Weekly AAG

aag at a glance™

11 July 2025

Key International events:

US President Donald Trump slapped 25% tariffs on Japan and South Korea, in his first letters to trading partners ahead of a deadline to reach a deal with Washington. He would send a first batch of up to 15 letters to countries informing them that he would reimpose harsh levies that he had postponed in April 2025.

US President Donald Trump **announced a 50% tariff on copper imports, marking a new phase in his aggressive trade policy. He also warned of a possible 200% tariff on pharmaceuticals within a year.**

The NY Fed's Survey of Consumer Expectations revealed that median **US Inflation expectations decreased by 0.2% to 3.0% YoY at the one-year-ahead horizon. Expectations were unchanged at 3.0% YoY at the three-year ahead horizon and at 2.6% YoY for the five-year-ahead period.**

The US Federal Reserve released the minutes of its June 2025 monetary policy meeting, **which revealed most participants generally agree that the central bank is well positioned to wait for more clarity on the outlook for inflation and the economy before adjusting interest rates.** The Fed's "wait and see" approach comes as participants said economic growth and the labor market remain solid and described monetary policy as moderately or modestly restrictive.

Survey data from the behavioral research institute Sentix showed that **the investor confidence index of Eurozone advanced to 4.5 in July 2025 from 0.2 in June 2025.** The reading was the highest since February 2022 and also stayed well above forecast of 1.1.

Data from Eurostat showed that **producers prices in Eurozone decreased 0.6% MoM in May 2025, slower than the 2.2% MoM decline posted in April 2025.** Eurozone producer prices declined for the third straight month in May 2025, largely due to the sharp fall in energy prices.

As per S&P Global, **the headline construction Purchasing Managers' Index of UK rose to 48.8 in June 2025 from 47.9 in May 2025.** The expected score was 48.6.

OPEC+ will raise oil production faster than earlier planned in August 2025, with eight key alliance members agreeing to increase output by 548,000 barrels a day, after a virtual meeting. This is higher than the 411,000-barrel hikes announced for May, June and July 2025, which were already triple the initial plan.

Preliminary data from Japan's Cabinet Office showed that **the leading index of Japan, which measures future economic activity, rose to 105.3 in May 2025 from 104.2 in April 2025.** The coincident index that measures the current economic situation came in at 115.9.

The Bank of Japan said that **producer prices in Japan climbed 2.9% YoY in June 2025 matching forecasts** and down from the upwardly revised 3.3% YoY increase in the previous month (originally 3.2% YoY).

As per China's National Bureau of Statistics, **inflation in China rose 0.1% YoY in June 2025 exceeding expectations for a decline of 0.1% YoY.** The stats bureau also said that producer prices slumped 3.6 % YoY, shy of forecasts for a decline of 3.2% YoY and down from the 3.3% YoY drop in May 2025.

OPEC has revised its medium-term global oil demand forecasts downward due to slower growth in China, particularly with electric vehicle adoption. **Despite this, OPEC anticipates long-term demand growth driven by India, the Middle East, and Africa, projecting a rise to 122.9 mn barrels per day by 2050.**

Key Domestic events:

As per RBI, **India's forex reserves increased USD 4.8 bn to USD 702.78 bn for the week ending June 27, 2025.** It stood at USD 697.93 bn as of June 20, 2025, down by USD 1.02 bn from the previous week.

India has been ranked fourth in the world for income equality, a PIB release said citing a World Bank report. **India scored 25.5 on the Gini Index, just behind the Slovak Republic (24.1), Slovenia (24.3), and Belarus (24.4).** This makes India one of the most equal societies globally, a significant achievement for such a large and diverse country.

As per Sehul Bhatt, director, Crisil Intelligence, improvements in cement prices and demand on a low base are likely to aid the profitability of major cement companies in Q1 FY26, even as seasonal weakness has been observed, particularly due to the monsoon in June 2025. **Realisations are expected to inch up 1–2% YoY, driven by the increase in cement prices.**

As per the Petroleum Planning and Analysis Cell's, **fuel demand in June 2025 was up 1.9% YoY from 19.94 mn tons in 2025, but was down 4.7% MoM.**

Data from the GST Network (GSTN) showed that **119.48 mn e-way bills were generated in June 2025, down 2.6% MoM from 122.65 million in May 2025.** It marked a 19.3% YoY rise over the 100.1 mn e-way bills generated in June 2024. Sequentially, e-way bill volumes had increased by 2.83% MoM in May 2025 after a 4.2% MoM dip in April 2025.

The PwC report, Navigating the Value Shift, **estimated that Indian businesses can unlock USD 9.82 trillion in GVA by 2035 by tapping into about nine growth domains.** As per the report, total GVA of India can grow from USD 3.39 trillion in 2023 to 9.82 trillion in 2035, that is a CAGR of 9.27%.

As per CRISIL, **the average cost of a vegetarian thali declined 8% YoY in June 2025,** primarily due to a sharp fall in the prices of tomato (down 24% YoY), potato (20% YoY), and onion (27% YoY). **Non-vegetarian thalis were also cheaper, with the average cost falling around 6% YoY in June 2025.** This was largely driven by an estimated 3% YoY drop in broiler chicken prices, which typically make up half the cost of a non-veg thali.

According to FADA, **India's Electric Vehicle (EV) market registered a 28.60% YoY increase in total sales in June 2025.** FADA President CS Vigneshwar credited the growth to government schemes, especially the PM e-Drive Scheme, and increased investments in domestic EV innovation.

According to a study released by SEBI, **the total number of unique traders in the F&O segment has declined by 20% YoY to 6.7 mn in the period between December 2024 and May 2025.** Meanwhile, individual investors' turnover in equity derivatives has dropped by 11% YoY to Rs 560 bn, compared to Rs 627 bn.

As per a report by Grant Thornton Bharat, in Q2 CY25, Indian corporations navigated a cautious mergers and acquisitions landscape, as global economic uncertainties cast a long shadow over dealmaking sentiment. **The quarter saw a total of 582 transactions including Initial Public Offerings (IPOs) and Qualified Institutional Placements (QIPs) worth USD 17 bn. Excluding public market activity, the number stood at 554 deals valued at USD12.8 bn.**

As per AMFI, **the net inflow into equity mutual funds surged 24% MoM to Rs 235.87 bn in June 2025, reversing the declining trend of the last five months.** Whereas, debt funds registered a net outflow of Rs 17.11 bn in the month under review compared to a Rs 159.08 bn outflow in May 2025.

The head of India's negotiating team, Rajesh Agrawal, signalled clearing the air of uncertainty around the status of trade parleys with the United States (US), **that both sides are still in talks to seal an interim deal, ahead of the new August 1, 2025 kickoff date for US' reciprocal tariffs regime, as well as a comprehensive Bilateral Trade Agreement (BTA).**

According to Crisil Intelligence, the Indian two-wheeler industry is witnessing a ride towards the premium segment, like other consumer sectors in the country, **with the market share of premium motorcycles increasing to 19% in FY25 and expected to touch 22% by 2030.**

Equity Round up: S&P BSE Sensex opened at 83398. It made a weekly high of 83812 and a low of 82442 before closing 932 points lower at 82500.

Events to watch out for the next week:

International Events

1. US CPI for Jun'25 on 15 July 2025
2. Eurozone Trade Balance for May'25 on 16 July 2025
3. Eurozone CPI for Jun'25 on 17 July 2025
4. Eurozone ECB Current Account Balance for May'25 on 18 July 2025
5. China Trade Balance for Jun'25 on 14 July 2025
6. China GDP for Q2 CY26 on 15 July 2025

Domestic Events

- Forex Reserves for week ended 11 July 2025 on 18 July 2025
- WPI for Jun'25 on 14 July 2025
- CPI for Jun'25 on 14 July 2025
- Trade Balance for Jun'25 on 15 July 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	82,500	-1.12
Nifty 50	25,150	-1.22
BSE 100	26,354	-1.24
BSE 200	11,419	-1.24
BSE Midcap	46,291	-1.12
BSE Smallcap	54,485	-0.63
BSE FMCG	20,571	1.96
BSE HC	44,330	-1.26
BSE IT	37,028	-3.36
BSE Auto	52,562	-1.97
BSE BANKEX	63,599	-0.10
BSE CG	70,967	-1.87
BSE CD	59,491	-2.67
BSE Oil & Gas	27,803	-1.95

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.38%	4 bps
Interbank Call	5.36%	9 bps
INR/USD	85.80	0.47%
Gold (Rs/10gm)	97,511	0.51%

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

World Indices	Closing	% Change WoW
Dow Jones*	44,651	-0.40
Nasdaq*	20,631	0.14
FTSE	8,937	1.61
DAX	24,264	2.09
Hang Seng	24,140	0.93
Nikkei	39,570	-0.61
Bovespa*	1,36,743	-2.97
Indonesia Jakarta	7,047	2.65

** Dow Jones, Nasdaq and Bovespa as on Thursday*

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	591.6	539.0	52.6
DIIs	358.0	329.7	28.3

Data for FPI from 04 July 2025 to 10 July 2025. Data for DII from 04 July 2025 to 09 July 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	25,150	25,208	58

**July 2025 Expiry*

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