

Key International events:

According to data from the US National Association of Realtors, **pending home sales index in the US shot up by 2.2% MoM to 79.0 in November 2024 after jumping by 1.8% MoM to 77.3 in October 2024.** Economists had expected pending home sales to climb by 0.7% MoM in November 2024.

According to Reuters, **Brent crude will likely average USD 74.33 per barrel in 2025, down from a forecast of USD 74.53 in November 2024, marking an eighth straight downward revision.** US crude is projected to average USD 70.86 in 2025, compared to last month's expectation of USD 70.69.

According to a report released by the US Labor Department, **initial jobless claims slipped to 211,000, a decrease of 9,000 in the week ended December 28th, 2024** from the previous week's revised level of 220,000.

According to a report released by the US Energy Information Administration, **crude oil inventories in US decreased by 1.2 mn barrels in the week ended December 27th, 2024 after tumbling by 4.2 mn barrels in the previous week.** Economists had expected crude oil inventories to slump by 2.8 mn barrels.

As per S&P Global, **the HCOB manufacturing Purchasing Managers' Index of Eurozone fell slightly to a three-month low of 45.1 in December 2024 from 45.2 in November 2024.** The flash reading was 45.2.

As per data from Jibun Bank, **the manufacturing sector in Japan continued to contract in December 2024, albeit at a slower pace, with a manufacturing PMI score of 49.6, up from the Manufacturing PMI score of 49.0 recorded in November 2024.**

As per S&P Global, **the Caixin manufacturing Purchasing Managers' Index of China posted 50.5 in December 2024, down from 51.5 in November 2024.** The score was expected to climb to 51.6.

As per the China's National Bureau of Statistics, **the manufacturing Purchasing Managers' Index of China dropped to 50.1 in December 2024 from 50.3 in November 2024.** China's private sector expanded at the end of the year as fiscal stimulus and loose monetary policy provided a near-term support to growth.

Key Domestic events:

As per RBI data, **India's Current Account Deficit (CAD) marginally narrowed to USD 11.2 bn or 1.2% of GDP during Q2 FY25 from USD 11.3 bn or 1.3% of GDP during Q2 FY24,** on the back of improved net services receipts which rose to USD 44.5 bn in Q2 FY25 from USD 39.9 bn during Q2 FY24. However, the CAD sequentially widened from USD 9.7 bn or 1.1% of GDP during Q1 FY25.

According to RBI data, **credit growth gained pace and stood at 11.5% YoY and deposits grew in tandem, posting a growth of 11.5% YoY during the fortnight ended December 13, 2024.** Data shows that outstanding deposits stood at Rs 227.61 trillion, while outstanding credit stood at Rs 180.81 trillion in the fortnight ending December 13, 2024.

According to Deloitte, **the Indian economy is likely to grow at 6.5-6.8% YoY in FY25 due to election uncertainties and disruptions in activity due to heavy rainfall and geopolitical events in H1 FY25.** However, the Indian economy will grow between 6.7-7.3% YoY in FY26, boosted by domestic consumption.

As per data from the Agriculture Ministry, **India is poised to achieve new heights in food grain production in 2025, driven by favourable monsoon, with kharif (summer) food grain production estimated at a record 164.7 mn tonnes for the 2024-25 crop year ending June 2025.**

According to data from the Finance Ministry, **India's external debt rose to USD 711.8 bn as of September 2024, up 4.3% QoQ over June 2024.** The external debt to GDP ratio stood at 19.4% in September 2024 against 18.8% as of June 2024.

According to a RBI report, **the share of stressed assets in the microfinance (MFI) sector increased during the H1 FY25, with 31-180 days past due (DPD) rising to 4.30% in September 2024 from 2.15% in March 2024.** Borrower indebtedness also rose, with the share of borrowers availing loans from four or more lenders increasing from 3.6% in September 2021 to 5.8% in September 2024.

According to a RBI report, **Indian banks' gross bad loan ratio may rise to 3% by the end of March 2026 from a 12-year low of 2.6% in September 2024 for 46 banks under the baseline scenario.** Additionally, the bad loan ratio could rise to 5% and 5.3% under two separate high-risk scenarios. However, no lender will fall short of the minimum capital requirement of 9% even in adverse cases.

According to a survey by the Retailers Association of India (RAI), **retailers in India reported a modest 7% YoY growth in sales during the 2024 festive season, falling short of the anticipated 10% YoY rise, reflecting subdued consumption throughout the year.** Apparel and jewellery grew by 7% YoY and 9% YoY, respectively, and consumer durables recorded a modest growth of 7% YoY.

According to official data, **the output of eight key infrastructure sectors slowed down to 4.3% YoY in November 2024 against 7.9% YoY growth registered a year ago.**

Government data showed that **India's fiscal deficit for April-November 2024 was Rs 8.47 trillion (USD 98.90 bn), or 52.5% of the estimate for the FY25.** Net tax receipts for the first eight months of FY25 were at 14.43 trillion rupees, or 56% of the annual target, compared with Rs 14.36 trillion for the same period last year.

As per Govt data, **the Centre's capital expenditure grew 21% YoY in November 2024 after a weak trajectory between April and October 2024.**

The Reserve Bank of India (RBI) reported that stress in the microfinance sector doubled during the April to September 2024 period, with the share of stressed assets in the 31-180 days past due (DPD) category increasing from 2.15% to 4.30%. Additionally, there was a notable rise in borrowers availing loans from multiple lenders.

According to government data, **India's Goods and Services Tax (GST) collections rose to Rs 1.77 trillion in December 2024, marking the tenth consecutive month of collections exceeding Rs 1.7 trillion.** The collections in December 2024 reflect a 7.3% YoY increase compared to the Rs 1.65 trillion collected in December 2023.

According to data from the National Payments Corporation of India (NPCI), **Unified Payments Interface (UPI) transactions saw an 8% MoM increase in volume to 16.73 bn in December 2024,** the highest volume for the digital system since it became operational in April 2016. The value also increased by 8% MoM to Rs 23.25 trillion, up from Rs 21.55 trillion in November 2024.

As per government data, **India's power consumption rose nearly 6% YoY to 130.40 bn units (BU) in December 2024. In December 2023, power consumption was 123.17 BU.**

As per CMIE, **the total value of new project announcements in Q3 FY25 declined 22% YoY to Rs 6 trillion. Meanwhile, the value of completed projects plummeted 52% YoY to less than Rs 1 trillion.**

As per S&P Global, **the manufacturing activity in India registered its weakest growth of 2024 in December 2024 as the Manufacturing Purchasing Managers' Index (PMI) fell to 56.4, down from 56.5 in November 2024.** The data indicated softer demand in the sector despite easing cost pressures and strong jobs growth.

As per the government, **India's textiles and apparel exports, including handicrafts, grew 7% YoY during the April-October 2024 to USD 21.35 bn.** The outbound shipments from the sector stood at USD 20 bn in the same period of the previous financial year, FY24.

As per Labour Minister Mansukh Mandaviya, **India created nearly 172 mn fresh jobs between 2014 and 2024, of which 46 mn were created in the FY24.** He also highlighted that there has been tremendous growth in youth employment and a reduction in unemployment rates, as evidenced by the latest PLFS.

Equity Round up: S&P BSE Sensex opened at 78638. It made a weekly high of 80073 and a low of 77561 before closing 524 points higher at 79223.

Events to watch out for the next week:

International Events

1. US FOMC Meeting Minutes on 09 Jan'25
2. Eurozone Economic Confidence for Dec'25 on 08 Jan'25
3. Eurozone Consumer Confidence for Dec'25 on 08 Jan'25
4. Eurozone Industrial Confidence for Dec'25 on 08 Jan'25

Domestic Events

1. Forex Reserves for week ended 3 January 2025 on 10 January 2025
2. HSBC Services PMI on 6 Jan'25
3. HSBC Composite PMI on 6 Jan'25
4. Industrial Production for Nov'24 on 10 Jan'25
5. Preliminary GDP Growth data on 7 Jan'25

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	79,223	0.67
Nifty 50	24,005	0.80
BSE 100	25,460	1.06
BSE 200	11,097	1.10
BSE Midcap	46,936	1.32
BSE Smallcap	56,116	1.94
BSE FMCG	21,118	2.36
BSE HC	45,336	1.56
BSE IT	43,679	0.16
BSE Auto	54,172	3.74
BSE BANKEX	57,928	-0.50
BSE CG	68,211	0.07
BSE CD	66,284	3.38
BSE Oil & Gas	26,818	3.69

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.79%	1 bps
Interbank Call	6.47%	(-) 20 bps
INR/USD	85.78	0.28%
Gold (Rs/10gm)	77,504	1.40%

Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 02 Jan '25

World Indices	Closing	% Change WoW
Dow Jones*	42,392	-2.15
Nasdaq*	19,281	-3.69
FTSE	8,245	1.31
DAX	19,942	0.09
Hang Seng	19,760	-1.64
Nikkei	39,895	-0.96
Bovespa*	1,20,125	-0.79
Indonesia Jakarta	7,164	1.82

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	206.1	315.4	-109.3
DIIs	617.1	512.4	104.6

Data for FPI from 27 Dec 2024 to 01 Jan 2025.. Data for DII from 27 Dec 2024 to 01 Jan 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,005	24,075	70

*January 2025 Expiry

Disclaimer: This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. HDFC Bank Limited ("HDFC Bank") does not warrant its completeness and accuracy. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument / units of Mutual Fund. Recipients of this information should rely on their own investigations and take their own professional advice. Neither HDFC Bank nor any of its employees shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. HDFC Bank and its affiliates, officers, directors, key managerial persons and employees, including persons involved in the preparation or issuance of this material may, from time to time, have investments / positions in Mutual Funds / schemes referred in the document. HDFC Bank may at any time solicit or provide commercial banking, credit or other services to the Mutual Funds / AMCs referred to herein.

Accordingly, information may be available to HDFC Bank, which is not reflected in this material, and HDFC Bank may have acted upon or used the information prior to, or immediately following its publication. HDFC Bank neither guarantees nor makes any representations or warranties, express or implied, with respect to the fairness, correctness, accuracy, adequacy, reasonableness, viability for any particular purpose or completeness of the information and views. Further, HDFC Bank disclaims all liability in relation to use of data or information used in this report which is sourced from third parties.

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

HDFC Bank is a AMFI-registered Mutual Fund Distributor & a Corporate Agent for Insurance products.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.