

17 April 2025

Key International events:

The University of Michigan said **US consumer sentiment index** tumbled to 50.8 in April 2025 after plunging to 57.0 in March 2025. Economists had expected the consumer sentiment index to fall to 54.5.

The US Labor Department said that **producer price index for final demand in US** fell by 0.4% MoM in March 2025 after inching up by a revised 0.1% MoM in February 2025. Economists had expected producer prices to rise by 0.2% MoM.

The New York Fed said that **US general business conditions index** jumped to a negative 8.1 in April 2025 after plunging to a negative 10.0 in March 2025. Economists had expected the index to rise to a negative 14.5.

The US Fed said that **Industrial Production in US** fell by 0.3% MoM in March 2025 after climbing by an upwardly revised 0.8% MoM in February 2025. Economists had expected industrial production to dip by 0.2% MoM.

Final data from Eurostat showed that the **harmonized index of consumer prices of Eurozone** climbed 2.2% YoY in March 2025, slightly slower than the 2.3% YoY rise in February 2025.

As per ECB, the **current account surplus of Eurozone** fell to EUR 34 bn in February 2025 from EUR 40 bn in January 2025. In the same period last year, the surplus was EUR 33 bn.

Data from Eurostat showed that **Industrial output of Eurozone** climbed 1.1% MoM in February 2025, which was faster than the 0.6% MoM growth logged in January 2025 and also better than economists' forecast of 0.1% MoM. Moreover, this was the second consecutive increase.

The China's customs office reported that **Exports in China** logged a growth of 12.4% YoY in March 2025. This was much bigger than the expected growth of 4.4% YoY. Moreover, the rate far exceeded the 2.3% YoY rise posted in the February 2025 period. Meanwhile, imports fell 4.3% YoY, worse than economists' forecast of 2.0% YoY decrease. Imports had declined 8.5% YoY in the February 2025 period.

According to data released by the China's National Bureau of Statistics, **China's economy expanded by a better-than-expected 5.4% YoY in Q1 CY25, maintaining a strong momentum, even as US tariff threats prompt major investment banks to slash the country annual growth outlook.** Q1 CY25 GDP topped Reuters' poll expectations for a 5.1% YoY growth building on a recovery that began in late 2024, thanks to a broad policy stimulus push.

US now levied a whopping 245% tariff on Chinese goods, Beijing replied with readiness to join the negotiation table in order to calm the trade war. **China remarked US should 'stop exerting extreme pressure, stop threatening and blackmailing', if they wish to open trade talks.** China also imposed three riders for trade talks between the two biggest economies of the world.

Moody's Ratings said that **uncertainties around the US trade policy will undermine business confidence and consumer sentiment, adversely impacting growth in Asian nations, including India.** US President Donald Trump has postponed by three months the imposition of reciprocal tariffs, with the exception of China on whom a 125% tariff has been slapped. However, a 10% additional duty on exports to the US will continue.

Key Domestic events:

As per data from the Ministry of Statistics and Programme Implementation, **Industrial Production rose 2.9% YoY in February 2025, much slower than the 5.2% YoY growth in January 2025.**

According to the RBI, **India's outward foreign direct investment (FDI) commitments rose about 20% YoY to USD 5.81 bn in March 2025, up from USD 4.84 bn the same month last year.** Sequentially, they rose marginally from USD 5.57 bn in February 2025.

According to the RBI, **India's foreign exchange reserves increased by USD 10.8 bn in the previous week ended April 4, 2025.** The total reserves rose on the back of an increase in foreign currency assets, which rose by USD 9 bn during the week. The total reserves stood at USD 676 bn in the week ended April 4, 2025.

According to Anarock data, **lack of supply in the affordable housing segment has helped in reducing of unsold stock to 113,000 units by Q4 FY25, 19% YoY down.** Affordable housing sales share plummeted from 38% YoY in 2019 to 18% YoY in 2024, while its supply share dropped from 40% YoY to 16% YoY in the same period.

As per the Ministry of Statistics & Programme Implementation, **India's retail inflation further eased to 3.34% YoY in March 2025 from a seven-month low of 3.61% YoY in February 2025. This is the lowest year-on-year inflation reading since August 2019.** The sharp fall was mainly due to a steep drop in food prices.

According to data released by the Department of Commerce, India exported goods worth USD 41.97 bn during March, up 0.67% YoY, despite geopolitical uncertainties and the ongoing global trade war. Imports witnessed 11% YoY at USD 63.51 bn. **The trade deficit widened to USD 21.54 bn in March 2025, as compared to USD 15.31 bn a year earlier.**

Data released by the Ministry of Commerce and Industry showed that **India's Wholesale Price Index (WPI)-based inflation cooled to a six-month low of 2.05% YoY in March 2025 from 2.38% YoY in February 2025 on the back of falling food prices.**

According to Crisil Ratings, **bank credit in India is likely to grow 12-13% YoY in FY26, a tad higher the 11.0-11.5% YoY estimated for FY25.** The loan offtake will be supported by three tailwinds, the recent supportive regulatory measures, a boost to consumption from tax cuts and softer interest rates.

As per Moody's Ratings, **Indian economy could grow in the band of 5.5% to 6.5% YoY during the CY25, a shade lower than its February 2025 projection of 6.6% YoY** as the ratings agency factored in the "unpredictable" US tariffs which it said will hit business planning, stall investment and "raise the risk of a global economic recession".

India's exports are likely to face strong headwinds, with the World Trade Organization (WTO) **sharply downgrading its forecast for global merchandise trade volume in CY25 to a 0.2% YoY contraction from its earlier estimate of 2.7% YoY growth after factoring in the 10% baseline tariffs imposed by the US.** India's exports in value terms grew 2.6% YoY in CY24, while imports rose 6.6% YoY during the calendar year.

As per data released by the commerce department, India's trade deficit with China neared USD 100 bn in FY25, amid escalating concerns of dumping. Chinese imports rose by 11.5% YoY to USD 113.45 bn, while outbound shipments to the neighbouring country saw 14.5% YoY contraction to USD 14.2 bn. **As a result, the trade deficit with China widened to USD 99.2 bn in FY25 from USD 85 bn a year ago.**

As per CRISIL, **after a lull spanning seven years, India's commercial vehicle (CV) industry is set to reclaim its pre-pandemic peak, with domestic sales expected to touch the 1 mn mark in FY26.** Driving this resurgence will be light commercial vehicles (LCVs), which are projected to account for nearly 62% of total volumes. This resurgence marks a recovery to levels last seen in the pre-pandemic peak of FY19.

Equity Round up: S&P BSE Sensex opened at 76852. It made a weekly high of 78617 and a low of 76435 before closing 3396 points higher at 78553.

Events to watch out for the next week:**International Events**

1. US Money Supply for Mar'25 on 22 April 2025
2. Michigan US Consumer Sentiment data for Apr'25 on 25 April 2025
3. Eurozone Government Debt to GDP data for CY24 on 22 April 2025
4. ECB Knot Speech on 22 April 2025
5. Eurozone Trade Balance for Feb'25 on 23 April 2025
6. PBOC Loan Prime Rate on 20 April 2025

Domestic Events

1. Forex Reserves for week ended 18 April 2025 on 25 April 2025
2. Bank Loan Growth data on 25 April 2025
3. Bank Credit Growth data on 25 April 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	78,553	4.52
Nifty 50	23,852	4.48
BSE 100	24,935	4.37
BSE 200	10,764	4.46
BSE Midcap	41,980	4.24
BSE Smallcap	47,947	4.69
BSE FMCG	20,559	1.95
BSE HC	41,697	3.21
BSE IT	32,947	2.00
BSE Auto	47,909	4.02
BSE BANKEX	62,293	6.66
BSE CG	61,112	4.38
BSE CD	57,119	3.69
BSE Oil & Gas	25,605	4.36

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.39%	(-) 5 bps
Interbank Call	5.85%	(-) 6 bps
INR/USD	85.38	-0.78%
Gold (Rs/10gm)	94,910	1.67%

Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 16 Apr '25

World Indices	Closing	% Change WoW
Dow Jones*	39,669	0.19
Nasdaq*	16,307	-0.49
FTSE	8,219	3.07
DAX	21,160	3.67
Hang Seng	21,395	2.30
Nikkei	34,378	2.36
Bovespa*	1,28,317	1.55
Indonesia Jakarta	6,438	2.81

* Dow Jones, Nasdaq and Bovespa as on Wednesday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	593.7	509.0	84.7
DII	185.7	179.3	6.5

Data for FPI from 11 Apr 2025 to 16 Apr 2025. Data for DII from 11 Apr 2025 to 16 Apr 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,852	23,849	-3

*April 2025 Expiry

Disclaimer: This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. HDFC Bank Limited ("HDFC Bank") does not warrant its completeness and accuracy. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument / units of Mutual Fund. Recipients of this information should rely on their own investigations and take their own professional advice. Neither HDFC Bank nor any of its employees shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. HDFC Bank and its affiliates, officers, directors, key managerial persons and employees, including persons involved in the preparation or issuance of this material may, from time to time, have investments / positions in Mutual Funds / schemes referred in the document. HDFC Bank may at any time solicit or provide commercial banking, credit or other services to the Mutual Funds / AMCs referred to herein.

Accordingly, information may be available to HDFC Bank, which is not reflected in this material, and HDFC Bank may have acted upon or used the information prior to, or immediately following its publication. HDFC Bank neither guarantees nor makes any representations or warranties, express or implied, with respect to the fairness, correctness, accuracy, adequacy, reasonableness, viability for any particular purpose or completeness of the information and views. Further, HDFC Bank disclaims all liability in relation to use of data or information used in this report which is sourced from third parties.

HDFC Bank House, 1 st Floor, C.S. No. 6 \ 242, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Phone: (91)-22-66527100, ext 7111, Fax: (91)-22-24900983 \ 24900858

HDFC Bank is a AMFI-registered Mutual Fund Distributor & a Corporate Agent for Insurance products.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.