

Key International events:

As per the US Federal Reserve, **industrial production in the US edged down by 0.1% MoM in July 2025 after climbing by an upwardly revised 0.4% MoM in June 2025.** Economists had expected industrial production to come in unchanged compared to the 0.3% MoM increase originally reported for the previous month.

S&P Global maintained its 'AA+' credit rating for the US as the increase in revenue from higher tariffs is expected to offset weaker fiscal outcomes. The outlook on the ratings remained stable. However, it observed that the ratings are constrained by high net general government debt and deficits. Net general government debt, which was at 94% of GDP in 2024, is likely to surpass 100% of GDP in 2028.

The Conference Board said that **US leading economic index slipped by 0.1% MoM in July 2025 after falling by 0.3% MoM in June 2025.** The modest decrease matched economist estimates.

According to the US National Association of Home Builders, **the NAHB/Wells Fargo Housing Market Index edged down to 32 in August 2025 after inching up to 33 in July 2025.** Economists had expected the index to come in unchanged.

According to Eurostat data, **the Euro area Gross Domestic Product (GDP) grew 0.1% QoQ during Q2 CY25, after rising 0.6% QoQ in Q1 CY25.** The figures matched the estimate released on July 30, 2025. Economic growth slowed to 1.4% YoY during Q2 CY25, in line with estimates, from 1.5% YoY in Q1 CY25.

According to Eurostat data, **the Euro area trade surplus contracted by EUR 13.7 bn and came in at EUR 7.0 bn in June 2025 compared to the surplus of EUR 20.7 bn in June 2024.** Overall exports grew only 0.4% YoY in June 2025 after rising by 0.9% YoY in May 2025 while imports rebounded 6.8% YoY from a fall of 0.7% YoY in May 2025.

As per data from the European Central Bank, **the Euro area Current Account Surplus rose to one-year high in June 2025 to EUR 36 bn from EUR 32 bn in May 2025.** The surplus on goods trade fell to EUR 23 bn in June 2025 from EUR 33 bn in May 2025, while the surplus on services increased to EUR 16 bn in June 2025 from EUR 14 bn in May 2025.

As per final data from Eurostat, **Eurozone inflation remained unchanged in July 2025, and in line with the European Central Bank's 2% target, as the Harmonized Index of Consumer Prices rose 2.0% YoY in July 2025,** the same rate of increase as seen in June 2025. Core inflation that excludes prices of energy, food, alcohol and tobacco also remained stable at 2.3% YoY in July 2025.

The monthly survey by the European Commission revealed that the flash consumer confidence index for Eurozone dropped to -15.5 in August 2025 from -14.7 in July 2025. The reading was the lowest since April when the score was -16.6. Economists had expected the index to fall modestly to -14.9.

The People's Bank of China left its one-year loan prime rate unchanged at 3.0%. Similarly, the five-year LPR, the benchmark for mortgage rates, was retained at 3.50%, as Beijing focus more on fiscal policy easing and targeted measures.

Key Domestic events:

S&P Global Ratings raised India's long-term sovereign credit rating by one notch to "BBB" from the lowest investment grade of "BBB"-, with a stable outlook. This is India's first sovereign upgrade by S&P in 18 years. S&P cited India's economic resilience, sustained fiscal consolidation, and improved quality of public spending. The move places India in the same rating category as countries like Mexico, Indonesia, and Greece.

As per quick estimates released by the Ministry of Commerce and Industry, **India's merchandise trade deficit widened to an eight-month high of USD 27.35 bn as imports picked up 8.6% YoY after two months of decline to hit a three-month high of USD 64.6 bn.** Goods exports too, rebounded in July 2025 after two months of contraction, with outbound shipments rising 7.3% YoY to USD 37.24 bn.

According to RBI data, **India's foreign exchange reserves rose USD 4.7 bn to USD 693.62 bn in the week ended August 8, 2025.** Foreign Currency Assets (FCA) increased by USD 2.3 bn, gold reserves increased by USD 2.1 bn and Special Drawing Rights (SDRs) were up USD 169 mn during the week.

As per data from the Ministry of Commerce and Industry, **India's wholesale prices moved deeper into deflation, driven by a decline in food and fuel prices, as the Wholesale Price Index (WPI) fell 0.6% YoY in July 2025,** staying in the negative zone for the second straight month, compared with a 0.1% YoY fall in June 2025.

As per RBI data, **the Real Effective Exchange Rate (REER) of the Rupee continued to ease, dropping to 100.36 in June 2025 from 101.12 in May 2025,** indicating that the rupee has weakened in value relative to a basket of trading partner currencies. The REER measures the Rupee's value vis-à-vis not only the Dollar, but other global currencies as well.

According to NSO data, **India's unemployment rate in Q1 FY26 stood at 5.4%,** showed the first ever quarterly Periodic Labour Force Survey (PLFS). Headline unemployment rate for people aged 15 years and above in Current Weekly Status (CWS) terms for rural areas stood at 4.8%, while the rate for the urban areas was recorded at 6.8% during the quarter. **Unemployment rate dropped to 5.2% in July 2025 from 5.6% in June 2025.**

According to the latest CAG report, the Central Government's Debt-to-Gross Domestic Product (GDP) ratio eased between FY22 and FY24 but its interest payments increased during this period. **The Centre's interest outgo, as percentage of its revenue receipts, increased to 35.72% in FY24 from 35.35% in FY23 and 33.99% in FY22.**

As per RBI's annual survey of foreign assets and liabilities of mutual funds, **Indian mutual funds' overseas assets dropped 5.6% YoY to USD 8.3 bn in FY25.** At the end of FY24, Indian mutual funds held assets of over USD 8.81 bn in foreign assets.

According to ICRA, **the Indian economy is expected to grow at 6.7% YoY in Q1 FY26, higher than 6.5% YoY growth registered in Q1 FY25,** on the back of higher government capex and exports. This projection outpaces the RBI's Monetary Policy Committee's (MPC's) forecast of 6.5% YoY growth in Q1 FY26.

As per Global rating agency Fitch, **Indian companies in sectors such as pharmaceuticals may be hit by further US tariff announcements, while cautioning about the rising risk of second-order effects from existing tariffs to India Inc.**

As per data released by the Ministry of Commerce and Industry, **output growth in India's eight core infrastructure industries fell to a two-month low of 2% YoY in July 2025 due to a dip in the production of coal, crude oil, natural gas, and refinery products,** which recorded a decline in output. During April-July 2025, growth stood at 1.6% YoY against 6.3% last year. In July 2024, the Index of Core Industries (ICI) had risen 6.3% YoY.

As per CareEdge Rating data, **Commercial Banks in India reported 26% YoY growth in slippages at Rs 630 bn during Q1 FY26, up from Rs 570 bn in Q4 FY25,** predominantly due to stress in microfinance and unsecured retail portfolios of select lenders.

According to a Deloitte-FICCI report, **the Indian retail sector is projected to nearly double to USD 1.93 trillion by 2030 from USD 1.06 trillion in 2024, growing at a Compound Annual Growth Rate (CAGR) of 10%.** Evolving Free Trade Agreements (FTAs) and tariff realignments are further enhancing India's export competitiveness.

Flash survey results from S&P Global showed that **the HSBC flash composite output index rose to 65.2 in August 2025 from 61.1 in July 2025.** India's private sector activity expanded at the fastest pace on record amid sharp growth in new orders.

As per a report from the Singapore-based research agency Canalys, **India has overtaken China in the smartphone exports race to send its products to the United States. The share of smartphones manufactured in India in US imports climbed to 44% during April-June 2025, a sharp rise from 13% in the same quarter of 2024.** At the same time, China's share dropped from 61% to 25% in the same period.

Equity Round up: S&P BSE Sensex opened at 81316. It made a weekly high of 82231 and a low of 81202 before closing 709 points higher at 81307.

Events to watch out for the next week:

International Events

1. US GDP for Q2 CY25 on 28 August 2025
2. US Core PCE Price Index for Jul'25 on 29 August 2025
3. US Conference Board Consumer Confidence for Aug'25 on 26 August 2025
4. ECB 1- & 3-Year CPI Expectations for Jul'25 on 25 August 2025
5. Eurozone Economic Confidence for Aug'25 on 28 August 2025
6. China Industrial Profits for Jul'25 on 27 August 2025

Domestic Events

1. Forex Reserves for week ended 22 August 2025 on 29 August 2025
2. Industrial Production for Jul'25 on 28 August 2025
3. GVA for Q1 FY26 on 29 August 2025
4. Fiscal Deficit for Jul'25 on 29 August 2025
5. Bank Credit for Jul'25 on 29 August 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	81,307	0.88
Nifty 50	24,870	0.97
BSE 100	26,085	1.13
BSE 200	11,287	1.22
BSE Midcap	45,890	2.03
BSE Smallcap	53,002	2.34
BSE FMCG	20,522	1.89
BSE HC	44,808	0.80
BSE IT	34,769	1.73
BSE Auto	56,670	5.07
BSE BANKEX	61,475	-0.24
BSE CG	67,151	0.58
BSE CD	60,673	2.73
BSE Oil & Gas	26,226	0.78

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.33% 2035)	6.53%	5 bps
Interbank Call	5.52%	6 bps
INR/USD	87.53	-0.03%
Gold (Rs/10gm)	99,358	-0.66%

Taken during market hours, 10 Year G-Sec (6.33% 2035) and Interbank Call as on 21 August '25

World Indices	Closing	% Change WoW
Dow Jones*	44,786	-0.30
Nasdaq*	21,100	-2.82
FTSE	9,319	1.76
DAX	24,329	0.19
Hang Seng	25,339	-0.71
Nikkei	42,633	-0.04
Bovespa*	1,34,511	-1.59
Indonesia Jakarta	7,859	-0.91

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	604.2	602.7	1.4
DIIs	341.3	260.9	80.5

Data for FPI from 18 August 2025 to 21 August 2025. Data for DII from 18 August 2025 to 20 August 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,870	24,890	20

*August 2025 Expiry

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