WEEKLY NEWSLETTER
10.05.2026

FINANCIAL FREEDOM FRATERNITY PROFESSIONAL

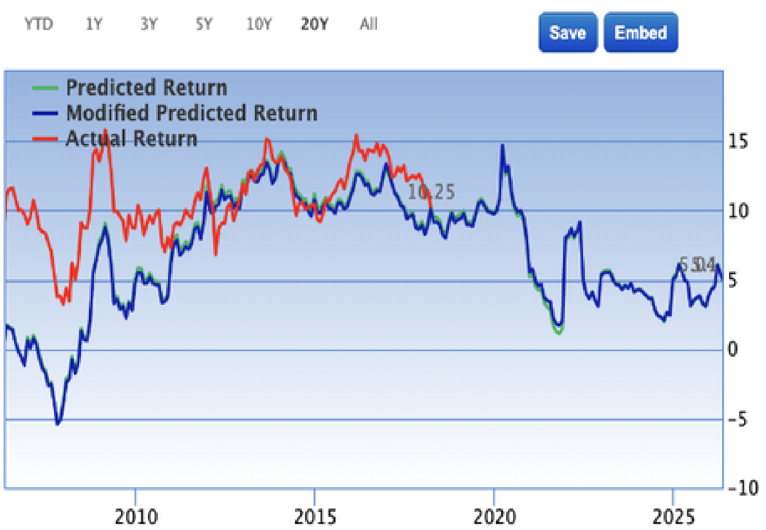
Indicator	10.05.26	30.04.26	APR 2026
Nifty 50 PE (P/E)	21.00	20.94	22.4
Nifty 50 PB (P/B)	3.31	3.29	3.49
Dividend Yield(%)	1.29	1.30	1.38
Yield Ratio (GSec/Earnings Yield)	1.47	1.46	1.50
Market Cap to GDP(%)	121.22%	119.06%	129.95%
RSI 65	50.28	47.26	51.65
FII Monthly Flow (cr)	-29,232	-72,438	-20,873
Nifty Close	24,176.15	23,997.55	25,694.35
13Day EMA	24,188.17	24,038.33	25,882.00
India VIX	16.84	18.46	11.37
Gold Price Per Gram	15,235	15,093	16,300
Nifty/ Gold Ratio	1.59	1.59	1.59

Ratio = Total Market Cap / GDP	Valuation
Ratio ≤ 74%	Significantly Undervalued
74% < Ratio ≤ 95%	Modestly Undervalued
95% < Ratio ≤ 116%	Fair Valued
116% < Ratio ≤ 137%	Modestly Overvalued
Ratio > 137%	Significantly Overvalued
Where are we today (**2026-05-09**)?	Ratio = **121.22%**, **Modestly Overvalued**

Based on these modified historical valuations, we have divided market valuation into five zones:

Ratio = Total Market Cap / (GDP + Total Assets of Central Bank)	Valuation
Ratio ≤ 66%	Significantly Undervalued
66% < Ratio ≤ 85%	Modestly Undervalued
85% < Ratio ≤ 104%	Fair Valued
104% < Ratio ≤ 123%	Modestly Overvalued
Ratio > 123%	Significantly Overvalued
Where are we today (**2026-05-09**)?	Ratio = **108.75%**, **Modestly Overvalued**

Predicted and Actual Returns of India



Under the original buffett indicator, the stock market of India is expected to return 6.3% a year for the coming years. This is from the contribution of economic growth in local current prices: 6.86%, Dividend Yield: 1.53% and valuation reverse to the mean -2.1%.

Under the modified model, the contribution of economic growth and dividend yield stays the same while the valuation reverse to mean changes to -2.11%. Consequently, the stock market of India is expected to return 6.3% a year.

Source
https://volatilitygame.com | https://www.valuestocks.in/en/niftytrend
https://www.investing.com/charts/live-charts
https://www.gurufocus.com/global-market-valuation.php?country=IND

US MARKET VALUATION

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Ratio = Total Market Cap / GDP	Valuation
Ratio ≤ 90%	Significantly Undervalued
90% < Ratio ≤ 115%	Modestly Undervalued
115% < Ratio ≤ 141%	Fair Valued
141% < Ratio ≤ 167%	Modestly Overvalued
Ratio > 167%	Significantly Overvalued
Where are we today (**2026-05-09**)?	Ratio = **229.9%**, **Significantly Overvalued**

Notes & Observations

S**entiments:** Trend reversal this week triggered

Notes & Observations

Nifty 50 Close vs 13 Day EMA: Nifty closed at 24,176.15 on 9 May 2026. The 13 Day EMA stands at 24,188.17. Nifty is below the 13 Day EMA by 12.02 points — the third consecutive week of closing below the 13 Day EMA. The gap has narrowed significantly from 40.78 points last week and 118.80 points two weeks ago.

FII Monthly Flow — May 2026 MTD: FII net outflow for May 2026 (month-to-date) stands at −₹29,232 cr. This compares to −₹72,438 cr for the full month of April 2026 and −₹1,79,890 cr for March 2026. May outflow is running at a significantly lower pace than the prior two months.

RSI 65: RSI 65 has crossed above the 50 neutral mark, reading 50.28 as on 9 May 2026. This is the first reading above 50 since the correction. The RSI was at 47.26 last week, ~35 at the March low, and 51.65 in February 2026.

RVCC Parameters & Conclusions

Nifty 50 vs 13 EMA: Nifty (24,176.15) is BELOW 13 Day EMA (24,188.17) by 12.02 points. Third consecutive week of closing below the 13 Day EMA. Gap has narrowed from 118.80 pts (week 1) → 40.78 pts (week 2) → 12.02 pts (week 3).

India VIX: 16.84 — lowest reading since the correction began in late 2024. Down 37.3% from the peak of 26.80 on 28 March 2026.

RSI 65: 50.28 — first reading above the 50 neutral mark since the correction. RSI was at 40.72 on 22 March 2026 at the peak of the correction.

FII Monthly Flow (May MTD): −₹29,232 cr — pace of selling has reduced significantly vs April (−₹72,438 cr) and March (−₹1,79,890 cr).

Market Cap to GDP: 121.22% — Modestly Overvalued zone (115–136%). Up from 115.17% at March end.

Nifty P/E: 21.00 — above the March end level of 19.62 by 1.38 points.

10 Year GSec Yield: 6.98% — marginally eased from 7.02% last week. Up 21 bps from 6.77% at March end.

Nifty / Gold Ratio: 1.59 — unchanged from last week and March end. Range-bound between 1.50–1.61 over the past six weeks.

Nifty SmallCap 100 vs 13 EMA: Remains positive — SmallCap 100 continues to hold above its 13 Day EMA.

Nifty MidCap 150 vs 13 EMA: Remains positive — MidCap 150 continues to hold above its 13 Day EMA.

US Market Valuation (Buffett Indicator)

India Market Cap/GDP: 121.22% — Modestly Overvalued (115–136% range)
US Market Cap/GDP: ~210% — Significantly Overvalued (>165% range)

India Predicted Return: ~5.7% per year (GDP growth 6.8% + Div yield 1.29% − mean reversion −2.39%)
Sentiments: Waiting for trend reversal
Current Focus: Multi Asset Funds and Asset Allocator Funds
Current Sector Focus: BFSI, Metals, Defence

RVCC

(REBALANCE VOLATILITY CERTIFICATION COURSE)

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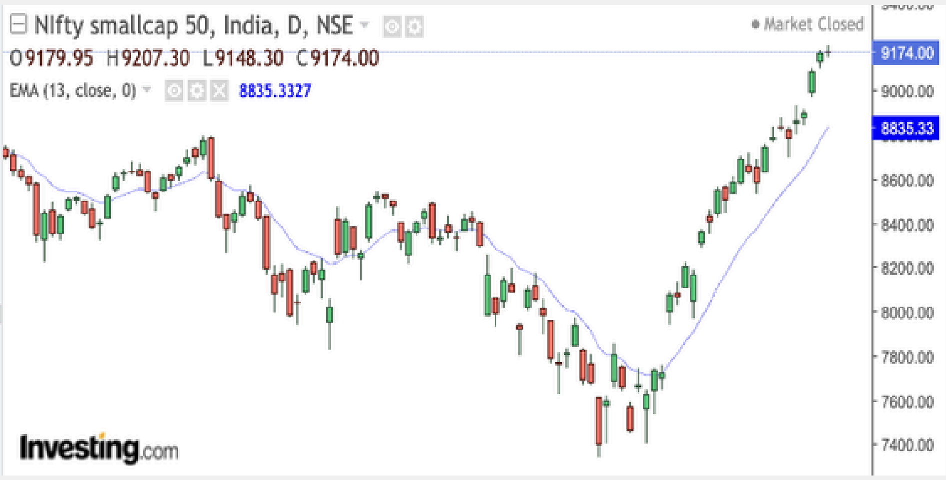
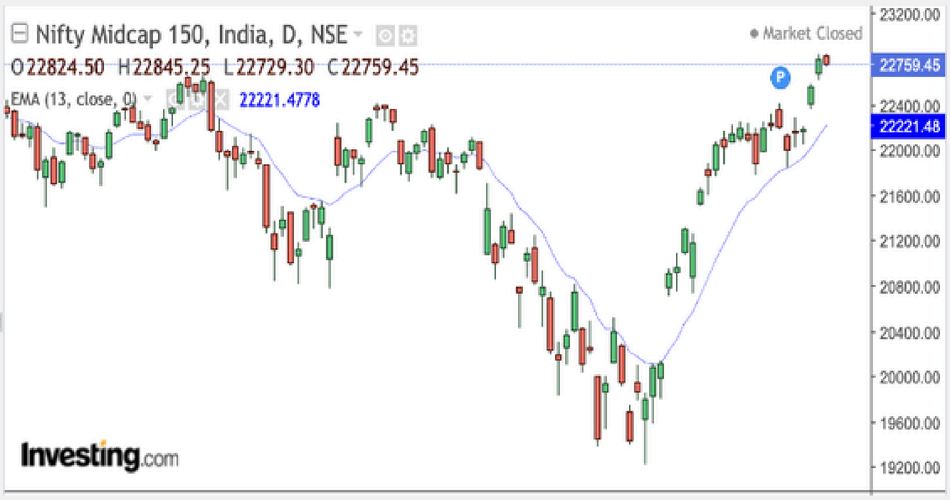
PARAMETERS

& CONCLUTIONS IN LAST FEW YEARS

- Nifty Small Cap 100 remains positive



- Nifty MidCap 150 also remains positive



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SECTORIAL INDEX

10 MAY 2026

INDEX NAME	LAST	CHNG	%CHNG	P/E	P/B	DIV YIELD
NIFTY 100	25,168.60	-150.9	-0.6	20.82	3.39	1.31
NIFTY 200	13,920.75	-71.15	-0.51	22.69	3.61	1.18
NIFTY 500	23,115.65	-98.35	-0.42	23.5	3.65	1.11
NIFTY MIDCAP 50	17,628.20	10.65	0.06	34.49	4.8	0.61
NIFTY MIDCAP 100	61,910.90	-92.25	-0.15	35.83	4.88	0.65
NIFTY SMALLCAP 100	18,737.00	41.35	0.22	31.73	3.66	0.64
INDIA VIX	16.84	0.22	1.32	-	-	-
NIFTY MIDCAP 150	22,772.40	-32.55	-0.14	33.86	4.87	0.69
NIFTY SMALLCAP 50	9,174.55	5.95	0.06	29.63	3.47	0.66
NIFTY SMALLCAP 250	17,437.50	28.5	0.16	31.24	3.68	0.68
NIFTY MIDSMALLCAP 400	20,817.45	-8.15	-0.04	32.92	4.39	0.68
NIFTY500 MULTICAP 50:25:25	16,294.70	-45.45	-0.28	25.62	3.76	0.98
NIFTY LARGEMIDCAP 250	16,558.45	-60.25	-0.36	25.98	4.02	0.99
NIFTY TOTAL MARKET	13,017.90	-53.6	-0.41	23.66	3.64	1.1
NIFTY MICROCAP 250	24,002.80	-20.65	-0.09	28.28	3.4	0.65
NIFTY500 LARGEMIDSMALL EQUAL-CAP WEIGHTED	18,152.45	-32.35	-0.18	27.62	3.9	0.88
NIFTY INDIA FPI 150	1,559.60	-5	-0.32	23.58	3.78	1.19

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Proper Sense Of Priority