MONTHLY RESEARCH

Stockkar

MARKET PLAYBOOK

MAY 2026 · INDIA EQUITY MARKETS

Fearless Community · Regime-Aware Trading · Data-Driven Decisions

−1.87%	+4.69%	+87.9%	16.18
NIFTY 50	MIDCAP	TOP MOVE	VIX

Fear-Driven Regime. Smart Money Won.

May 2026 was a masterclass in reading the market regime. While Nifty fell, midcaps rallied — and those who followed smart money made 35%–88% moves.

KEY TAKEAWAY ▸
When fear dominates, accumulate strength — don't chase breakouts.

SETUPS THAT WORKED

- Stock Attitude · Fundamental + Technical confluence
- Retailer Trap · Buy when fear is highest

−1.87%
Nifty 50
Closed at 23,547

+4.69%
Midcap Index
Hidden strength

+87.9%
Top Trade Move
Modison Ltd

MARKET REGIME: FEAR + ACCUMULATION

India VIX

16.18

Cooling but fearful

–12.35%

Emotion Meter

18–50

Fear → Extreme Fear

FEAR ZONE

FII Flow

–₹55,963 Cr

Foreign money fleeing

NET SELL

DII Flow

+₹82,669 Cr

Domestic absorbing

NET BUY

Midcap vs Nifty

Midcap +4.69% vs Nifty -1.87%

Smart money rotates

OUTPERFORM

TOP PERFORMER SECTOR

Trading

Commodity volatility arbitrage

OUTPERFORM

"Domestic Shield Against Global Storm"

TRIGGERS

Crude >$100/bbl	US Yields: 4.6%	Rupee: 96.96/USD	Fuel Price Hike
US–Iran tensions escalate	Highest in a year	Record low	Consumption fears

INSTITUTIONAL REACTION

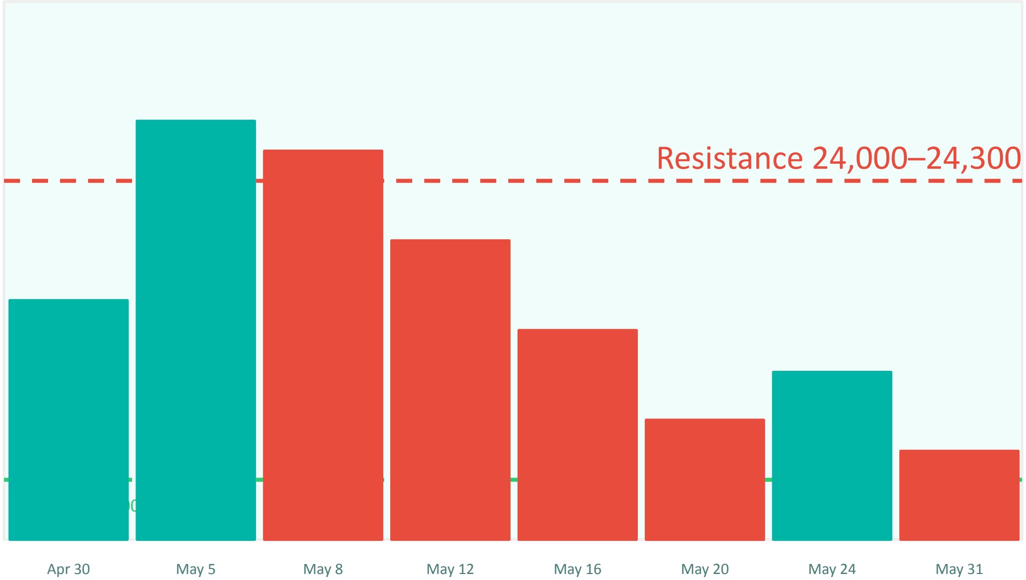
−₹55,963 Cr	+₹82,669 Cr	+₹26,706 Cr
FII Sold	DII Bought	Net Domestic
Classic risk-off. Foreign money exits India.	Domestic institutions see value in the dip.	DIIs absorbed all FII selling and more.

04 / KEY MARKET DRIVERS

01	**US–Iran Tensions** Crude >$100/barrel	Hurt oil importers · Forced stop-losses	Fear Spiral
02	**FII Selling** US yields at 4.6%	Large-cap pressure · Index traders trapped	Capitulation
03	**DII Buying** SIP inflows continued	Midcap support · Positional traders profited	Contrarian Opp.
04	**Rupee: 96.96/USD** Record low	Exporters (Chemicals) benefited	Currency Anxiety
05	**VIX Drop to 16.18** −12.35% monthly	Reduced option premium · Swing traders safer	Calm After Storm

05 / NIFTY BEHAVIOUR ANALYSIS

NIFTY 50 — MAY 2026 TREND



23,547.75
May Close

WHAT THE DATA SAYS

TREND
Downtrend

Lower highs, higher low at 23,500

FII ACTION
Net Selling

Index futures −₹5,999 Cr

DII ACTION
Net Buying

Spot +₹16,764 Cr

VIX STATUS
16.18 ↓

Cooling but not calm

TRADER MESSAGE ▸
Don't fight the DIIs. Nifty weakness masked midcap strength. Focus on stock-specific plays in strong sectors.

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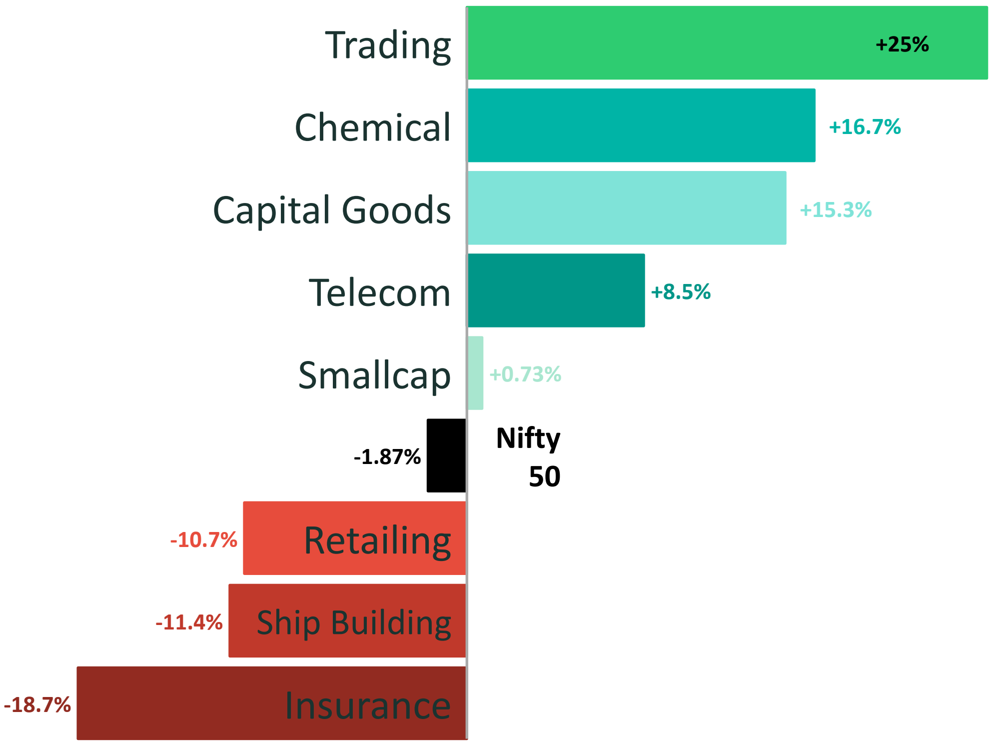
SECTOR PERFORMANCE — MAY 2026



WHY MONEY FLOWED

✅ Trading
Commodity volatility arbitrage from crude spike

✅ Chemical
China+1 benefit · Export demand · Menu pricing

✅ Capital Goods
Order book 1.5x to ₹5.2L Cr · CapEx cycle intact

❌ Insurance
Rising yields crushed bond portfolios

❌ Retailing
Fuel hikes hurt consumption · Rural demand weak

5 Winning Trades · Avg Move: +48.77%

+87.9%	**Modison Ltd** Capital Goods	Stock Attitude	Entry: Apr 15–27	Strong sector + accumulation	#1
+48.65%	**Fineotex Chemical** Chemical	Retailer Trap	Entry: May 07–15	Chemical sector + retailer fear	#2
+47.53%	**Yasho Industries** Chemical	Stock Attitude	Entry: May 07–14	Sector leader + fundamentals	#3
+34.89%	**BBOX** Telecom	Retailer Trap	Entry: Apr 13–22	Contrarian in beaten-down sector	#4
+34.89%	**RPEL** Capital Goods	Stock Attitude	Entry: May 06–12	Niche refractory player	#5

08 / WHY STOCK ATTITUDE & RETAILER TRAP WORKED

STOCK ATTITUDE

Fundamentals + Technical + Sector Tailwind

- Strong order books / export demand
- Relative strength in leading sectors
- Price accumulation by institutions

RETAILER TRAP

Retail Fear + Institutional Buying + Reversal

- Retail selling at price lows
- DII/FII divergence visible
- Technical reversal confirmation

THE EMOTION METER RULE

50 - 80 Greed	0 – 50 EXTREME FEAR / FEAR ZONE ✓	80- 100 Extreme Greed
Momentum works Swing Prefered	POSITIONAL SETUP	Wait — too chaotic No setups work reliably

6 Costly Mistakes Made in May 2026

01 Betting Nifty Direction

Missed midcap +4.69% while Nifty fell −1.87%

02 Chasing Weak Sectors

Bought Insurance/Retail 'cheap' — fell 18.7% & 10.7% more

03 Ignoring Market Regime

Used momentum setups in a fear environment — wrong tool

04 Overtrading on News

US-Iran daily swings triggered revenge trades & losses

05 Panic Exit on Winners

Exited Modison/Yasho early — missed 47–88% moves

06 FOMO into Chemical Sector

Chased Chemical +16.7% in late May — should've entered April

"Most traders fought the DIIs — selling when institutions bought, chasing when the market wanted patience."

FOLLOW THE SMART MONEY

FII

−₹55,963 Cr

Foreign Institutional Investors

Selling due to: US yields rising · Dollar assets attractive
Risk-off from crude spike · Index futures dumped

NET DOMESTIC

+₹26,706

Cr net domestic

DII

+₹82,669 Cr

Domestic Institutional Investors

Buying because: SIP inflows continue · Structural value
Long-term accumulation · Midcap quality stocks

WHERE DII ACCUMULATED

Chemical

Yasho (May 7–14) · Fineotex (May 7–15)

Capital Goods

Modison (Apr 15–27) · RPEL (May 6–12)

Telecom

BBOX (Apr 13–22) — Retailer Trap setup

The Market Was Healthier Than Nifty Suggested

−1.87%
Nifty 50
Index looks bearish — but it's deceiving you

+4.69%
Midcap Index
Hidden strength · Smart money here

+0.73%
Smallcap Index
Holding positive — breadth intact

KEY DIVERGENCE ▸ Midcap +4.69% while Nifty −1.87% = 2.82% outperformance

✅ HIDDEN STRENGTH

- 3 out of 5 Stockkar wins in midcap space
- Chemical & Capital Goods: relative strength despite index weakness
- Advance-Decline: 2:1 ratio on strong days (May 4)

❌ HIDDEN WEAKNESS

- Insurance −18.7% dragging financials
- FII selling concentrated in large-cap index stocks
- Retailing −10.7% — consumption story weak

PREPARATION OVER PREDICTION

	TRIGGER	WATCH FOR	YOUR ACTION
📈 BULLISH	US–Iran de-escalation + Crude < $90	Crude dropping · FII flows turn positive	Add to Chemical/Capital Goods positions
⚖️ NEUTRAL	Oil $95–105 · RBI neutral policy	RBI June 5 policy · Monsoon progress	Hold core positions · Trade the range
📉 BEARISH	Oil >$110 + Monsoon delay	Crude spike · Weak monsoon buzz	Reduce exposure · Wait for panic to subside

MONITOR: RBI Policy (Jun 5) · Monsoon First 10 Days · Crude Oil ($100 key) · Daily FII Flows (NSE) · VIX vs 14

13 / TOP SECTORS TO WATCH — JUNE 2026

1	**Chemical** +16.7% in May · China+1 structural story	Catalyst: Export demand · Menu pricing Risk: Rupee depreciation · Oil	HIGH relevance
2	**Capital Goods** +15.3% · Order book 1.5x to ₹5.2L Cr	Catalyst: CapEx cycle · Govt spending Risk: Execution delays	HIGH relevance
3	**Telecom** BBOX +34.89% Retailer Trap	Catalyst: 5G rollout · ARPU improvement Risk: Competition · Capex intensity	MEDIUM relevance
4	**Trading** +25% in May · Commodity volatility	Catalyst: Crude volatility arbitrage Risk: Volatility collapse	MEDIUM relevance
5	**Metal** Lagged but defensive positioning	Catalyst: China stimulus · Global demand Risk: Global recession	LOW–MED relevance

AVOID FOR NOW

Insurance
−18.7%
Yields must stabilize

Retailing
−10.7%
Monsoon must improve

Bank Nifty
FII selling
Stay cautious

MARKET ▸ SECTOR ▸ STOCK ▸ SETUP ▸ CONFIRM ▸ RISK

STEP	FOCUS ON THIS	AVOID THIS	MONITOR
MARKET	Emotion Meter zone (18–50 = Fear)	✗ Fighting the regime	VIX · FII/DII flows
SECTOR	Chemical · Capital Goods · Trading	✗ Insurance · Retail · Shipbuilding	Sector rotation rankings
STOCK	Midcap quality · niche players	✗ Crowded large-cap index names	Relative strength charts
SETUP	Stock Attitude · Retailer Trap	✗ Momentum breakouts	Entry window timing
CONFIRM	Volume + price action + sector tailwind	✗ Single indicator signals	3-day confirmation
RISK	1–2% per trade · Stop-loss 8–10%	✗ Overleveraging · Revenge trading	Position sizing

5 Lessons from May 2026

01

Sector Trumps Index

Midcap +4.69% while Nifty −1.87% — alpha lives in sectors, not indices

02

Regime Dictates Setup

Fear zone → Stock Attitude & Retailer Trap. Not momentum. Match your tool to the market.

03

DIIs Are Smarter Money

+₹83K Cr buying while FIIs sold. Follow domestic institutions in Indian markets.

04

Chemical & Capital Goods Are Structural

Order books 1.5x and China+1 are multi-year stories — not cyclical trades.

05

Patience Beats FOMO

Entry windows spanned 7–12 days. No need to chase. Time is on your side.

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