Despite a global rally, Indian equities struggled in May. Amongst S&P BSE sectors, performances were mixed. Telecom led the way up for Indian fixed income indices, with a gain of 2% on the month. S&P BSE Telecom gained 1% on the month.

Globally, the Quality factor has outperformed in 2020, as investors reward companies with low leverage and high returns on equity. This trend has also persisted in India. The S&P BSE Quality gained 2% in May and has now outperformed the S&P BSE SENSEX by 11 percentage points in 2020. Low Volatility also offered some shelter from the storm: the S&P BSE Low Volatility gained 1% on the month.

Amongst S&P BSE sectors, performances were mixed. Telecom led the way up with a gain of 12% in May, and is now up 25% over the last year. Health Care also boosted positive returns, gaining 2% in May, and is now up 19% over the last 12 months. Banks continued to lag, leading the S&P BSE Finance to a 10% drop in May.

Within BSE Industries, Autos cruised into the finish line with a gain of 6% for the month. Despite a rally in oil that pushed the S&P GSCI Crude Oil to a 47% gain in May, the S&P BSE Oil and Gas Industry slid 2%.

A rate cut from the Reserve Bank of India and further stimulus helped drive down yields in May, lifting bond prices. The S&P BSE India Provincial Bond Index led the way up for Indian fixed income indices, with a gain of 2% on the month.