

Key International events:

According to data from the US Commerce Department, **Consumer Prices in the US**, indicated by the **Personal Consumption Expenditures (PCE) Price Index**, rose by 0.3% MoM in December 2024 after inching up by 0.1% MoM in November 2024, in line with expectations.

As per the ISM, **US manufacturing PMI** rose to 50.9 in January 2025 from 49.2 in December 2024. Economists had expected the index to inch up to 49.8.

As per the US Labor Department, **job openings in the US** tumbled to 7.6 mn in December 2024 after climbing to an upwardly revised 8.2 mn in November 2024. Economists had expected job openings to dip to 8.0 mn from the 8.1 mn originally reported for the previous month.

According to the US Commerce Department, **factory orders in the US** slumped by 0.9% in December 2024 after sliding by a downwardly revised 0.8% in November 2024. Economists had expected factory orders to fall by 0.7% compared to the 0.4% decline originally reported for the previous month.

The Commerce Department said that the **US trade deficit spiked to USD 98.4 bn in December 2024 from a revised USD 78.9 bn in November 2024**. Economists had expected the trade deficit to jump to USD 96.6 bn from the USD 78.2 bn originally reported for the previous month.

The Atlanta Fed reduced the Q1 CY25 economic growth estimate after the release of ISM survey results and official data. The **GDPNow model estimate for real GDP growth of US in Q1 CY25 was cut to 2.9% YoY from to 3.9% YoY forecast on February 3, 2025**.

Flash data from Eurostat revealed that **inflation in the euro area increased to 2.5% YoY in January 2025, while it was expected to remain at December 2024 rate of 2.4% YoY**.

As per S&P Global, the **HCOB composite output index of Eurozone rose to 50.2 in January 2025, in line with flash estimate, from 49.6 in December 2024**. The score signaled the first monthly increase in private sector activity since August 2024.

The Bank of England lowered its key interest rate by 25 bps as widely expected but two policymakers sought a bigger reduction citing the sluggish UK economy and the heightening uncertainty over trade tariffs. The **Monetary Policy Committee voted 7-2 to reduce the benchmark bank rate to 4.50% from 4.75%**.

As per data from Caixin, the **manufacturing sector in China continued to expand in January 2025, albeit at a slower pace, with a Manufacturing PMI score of 50.1 as compared to 50.5 recorded in December 2024**.

As per S&P Global, the **Caixin services Purchasing Managers' Index of China posted 51.0 in January 2025, down from 52.2 in December 2024**.

Final survey results from S&P Global showed that the **final HCOB manufacturing Purchasing Managers' Index rose to an eight-month high of 46.6 in January 2025 from 45.1 in December 2024**. The flash reading was 46.1.

Key Domestic events:

According to RBI data, **India's forex reserves increased by USD 5.57 bn to USD 629.56 bn in the week ended January 24, 2025**. Foreign Currency Assets also increased by USD 4.76 bn to USD 537.89 bn during the week.

According to Government data, the **Goods and Services Tax (GST) collections for the month of January 2025 came in at Rs 1.96 trillion (Rs 1,95,506 crore), an increase of 12.3% YoY**, supported by higher domestic economic activity. Total Net GST revenue, after adjusting refunds, stood at Rs 1.72 trillion, higher by 10.9% YoY.

As per data from the Union Budget 2025-26, **Capital Expenditure has been pegged at Rs 11.21 trillion in FY26, a growth of around 10% YoY over the FY25 revised estimates (RE) of Rs 10.18 trillion**. Compared to Budgeted Estimate (BE) of FY25, the capex allocation for FY26 has seen an increase of less than 1% YoY.

According to NPCI data, **Unified Payments Interface (UPI) transactions saw a marginal 1.6% MoM increase in volume to 16.99 bn in January 2025, up from 16.73 bn in December 2024**. The transaction value also increased by 1% MoM to Rs 23.48 trillion, up from Rs 23.25 trillion in December 2024.

According to data from the Union Budget 2025-26, **allocation for key technology projects, comprising PLI for mobile phones, IT hardware, semiconductor scheme and IndiaAI Mission has been increased by about 84% YoY to Rs 180 bn for FY26**, compared to the revised allocation of Rs 97.66 bn in FY25.

As per S&P Global, **Indian goods producers kicked off 2025 on a robust note as Purchasing Managers' Index (PMI) rose to 57.7 in January 2025, recovering sharply from 12-month low of 56.4 in the previous month**. This rise was fuelled by the steepest upturn in exports in nearly 14 years and by new orders which rose at the quickest pace since last July 2024.

As per PWC, **India's economic growth is projected to moderate to 6.4% YoY in FY25 due to weak urban consumption, high food inflation, and global uncertainties**. Despite these challenges, strong domestic demand and stable macroeconomic fundamentals are expected to keep India as the fastest-growing major economy with an anticipated GDP growth of 6.3% YoY to 6.8% YoY in FY26.

As per Naukri Chief Business Officer, **white-collar hiring activities in January 2025 witnessed 4% YoY growth driven by traditional sectors, including FMCG, pharma and insurance**.

According to Nomura, **India's passenger vehicle (PV) industry is expected to witness lower growth in FY25, with forecasts indicating a 1.5% YoY growth due to subdued demand**. The two-wheeler (2W) segment, however, could see some relief as weak domestic demand may be offset by stronger export recovery.

According to S&P Global Ratings, **the Budget for FY26 will boost India's growth over the next few years via domestic demand through income tax cuts and the country will achieve the targeted 4.4% fiscal deficit despite hiking I-T rebate**.

According to Moody's Ratings, **increasing foreign investment limit in the insurance sector to 100% from 74% is likely to attract more global players in the growing Indian insurance market**. Additionally, strong premium growth is expected to boost profitability of the sector. Moreover, they believe that the reduction in personal income tax will be a positive for the insurance sector.

The **HSBC final India Services Purchasing Managers' (PMI) Index, compiled by S&P Global, fell to 56.5 in January 2025 from 59.3 in December 2024**, lower than a preliminary estimate of 56.8. The index has been above the neutral 50-mark that separates contraction from expansion for 42 months straight.

According to ratings agency Crisil, the cost of a homemade meal rose in January 2025 due to a hike in the prices of potatoes, pulses and chicken. **The cost of a vegetarian meal increased to Rs 28.7 per plate from Rs 28 per plate in January 2024. In the case of non-veg thali, the cost of preparing a plate went up to Rs 60.6 each from Rs 52 over the same period**.

As per RBI data, bank lending growth surpassed deposit growth at the start of Q4 FY25, pressuring banks to increase deposit rates. **Lending rose 11.4% YoY as of January 2025, while deposits grew 10.3% YoY**. RBI's measures and a focus on managing the Credit-to-Deposit ratio contributed to the slowdown.

According to the Finance Ministry, **public sector banks (PSBs) have posted highest-ever net profit of Rs 1.29 trillion in the April-December period of FY25, marking an increase of 31.3% YoY**. The performance of PSBs has shown significant improvement on key financial parameters, like record net profit growth, improved asset quality, and build-up of adequate capital buffers.

As per data from FADA, **vehicle registrations, a proxy for retail sales, increased by 6.6% YoY to 2.29 mn units in January 2025, indicating a sustained recovery in consumer demand in the local market**. Vehicle registrations had declined by 12% YoY to 1.76 mn units in Dec 2024.

Equity Round up: S&P BSE Sensex opened at 77637. It made a weekly high of 78735 and a low of 76756 before closing 558 points higher at 78058.

Events to watch out for the next week:

International Events

1. US CPI data for Jan'25 on 12 Feb'25
2. US Initial Jobless Claims on 13 Feb'25
3. China Outstanding Loan Growth on 10 Feb'25

Domestic Events

1. Forex Reserves for week ended 7 February 2025 on 14 February 2025
2. CPI data for Jan'25 on 12 Feb'25
3. Manufacturing Production data for Dec'24 on 12 Feb'25
4. Industrial Production data for Dec'24 on 12 Feb'25

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	77,860	0.46
Nifty 50	23,560	0.22
BSE 100	24,698	0.29
BSE 200	10,685	0.18
BSE Midcap	43,050	-0.11
BSE Smallcap	50,164	0.41
BSE FMCG	20,051	-2.45
BSE HC	43,150	3.22
BSE IT	42,231	0.66
BSE Auto	52,672	2.22
BSE BANKEX	56,778	0.92
BSE CG	61,075	-5.35
BSE CD	59,054	2.08
BSE Oil & Gas	24,909	-2.04

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.66%	(-) 2 bps
Interbank Call	6.45%	(-) 13 bps
INR/USD	87.43	0.94%
Gold (Rs/10gm)	84,699	3.18%

Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 06 Feb '25

World Indices	Closing	% Change WoW
Dow Jones*	44,748	-0.30
Nasdaq*	19,792	0.56
FTSE	8,703	0.33
DAX	21,922	0.70
Hang Seng	21,134	4.49
Nikkei	38,787	-1.98
Bovespa*	1,26,225	-0.54
Indonesia Jakarta	6,743	-5.16

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	801.3	874.7	-73.4
DIIIs	469.8	445.0	24.8

Data for FPI from 31 Jan 2025 to 06 Feb 2025. Data for DII from 31 Jan 2025 to 04 Feb 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,560	23,623	63

*February 2025 Expiry

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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

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