

04 April 2025

**Key International events:**

According to revised data released by the University of Michigan, **US Consumer Sentiment Index for March 2025 was downwardly revised to 57.0 from a preliminary reading of 57.9.** Economists had expected the index to be unrevised.

The US Commerce Department said that its **personal consumption expenditures (PCE) price index rose by 0.3% MoM in February 2025**, matching the increases seen in the two previous months as well as economist estimates.

The ISM said that **US manufacturing PMI dipped to 49.0 in March 2025 from 50.3 in February 2025.** Economists had expected the index to edge down to 49.5.

President Donald Trump's plan purportedly called for a **baseline 10% tariff to be imposed on all US imports except those compliant with the United States-Mexico-Canada Agreement.** Trump unveiled a chart showing the tariff rates that will be charged to specific countries, and countries like Cambodia, Laos, Madagascar and Vietnam are set to be charged nearly 50%. **Trump also confirmed previously announced 25% tariffs on US auto imports will be imposed.**

The EIA said that **US crude oil inventories surged by 6.2 mn barrels in the week ended March 28th, 2025 after slumping by 3.3 mn barrels in the previous week.** Economists had expected crude oil inventories to decrease by 2.0 mn barrels.

The Commerce Department said that **US factory orders climbed by 0.6% MoM in February 2025 after surging by an upwardly revised 1.8% MoM in January 2025.** Economists had expected factory orders to rise by 0.5% MoM compared to the 1.7% MoM jump originally reported for the previous month.

As per the US Commerce Department, **the trade deficit of US decreased to USD 122.7 bn in February 2025 after spiking to a revised USD 130.7 bn in January 2025.** Economists had expected the trade deficit to fall to USD 123.5 bn from the USD 131.4 bn originally reported for the previous month.

The ISM said that **US services PMI fell to 50.8 in March 2025 after inching up to 53.5 in February 2025.** Economists had expected the index to show a more modest decrease to 53.0.

Minutes of the March policy session of the European Central Bank showed that rate-setters were worried about the impact of the looming trade tariffs and the high uncertainty on the Eurozone economic growth. **"It was argued that these factors could increase the risk of undershooting the inflation target in the medium term," the minutes said.**

Purchasing managers' survey by S&P Global showed that the **HCOP composite output index of Eurozone ticked up to 50.9 in March 2025 from 50.2 in February 2025.** The flash score was 50.4. The index remained in the expansion territory for the third successive month and signaled the fastest growth since August 2024.

Flash data from Eurostat showed that **the harmonized index of consumer prices in Eurozone rose 2.2% YoY in March 2025, which was slightly slower than the 2.3% YoY rise in February 2025.** The rate matched expectations.

Survey by S&P Global showed that the **HCOP manufacturing Purchasing Managers' Index rose to 48.6 in March 2025 from 47.6 in February 2025.** The flash score was 48.7.

**Four of China's largest state banks plan a total of up to USD 72 bn in private placements to boost core tier-1 capital,** after Beijing pushed for stronger buffers for lenders to better support the economy.

Survey data from S&P Global revealed that **the headline Caixin Purchasing Managers' Index of China rose to 51.2 in March 2025 from 50.8 in February 2025.** The index marked the sixth consecutive month in which the score has remained above 50.0 mark.

Survey data from S&P Global showed that the **Caixin Services Purchasing Managers' Index of China logged 51.9 in March 2025 compared to 51.4 in February 2025.** The index has remained above the crucial 50.0 no-change mark for the twenty-seventh straight month.

**Key Domestic events:**

As per RBI, **India's Current Account Deficit (CAD) rose marginally to USD 11.5 bn, or 1.1% of GDP, during the Q3 FY25 from USD 10.4 bn, or 1.1% of GDP, in Q3 FY24, amid a rise in service exports.**

As per think tank GTRI, **India's merchandise exports, which have been contracting since October 2024, are expected to decline slightly by the end of this fiscal year and fall below USD 435 bn.**

All the 10 respondents of the Business Standard poll said that the **six-member monetary policy committee (MPC) of the Reserve Bank of India (RBI) is expected to cut the repo rate by 25 basis points, after a similar reduction in February 2025.**

According to MGNREGA data as of March 31, **the MGNREGA ended FY25 with a 2.1% YoY rise in households demanding work in March 2025, and a negative net balance of nearly Rs 300 bn, primarily due to unpaid material dues.**

As per Moody's, **India's growth, despite slowing to 6.5% YoY in FY 26 from 6.7% YoY in FY25, will remain highest amongst the advanced and emerging G-20 countries due to support from the tax measures and continued monetary easing.** On the inflation front, the report projected India's inflation to average 4.5% YoY in FY26 from 4.9% YoY in FY 2025.

India Ratings & Research, a Fitch Group company, said that **it expects the Indian economy to grow at 6.6% YoY in FY26, but warned that rating actions could moderate during the fiscal year.** Rating actions encompass all changes made by a credit rating agency, including initial assignments, revisions, outlook changes, suspensions, and withdrawals.

Government data showed that **Gross GST collection grew 9.9% YoY in March 2025 to over Rs 1.96 trillion, the second-highest mop-up ever. GST revenue from domestic transactions rose 8.8% YoY to ₹1.49 trillion, while revenue from imported goods was higher 13.56% YoY to Rs 46,9.19 bn.**

US President Donald Trump announced reciprocal tariffs on all imports from India and other nations. **Trump said that he imposed 26% tariffs on all imports from India half of what India imposed on US products.**

As per S&P Global, **the HSBC final manufacturing Purchasing Managers' Index climbed to 58.1 in March 2025 from 56.3 in February 2025.** The flash reading was 58.6.

According to the Global Venture Debt Report 2025 released by Stride Ventures, **India's venture debt market grew at a rate of 58% CAGR during 2018 to 2024 to reach USD 1.23 bn last year.** The venture debt (VD) market was around USD 80 mn in 2018.

According to a report by the homegrown investment bank The Rainmaker Group, **more than three dozen tech startups with a combined valuation of USD 100 bn are set to go public by 2027 in what would mark a rebound in stock sales in India.**

EY Chief Policy Advisor D K Srivastava said that **the maximum adverse impact of reciprocal tariff announced by the Trump administration on India's GDP growth will not be higher than 50 bps.** As per the earlier projection, the GDP growth estimate for FY26 was 6.5% YoY, which may go down to 6% YoY without retaliation.

According to Knight Frank, **housing sales in Q4 FY25 rose 2% YoY to 88,274 units across eight major cities as consumer demand for residential properties continues to be strong.**

As per Colliers India, **institutional investments in Indian real estate witnessed a robust start to 2025, with total inflows reaching USD 1.3 bn in Q1 CY25, representing a 31% YoY increase.** The growth was largely propelled by domestic investors, who contributed 60% of the total inflows, marking a 75% annual growth.

**Equity Round up:** S&P BSE Sensex opened at 76883. It made a weekly high of 77487 and a low of 75241 before closing 2050 points lower at 75365.

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

1. US FOMC Meeting Minutes on 9 Apr'25

**Domestic Events**

1. Forex Reserves for week ended 4 April 2025 on 11 April 2025
2. RBI MPC Meeting outcome on 9 April 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	75,365	-2.65
Nifty 50	22,904	-2.61
BSE 100	23,948	-2.56
BSE 200	10,333	-2.55
BSE Midcap	40,509	-2.46
BSE Smallcap	45,867	-1.65
BSE FMCG	19,515	0.35
BSE HC	40,532	-2.15
BSE IT	33,076	-8.44
BSE Auto	46,127	-3.31
BSE BANKEX	59,156	-0.65
BSE CG	59,644	-4.91
BSE CD	53,227	-2.12
BSE Oil & Gas	24,231	-3.59

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.50%	(-) 10 bps
Interbank Call	5.99%	(-) 17 bps
INR/USD	85.24	-0.27%
Gold (Rs/10gm)	91,014	2.07%

# Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 03 Apr '25

World Indices	Closing	% Change WoW
Dow Jones*	40,546	-4.15
Nasdaq*	16,551	-7.04
FTSE	8,146	-6.04
DAX	20,667	-8.21
Hang Seng	22,850	-2.46
Nikkei	33,781	-9.00
Bovespa*	1,31,141	-1.51
Indonesia Jakarta**	6,511	4.03

\* Dow Jones, Nasdaq and Bovespa as on Thursday \*\* Indonesia Jakarta as on 27 Mar '25

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	480.6	584.2	-103.5
DII	306.3	197.6	108.7

Data for FPI from 28 Mar 2025 to 03 Apr 2025. Data for DII from 28 Mar 2025 to 02 Apr 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	22,904	22,968	63

\*April 2025 Expiry

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