

Key International events:

As per the US Labor Department, initial jobless claims in US edged down to 217,000 in the week ended July 19th, 2025, a decrease of 4,000 from the previous week's unrevised level of 221,000. Economists had expected jobless claims to rise to 227,000.

US President Donald Trump announced that there will be a baseline tariff starting at 15% and going up to 50% on all imports. The announcement comes just days before the revised rates are set to take effect on August 1, 2025 and marks a shift from Trump's earlier stance. At the beginning of July 2025, the administration had proposed tariffs between 10% and 15% on imports from over 150 countries.

As per Matt Blunt, president of the American Automotive Policy Council, US automakers are concerned about President Donald Trump's agreement to tariff Japanese vehicles at 15%, saying that they will face steeper import taxes on steel, aluminum and parts than their competitors.

US President Donald Trump has announced the trade deal with Japan. Under the agreement, Japan will invest USD 550 bn in the US and pay a 15% reciprocal tariff on its exports. Trump claimed that the US will receive 90% of the profits, while Japan will open its market to American vehicles and agricultural goods.

The US Conference Board said that leading economic index of US declined by 0.3% MoM in June 2025 following a revised unchanged reading in May 2025. Economists had expected the leading economic index to slip by 0.2% MoM.

The University of Michigan said that US consumer sentiment index climbed to 61.8 in July 2025 after surging to 60.7 in June 2025. Economists had expected the index to rise to 61.5.

The Governing Council, led by ECB President Christine Lagarde, kept the deposit rate unchanged at 2.00%. The refinancing rate was retained at 2.15% and the marginal lending rate at 2.40%. The decision was in line with expectations, as policymakers assessed that price pressures continue to ease, but acknowledged that the economic environment remains highly uncertain mainly due to the trade tariff wars.

The European Central Bank reported that Eurozone current account balance showed a surplus of EUR 32.3 bn in May 2025 compared to a surplus of EUR 18.6 bn in April 2025. The Euro area current account surplus increased sharply in May 2025 largely due to the rise in services surplus.

Survey data from S&P Global showed that the S&P Global consumer sentiment index of UK rose slightly to 45.1 in July 2025 from 45.0 in June 2025.

The PBOC maintained its interest rates unchanged as the economy faces subdued domestic demand amid challenging global economic conditions. The bank retained its one-year Loan Prime Rate (LPR) at 3.0%. Similarly, the five-year LPR, the benchmark for mortgage rates, was kept unchanged at 3.50%.

As per S&P Global, the Japan Manufacturing Purchasing Managers' Index (PMI) dropped to 48.8 in July 2025 from June 2025 final reading of 50.1, which was the first time the index declined below the 50 threshold separating expansion from contraction in 13 months.

Key Domestic events:

As per a Commerce Ministry Official, the India-UK Free Trade Agreement eliminates the 18% duty on engineering goods, boosting export competitiveness. This move is projected to nearly double engineering exports to the UK, potentially exceeding USD 7.5 bn by FY30.

According to Reserve Bank of India (RBI) data, net inflows of foreign resources via External Commercial Borrowings (ECBs) grew 158% YoY to USD 4.4 bn in April-May 2025 from USD 1.7 bn in the year-ago period. However, ECB registrations declined 31.32% YoY to USD 5.7 bn during April-May 2025 from USD 8.3 bn in the same period of 2024.

According to S&P Global, business activity in India accelerated in July 2025, driven by manufacturing, with the headline HSBC Flash India Composite PMI Output Index rising to 60.7 in July 2023 from 58.4 in June 2025.

The Asian Development Bank (ADB) has revised downwards India's GDP growth forecast for FY26 to 6.5% YoY from the earlier 6.7% YoY in its July 2025 forecast, primarily due to the effects of US tariff policies. ADB also said that India would still continue to be one of the fastest growing major economies in the world.

As per RBI's Monthly Bulletin, despite global uncertainties, India's economic activity remained stable in June-July 2025, supported by a promising agricultural season, robust services, and moderate industrial growth. CPI inflation stayed below 4% YoY for the fifth month due to food price deflation. Aided by sufficient forex reserves, the external sector showed resilience, with system liquidity remaining in surplus.

As per RBI's Monthly Bulletin, India's net Foreign Direct Investment (FDI) plummeted 98% YoY to USD 35 mn in May 2025, driven by increased repatriation and decreased gross inflows. While gross inflows experienced an 11% YoY decline to USD 7.2 bn, repatriation surged by 24% to USD 5 bn. Despite this FDI dip, India's foreign exchange reserves remain robust at USD 696.7 bn.

As per media report, July 2025 is shaping up to be the busiest month for Initial Public Offerings (IPOs) in CY25, with nearly a dozen companies raising over Rs 100 bn. The last time IPO activity was higher was in December 2024, when 15 firms raised a total of Rs 254.39 bn.

As per the World Bank, India would need an estimated investment of USD 2.4 trillion by 2050 and USD 10.9 trillion by 2070 to meet the urban infrastructure requirements of an estimated 951 mn urban population by 2050, with a critical role to be played by the private sector.

The Reserve Bank of India's Financial Inclusion Index (FI-Index) saw a 4.3% YoY increase, reaching 67 in March 2025 from 64.2 in March 2024. This growth reflects improvements across all sub-indices, including access, usage, and quality. The enhanced FI-Index is attributed to greater usage and quality dimensions, indicating deeper financial inclusion and effective financial literacy efforts.

According to data released by the Ministry of Commerce and Industry, India's core infrastructure sector grew to a three-month high of 1.7% YoY in June 2025, up from 1.2% YoY in May 2025. The decline was driven by negative output in five sectors like coal, crude oil, natural gas, fertilisers, and electricity.

As per labour ministry statement, EPFO added all-time high 20.06 lakh net members in May 2025, which includes 9.42 lakh new employees. This is 4.79% MoM higher and 2.84% higher on YoY basis. The May 2025 figure marks the highest recorded addition since payroll data tracking began in April 2018.

According to Commerce Ministry data, in Q1 FY26 India's electronic exports increased by 47% YoY to USD 12.41 bn. The United States (US), the United Arab Emirates (UAE), and China have emerged as the top three export destinations for India's electronics sector during the period.

According to industry body SIAM, automobile exports from India rose 22% YoY in Q1 FY26 driven by record shipment of passenger vehicles and robust growth in segments like two-wheelers and commercial vehicles.

As per PIB, in June 2025, UPI had handled over Rs 24.03 trillion in payments. This was spread across 18.39 bn transactions. There were 13.88 bn transactions which is an increase of about 32% YoY. India has emerged as the global leader in fast payments.

Equity Round up: S&P BSE Sensex opened at 81918.53. It made a weekly high of 82786.43 and a low of 81397.69 before closing 294.64 points lower at 81463.09.

Events to watch out for the next week:

International Events

1. US GDP for Q2 CY25 on 30 July 2025
2. US FOMC Rate Decision on 30 July 2025
3. US Unemployment Rate for Jul'25 on 1 August 2025
4. Eurozone GDP for Q2 CY25 on 30 July 2025
5. Eurozone CPI for Jul'25 on 1 August 2025
6. China Composite PMI for Jul'25 on 31 July 2025

Domestic Events

1. Forex Reserves for week ended 25 July 2025 on 1 August 2025
2. Fiscal Deficit for Jun'25 on 31 July 2025
3. HSBC India Manufacturing PMI for Jul'25 on 1 August 2025

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	81,463	-0.36
Nifty 50	24,837	-0.53
BSE 100	26,032	-0.73
BSE 200	11,282	-0.89
BSE Midcap	45,978	-1.71
BSE Smallcap	53,906	-2.49
BSE FMCG	20,170	-3.19
BSE HC	45,339	0.47
BSE IT	35,101	-3.98
BSE Auto	53,195	-0.52
BSE BANKEX	63,043	0.48
BSE CG	69,136	-1.52
BSE CD	59,563	-0.38
BSE Oil & Gas	27,029	-3.11

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.33% 2035)	6.33%	2 bps
Interbank Call	5.54%	20 bps
INR/USD	86.52	0.42%
Gold (Rs/10gm)	98,388	0.15%

Taken during market hours , 10 Year G-Sec (6.33% 2035) and Interbank Call as on 24 July '25

World Indices	Closing	% Change WoW
Dow Jones*	44,694	0.47
Nasdaq*	21,058	0.83
FTSE	9,138	1.85
DAX	24,296	-0.14
Hang Seng	25,388	2.27
Nikkei	41,456	4.11
Bovespa*	1,33,808	-1.30
Indonesia Jakarta	7,544	3.17

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	794.3	804.1	-9.8
DIIs	481.2	326.1	155.1

Data for FPI from 18 July 2025 to 24 July 2025. Data for DII from 18 July 2025 to 23 July 2025.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,837	24,847	10

*July 2025 Expiry

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