

Key International events:

As per data from the US Commerce Department, the **personal consumption expenditures (PCE) price index rose by 0.3% MoM in January 2025, matching the increase seen in December 2025 as well as economist estimates.** The growth slowed to 2.5% YoY in January 2025 from 2.6% YoY in December 2025.

According to the US Institute for Supply Management, the **US manufacturing PMI slipped to 50.3 in February 2025 after rising to 50.9 in January 2025.** Economists had expected the index to dip to 50.5. The new orders index slumped to 48.6 in February 2025 from 55.1 in January 2025.

According to the US Institute for Supply Management, its **services PMI inched up to 53.5 in February 2025 from 52.8 in January 2025.** Economists had expected it to edge down to 52.6. The increase partly reflected faster growth by new orders, as the new orders index rose to 52.2 in February 2025 from 51.3 in January 2025.

As per data from the US Commerce Department, the **US trade deficit widened by more than expected, reflecting a spike by the value of imports. The trade deficit surged to a record high of USD 131.4 bn in January 2025 from a revised USD 98.1 bn in December 2024.** Economists had expected it to jump to USD 123.0 bn.

The ECB cut its key interest rates for the fifth policy session in a row and signaled a pause in the easing cycle as policy is now deemed less restrictive. **The ECB Governing Council cut the deposit rate by 25 bps to 2.50%, which is the lowest level since February 2023. The main refinancing rate was also lowered to 2.65% and the lending rate to 2.90%, respectively.**

As per data from Eurostat, the **Euro area producer price inflation accelerated to 1.8% YoY in January 2024 from 0.1% YoY in December 2024,** reflecting higher energy prices. The rate was seen at 1.4% YoY. Excluding energy, producer prices advanced 1.3% YoY in January 2025, after a 1.0% YoY gain in December 2024.

As per flash data from Eurostat, **Eurozone inflation eased slightly as the harmonized index of consumer prices logged a growth of 2.4% YoY in February 2025 after rising 2.5% YoY in January 2025.** The rate was expected to ease to 2.3% YoY. Likewise, core inflation slowed marginally to 2.6 YoY from 2.7% YoY in the previous month. This was also slightly above forecast of 2.5% YoY.

According to S&P Global, **Eurozone manufacturing sector remained in contraction as the HCOB manufacturing PMI rose to a 24-month high of 47.6 in February 2025 from 46.6 in January 2025.** The flash reading was 47.3.

China's Commerce Ministry China announced retaliatory tariffs on US goods, imposing up to 15% on key farm products starting March 10, 2025. It added 15 US entities to an export control list and added 10 US firms to a list of unreliable entities.

According to S&P Global, China's service sector grew at a faster pace on a moderate growth in new business. **The services Purchasing Managers' Index rose unexpectedly to 51.4 in February 2025 from 51.0 in January 2025.** The reading was forecast to fall to 50.8.

Key Domestic events:

According to data shared by MoSPI, **India's real GDP growth for Q3 FY25 was 6.2% YoY.** The rise comes after GDP growth fell to a seven-quarter low of 5.4% YoY in Q2 FY25. As a result, the government has revised its full-year real GDP growth projection for FY25 to 6.5% YoY from 6.4% YoY.

As per data from the Controller General of Accounts (CGA), **the Centre's fiscal deficit touched 74.5% of the annual target at the end of January 2025.** In actual terms, the fiscal deficit was Rs 11,695.42 bn during the April-January FY25 period. The deficit was 63.6% of Revised Estimates (RE) of FY24.

According to official data, **the output of eight key infrastructure sectors rose by 4.6% YoY in January 2025 against a 4.2% YoY expansion in January 2024.** The key infrastructure sectors' output had expanded by 4.8% YoY in December 2024. The eight core sectors contribute 40.27% to the Index of Industrial Production (IIP).

As per the official data, **gross GST collections rose by 9.1% YoY to about Rs 1.84 trillion in February 2025,** boosted by domestic consumption and indicating potential economic revival. On a gross basis, mop up from CGST stood at Rs 352 bn, SGST at Rs 437 bn, IGST at Rs 908.70 bn and compensation cess of Rs 138.68 bn.

As per RBI data, **Indian banks' loan growth moderated for a seventh straight month due to a drop in personal and credit card loans following tighter rules by the RBI.** Banks' credit increased by 12.5% YoY in January 2025, slower than the 16.1% YoY rise in January 2024. The loan growth rate had slowed to 12.4% YoY in December 2024.

As per data from S&P Global, **India's Manufacturing PMI fell to 56.3 in February 2025 from 57.7 in January 2025, marking the slowest expansion since December 2023.** The decline was driven by weaker growth in output and sales, along with a slowdown in input purchasing to a 14-month low.

According to DPIIT data, **FDI in India dipped by 5.6% YoY to USD 10.9 bn in Q3 FY25 due to global economic uncertainties.** FDI inflows during Q3 FY24 stood at USD 11.55 bn. In the Q2 FY25, the inflows were up by about 43% YoY to USD 13.6 bn and had increased 47.8% YoY to USD 16.17 bn in Q1 FY25.

Households demanding work under the MGNREGA scheme remained higher than the last year for the fourth straight month in February. **Around 21.8 mn households have sought work under the scheme in February 2025, nearly 3% YoY higher.** Since November 2024, demand for work has been higher on an annual basis.

According to Reuters, India's finished steel imports from China, South Korea and Japan hit a record high during April-January FY25. **Imports of finished steel from South Korea stood at 2.4 mn metric tons, up 11.7% YoY, China at 2.3 mn metric tons, up 3.4% YoY, and Japan at 1.8 mn metric tons, up 88.6% YoY.**

As per data compiled from the World Bank Worldwide Bureaucracy Indicators, **India spends 5.5% of its GDP on wages of workers in the public sector, as against 9.5% in the US and 9.8% globally.**

As per data compiled by S&P Global, **India's services sector witnessed a strong rebound, with the HSBC India Services PMI rising to 59.0 in February 2025, up from 56.5 in January 2025, which had been its lowest reading in over two years.** The surge in new business orders, both domestically and internationally, drove higher output and a notable rise in employment.

According to India Ratings, after declining to a three-year low in FY24, the private sector investment is expected to fall further in FY25. **The investments in the private sector are likely to plummet to below 11% of the GDP in FY25,** based on the trends from the latest national accounts data and company fillings. In FY24, the private sector investments stood at 11.2% of GDP.

According to Crisil Intelligence, **India's real GDP growth is projected to remain steady at 6.5% in FY26,** despite ongoing uncertainties due to geopolitical shifts and the trade-related tensions stemming from US tariff actions. Key drivers of growth include cooling food inflation, tax benefits announced in the Union Budget for FY26, and lower borrowing costs, which are expected to fuel discretionary consumption.

According to ratings agency Crisil, **India Inc's revenue growth is set to accelerate to up to 8% YoY in FY26, from the 6% YoY estimated in FY25.** This will be on the back of higher volumes and not price hikes.

As per data from the GSTN portal, **the growth in e-way bills generated by businesses for transporting goods within and across states, slowed down to 14.7% YoY in February 2025 from 23.1% YoY growth in January 2025.** Sequentially, the number of e-way bills dipped in February 2025 to 111.6 mn, after rising for three consecutive months to touch a record 118.1 mn in January 2025.

As per data from FADA, **automobile retail sales across categories, including passenger vehicles and two-wheelers, witnessed a drop of 7% YoY in February 2025 amid declining demand.** Overall retail sales in the domestic market stood at 18,99,196 units compared to 20,46,328 units in February 2024.

Equity Round up: S&P BSE Sensex opened at 73428. It made a weekly high of 74586 and a low of 72634 before closing 1134 points higher at 74333.

Events to watch out for the next week:

International Events

1. US NFIB Business Optimism Index for Feb'25 on 11th March 2025
2. US CPI for Feb'25 on 12th March 2025

Domestic Events

1. Forex Reserves for week ended 7 March 2025 on 14 March 2025
2. Industrial Production for Jan'25 on 12th March 2025
3. CPI for Feb'25 on 12th March 2025
4. Passenger Vehicles Sales for Feb'25 on 12th March 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	74,333	1.55
Nifty 50	22,553	1.93
BSE 100	23,526	2.38
BSE 200	10,154	2.56
BSE Midcap	39,888	3.36
BSE Smallcap	45,607	5.86
BSE FMCG	18,837	2.47
BSE HC	39,557	3.52
BSE IT	37,197	1.41
BSE Auto	47,096	2.69
BSE BANKEX	55,501	1.18
BSE CG	58,912	6.64
BSE CD	53,975	1.91
BSE Oil & Gas	23,834	5.58

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.68%	(-) 3 bps
Interbank Call	6.21%	(-) 10 bps
INR/USD	86.88	-0.72%
Gold (Rs/10gm)	86,059	2.38%

Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 06 Mar '25

World Indices	Closing	% Change WoW
Dow Jones*	42,579	-1.53
Nasdaq*	18,069	-2.56
FTSE	8,641	-1.62
DAX	23,027	2.42
Hang Seng	24,231	5.62
Nikkei	36,887	-0.72
Bovespa*	1,23,358	-1.16
Indonesia Jakarta	6,636	5.83

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	907.8	1155.3	-247.5
DIIs	301.9	199.8	102.1

Data for FPI from 28 Feb 2025 to 06 Mar 2025. Data for DII from 21 Feb 2025 to 25 Feb 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	22,553	22,639	87

*March 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.