

Key International events:

As per data from the University of Michigan, the **US Consumer Sentiment Index** for January 2025 was downwardly revised to 71.1, down from the final December 2024 reading of 74.0, marking the first decrease in six months.

As per data from the US Commerce Department, **new home sales in the US rose by 3.6% MoM to an annual rate of 698,000 in December 2024 after rising by 9.6% MoM to an upwardly revised rate of 674,000 in November 2024.** Economists had expected new home sales to climb 0.9% MoM to an annual rate of 670,000.

As per the US Conference Board, the **consumer confidence index of US slid to 104.1 in January 2025 from an upwardly revised 109.5 in December 2024.** Economists had expected the consumer confidence index to climb to 106.3.

The US Commerce Department said that **durable goods orders of US plunged by 2.2% MoM in December 2024 after tumbling by a revised 2.0% MoM in November 2024.** Economists had expected durable goods orders to climb by 0.8% MoM.

President Donald Trump has said that the United States will impose tariffs on the countries that "harm" America and named **China, India and Brazil as high-tariff countries.**

The US Fed decided to maintain the target range for the federal funds rate at 4.25 to 4.50% in support of its dual goals of maximum employment and inflation at the rate of 2% YoY over the longer run. The decision to leave rates unchanged came as the Fed noted inflation remains "somewhat elevated" and reiterated its strong commitment to returning inflation to its 2% YoY objective.

According to a report released by the US Commerce Department, **US GDP shot up by 2.3% YoY in Q4 CY24 after surging by 3.1% YoY in Q3 CY24.** Economists had expected GDP to jump by 2.6% YoY.

The US Labor Department said that **initial jobless claims in US fell to 207,000 in the week ended January 25th, 2025, a decrease of 16,000 from the previous week's unrevised level of 223,000.** Economists had expected jobless claims to slip to 220,000.

ECB, lowered the deposit rate by 25 bps to 2.75%. The rate is now at the lowest level since February 2023 when it was at 2.50%. The main refinancing rate was trimmed by a similar volume to 2.90% and the lending rate to 3.15%, respectively.

According to S&P Global, the **Euro area HCOB Composite Purchasing Managers' Index, which combines manufacturing and services, rose to a five-month high of 50.2 in January 2025 from 49.6 in December 2024.** Economists had forecast a modest increase to 49.7.

According to data from China's National Bureau of Statistics, **manufacturing sector in China fell into contraction in January 2025 with a Manufacturing PMI score of 49.1, down from 50.1 in December 2024.** The Non-Manufacturing PMI score came in at 50.2, down from 52.2 in December 2024.

According to traders and shipping data, **trade for March-loading Russian oil in top buyer Asia has stalled as a wide price gap between buyers and sellers emerged in China after costs for chartering tankers unaffected by US sanctions jumped.**

According to BCG, the **Asian healthcare market, which accounts for 22% of global healthcare spending despite being home to 60% of the global population, is on track to hit USD 5 trillion by 2030, driving 40% of global sector growth.**

Key Domestic events:

According to RBI data, **India's forex reserves dropped by USD 1.88 bn to USD 623.98 bn in the week ended January 17, 2025.** Foreign Currency Assets, a major component of the reserves, decreased by USD 2.89 bn to USD 533.13 bn and gold reserves increased by USD 1.06 mn to USD 68.95 bn during the week.

According to Government data, **India's exports to the US rose by 5.57% YoY to USD 59.93 bn during April-December FY25 on account of healthy demand in the American market for Indian goods.** On the other hand, imports from the US during the April-December FY25 period grew by 1.91% YoY to USD 33.4 bn.

According to S&P Global, the **HSBC flash Composite Purchasing Managers' Index (PMI) fell to 57.9 in January 2025 from December 2024's final reading of 59.2.** The Manufacturing sector Flash PMI rose to 58 in January 2025 from 56.4 in December 2024. In contrast, the Services flash PMI figure declined to 56.8 in January 2025 from 59.3 in December 2024.

According to SIAM data, **automobile exports from India rose to 50,98,810 units in 2024, up 19 % YoY from 42,85,809 units exported in 2023, led by a robust dispatch of two-wheelers, passenger vehicles and commercial vehicles.** Passenger vehicle exports grew 10% YoY to 7,43,976 units as compared to 6,77,956 units in 2023.

According to data from the Tractor and Mechanisation Association, **tractor sales dipped marginally by 1.5% YoY in CY24 to 901,668 units because of a decline in demand in the first half of the year.**

RBI has announced a host of measures to inject liquidity in the banking system. The RBI will buy government bonds worth Rs 600 bn (USD 6.96 bn) in three tranches and conduct a 56-day variable rate repo auction worth Rs 500 bn on February 7, 2025. It will also conduct a USD/INR buy/sell swap auction of USD 5 bn for a tenor of six months on January 31, 2025.

According to RBI data, **the number of credit cards has more than doubled to around 108 mn in five years as compared to the levels in December 2019, when there were 55.3 mn credit cards in the system.**

According to data from the RBI's payment system report, **the contribution of Unified Payments Interface (UPI) to the cumulative digital payments ecosystem more than doubled in five years, rising from 34% in 2019 to 83% in 2024.** In 2024, India recorded 208.5 bn digital payment transactions.

According to India Sotheby's International Realty survey of wealthy people, **more than 60% of High-Net-Worth individuals (HNIs) and Ultra-HNIs plan to invest in real estate during the next two years.**

As per Ind-Ra, **property prices in India to increase 5-6% YoY in FY25, then moderate to 3-4% YoY for FY26, due to base effects and new launches.**

According to PropEquity, **fresh supply of affordable and mid income homes costing up to Rs 1 crore fell by 30% in CY24 to nearly 99,000 units across nine major cities.**

Moody's Analytics said that it **expects the 2025-26 Union Budget to support domestic demand, particularly investment while aiming for a fiscal deficit of less than 4.5% of GDP for FY26.**

The Union Cabinet approved Rs 163 bn outlay for the National Critical Mineral Mission (NCMM). This mission will run till FY31 with sops for recycling critical minerals and derisking overseas acquisition of assets.

According to a report by the India Electronics and Semiconductor Association (IESA), **India's semiconductor market is expected to grow from USD 52 bn (Rs 4.5 trillion) in 2024 to USD 103.4 bn (Rs 9 trillion) by 2030.**

The Centre approved the Mutual Credit Guarantee Scheme to give a fillip to manufacturing by micro, small & medium enterprises (MSMEs). **This initiative aims to strengthen the manufacturing sector by providing 60% guarantee coverage for loans up to Rs 1 bn, specifically for the purchase of plant and machinery or equipment.**

As per NSO, **the manufacturing sector employed nearly 33.7 mn workers in FY24 period, compared to 34.9 mn workers in FY11.** However, the number of establishments in the sector increased to 20.14 mn, compared to 17.2 mn during the same time period.

As per the Crisis Ratings, **asset reconstruction companies (ARCs) are likely to see the cumulative recovery rate of security receipts (SRs) improve by up to 15% to 75-80% in FY26.** The improvement in recoveries will be driven by factors such as the healthy performance of stressed assets in key infrastructure sectors like thermal power and roads.

According to the Household Consumption Expenditure Survey, **the rural-urban spending gap narrowed to 69.7% in FY24 from 71.2% in FY23.** The spending gap was 83.9% in FY12.

Equity Round up: S&P BSE Sensex opened at 75700. It made a weekly high of 77606 and a low of 75268 before closing 1310 points higher at 77501.

Events to watch out for the next week:

International Events

- S&P Global US Manufacturing PMI on 03 Feb/25
- HCOB Eurozone Manufacturing PMI on 03 Feb/25
- China Caixin Manufacturing PMI on 03 Feb/25

Domestic Events

- Forex Reserves for week ended 31 January 2025 on 7 February 2025
- RBI MPC Meeting outcome on 7 February 2025
- HSBC Manufacturing PMI on 03 Feb/25

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	77,501	1.72
Nifty 50	23,508	1.80
BSE 100	24,627	1.69
BSE 200	10,665	1.55
BSE Midcap	43,096	0.89
BSE Smallcap	49,958	-0.30
BSE FMCG	20,555	0.92
BSE HC	41,803	-0.94
BSE IT	41,956	-1.77
BSE Auto	51,527	3.12
BSE BANKEX	56,257	2.80
BSE CG	64,530	3.69
BSE CD	57,852	-0.55
BSE Oil & Gas	25,429	0.98

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.68%	(-) 5 bps
Interbank Call	6.59%	1 bps
INR/USD	86.62	0.48%
Gold (Rs/10gm)	82,086	2.16%

Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 30 Jan '25

World Indices	Closing	% Change WoW
Dow Jones*	44,882	0.71
Nasdaq*	19,682	-1.85
FTSE	8,674	1.58
DAX	21,770	1.27
Hang Seng	20,225	0.79
Nikkei	39,572	-0.90
Bovespa*	1,26,913	3.62
Indonesia Jakarta	7,109	-0.79

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	434.0	555.2	-121.2
DIIs	488.0	354.0	134.0

Data for FPI from 24 Jan 2025 to 29 Jan 2025. Data for DII from 24 Jan 2025 to 29 Jan 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,508	23,639	131

*February 2025 Expiry

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