearly 96,000 units across eight major cities amid slowdown in demand and less fresh supply of low-cost homes, according to PropTiger.

On Saturday, real estate consultant PropTiger, which has recently been acquired by listed entity Aurum PropTech Ltd, released 'Real INSIGHT â€“ Residential Q1 2026' report that tracks eight key cities — Ahmedabad, Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, MMR (Mumbai, Navi Mumbai and Thane) and Pune.

As per the data, the sales of residential properties declined 2 per cent to 95,973 units during January-March 2026 from 98,095 units in the year-ago period across these eight major cities.

New supply remained flat at 93,065 units during the first quarter of 2026 calendar year from 93,144 units in the year-ago period.

"The Indian residential market has transitioned into a structurally more disciplined phase. Growth today is increasingly being driven by demand quality, inventory discipline, and buyer confidence rather than speculative expansion," said Prakash Tejwani, CEO of PropTiger.

Among cities, the sales in Bengaluru rose 33 per cent to 15,603 units in January-March from 11,731 units in the year-ago period.

In Chennai, the sales increased to 6,841 units from 4,774 units.

Hyderabad saw an increase of 25 per cent to 13,297 units from 10,647 units.

Sales of residential properties in Delhi-NCR grew 11 per cent to 9,447 units from 8,77 units.

However, the sales dropped in Mumbai Metropolitan Region (MMR) 15 per cent to 26,116 units from 30,705 units.

In Pune, the sales declined 21 per cent to 13,565 units from 17,228 units.

Kolkata witnessed a 24 per cent decline in sales to 2,883 units from 3,803 units.

Lastly, the housing sales in Ahmedabad dipped 23 per cent to 8,221 units during January-March this year from 10,730 units in the year-ago period.

PropTiger mentioned that all eight major cities registered positive year-on-year price appreciation. Unsold inventory levels remained broadly balanced.

With new supply additions closely aligned with sales absorption, there was no meaningful build-up of unsold stock, it added.

The consultant noted that the Bengaluru city has emerged as Q1 2026's standout performer, recording 15,603 unit sales – up 33 per cent year-on-year and 12 per cent sequentially. Bengaluru city also maintained near-parity between new supply (15,806 units) and sales absorption, indicating a well-balanced market.

The GCC (Global Capability Centre) and startup employment engine continues to prove more durable than conventional IT hiring cycles, providing Bengaluru with a structurally differentiated demand base, PropTiger stated.

Commenting on the sales data, Navin Dhanuka, Director of ArisUnitern RE Solutions said, "Bengaluru's mid-segment housing is maturing. The city's professional class isn't just buying homes anymore, they're making long-term bets on Bengaluru's global relevance."

Bharat Kumar Kandukuri, Director of Sumadhura Group, said Bengaluru continues to witness strong demand, driven by employment opportunities, improving social infrastructure, and evolving lifestyle aspirations.

Plotted development is gaining strong traction in Bengaluru, driven by demand for flexibility, long-term value creation, and the ability to design personalised homes within well-planned communities, he added.

Bengaluru-based Sanjeevini Group Chairman and Founder, Umesh Gowda H.A. said the market is expanding on healthy fundamentals rather than speculative activity.

Flipkart leads India e-commerce market with 50-60 pc market share

NEW DELHI, MAY 16: Flipkart remains India's e-commerce market leader by gross merchandise value (GMV) with an estimated 50-60 per cent share, and has further strengthened its position by adding 8.5 million weekly active users (WAUs) week-on-week – the strongest gain among major platforms – with the sustained growth reflecting continued traction across high-engagement categories and rising repeat usage.

While ICICI Securities, in a report, said Flipkart has extended its lead over rivals, CLSA said the platform's sustained growth reflects continued traction across high-engagement categories and rising repeat usage, helping it widen its lead over peers.

The homegrown e-commerce major, now majority owned by Walmart, has an estimated 220-240 million monthly active users, compared with roughly 850 million internet users in India, and is increasingly focused on cross-categorisation and upselling within its existing user base rather than heavy new-user acquisition, ICICI Securities said in a report.

In a separate report, CLSA said Flipkart strengthened its lead in India's e-commerce weekly active user (WAU) trends in the week of May 4.

Flipkart added 8.5 million WAUs (weekly active users) week-on-week, the strongest among major e-commerce platforms, taking its year-to-date gain to 26.8 million users.

Its addition was higher than Amazon's 6.6 million WAUs over the same period, while Meesho saw a decline of 5.9 million WAUs week-on-week, though it remains a key player in value-focused commerce segments.

Overall, Flipkart has outperformed peers in cumulative engagement, with competitors collectively adding about 10.6 million WAUs versus Flipkart's significantly higher net additions this year.

Flipkart's strength lies in high average selling price (ASP) categories such as smartphones, appliances and electronics, which account for about 63-64 per cent share in those segments.

However, categories like appliances still offer runway for growth, with low household penetration (for example, washing machines at under 20 per cent).

Its rival Amazon is the second-largest player by GMV with an estimated catalogue of around 180 million products across