

Key International events:

As per data released by the University of Michigan, the US Consumer Sentiment Index slumped to 67.8 in February 2025 after rising to 71.1 in January 2025. Economists had expected the index to inch up to 72.0.

According to the Federal Reserve Bank of New York's Survey of Consumer Expectations, the one-year and three-year inflation expectations in the US were unchanged at 3.0% YoY, while the five-year-ahead inflation expectations increased 30 bps to 3.0% YoY in January 2025.

The US Federal Reserve Chair Jerome Powell has reiterated his belief, in his semiannual monetary policy testimony before the Senate Banking Committee, that the central bank does "not need to be in a hurry" to adjust its policy stance. He also said that "reducing policy restraint too fast or too much could hinder progress on inflation."

According to data from the US Labor Department, Consumer prices in the US increased by more than expected as the US Consumer Price Index (CPI) advanced by 0.5% MoM in January 2025, after climbing by 0.4% MoM in December 2024. Economists had expected consumer prices to rise by 0.3% MoM.

According to the US Labor Department, initial jobless claims in the US dipped to 213,000 in the week ended February 8, 2025, a decrease of 7,000 from revised level of 220,000 in the week ended February 1, 2025. Economists had expected jobless claims to slip to 215,000 from the 219,000 originally reported for the previous week.

As per data from the US Labor Department, the US Producer Price Index for final demand rose by 0.4% MoM in January 2025 after climbing by an upwardly revised 0.5% MoM in December 2024. Economists had expected producer prices to rise by 0.3% MoM in January 2025.

As per data from Sentix, the Euro area investor sentiment strengthened as the Sentix investor confidence index climbed to -12.7 in February 2025 from -17.7 in January 2025. The score was forecast to improve moderately to -16.4.

Key Domestic events:

The RBI's Monetary Policy Committee (MPC), led by newly appointed Governor Sanjay Malhotra, unanimously decided on a 25 bps cut in the repo rate to 6.25% after keeping the benchmark rate unchanged at 6.5% for eleven consecutive meetings. RBI has cut benchmark rates for the first time since May 2020.

RBI has downwardly revised its GDP growth projections for Q1 FY26 to 6.7% YoY from 6.9% YoY and for Q2 FY26 to 7% YoY from 7.3% YoY due to concerns over geopolitical tensions and protectionist trade policies. The GDP growth is projected at 6.7% for FY26.

RBI has maintained its Consumer Price Inflation (CPI) forecast at 4.8% YoY for FY25, while projecting inflation at 4.2% YoY for FY26.

The RBI Governor said that the impending implementation of the proposed Liquidity Coverage Ratio (LCR) guidelines, which was to come into effect from April 1, 2025, will not be enforced before March 31, 2026 as the RBI aims to provide banks with ample time to ensure there is no disruption.

According to data released by the Goods and Services Tax Network (GSTN) portal, e-way bills generated by businesses for transporting goods within and across states, grew 23.1% YoY to reach a record 118.1 mn in January 2025. E-way bills generation stood at 112 mn in December 2024

According to a BCG report, India's total trade is expected to grow at a Compound Annual Growth Rate (CAGR) of 6.4% YoY, reaching USD 1.8 trillion annually through 2033. Trade with the US is projected to more than double over the next decade, reaching USD 116 bn by 2033.

According to a report by Bain & Company in collaboration with Indian pharmaceutical bodies, India's pharma exports are expected to grow from approximately USD 27 bn in 2023 to USD 65 bn by 2030. Indian biosimilar exports, presently valued at USD 0.8 bn, are expected to grow five-fold to USD 4.2 bn by 2030.

According to the Minister of State for Finance, Pankaj Chaudhary, the total number of Income Tax Returns (ITRs) filed till December 31 of FY25 stood at 83.9 mn, up nearly 4% YoY. Out of the total ITRs filed in FY25, 55.7 mn returns with zero tax liability were filed.

According to the Finance Minister, Nirmala Sitharaman, more than 54.5 crore JanDhan accounts have been opened till January 15, 2025, of which about 30.37 crore accounts, about 56%, belong to women. Enrolment under social security schemes like Pradhan Mantri Jeevan Jyoti Bima Yojana stood at 22.52 crore of which over 10 crore were women.

As per the Household Consumption Expenditure Survey, the share of average monthly per capita consumption expenditure by a household in urban areas in FY24 stood at 8.5% on commuting, at 6.8% on durables, and 6.6% on rent.

As per the Household Consumption Expenditure Survey (HCES) data, the share of average monthly per capita consumption expenditures by a household in FY24 in rural areas stood at 7.6% on commuting, 6.48% on purchasing durables, 6.11% on fuel and light, and 5.67% on clothing and bedding.

According to data from the Income Tax Department, Net Direct Tax Collection grew 14.7% YoY to Rs 17.8 trillion during April 1 to February 10 of FY25. Of this, non-corporate tax collection grew 20.9% YoY to Rs 9.4 trillion, Corporate Tax collection grew at a slower pace of 6.1% YoY to Rs 7.8 trillion while the Securities Transaction Tax (STT) was up 65.05% YoY to Rs 492.01 bn.

According to the Finance Minister, Nirmala Sitharaman, the government intends to use about 99% of borrowed sources in FY26 towards financing capital expenditure. The effective capital expenditure is Rs 15.48 trillion, which is 4.3% of GDP while the fiscal deficit target is 4.4% of GDP for FY26.

According to CCIL data, Government securities designated under the Fully Accessible Route (FAR) have seen a net inflow of Rs 45.30 bn during February 2025, till date. Since the official inclusion of Indian Government bonds in the JP Morgan indices on June 28, 2024, FAR securities have received a total of around Rs 753.52 bn worth of net inflows.

According to MoSPI data, retail inflation in India eased as the Consumer Price Index (CPI) fell to a five-month low of 4.31% YoY in January 2025 from 5.22% YoY in December 2024. Food inflation, measured by the Consumer Food Price Index (CFPI), came in at 6.02% YoY in January 2025 against 8.39% YoY in December 2024.

According to MoSPI data, the Index of Industrial Production (IIP) grew by 3.21% YoY in December 2024, down from 4.96% YoY in November 2024, on account of deceleration in manufacturing growth. On an average, IIP growth was 3.9% YoY in Q3 FY25.

According to AMFI data, Equity-oriented Mutual Fund (MF) schemes attracted net inflows of Rs 396.88 bn in January 2025, down 3.6% MoM. Thematic funds received the highest net inflows at Rs 90.17 bn, followed by smallcap funds at Rs 57.21 bn and flexicap funds at Rs 56.98 bn. The SIP inflows stood at Rs 264 bn, down marginally from the record tally of Rs 264.59 bn in December 2024.

As per EY and the Indian Venture and Alternate Capital Association (IVCA), Private equity (PE) and Venture Capital (VC) investments in India began 2025 on a strong note, surging 37% MoM in January 2025 to USD 6.3 bn, compared to USD 4.5 bn in December 2024.

According to the Minister for Electronics and Information Technology, Ashwini Vaishnav, smartphone exports for FY25 are likely to reach Rs 2.25 trillion, up from USD 15.6 bn during FY24. Smartphone exports in January 2025 crossed USD 3 bn (Rs 250 bn) the highest ever in a single month, up 140% YoY.

According to data from the Association of ARCs in India, the Asset Reconstruction Companies (ARCs) acquired dues worth Rs 1.14 trillion from sellers, including banks and finance companies, during April–December 2024. Recoveries stood at Rs 330 bn during the period and are expected to rise to Rs 380 bn for FY25.

According to data from Anarock Research, Real estate companies dominated the qualified institutional placement (QIP) market in CY24 by raising Rs 223.20 bn. Overall, Indian companies raised over Rs 1.41 trillion through 99 QIPs during CY24.

Equity Round up: S&P BSE Sensex opened at 77789. It made a weekly high of 77850 and a low of 75388 before closing 1921 points lower at 75939.

Events to watch out for the next week:

International Events

1. US FOMC Meeting Minutes on 20 Feb'25
2. ECB Current Account data for Dec'24 on 19 Feb'25

Domestic Events

1. Forex Reserves for week ended 14 February 2025 on 21 February 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	75,939	-2.47
Nifty 50	22,929	-2.68
BSE 100	23,831	-3.51
BSE 200	10,260	-3.97
BSE Midcap	39,732	-7.71
BSE Smallcap	45,411	-9.47
BSE FMCG	19,233	-4.08
BSE HC	39,887	-7.56
BSE IT	40,577	-3.92
BSE Auto	49,313	-6.38
BSE BANKEX	55,825	-1.68
BSE CG	57,349	-6.10
BSE CD	54,686	-7.40
BSE Oil & Gas	23,352	-6.25

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.71%	5 bps
Interbank Call	6.34%	(-) 11 bps
INR/USD	86.83	-0.69%
Gold (Rs/10gm)	85,998	1.53%

# Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 13 Feb '25

World Indices	Closing	% Change WoW
Dow Jones*	44,711	-0.08
Nasdaq*	19,946	0.78
FTSE	8,738	0.41
DAX	22,520	2.73
Hang Seng	22,620	7.04
Nikkei	39,149	0.93
Bovespa*	1,24,850	-1.09
Indonesia Jakarta	6,638	-1.54

\* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	615.1	754.4	-139.3
DIIs	413.9	327.1	86.8

Data for FPI from 07 Feb 2025 to 13 Feb 2025. Data for DII from 07 Feb 2025 to 12 Feb 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	22,929	22,972	43

\*February 2025 Expiry

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