

**Key International events:**

According to the University of Michigan, its consumer sentiment index plunged to 57.9 in March 2025 after tumbling to 64.7 in February 2025. Economists had expected it to dip to 63.1. The consumer sentiment index decreased for the third consecutive month, slumping to its lowest level since hitting 56.7 in November 2022.

According to a report by the US Commerce Department, business inventories in the US rose by 0.3% MoM in January 2025 after dipping by 0.2% MoM in December 2024. The rebound matched expectations. The modest increase came as wholesale inventories climbed by 0.8% MoM in January 2025.

As per data from the US Federal Reserve, industrial production in the US climbed by 0.7% MoM in February 2025 after climbing by a downwardly revised 0.3% MoM in January 2025. Economists had expected it to rise by 0.2% MoM compared to the 0.5% MoM growth originally reported for the previous month.

The US Federal Reserve announced its decision to once again leave interest rates unchanged, as expected, but projections signaled that the central bank is still likely to lower rates later this year. The Fed decided to maintain the target range for the federal funds rate at 4.25-4.50% in support of its dual goals of maximum employment and inflation at the rate of 2% over the longer run.

According to the US Conference Board, its reading on leading US economic indicators decreased by 0.3% MoM in February 2025 after slipping by a revised 0.2% MoM in January 2025. Economists had expected it to dip by 0.2% MoM compared to the 0.3% MoM decline originally reported for the previous month.

As per data from Eurostat, the Eurozone inflation decelerated to a three-month low, as the harmonized index of consumer prices rose 2.3% YoY in February 2025 as against a revised 2.5% YoY rise in January 2025. Core inflation slowed marginally to 2.6% YoY from 2.7% YoY in the previous month.

As per data from Eurostat, the Euro area trade surplus fell sharply to EUR 1 bn in January 2025 from EUR 10.6 bn in January 2024. The surplus totaled EUR 15.4 bn in December 2024. Exports moved up 3.0% YoY, while growth in imports accelerated to 7.6% YoY.

According to the Office for National Statistics, the UK GDP shrank 0.1% MoM in January 2025, following a growth of 0.4% MoM in December 2025, on a sharp fall in production. GDP was expected to grow 0.1% MoM. Annually, the GDP grew 1.0% YoY in January 2025, weaker than the forecast of 1.2% YoY.

The Bank of England maintained its benchmark rate amid intensifying uncertainty over global trade policy. The nine-member committee voted 8-1 to maintain the Bank Rate at 4.5%.

As per data from China's National Bureau of Statistics, China's industrial production registered a growth of 5.9% YoY, exceeding forecasts of 5.3% YoY but slower than the 6.2% YoY rise in December 2024. This was driven by fiscal stimulus, but the property market remained a drag on the economy.

The People's Bank of China kept its one-year loan prime rate unchanged for the fifth straight month at 3.10%. Likewise, the five-year LPR, the benchmark for mortgage rates, was retained at 3.60%.

The Bank of Japan left its interest rate unchanged, after hiking the rate by 25 bps in January 2025, amid rising concerns about the US trade policies and its impact on economic activity and prices. The policy board unanimously decided to maintain the uncollateralized overnight call rate at around 0.5%.

According to the latest Global Trade Update by UNCTAD, developing nations, particularly India and China, saw better than average trade expansion in Q4 CY24, but warned of a potential for an economic slowdown globally. Global trade expanded by nearly USD 1.2 trillion in 2024, reaching USD 33 trillion, a result of a 9% YoY rise in services trade and a 2% YoY increase in goods trade.

According to the OECD, governments in rich countries are set to issue a record USD 17 trillion in bonds in CY25 as the higher cost of refinancing existing debts continues to push their interest bills higher. The rise in issuance comes as many central banks continue to sell bonds they acquired after the global financial crisis, when they struggled to raise inflation to their targets, rather than contain it.

**Key Domestic events:**

According to rating agency India Ratings, the gap between credit and deposit growth in the banking system is expected to decline sharply to 80 bps in FY26 from an average of 386 bps over the FY22-Q3FY25 period. This would be against the backdrop of sharp moderation in incremental loan deposit ratio of the Indian banking system to 85% in February 2025 from 117-118% in February 2024.

As per data from industry body SIAM, domestic passenger vehicle dispatches from factories to company dealers rose 1.9% YoY to 3,77,689 units in February 2025 amid slowing demand. The total passenger vehicle wholesales stood at 3,70,786 units in February 2024.

According to the India Cellular & Electronics Association, mobile phone exports from India crossed a whopping Rs 1.75 trillion (USD 21 bn) in the first 11 months of FY25, 54% YoY higher. The figure is also higher than the projection of USD 20 bn by the Minister for Electronics and Information Technology.

The OECD has revised India's economic growth forecast downwards for FY26 to 6.4% from 6.9% projected in its December 2024 outlook, amid rising global uncertainty. For FY25, OECD has pegged the growth at 6.3%. For FY27, the OECD has lowered the growth estimate to 6.6%, from the earlier 6.8%.

As per data from the Ministry of Commerce and Industry, India's merchandise trade deficit for March 2025 was USD 14.05 bn, compared with economists' forecast of USD 21.65 bn. Merchandise exports stood at USD 36.91 bn in February 2025 against USD 36.43 bn in January 2025, while imports were lower at USD 50.96 bn compared with USD 59.42 bn over the same period.

As per data from the Income-Tax Department, net direct tax collections rose by a robust 13.13% YoY to Rs 21.3 trillion as of March 16 of FY25, boosted by a jump in advance tax collections. Non-corporate tax surged 17.5% YoY to Rs 11.01 trillion. Corporate tax grew at a slower pace of 7.1% YoY to Rs 9.69 trillion.

As per data from the Ministry of Commerce and Industry, India's wholesale price index (WPI)-based inflation in February 2025 rose to 2.38% YoY, primarily due to an increase in fuel and power prices along with higher costs in the manufacturing sector. This is higher than the WPI rate in January which stood at 2.31% YoY.

As per RBI data, the net FDI in India declined to USD 1.4 bn during April-January FY25 from USD 11.5 bn a year ago, owing to higher repatriation and outward FDI from India. However, gross FDI remained elevated, with a 12.4% YoY growth to USD 67.7 bn for the same period from USD 60.2 bn a year ago.

As per RBI data, outward remittances the RBI's Liberalised Remittance Scheme (LRS) in the April-January period of FY24 dropped 8.64% YoY to USD 25.05 bn from USD 27.42 bn in the same period of FY23, dragged down by declines across major segments.

In its March Global Economic Outlook report, Fitch Ratings kept India's GDP growth forecast for FY26 unchanged at 6.5% YoY and revised upwards its FY27 growth projection by 10 bps to 6.3%. It noted that while more aggressive-than-expected US trade policies pose a risk to its forecast, India is somewhat insulated due to its low reliance on external demand.

According to Crisil Ratings, India's FMCG sector is expected to witness a mild revenue rebound of 100 to 200 bps to 6-8% YoY in FY26 on the back of a gradual recovery in urban and steady rural demand. In FY25, the sector is expected to have a modest 5-6% YoY revenue growth as volume rises 4-6% YoY.

As per EPFO data, monthly fresh formal hirings under the Employees' Provident Fund (EPF) declined for the second straight month, signalling further deterioration in the formal labour markets. In January 2025, the number of new subscribers decreased by nearly 3% MoM to 823,000 from 846,734 in December 2024.

According to S&P Global Ratings, India's limited exposure to US tariffs mitigates direct risks, but potential trade redirection could affect its steel and chemicals sectors. India's exports to the US constitute 2.3% of its GDP.

**Equity Round up:** S&P BSE Sensex opened at 73830. It made a weekly high of 77042 and a low of 73796 before closing 3077 points higher at 76906.

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

**International Events**

1. US S&P Global Composite PMI Flash for Mar'25 on 24 Mar'25
2. HCOB Eurozone Composite PMI Flash Mar'25 on 24 Mar'25

**Domestic Events**

1. Forex Reserves for week ended 21 March 2025 on 28 March 2025
2. HSBC Composite PMI Flash for Mar'25 on 24 Mar'25

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	76,906	4.17
Nifty 50	23,350	4.26
BSE 100	24,440	4.77
BSE 200	10,559	5.04
BSE Midcap	41,832	7.09
BSE Smallcap	47,297	7.87
BSE FMCG	19,276	2.42
BSE HC	42,123	7.19
BSE IT	36,139	2.10
BSE Auto	48,850	5.63
BSE BANKEX	58,173	5.17
BSE CG	61,902	7.18
BSE CD	55,329	4.60
BSE Oil & Gas	25,096	6.10

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.64%	(-) 4 bps
Interbank Call	6.36%	9 bps
INR/USD	85.98	-1.18%
Gold (Rs/10gm)	88,169	1.53%

# Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 20 Mar '25

World Indices	Closing	% Change WoW
Dow Jones*	41,953	1.46
Nasdaq*	17,692	0.24
FTSE	8,674	1.31
DAX	22,861	0.81
Hang Seng	23,690	0.97
Nikkei	37,677	2.41
Bovespa*	1,32,005	6.57
Indonesia Jakarta	6,258	-5.86

\* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	599.9	608.4	-8.5
DIIs	375.4	335.0	40.3

Data for FPI from 17 Mar 2025 to 20 Mar 2025. Data for DII from 07 Mar 2025 to 13 Mar 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,350	23,382	32

\*March 2025 Expiry

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