

Key International events:

According to a report released by the US Conference Board, **consumer confidence in the US saw a modest improvement as Consumer Confidence Index which rose to 97.2 in July 2025 after falling to a revised 95.2 in June 2025.** Economists had expected the Consumer Confidence Index to increase to 95.8 from the 93.0 originally reported for the previous month.

The US Federal Reserve announced its widely expected decision to leave interest rates unchanged for the fifth consecutive meeting. In support of its dual goals of maximum employment and inflation at the rate of 2% YoY over the longer run, the Fed said it has decided to maintain the target range for the federal funds rate at 4.25-4.50%.

According to the US Commerce Department, **the US Real Gross Domestic Product (GDP) surged by an annualized 3.0% QoQ in Q2 CY25 after falling by an annualized 0.5% QoQ in Q1 CY25.** Economists had expected GDP to jump by 2.5% QoQ. The rebound by real GDP primarily reflected a sharp pullback by imports, which are a subtraction in the calculation of GDP.

According to data from the US Commerce Department, **consumer prices in the US increased in line with economist estimates as the US Personal Consumption Expenditures (PCE) price index rose by 0.3% MoM in June 2025,** after inching up by an upwardly revised 0.2% MoM in May 2025.

According to data from Eurostat, **the Euro area unemployment rate remained stable in June 2025 with the jobless rate coming in at seasonally adjusted 6.2%, the same rate as seen in May 2025 and down from 6.4% in June 2024,** despite slowing economic growth and challenging global trade situations.

As per a preliminary flash estimate from Eurostat, **the Euro area GDP growth softened to 1.4% YoY in Q2 CY25 from 1.5% YoY in Q1 CY25.** Nonetheless, the growth rate was better than the forecast of 1.2% YoY.

According to data from the European Central Bank, the Euro area households' inflation expectations for the short-term eased in June 2025 while the medium to longer term forecasts for price growth were unchanged. **Median expectations for inflation over the next 12 months decreased by 20 bps to 2.6% YoY.**

According to the European Automobile Manufacturers' Association (ACEA), **the trade agreement with the US eases "the intense uncertainty surrounding transatlantic trade relations in recent months"**. But it noted that the 15% US tariffs imposed on EU goods including cars "will continue to have a negative impact not just for industry in the EU but also in the US".

The Bank of Japan maintained the uncollateralized overnight call rate at around 0.5% but lifted its inflation outlook for CY25 to 2.7% YoY from the earlier estimate of 2.2% YoY, due to rising food prices, which had added expectations of a rate hike as soon as in October 2025.

According to China's National Bureau of Statistics, **profits at China's industrial firms fell 4.3% YoY in June 2025, following a decline of 9.1% YoY in May 2025.** China's industrial profits continued to fall as entrenched producer deflation put more margin pressure on businesses in the face of subdued domestic demand and lingering global trade uncertainty.

Key Domestic events:

According to RBI Governor, Sanjay Malhotra, **with data showing a steep decline in price rise in June 2025, the outlook on inflation and growth will determine future rate cuts, making it clear that the current data will not influence the trajectory.** He also stated that the RBI's rate cuts will not lead to asset bubbles and added that the central bank has more ammunition in its arsenal beyond rate cuts to help the economy.

As per AMFI data, **AUM in debt mutual fund schemes is closing in on the Rs 20 trillion mark after growing more than 20% YoY, buoyed up by renewed inflows and mark-to-market (MTM) gains.** Debt fund AUM grew at the same pace as equity funds over this one year.

According to RBI Monetary Policy Committee (MPC) member, Nagesh Kumar, **the Indian economy is growing at a robust pace and will not face any challenge in achieving a growth rate upwards of 6.5% YoY in FY26.** As the Indian economy is more driven by domestic consumption and domestic investment, less by export or trade, he said it continues to grow very robustly.

According to National Statistical Office (NSO) data, **India's Industrial Production (IIP) growth eased to a ten-month low of 1.5% YoY in June 2025, slightly better than 1.2% YoY (Quick Estimate) in the month of May 2025,** primarily on the back of a sharp contraction in mining and electricity output. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of June 2025 stood at 8.7% YoY, 3.9% YoY and -2.6% YoY respectively.

According to the RBI's composite Reserve Bank of India - Digital Payments Index (RBI-DPI), **Digital Payments across the country registered a 10.7% YoY rise as on March 2025.** The index for March 2025 stands at 493.22 as against 465.33 for September 2024 and 445.5 for March 2024.

According to the World Bank, **India would need an investment of USD 2.4 trillion by 2050 to meet the urban infrastructure requirement of an estimated population of 951 mn in its cities by then,** with a critical role to be played by the private sector. It estimates the requirement to be USD 10.9 trillion by 2070, when the urban population is projected to be 1.1 bn.

The International Monetary Fund (IMF) has **revised upwards its outlook for India's Gross Domestic Product (GDP) growth for FY26 by 20 bps to 6.4% YoY,** citing a more benign external environment than assumed in its earlier forecast in April 2025.

According to a report by rating agency CRISIL, **India's 18 largest states, accounting for over 90% of the country's Gross State Domestic Product (GSDP), are likely to record a marginal uptick in revenue growth of 7-9% YoY in FY26,** compared to the 6.6% YoY growth seen in FY25.

US President Donald Trump announced a 25% tariff on exports from India starting August 1, 2025 along with an unspecified penalty to be imposed for India's defence and energy procurements from Russia. This may have a significant adverse impact on India's shipments to its largest market that accounts for about a fifth of its exports.

According to Worldpanel by Numerator (formerly Kantar Worldpanel), **in Q1 FY26, urban demand in volume grew at 4% YoY, slower than in Q4 FY25 where it grew at 4.4% YoY. Rural demand grew 3.2% YoY,** which was higher than the demand seen in Q4 FY25 at 2.7% YoY.

According to Counterpoint, **the Indian smartphone market saw an 8% YoY rise in volume and 18% YoY growth in wholesale value in Q2 CY25,** scripting a solid rebound after a muted Q1 CY25. The iPhone 16 was the most-shipped device in Q2 CY25.

According to CGA, **the Centre's Fiscal Deficit in Q1 FY26 rose to 17.9% of the annual target, compared with 8.4% in Q1 FY25, as the capital expenditure surged 52% YoY to Rs 2.75 trillion and revenue spending rose 20% YoY to Rs 9.47 trillion during the quarter.** Net tax revenues, however, dropped 2% YoY to Rs 5.40 trillion, although non-tax revenues jumped 33% YoY to Rs 3.73 trillion aided by a record Rs 2.69 trillion dividend transfer by RBI.

The Union Cabinet increased the budgetary outlay for the **flagship scheme Pradhan Mantri Kisan Sampada Yojana (PMKSY) by Rs 19.20 bn to Rs 65.20 bn to boost the food processing sector.**

As per ICRA, **a USD 10 per barrel increase in crude oil prices would increase India's oil import bill by about USD 13-14 bn. India imported crude worth USD 137 bn in FY25.**

According to RBI data, **the sharp moderation in loan offtake in farming plus allied activities and services sector dragged the pace of banks' non-food credit down to 10.2% YoY in the fortnight ended June 27, 2025 from 13.8% YoY growth reported during the same period a year ago.**

Equity Round up: S&P BSE Sensex opened at 81300. It made a weekly high of 81803 and a low of 80496 before closing 863 points lower at 80600.

Events to watch out for the next week:

International Events

1. US Trade Balance for Jun'25 on 5 August 2025
2. S&P Global US Composite PMI for Jul'25 on 5 August 2025
3. HCOB Eurozone Composite PMI for Jul'25 on 5 August 2025
4. Caxin China PMI Composite for Jul'25 on 5 August 2025
5. China Trade Balance for Jul'25 on 7 August 2025

Domestic Events

1. Forex Reserves for week ended 1 August 2025 on 8 August 2025
2. HSBC India PMI Composite for Jul'25 on 5 August 2025
3. HSBC India PMI Services for Jul'25 on 5 August 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	80,600	-1.06
Nifty 50	24,565	-1.09
BSE 100	25,731	-1.16
BSE 200	11,137	-1.29
BSE Midcap	45,155	-1.79
BSE Smallcap	52,575	-2.47
BSE FMCG	20,657	2.41
BSE HC	44,266	-2.37
BSE IT	34,179	-2.63
BSE Auto	52,357	-1.58
BSE BANKEX	61,806	-1.96
BSE CG	67,850	-1.86
BSE CD	59,183	-0.64
BSE Oil & Gas	26,284	-2.75

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.33% 2035)	6.37%	4 bps
Interbank Call	5.49%	(-) 6 bps
INR/USD	87.55	1.19%
Gold (Rs/10gm)	98,253	-0.14%

Taken during market hours, 10 Year G-Sec (6.33% 2035) and Interbank Call as on 31 July '25

World Indices	Closing	% Change WoW
Dow Jones*	44,131	-1.26
Nasdaq*	21,122	0.31
FTSE	9,080	-0.63
DAX	23,623	-2.77
Hang Seng	24,508	-3.47
Nikkei	40,800	-1.58
Bovespa*	1,33,071	-0.55
Indonesia Jakarta	7,538	-0.08

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	650.4	824.3	-173.9
DIIIs	454.5	315.1	139.3

Data for FPI from 25 July 2025 to 31 July 2025. Data for DII from 25 July 2025 to 30 July 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,565	24,618	53

*August 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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