

28 March 2025

**Key International events:**

According to S&P Global, the **flash estimate for the US Composite Purchasing Managers' Index (PMI) rose to a three-month high of 53.5 in March 2025**. The figure stood at 51.6 in February 2025. However, expectations for the year ahead fell, a sign of increasing worry among companies on the broader economic outlook.

According to the US Commerce Department, **new home sales in the US jumped by 1.8% YoY to 676,000 in February 2025 after plunging by 6.9% YoY to a revised rate of 664,000 in January 2025**. Economists had expected it to surge by 3.5% YoY to 680,000 from the 657,000 originally reported for the previous month.

According to the US Energy Information Administration, **crude oil inventories in the US tumbled by 3.3 mn barrels in the week ended March 21, 2025, after climbing by 1.7 mn barrels in the previous week**. At 433.6 mn barrels, US crude oil inventories are about 5% below the five-year average for this time of year.

According to the US Commerce Department, **new orders for US manufactured durable goods climbed by 0.9% MoM in February 2025 after spiking by an upwardly revised 3.3% MoM in January 2025**. Economists had expected new orders to slump by 1.0% MoM.

According to revised data released by the US Commerce Department, **US Gross Domestic Product surged by 2.4% YoY in Q4 CY24 compared to the previously reported 2.3% YoY jump**. Economists had expected the pace of GDP growth to be unrevised.

According to a report released by the US Conference Board, **its consumer confidence index tumbled to 92.9 in March 2025 from an upwardly revised 100.1 in February 2025**. Economists had expected the consumer confidence index to slump to 94.2 from the 98.3 originally reported for the previous month.

The US Labor Department released a report showing that **initial jobless claims in US slipped to 224,000, in the week ended March 22nd, 2025, a decrease of 1,000 from the previous week's revised level of 225,000**. Economists had expected jobless claims to inch up to 225,000.

As per data from the ECB, the Euro area current account surplus declined as the surplus on services trade weakened. **The current account surplus fell to EUR 35 bn in January 2025 from EUR 38 bn in December 2024**. The decline was largely driven by the fall in surplus on services trade to EUR 12 bn from EUR 18 bn.

As per data from S&P Global, the Eurozone private sector expanded for the third straight month as manufacturing production increased for the first time in two years, joining services in growth territory. **The HCOB flash composite output index ticked up to 50.4 in March 2025 from 50.2 in February 2025**.

As per data from the European Automobile Manufacturers' Association (ACEA), **Europe's new car registrations declined for the second straight month in February due to sharp reductions in Germany and Italy**. New car sales were down 3.4% YoY in February 2025, after a 2.6% YoY drop in January 2025.

**Key Domestic events:**

As per RBI data, **banking credit in the economy grew by 11.1% YoY in the fortnight ended March 7, 2025, while deposits grew at 10.2% YoY during the same period, which is a gap of around 90 bps**. Outstanding deposits stood at Rs 181.28 trillion, while outstanding credit reached Rs 225.10 trillion.

As per RBI data, **India's forex reserves increased to USD 654.27 bn in the week ending March 14, 2025, up by USD 0.31 bn**. In the previous week, India's forex reserves had surged to USD 653.97 bn, up by USD 15.26 bn. Foreign currency assets (FCAs) were down by USD 96 mn to USD 557.19 bn.

According to government data, dividend payout by public sector banks (PSBs) have risen, indicating significant improvement in financial health of these lenders. **PSBs declared a dividend of Rs 278.30 bn to shareholders in FY24 as against Rs 209.64 bn in FY23, registering an increase of 32.7% YoY**.

According to the Ministry of Commerce and Industry, **the government has disbursed Rs 140.20 bn under Production-Linked Incentive (PLI) schemes for ten sectors since the launch of the support measure in 2021 to boost domestic manufacturing**. In 2021, the government announced Production-Linked Incentive (PLI) schemes for 14 sectors with an outlay of Rs 1.97 trillion.

As per data compiled by S&P Global, private sector output in India increased at a slower pace amid a quicker expansion in manufacturing activity and a softer increase in services activity. **The HSBC flash Purchasing Managers' Index (PMI) fell to 58.6 in March 2025 from the final reading of 58.8 in February 2025**. The index has been above the neutral 50-mark for the 44th consecutive month.

According to domestic rating agency ICRA, **private capital expenditure's share in the overall investments in the economy dipped to a decadal low of 33% in FY24**. Listed corporates increased their capex spending by 12% in FY24, but the unlisted entities experienced a contraction, dragging overall private capex growth.

According to the Engineering Export Promotion Council (EEPC) India, **India's engineering goods exports declined from USD 9.94 bn in February 2024 to USD 9.08 bn in February 2025, down 8.62% YoY**, dragged down by iron, steel, aluminium and copper. This marked the first drop in monthly shipment of engineering goods since April 2024, ending a nine-month growth streak.

According to the 'DHL Trade Atlas 2025' report, **India is estimated to contribute 6% to global trade growth over the next five years**. The report, analyzing trade patterns for nearly 200 countries and territories worldwide, states that India's share in global trade expansion will follow that of China (12%), and the US (10%).

**S&P Global revised downwards its India growth forecast for FY26 by 20 bps to 6.5% YoY from its earlier estimate of 6.7% YoY**, while maintaining that the country's services-led exports to the US will remain resilient despite the impending reciprocal tariffs. The update assumes the upcoming monsoon season will be normal and that commodity prices, especially crude oil, will remain soft.

**The Minister of State for Finance told the Rajya Sabha that the government has garnered Rs 4.37 trillion since FY15 as disinvestment proceeds through various modes and instruments**. Of this, Rs 3.30 trillion has been realised through minority stake sales in state-run firms and Rs 694 bn from strategic sales of CPSEs.

As per data from the International Monetary Fund (IMF), **India's GDP has doubled in size over the last ten years. The data highlighted that the country's GDP at current prices was USD 2.1 trillion in CY15 and is expected to reach USD 4.27 trillion by the end of CY25, marking a 100% increase in ten years**.

According to a CareEdge Ratings, **states' debt is projected to reach Rs 94.4 trillion by March 2025, accounting for 32.7% of Gross State Domestic Product (GSDP)**. The debt is expected to rise further to Rs 103.6 trillion by FY26 due to capital expenditure and a growing revenue deficit.

According to TransUnion CIBIL, retail credit growth moderated further in Q3 FY25, mainly among new-to-credit (NTC) consumers for consumption-led credit products like credit cards, personal loans, and consumer durable loans. **Loan originations dropped 21% YoY for NTC consumers compared to a decline of 2% YoY for consumers with existing credit**.

According to the National Pharmaceutical Pricing Authority (NPPA), **manufacturers may increase prices of scheduled drugs included in the National List of Essential Medicines (NLEM) by 1.74% on basis of changes in the Wholesale Price Index (WPI)**. Manufacturers will be allowed to increase the MRP of scheduled formulations without needing any prior approval from the government.

As per a Reuters poll of economists, **the Reserve Bank of India will cut interest rates at a second straight meeting on April 9, 2025 with just one more cut expected in August 2025**, which would mark the shortest easing cycle on record.

As per RBI, **credit to industry expanded by 7.3% YoY in the fortnight ended on February 21, 2025, compared with 8.4% YoY**. Among major industries, outstanding credit to 'petroleum, coal products and nuclear fuels', 'all engineering', 'construction', and 'paper & paper products' recorded an accelerated growth.

According to a report by Flipkart and Bain and Company, **India's e-retail market is expected to scale to USD 170-190 bn by 2030, its growth engines accelerating to over 18% YoY**. In 2024, the Indian e-retail market has surged to approximately USD 60 bn in gross merchandise value.

Latest data from property consulting firm Anarock shows that **Q1 CY25 saw sales drop of 28% YoY across the top seven cities in India**. Approximately 93,280 units were sold in Q1 CY25 in the top 7 cities, in sharp contrast to all-time high sales of over 1.30 lakh units in Q1 CY24.

**Equity Round up:** S&P BSE Sensex opened at 77456. It made a weekly high of 78742 and a low of 77083 before closing 509 points higher at 77415.

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

1. S&P Global US Manufacturing PMI for Mar'25 on 1 Apr'25
2. HCOB Eurozone Manufacturing PMI for Mar'25 on 1 Apr'25
3. Eurozone CPI Flash for Mar'25 on 1 Apr'25
4. China Caixin Manufacturing for Mar'25 on 1 Apr'25

**Domestic Events**

1. Forex Reserves for week ended 28 March 2025 on 4 April 2025
2. Current Account Deficit for Q4 FY25 on 31 Mar'25

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	77,415	0.66
Nifty 50	23,519	0.72
BSE 100	24,578	0.56
BSE 200	10,604	0.43
BSE Midcap	41,531	-0.72
BSE Smallcap	46,638	-1.39
BSE FMCG	19,447	0.89
BSE HC	41,422	-1.66
BSE IT	36,123	-0.04
BSE Auto	47,704	-2.35
BSE BANKEX	59,542	2.35
BSE CG	62,724	1.33
BSE CD	54,382	-1.71
BSE Oil & Gas	25,134	0.15

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.60%	(-) 4 bps
Interbank Call	6.16%	(-) 20 bps
INR/USD	85.47	-0.59%
Gold (Rs/10gm)	89,164	1.13%

# Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 27 Mar '25

World Indices	Closing	% Change WoW
Dow Jones*	42,300	0.83
Nasdaq*	17,804	0.64
FTSE	8,670	-0.05
DAX	22,515	-1.51
Hang Seng	23,427	-1.11
Nikkei	37,120	-1.48
Bovespa*	1,33,149	0.87
Indonesia Jakarta	6,511	4.03

\* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	1272.5	995.0	277.5
DIIIs	395.7	503.5	-107.8

Data for FPI from 21 Mar 2025 to 27 Mar 2025. Data for DII from 21 Mar 2025 to 26 Mar 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,519	23,643	124

\*April 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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