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Markets snap losing streak, led by IT stocks

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Mumbai

Benchmark indices reversed a four-session losing streak on Tuesday, with the Nifty IT Index leading a sharp intra-day recovery that pulled markets out of early losses driven by geopolitical concerns and foreign institutional selling. Short-covering and value buying in select index-heavyweights helped market recovery.

“The rebound was primarily driven by buying in heavy-weight stocks across sectors despite persistent geopolitical uncertainty in West Asia and continued foreign institutional selling,” said Ajit Mishra, SVP Research at Religare Broking.

The BSE Sensex closed at 74,649.84, up 0.5 per cent, while the Nifty 50 settled at 23,483.55, up 0.43 per cent.

Despite today’s gains, South Korea pushed India to the seventh place in market-cap as FPIs continued to remain sellers. On Tuesday, they sold shares worth ₹8,363 crore, taking the total to ₹2.5 lakh crore in the current calendar year alone.

The rupee ended 0.3 per cent lower at 95.2650/dollar with the RBI’s intervention limiting losses.

See also p6

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Pick-up in IT stocks arrests market slide

LOSING MOJO. But Indian stocks slip to 7th spot behind South Korea in market cap as FPIs continue their selling

Anupama Ghosh
Mumbai

Benchmark indices reversed a four-session losing streak on Tuesday, with the Nifty IT index leading a sharp intra-day recovery that pulled markets out of early losses driven by geopolitical concerns and foreign institutional selling. Besides, short-covering and value buying in select index heavyweights also helped market recovery.

“The rebound was primarily driven by buying in heavy-weight stocks across sectors despite persistent geopolitical uncertainty in the West Asia and continued foreign institutional selling,” said Ajit Mishra, SVP Research at Religare Broking.

The BSE Sensex closed at 74,649.84, up 382.50 points and Nifty ended at 23,483.55, gaining 100.95 points. The Nifty Midcap 100 rose 0.19 per cent and the Smallcap

100 gained 0.40 per cent.

However, despite today’s gains, South Korea pushed India to seventh place in market-cap. Within a few days, semiconductor-heavy Taiwan (\$5.15 trillion) and now South Korea (\$5 trillion) overtook India (\$4.85 trillion), as FPIs remained massive sellers of domestic stocks.

On Tuesday, FPIs sold shares worth ₹8,363 crore, taking the total selling to nearly ₹2.5 lakh crore in 2026 alone.

TCS, INFY LEAD SURGE

Wednesday’s standout performer was the Nifty IT index, which surged 4.3 per cent, with TCS gaining 6.5 per cent and Infosys 5.7 per cent.

The rally was driven by positive commentary from global technology companies on AI-led demand, improving revenue visibility for Indian IT exporters, and a



RIISING STARS. The Nifty IT index surged 4.3 per cent with Infosys and TCS gaining around 6 per cent each REUTERS

weakening rupee that benefits dollar-earning companies. IT stocks have now gained over 7 per cent in the last three sessions.

Short covering ahead of the weekly Nifty expiry also contributed to the bounce back. India VIX declined about 7 per cent to 16.03, signalling improved risk-on sentiment.

On the sectoral front,

Consumer Durables, FMCG, Auto, PSU Banks, Metals, and Realty ended in positive territory.

Healthcare, Pharma, and Oil & Gas were the session’s notable laggards, with the Pharma index shedding nearly 1 per cent on profit booking.

MACRO BOOSTER

On the macro front, the IIP grew 4.9 per cent on year in

April, with capital goods growth reinforcing the view that the domestic capex cycle remains healthy.

India-US trade negotiations are underway in New Delhi from June 2-4, with reports suggesting most key elements have been finalised.

Rahul Singh, CIO-Equities, Tata Asset Management, said geopolitical tensions continue to keep crude oil prices elevated, while mixed global signals have resulted in bond yields remaining high and the rupee staying under pressure.

This has increased the risk premium on Indian equities and weighed on market valuations.

“Despite these challenges, the impact on corporate earnings has been manageable so far, and management commentary during the fourth-quarter earnings season has remained encouraging,” he said.