

Stock markets sprint for 2nd day as oil price drop, US-Iran peace deal boost investor sentiment

MUMBAI, JUNE 15: Stock markets rose for the second straight session with benchmark Sensex closing higher by 736 points on Monday, propelled by a rally in global equities and a sharp decline in crude oil prices after the US and Iran finalised a deal to end their 107-day war.

The 30-share BSE Sensex jumped 736.38 points, or 0.97 per cent, to settle at 76,264.33. During the day, it zoomed 1,293.12 points, or 1.71 per cent, to 76,821.07.

Rising for the second day, the 50-share NSE Nifty surged 231 points, or 0.98 per cent, to end at 23,853.90. During the day, the benchmark rallied 388.5 points, or 1.64 per cent, to 24,011.40. Sensex had rallied 1,695 points or 2.3 per cent and Nifty soared by 461 points or nearly 2 per cent in the previous session on Friday.

The US and Iran finalised a deal to end their 107-day war and open the Strait of Hormuz, the narrow waterway used to ferry one-fifth of the global oil supplies, on Friday after an in-person signing of the agreement in Switzerland.

US President Donald Trump made the announcement on Truth Social on Sunday evening, easing pressure on the



global energy markets, as officials said the peace agreement would be signed on June 19 in Switzerland.

Crude oil prices fell to three-month lows in global markets after the announcement of the US-Iran deal. Global benchmark Brent Crude dropped 5 per cent to trade near USD 82.90 per barrel.

Among 30 Sensex firms, Trent, InterGlobe Aviation, Bajaj Finserv, UltraTech Cement, Eternal and Maruti were the major winners.

NTPC, ICICI Bank, Asian Paints and Hindustan Unilever were among the

laggards.

In Asian markets, South Korea's Kospi jumped over 5 per cent, while Japan's Nikkei 225 index climbed nearly 5 per cent. Shanghai's SSE Composite index and Hong Kong's Hang Seng index also ended higher.

Markets in Europe were trading in the green. US markets ended in positive territory on Friday.

"The easing of geopolitical tensions following the USA-Iran peace agreement is a significant positive for global risk assets. The immediate correction in crude oil prices is particularly en-

couraging for an import-dependent economy like India, as it helps alleviate inflationary pressures, improves macroeconomic stability, and provides greater policy flexibility," Rajesh Palviya, Head of Research, Axis Direct, said.

Foreign Institutional Investors (FIIs) offloaded equities worth Rs 1,082.18 crore on Friday, according to exchange data.

On Friday, the Sensex jumped 1,695.40 points, or 2.30 per cent, to settle at 75,527.95. The Nifty ended sharply higher by 461.30 points, or 1.99 per cent, at 23,622.90. (PTI)

Rupee rises 47 paise to settle at 94.71 against US dollar

MUMBAI, JUNE 15: The rupee rose 47 paise to settle at 94.71 (provisional) against the US dollar on Monday as global crude oil prices dropped sharply after US President Donald Trump announced that the US and Iran finalised a deal to end the war.

A surge in the domestic equity markets and a weaker US dollar further drove the local unit, forex traders said.

At the interbank foreign exchange, the rupee opened at 94.70 against the US dollar and traded in the range of 94.45-94.77. Eventually, it settled at 94.71 (provisional), up 47 paise from its previous close.

The rupee jumped 67 paise to close at 95.18 against the greenback on Friday.

The US and Iran finalised a deal to end their 107-day war and open the Strait of Hormuz, the narrow waterway used to ferry one-fifth of the global oil supplies. The deal is expected to be signed on Friday in Switzerland.

President Trump made the announcement on Truth Social on Sunday evening, easing pressure on the global energy markets, as officials said the peace agreement would be signed



on June 19 in Switzerland. "The deal with the Islamic Republic of Iran is now complete. Congratulations to all," Trump said, adding that it would reopen the Strait of Hormuz and end the US naval blockade on Iranian ports.

"The Indian rupee rose for the second consecutive day on a rise in risk appetite in global markets amid the US-Iran deal. This led to a sharp rally in global risk assets and a fall in global crude oil prices. A decline in the US dollar and US treasury yields, too, favoured the rupee," Anuj Choudhary, Research Analyst at Mirae Asset ShareKhan, said.

"Falling crude oil price has also eased concerns over inflation. We expect the rupee to trade with a positive bias as the US-Iran

deal has improved global risk sentiments," he said, adding that the USD-INR is expected to trade in a range of Rs 94.20 to Rs 94.95 on Tuesday.

The dollar index, which gauges the greenback's strength against a basket of six currencies, was trading at 99.65, down 0.20 per cent. Brent crude, the global oil benchmark, was trading lower by 4.97 per cent at USD 82.99 per barrel in futures trade.

"The crash in Brent crude below the USD 83-level will significantly reduce India's current account deficit for FY27. This is the principal reason behind the rupee's strength. Also, FII selling is expected to taper off soon since further FII selling while the rupee is strengthening will be a losing proposition. Capital mobil-

isation by banks through the FCNR B deposits is another positive factor," V K Vijayakumar, Chief Investment Strategist, Geojit Investments Ltd, said.

On the domestic equity market front, Sensex surged 1,126.72 points, or 1.49 per cent, to close at 76,654.67. The Nifty rose sharply by 231.00 points, or 0.98 per cent, to settle at 23,853.90.

Meanwhile, India's wholesale price inflation shot up to 9.68 per cent in May, from 8.26 per cent in April, led by a sharp spike in prices of fuel and power, manufactured and food items.

The country's merchandise exports rose 18 per cent to USD 45.2 billion, according to the commerce ministry data released on Monday. Imports, too, went up 20.62 per cent to USD 73.41 billion in May, leaving a trade deficit of USD 28.21 billion.

Foreign institutional investors offloaded equities worth Rs 1,082.18 crore on a net basis on Friday, according to exchange data.

India's forex reserves dropped USD 711 million to USD 681.610 billion during the week ended June 5 due to a sharp decline in foreign currency reserves, the RBI said on Friday. (PTI)

Indian Army picks Israeli company's telescopic sights for NEGEV machine guns

JERUSALEM, JUNE 15: The Indian Army has selected an Israeli company's telescopic sight to provide a daytime optics solution for its NEGEV machine guns, the firm said on Monday.

The Indian Army chose Israeli company Meprolight's MEPRO X6, which is a fixed 6x magnification telescopic sight designed for assault rifles, light machine guns and other weapon systems that require a combination of precision, ruggedness and high optical performance, the company said in a statement.

Meprolight will also transfer knowledge, processes, and manufacturing capabilities to strengthen the Make in India initiative.

Delivery of the sights will be conducted through Bharat Electronics Limited (BEL), the statement said.

"To support local manufacturing and the Make in India initiative, Meprolight has signed a comprehensive Transfer of Technology (ToT) agreement with RRP Defense, under which the company will transfer the knowledge, processes and



manufacturing capabilities required for full production of the MEPRO X6 in India.

"RRP Defense will manufacture the sights locally and supply them to BEL, which will serve as the prime contractor to the Indian Army under the programme," the statement said.

The sight provides enhanced target identification and acquisition capabilities, a wide field of view and dependable performance under demanding environ-

mental and operational conditions.

The Indian Army's evaluation process included extensive user assessments and rigorous environmental testing focused on reliability, durability, accuracy and ease of operation under demanding conditions, it said.

"The selection of the MEPRO X6 by the Indian Army is a significant milestone, and through our technology transfer partnership, we are proud to contribute not

only advanced capability but also the long-term growth of India's defence and manufacturing ecosystem", said Meprolight's Senior Vice President, Golan Kalimi.

Through the combined efforts of Meprolight, BEL and RRP Defense, the project will deliver high-quality systems, long-term support and sustained operational readiness for the Indian Army for years to come," the statement said. (PTI)

NEW DELHI, JUN 15: A reopening or normalization of shipping through the Strait of Hormuz would provide significant relief for India, one of the world's largest crude importers, by easing concerns over oil supplies, lowering freight costs and reducing pressure on inflation.

The narrow waterway between Iran and Oman handles roughly a fifth of global oil consumption and serves as the primary export route for major Gulf producers, including Saudi Arabia, Iraq, Kuwait, the United Arab Emirates and Qatar - all key energy suppliers to India.

Supply of crude oil - the raw material for making fuels like petrol and diesel - and natural gas - the feedstock used to generate electricity, produce fertiliser, turned into CNG to run automobiles and piped to household kitchens for cooking - through the strait was disrupted since the start of Iran in the end of February. This triggered sharp increases in crude oil prices, shipping insurance premiums and freight rates.

Industry sources and analysts said the reopening and reduction in tensions would likely help stabilize global energy markets and improve the outlook for energy-importing nations such as India.

Oil prices fell on Sunday after US President Trump said the United States had reached a ceasefire agreement with Iran that would allow the "toll free" passage of ships through the Strait of Hormuz.

"I hereby fully authorize the toll free opening of the Strait of Hormuz, and, simultaneously herewith, au-

thorize the immediate removal of the United States Naval blockade," US President Donald Trump posted online. "Ships of the World, start your engines. Let the oil flow!"

Oil prices dropped on news of the ceasefire. Price of Brent crude, the global benchmark for oil, fell 4 per cent, to around USD 84 a barrel.

Global oil prices had risen to as high as USD 119 per barrel at the peak of war-related disruption, from USD 70-72 a barrel in February. This increased the cost of producing petrol and diesel, but the government held on to the retail rate revision till mid-May. The government on March 27 slashed excise duty on petrol and diesel by Rs 10 per litre each in a bid to avoid a retail price increase just when five critical states, including West Bengal, went to polls.

Post assembly elections, petrol and diesel prices were raised by about Rs 7.50 per litre each, while CNG rates were up Rs 6 per kg. LPG prices too were increased by Rs 89 per 14.2-kg cylinder in two instalments.

Notwithstanding the price increase, state-owned oil companies continue to lose about Rs 650 crore per day as retail rates lag cost.

With oil prices easing and the reopening of the Strait, these will gradually come down, industry sources and analysts said.

"State-owned fuel retailers booked losses in one quarter that were equal to the profit they earned in the entire year," an industry official said. "If the agreement holds, energy supplies will ease and so will the prices"

Pre-war, India imported more than 88 per cent of its

crude oil requirements, with half of it being sourced from Gulf producers whose exports transit through Hormuz. It was 60 per cent import dependent to meet LPG needs, 90 per cent of which came through the strait. The country depended on imports to meet half of its natural gas needs, of which 65 per cent came from countries like Qatar and the UAE.

The war disrupted LPG supplies as well as natural gas flows from Qatar, India's largest liquefied natural gas (LNG) supplier.

Natural gas allocation was rationalised with cuts being imposed on certain users. LPG disruption led to initially stopping supplies to commercial users like hotels and restaurants, and gradually restoring up to 70 per cent of their needs. For household users, refill booking time was increased.

The government and refiners also stepped up efforts to diversify crude sourcing beyond traditional suppliers in the Gulf. Indian refiners increased engagement with suppliers across multiple geographies, including Russia, Africa, the United States and Latin America, to ensure alternative cargoes would be available if supplies from the Middle East were disrupted.

Natural gas buyers similarly explored additional procurement options and closely monitored spot LNG markets to secure supplies.

Authorities also reviewed inventory positions across the fuel supply chain and worked with oil marketing companies to ensure adequate stocks of petrol, diesel, LPG and aviation fuel were maintained at depots and retail outlets.

Last week, the government notified provisions allowing temporary restrictions on bulk purchases of petrol and diesel through retail fuel stations, citing risks of diversion and localised shortages.

Industry executives said oil companies also reviewed contingency plans covering shipping routes, vessel availability and cargo scheduling to ensure continuity of supplies under various disruption scenarios.

Industry sources said an uninterrupted shipping route would reduce the risk of supply delays and help refiners maintain predictable procurement schedules.

Lower crude prices would be among the most immediate benefits. Every sustained decline in oil prices helps reduce India's import bill, supports the rupee, narrows the current account deficit and eases inflationary pressures. Indian refiners would also benefit from lower shipping and insurance costs. Lower fuel costs can reduce transportation expenses, ease pressure on manufacturers and help moderate prices of goods ranging from food products to construction materials, they said.

A normalization of traffic through Hormuz would also provide relief to policymakers. Reduced geopolitical risk in the Gulf would give the government greater flexibility in managing energy and economic policy, containing inflation, and maintaining fiscal discipline. The benefits could be particularly significant for sectors such as aviation, petrochemicals, fertilizers, shipping and logistics, all of which are highly sensitive to energy costs.

WPI inflation rises to 9.68 pc in May as fuel, food, manufactured items see price spike

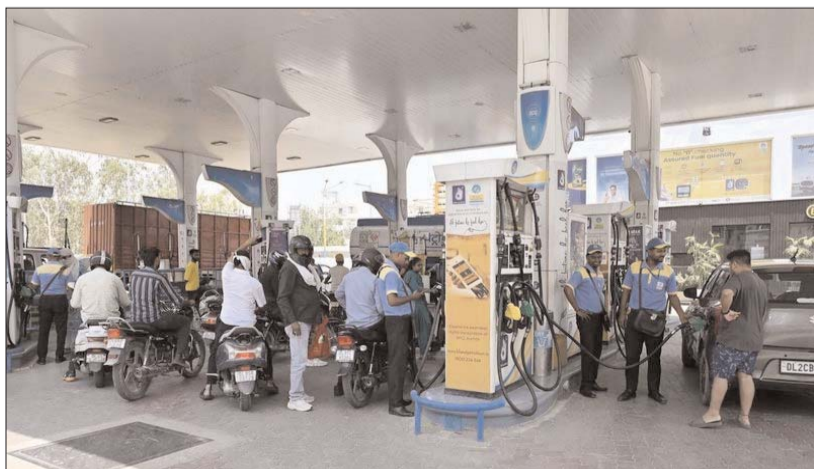
NEW DELHI, JUNE 15: Wholesale price inflation shot up to 9.68 per cent in May, from 8.26 per cent in April, led by a sharp spike in prices of fuel and power, manufactured and food items.

The Commerce and Industry Ministry on Monday released the Wholesale price index (WPI)-based inflation data revising the base year to 2022-23, from 2011-12 earlier.

Wholesale price index (WPI)-based inflation in fuel and power jumped to 30.33 per cent in May as against 24.89 per cent in April. In crude petroleum, inflation was 61.51 per cent in May, as against 56.31 per cent in the previous month.

The sharp rise in WPI inflation reflects the impact of the West Asia crisis and the effective blockade of the Strait of Hormuz through which the majority of the crude oil is imported to India, and its spillover effect on food prices.

Inflation in food articles was 3.60 per cent in May, compared to 2.43 per cent in April. In manufactured products, inflation rose to 7.48 per cent in



May, from 6.68 per cent during April, data showed. Retail or consumer price index based inflation too had surged to a 16-month high of 3.93 per cent in May, as against 3.48 per cent in the previous month.

The Reserve Bank of India (RBI), which mainly factors in CPI when arriving at its monetary policy, has been mandated by the government to ensure that headline inflation remains at 4 per cent, with a 2 per cent margin on

either side.

Earlier this month, the RBI raised its inflation projection for the current fiscal year to 5.1 per cent from 4.6 per cent, largely due to mounting input costs, driven by the pass-through of higher global energy prices to retail petrol and diesel prices.

Rising global crude oil prices had led to Rs 7.50 a litre increase in petrol and diesel prices in the second half of May. (PTI)

Rupee-dollar fluctuations driven by global, domestic factors: Sitharaman

BENGALURU, JUN 15: Union Finance Minister Nirmala Sitharaman on Sunday said fluctuations in the rupee against the US dollar are driven by multiple global and domestic factors, including geopolitical uncertainties, foreign capital movements and India's import dependence on crude oil, fertilisers and gold.

She underlined that the Reserve Bank of India (RBI) intervenes only to curb excessive volatility and not to maintain a fixed exchange rate.

Addressing reporters at Devanahalli near Bengaluru during a programme marking 12 years of Prime Minister Narendra Modi-led NDA government,

Sitharaman said exchange rates were influenced by a range of external developments and market conditions.

"Whenever there is a severe fluctuation or volatility, the Reserve Bank intervenes in the market not to fix a price. Only to stop any kind of fluctuation. The Reserve Bank comes into picture, stabilises it, and comes out, for which it uses foreign exchange from the Reserve. So it does it sparingly," she said.

The finance minister said factors such as US Federal Reserve policy decisions, global currency movements and foreign investment outflows affected the rupee.

"The rupee and its fluctuations are because of various factors: uncertainties

outside, the US Fed talking about increasing or decreasing interest rates in their country, the Japanese yen crashing against the dollar and the Korean won crashing. So there are several reasons which determine the exchange rate between countries and currencies," she said.

She added that India's need to import crude oil, fertilisers and gold required substantial dollar payments, making foreign exchange management critical.

Highlighting fertiliser subsidies, she said, "Since the time of Covid, we have been giving a bag at Rs 300. After Covid, when we imported it from foreign countries, the same quantity.