

**Key International events:**

As per the US Fed, **Industrial Production of US jumped by 0.9% MoM in December 2024 after rising by a revised 0.2% MoM in November 2024.** Economists had expected industrial production to climb by 0.3% MoM.

As per the US Commerce Department, **housing starts of US soared by 15.8% YoY to 1.50 mn in December 2024 after tumbling by 3.7% YoY to a revised rate of 1.29 mn in November 2024.** Economists had expected housing starts to jump by 2.4% YoY.

After assuming office as the 47th president of the United States, **Donald Trump laid out an "America First Trade Policy", which includes imposing global "supplemental tariffs" to address what he termed "unfair and unbalanced trade".** He also threatened a 100% tariff on Brics nations, including India, if the bloc attempts to reduce its reliance on the dollar for foreign trade.

US President Donald Trump pledged to **impose tariffs on the European Union (EU) and revealed that his administration was considering a 10% punitive duty on Chinese imports due to fentanyl being trafficked from China to the US through Mexico and Canada.**

According to a report released by the US Energy Information Administration, **crude oil inventories in the US decreased by less than expected in the week ended January 17th, 2025. Crude oil inventories dipped by 1.0 mn barrels in the week after falling by 2.0 mn barrels in the previous week. Economists had expected crude oil inventories to decline by 2.1 mn barrels.**

As per the preliminary data from the European Commission, **the flash consumer confidence index for Eurozone rose to -14.2 in January 2025 from -14.5 in December 2024.** The reading was in line with economists' forecasts.

The UK Office for National Statistics revealed that **the UK unemployment rate rose to 4.4% in the September to November 2024 period, as expected, from 4.3% in the three months to October 2024.**

As per the UK Office for National Statistics, **public sector net borrowing of UK increased GBP 10.1 bn from the last year to GBP 17.8 bn in December 2024. This was the highest December 2024 borrowing for four years and also above GBP 14.6 bn forecast by the Office for Budget Responsibility.**

**The PBoC left its one-year loan prime rate at 3.10%. Similarly, the five-year LPR, the benchmark for mortgage rates, was held at 3.60%.** The People's Bank of China maintained its interest rates for the third straight session as policymakers await the stance of new US administration.

The latest data from the Japan's Ministry of Economy, Trade and Industry showed that **Industrial Production of Japan fell a seasonally adjusted 2.2% MoM in November 2024, reversing a 2.8% MoM rise in October 2024.**

The World Economic Forum's new research has **revealed that closing the women's health gap could unlock USD 400 bn in global GDP annually by 2040.** They launched the Women's Health Impact Tracking platform to monitor and bridge women's health gaps and identified key health conditions and actions to improve women's health outcomes.

**Key Domestic events:**

As per the Reserve Bank of India, **India's forex reserves dropped by USD 8.71 bn to USD 625.87 bn in the week ended January 10, 2025.** Earlier, the overall kitty dropped by USD 5.69 bn to USD 634.59 bn in the week ended January 3, 2025.

**The International Monetary Fund (IMF) retained its growth projection for India at 6.5% YoY for FY26 and FY27, holding that it is "in line with potential".** It also said that growth in India had slowed more than expected, led by a sharper-than-expected deceleration in industrial activity.

According to a CII survey, **India's current economic environment is conducive for private investments with the country emerging as a "bright spot" amid the challenging global environment. Early results reveal that about 97% of the sample firms are likely to increase employment in both FY25 and FY26.**

Commerce Secretary Sunil Barthwal said that **the India's target of USD 1 trillion export includes USD 250 bn from the engineering sector.** The government has set a target to achieve USD 1 trillion export from India by 2030.

As per CBRE, **office space supply reduced 9.35% YoY in 2024, while the demand increased by 21.9 % YoY.** IT-Business Process Management (IT-BPM), flexible work, engineering and manufacturing, and the banking, financial services and insurance (BFSI) sector were the major sectors occupying leased land.

According to World Data Lab, a McKinsey Global Institute analysis, **India is projected to account for 16% of global consumption at Purchasing Power Parity (PPP) by 2050, up from 4% in 1997 and 9% in 2023.**

According to credit ratings agency Moody's, **India's insurance industry is poised for sustained growth in FY25, driven by the country's robust economic expansion and increasing demand for health insurance.**

As per LinkedIn, **49% of job seekers are applying to more jobs than ever, but are hearing back less.** Hirers are also finding the process increasingly challenging. Over 27% of HR professionals spend between 3-5 hours a day reviewing applications and 55% said that less than half the job applications they receive meet all the criteria.

**Deloitte India projected India's GDP to grow at 6.5-6.8% YoY in FY25 and said India will have to adapt to the evolving global landscape and harness its domestic strengths to drive sustainable growth.**

India Ratings and Research (Ind-Ra) said that **the share of renewables including large hydro in India's overall energy mix is expected to remain stable at nearly 21% in FY25.** The balance will be largely contributed by thermal capacity.

As per RBI, **banks borrowed Rs 880 bn from the debt market in the last fortnight of 2024 amid a slowdown in deposit growth to fund loan demand.**

As per data from Fintech firm Kiwi, **the number of transactions made with UPI enabled credit cards is growing at a rate of 20% MoM, accompanied by a 5% rise in average monthly spending.** In 2024, the average monthly spending per user was Rs 40,000.

As per foundit insights tracker (fit), **India's hiring activity rose 12% over the past six months, with a 31% YoY increase in recruitment in December 2024** driven by consumer electronics, manufacturing, and construction and engineering sectors.

According to PropEquity, **housing sales across nine major cities dropped by 9% YoY to nearly 4.71 lakh units in 2024 versus 5.14 lakh units in 2023** on lower demand as well as fall in fresh supply.

As per the Ministry of Labour and Employment, EPFO has made a net addition of 14.63 lakh members during November 2024. **There has been a 9.07% MoM increase in registered net members in November 2024.**

As per a labour ministry statement, **Retail Inflation for farm and rural workers eased to 5.01% YoY and 5.05% YoY in December 2024** from 5.35% YoY and 5.47% YoY, respectively, in November 2024.

According to a report by the Ministry of Electronics and Information Technology (MeitY), **India's digital economy is poised to grow nearly twice as fast as the overall economy, contributing nearly one-fifth of the country's national income by 2029-2030.**

As per CareEdge Ratings, **the Union Budget FY26 is expected to focus on fiscal consolidation with a projected fiscal deficit of 4.5% of GDP.** Key areas include boosting manufacturing, agriculture reforms, EV incentives, and healthcare budget increase. Direct tax collections face challenges, while capex is set to rise significantly.

According to Fitch, **the Gross Non-Performing Assets (NPAs) of Indian banks may decline by 40 bps to 2.4% by March 2025 and a further 20 bps in FY26.** Stress in retail loans is rising, particularly in unsecured credit, but robust growth, recoveries and write-offs are expected to offset the increase in fresh bad loans.

India Ratings and Research (Ind-Ra) has **maintained a neutral outlook for the auto ancillary sector for FY26, projecting revenue growth of 8-10% YoY.** This growth is expected to be driven by several factors, including premiumisation, increasing electric vehicle penetration and rising global OEM investments in India.

**Equity Round up:** S&P BSE Sensex opened at 76979. It made a weekly high of 77337 and a low of 75642 before closing 429 points lower at 76190.

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

**International Events**

1. US FOMC Rate Decision on 30 Jan'25
2. ECB meeting outcome on 30 Jan'25

**Domestic Events**

1. Forex Reserves for week ended 24 January 2025 on 31 January 2025
2. Fiscal Deficit for Dec'24 on 31 Jan'25

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	76,190	-0.56
Nifty 50	23,092	-0.48
BSE 100	24,217	-1.01
BSE 200	10,502	-1.29
BSE Midcap	42,716	-2.39
BSE Smallcap	50,108	-4.21
BSE FMCG	20,367	0.16
BSE HC	42,199	-1.08
BSE IT	42,714	2.32
BSE Auto	49,967	-2.97
BSE BANKEX	54,723	-0.36
BSE CG	62,231	-4.52
BSE CD	58,173	-4.05
BSE Oil & Gas	25,182	-3.54

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.73%	(-) 2 bps
Interbank Call	6.57%	2 bps
INR/USD	86.21	-0.47%
Gold (Rs/10gm)	80,348	1.40%

# Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 23 Jan '25

World Indices	Closing	% Change WoW
Dow Jones*	44,565	3.27
Nasdaq*	20,054	3.70
FTSE	8,539	0.58
DAX	21,497	3.02
Hang Seng	20,066	2.46
Nikkei	39,932	3.85
Bovespa*	1,22,483	1.03
Indonesia Jakarta	7,166	0.16

\* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	455.7	622.7	-167.0
DIIs	445.7	344.9	100.9

Data for FPI from 17 Jan 2025 to 22 Jan 2025. Data for DII from 17 Jan 2025 to 22 Jan 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,092	23,114	22

\*January 2025 Expiry

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