Weekly AAG

aag at a glance

18 July 2025

Key International events:

As per the US Labor Department, **the consumer price index of US rose by 0.3% MoM in June 2025 after inching up by 0.1% MoM in May 2025.** It was in line with economist estimates in the month of June 2025.

The Fed said that **industrial production of US climbed by 0.3% MoM in June 2025, while it was unchanged in May 2025.** Economists had expected industrial production to inch up by 0.1% MoM.

The US Labor Department said that **its producer price index for final demand was unchanged in June 2025 after rising by an upwardly revised 0.3% MoM in May 2025.** Economists had expected producer prices to rise by 0.2% MoM.

The EIA said that **US crude oil inventories slid by 3.9 mn barrels in the week ended July 11th, 2025 after jumping by 7.1 mn barrels in the previous week**. Economists had expected crude oil inventories to dip by 1.8 mn barrels.

The Philly Fed said that **its diffusion index for current general activity of US surged to a positive 15.9 in July 2025 from a negative 4.0 in June 2025,** with a positive reading indicating growth. Economists had expected the index to rise to a negative 1.0.

Eurostat reported that **the Eurozone trade surplus surged to EUR 16.2 bn in May 2025 from EUR 11.1 bn in April 2025.** The surplus was seen at EUR 12 bn in May 2024, the surplus totaled EUR 12.7 bn.

As per Eurostat, **Industrial output of Eurozone grew at a faster-than-expected pace of 1.7% MoM on in May 2025, in contrast to the 2.2% MoM decrease in April 2025.** Economists had forecast a 0.6% MoM rise.

Data from the UK Office for National Statistics revealed that **Gross Domestic Product of UK fell unexpectedly by 0.1% YoY in May 2025, following a 0.3% YoY drop in April 2025.** The UK economy shrank for the second consecutive month in May 2025, adding challenges to Chancellor Rachel Reeves in achieving her self-imposed borrowing rules.

As per the China's National Bureau of Statistics**, China's GDP came in at 5.2% YoY in Q2 CY25 against expectations for 5.0% YoY after rising 5.4% YoY in Q2 CY24.**

The China's General Administration of Customs reported that **exports of China increased 5.8% YoY in June 205. This was stronger than the 4.8% YoY increase in May 2025 and economists' forecast of 5.0% YoY.**

Key Domestic events:

According to vessel tracking data from global commodity market analytics firm Kpler, India's import of crude oil from Russia rose to an 11-month high in June 2025 as refiners topped up tanks amid the Israel-Iran war. **India imported 2.08 mn barrels per day (bpd) of Russian crude in June 2025, the highest since July 2024.**

According to government data released, **net direct tax collection fell 1.34% YoY to about Rs 5.63 trillion till July 10, 2025 of FY26, mainly on account on higher refunds.** Net corporate tax collection stood around Rs 2 trillion, while non-corporate tax (which includes individuals, HUFs and firms) was at Rs 3.45 trillion. Securities transaction tax mop-up was Rs 178.74 bn between April 1 and July 10, 2025.

As per CMIE, **more than half of all new project announcements in Q1 FY26 came from the manufacturing sector. Manufacturing projects worth around Rs. 2.3 trillion were announced in the three-month period, accounting for 54% of total new projects.** This is the highest share in 10 quarters

A recent Kantar report revealed that **in FY25, unbranded products recorded 8.4% YoY volume growth in cities, compared to just 2.3% YoY in rural India.** Urban households, influenced by inflationary pressures and a growing trend of online product discovery, are leaning more towards unbranded goods.

As per the Ministry of Statistics & Programme Implementation, **India's retail inflation, measured by the Consumer Price Index (CPI), eased to 2.1% YoY in June 2025, down from 2.82% YoY in May 2025.** It is the lowest inflation after January, 2019. CPI-based inflation for June 2025 remained below the RBI medium-term target of 4% YoY, continuing the recent trend of subdued price pressures.

According to the data released by the Commerce and Industry ministry, **Wholesale Price Index (WPI) inflation dipped to -0.13% YoY in June 2025, from 0.39% YoY in May 2025, marking the first negative reading since the beginning of 2025.** The drop was largely driven by deflationary trends in food articles, fuel and power, and basic metals.

As per Niti Aayog's third edition of its 'Trade Watch Quarterly' report, India is expected to gain competitiveness in 22 of the top 30 product categories (at the HS 2 level) under the current US tariff regime. **These categories account for 61% (representing a market size of USD 49.3 bn) of India's exports to the US and 68% (USD 2,285.2 bn) of total US imports.**

An ET analysis has showed that India has run a merchandise trade deficit with five of the seven trade partners including two blocs it has Free Trade Agreements (FTAs) with, ever since the pacts came into force. **These trade partners collectively accounted for nearly 37% of India's total trade deficit in FY25.**

Industry body Solvent Extractors Association (SEA), **India's vegetable oil imports remained flat at 1.54 mn tonnes in June 2025 compared to June 2024, even as shipments of crude edible oils surged more than 25% YoY.**

As per RBI governor, India's central bank expects inflation for the full year to be below 3.7% YoY. Governor also stated that the monetary policy committee will look at the inflation outlook, and not just current data, while deciding further rate moves.

According to data released by the government, **India's trade deficit stood at USD 18.78 bn in June 2025. The gap comes amid stagnant year-on-year export growth and a decline in imports.** Merchandise exports in June 2025 were recorded at USD 35.14 bn, nearly flat from USD 35.16 bn in June 2024. On the import side, the country saw a 3.71% YoY decline, totalling to USD 53.92 bn.

According to a report by real estate analytics firm PropEquity, **Tier 2 cities such as Indore, Nagpur and Surat have outpaced big cities as realtors launched nearly 470,000 residential plots**, with an estimated launch value of approximately Rs 2.44 trillion, across the top 10 tier 1 and tier 2 cities between 2022 and May 2025.

As per the monthly periodic labour force survey (PLFS) data, **the unemployment rate among youth in the 15-29 age group rose for the second month in a row to 15.3% in June 2025 from 15% in May 2025.**

According to a statement from the Society of Indian Automobile Manufacturers (Siam), **automakers delivered 312,849 units to dealerships in June 2025, marking a 7.4% YoY decline compared to 337,757 units.**

As per Fitch Ratings, **the RBI's aggressive liquidity injections in FY26 are likely to ensure the effective transmission of the entire 100 bps of policy rate cuts announced so far in 2025.** Fitch also said that the RBI's actions represent a clear policy shift aimed at supporting loan growth while avoiding a spike in funding costs.

As per CRISIL, **India's CPI inflation is to average 4% YoY in FY26, down from 4.6% YoY in FY25. The agency said that food inflation is expected to be softer given the forecasts of above-normal monsoon by the Indian Meteorological Department (IMD).** Non-food inflation is expected to be subdued on the back of lower commodity prices.

As per RBI, **India's outward Foreign Direct Investment (FDI) in June 2025 grew to USD 5.03 bn, up from USD 2.9 bn in the same month last year.** Sequentially, it nearly doubled from USD 2.7 bn in May 2024.

Ratings firm CRISIL said that **India's goods exports are likely to face some headwinds in FY26, as reciprocal tariffs imposed by the US are seen to aggravate the matter.** With the tariff hikes expected to come into effect from August, 2025, India and the US are negotiating on a bilateral trade agreement and a key monitorable.

Equity Round up: S&P BSE Sensex opened at 82538. It made a weekly high of 82785 and a low of 81608 before closing 743 points lower at 81758.

Events to watch out for the next week:

International Events

1. US Leading Index for Jun'25 on 21 July 2025
2. S&P Global US Composite PMI for Jul'25 on 24 July 2025
3. Eurozone Consumer Confidence for Jul'25 on 23 July 2025
4. HCOB Eurozone Composite PMI for Jul'25 on 24 July 2025
5. ECB Main Refinancing Rate data on 24 July 2025
6. China 1 & 5-Year Loan Prime Rate on 21 July 2025

Domestic Events

1. Forex Reserves for week ended 18 July 2025 on 25 July 2025
2. Eight Infrastructure Industries data for Jun'25 on 21 July 2025
3. HSBC India PMI Composite for Jul'25 on 24 July 2025
4. HSBC India PMI Manufacturing for Jul'25 on 24 July 2025
5. HSBC India PMI Services for Jul'25 on 24 July 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	81,758	-0.90
Nifty 50	24,968	-0.72
BSE 100	26,224	-0.49
BSE 200	11,384	-0.31
BSE Midcap	46,776	1.05
BSE Smallcap	55,285	1.47
BSE FMCG	20,835	1.28
BSE HC	45,129	1.80
BSE IT	36,554	-1.28
BSE Auto	53,476	1.74
BSE BANKEX	62,742	-1.35
BSE CG	70,201	-1.08
BSE CD	59,792	0.51
BSE Oil & Gas	27,895	0.33

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.36%	(-) 2 bps
Interbank Call	5.35%	(-) 1 bps
INR/USD	86.16	0.42%
Gold (Rs/10gm)	98,243	0.75%

 # Taken during market hours , 10 Year G-Sec (6.79% 2034) and Interbank Call as on 17 July '25

World Indices	Closing	% Change WoW
Dow Jones*	44,484	-0.37
Nasdaq*	20,886	1.24
FTSE	8,972	0.39
DAX	24,331	0.27
Hang Seng	24,826	2.84
Nikkei	39,819	0.63
Bovespa*	1,35,565	-0.86
Indonesia Jakarta	7,312	3.75

** Dow Jones, Nasdaq and Bovespa as on Thursday*

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	683.3	776.9	-93.6
DIIs	435.7	365.7	69.9

Data for FPI from 11 July 2025 to 17 July 2025. Data for DII from 11 July 2025 to 16 July 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,968	25,027	58

**July 2025 Expiry*

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