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# PSU banks emerge most resilient in FY26 despite macro headwinds, deliver up to 57% returns

By Shivendra Kumar, ETMarkets.com • Last Updated: Apr 01, 2026, 02:51:00 PM IST

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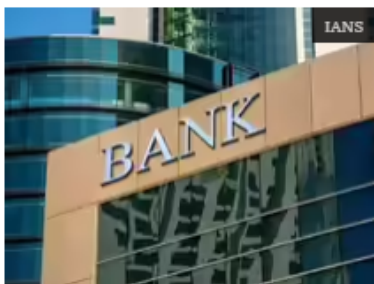
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## Synopsis

As FY27 begins, FY26 was marked by global uncertainty and domestic headwinds, with the Nifty 50 falling 5%. Amid tariffs, FII outflows, weak earnings, and geopolitical tensions, PSU banks outperformed, delivering a 57% return, supported by improving asset quality, strong balance sheets, sustained credit growth, and attractive valuations, drawing investor interest even amid broader market volatility.



Despite a 5% decline in the Nifty 50 in FY26, PSU bank stocks surged by 27%, driven by improved asset quality and attractive valuations.

As FY27 begins, a look back at the past year highlights a period marked by global uncertainty and domestic headwinds, with the Nifty 50 declining 5% in the financial year ended March 31, 2026. Despite broader market weakness, [PSU bank stocks](#) stood out, delivering an impressive 57% return.