



Weekly Market Update

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Key Domestic News

India's GDP Growth Projection for FY25 at 6.4%, Reflecting Sectoral Variations and Fiscal Challenges Ahead

- According to NSO's initial estimates India's GDP was projected to grow at 6.4% in FY25, marking a four-year low and a decline from 8.2% in FY24. Furthermore, real GVA was estimated to grow by 6.4% in FY25 compared to 7.2% in FY24, while nominal GVA was expected to expand at 9.3%, slightly higher than FY24's 8.5%.
- Agriculture growth was projected at 3.8%, with construction and financial services estimated at 8.6% and 7.3% respectively. Additionally, private consumption expenditure was expected to rise by 7.3% in FY25, while government expenditure rebounded to 4.1%, reflecting a challenging economic outlook for fiscal planning.

India's Economic Slowdown in FY25: Weak Demand and Stagnant Income

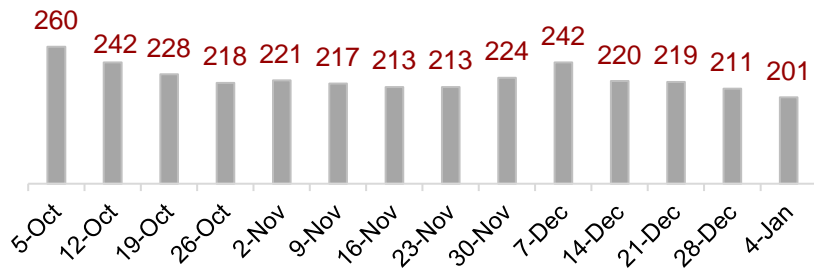
- According to media reports, India's economy faced subdued demand until Q3FY25, with growth slowing across key sectors and household income remaining stagnant, particularly in rural areas, while organized sector wages decelerated. Furthermore, consumption of loans weakened significantly, declining from 25% growth in FY24 to 15% in FY25, with rural and urban household income outlooks appearing bleak for FY26.
- While fiscal transfers might offer relief to middle- and lower-income groups, this spending could limit capital expenditure growth, though it may support rural consumption recovery.

India's FY25 Fiscal Deficit: Revised GDP Growth and Lower Capital Expenditure

- According to economists, India's FY25 fiscal deficit calculations is expected to be impacted as nominal GDP growth is revised to 9.6% from 10.5%, reducing estimates to INR 324.1 lakh Cr.
- The fiscal deficit ratio could rise to 4.98% of GDP from the targeted 4.94%, but higher tax collections and lower capital expenditures may bring it down to 4.65%. Additionally, capital expenditure declined 12.3% YoY in Apr'24-Nov'24, achieving 46.2% of the target due to elections and heavy rains.

Key International News

US Initial Jobless Claims Unemployment Filing
(in Thousands)



United States

- According to FOMC minutes from the Dec'24 meeting, almost all Fed officials judged that upside risks to inflation had increased due to stronger-than-expected inflation data and potential changes in trade and immigration policies. Moreover, participants projected inflation would gradually approach 2%, though they acknowledged this process might take longer than previously expected, with concerns about disinflation stalling. Furthermore, they signaled just two rate cuts in 2025, totaling 50bps, after a 25bps reduction in December to 4.25%-4.5%.
- Americans filing for unemployment benefits decreased to 201,000 for the week ended Jan 04, 2025.

Japan

- Japan's services PMI was revised lower to 50.9 in Dec'24, from 50.5 in Nov'24 and marking the second consecutive month of growth at the strongest pace since Sep'24. Moreover, new orders rose for the sixth straight month, reaching the highest growth rate since August, while employment increased for the 15th consecutive month, though modestly. Additionally, outstanding business expanded for the second month, surpassing the long-run average, despite a decline in export sales for the third month.

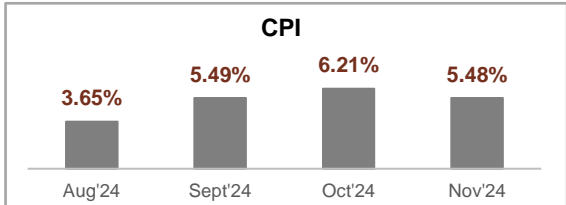
Euro Area

- Euro area's PPI increased 1.6% MoM in Nov'24, marking the largest increase since Sep'22, driven by a 5.4% rise in energy costs compared to 1.6% in the previous month. Furthermore, costs declined for intermediate goods by 0.1% and durable consumer goods by 0.2%, while prices for capital goods and non-durable consumer goods remained steady. Additionally, among major economies, producer prices rose sharply in France by 3.2%, Spain by 2.7%, and Italy by 1.8%, with a modest 0.6% increase in Germany.

China

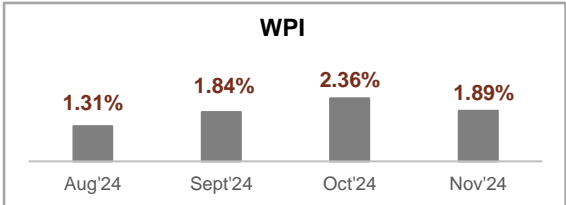
- China's services PMI for the services sector increased to 52.2 in Dec'24 from 51.5 in Nov'24, marking the fastest expansion since May'24, driven by stronger domestic demand despite declining new export business. Moreover, employment dropped for the first time in four months due to resignations and cost concerns, while input price inflation accelerated marginally after three months of slowdown. Additionally, selling prices rose for the first time since June as firms passed on cost burdens to clients. Furthermore, business sentiment weakened to its second-lowest level since March 2020, reflecting concerns over rising competition and international trade challenges.

Domestic Macroeconomic Indicators



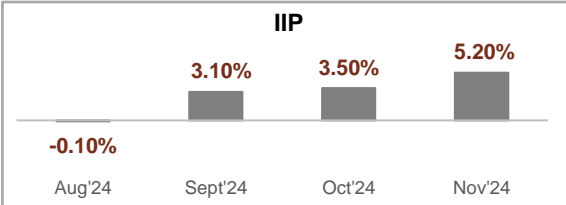
CPI decreased by 0.73% MoM

India's inflation rate fell to 5.48% YoY in Nov'24 from 6.21% in Oct'24, attributed to moderating vegetable prices as fresh production arrived, easing supply restrictions and stabilizing edible oil costs. Furthermore, food inflation fell to 9.04% in Nov'24 from 10.87% in Oct'24.



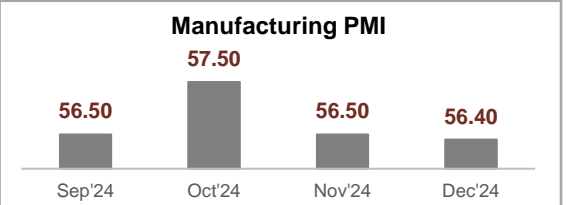
WPI reduced by 0.47% MoM

India's wholesale prices were decreased by 1.89% YoY in Nov'24. The decrease was driven by lower food prices, which eased to 8.92%, and fuel & power prices were reduced by 5.83%. While, manufacturing prices was increased by 2.00%.



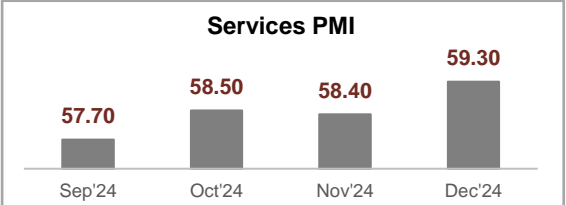
***IIP increased by 1.70% MoM**

India's IIP rose 4.1% for the Apr'24-Nov'24 period, driven by stronger performance across manufacturing, electricity generation, and mining sectors. Additionally, within manufacturing, growth was led by basic metals, electrical equipment, and consumer durables and infra goods.



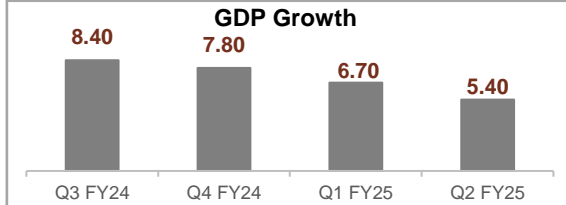
Manufacturing PMI decreased by 0.10% MoM

India's Manufacturing PMI declined to 56.4 in Dec'24, down from 56.5 in Nov'24 amid softer demand despite easing cost pressures and robust job growth. Furthermore, job creation surged to its fastest pace in four months, while manufacturers continued their purchasing and inventory accumulation, though at a moderate rate.



***Services PMI increased by 0.90% MoM**

India's services PMI increased to 59.3 in Dec'24 compared to 58.4 in Nov'24, marking the 41st consecutive month of expansion along with the fastest growth since Aug'24, supported by strong demand and the highest rise in new orders in four months. Furthermore, employment increased sharply, reaching one of the strongest levels since data collection began in Dec'05.

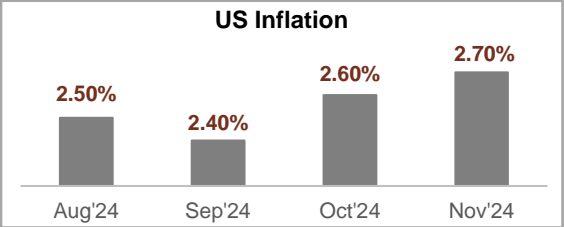


GDP growth decreased to 5.40% YoY

India's economic growth eased to 5.4% in Q2FY25, down from 6.7% in Q1FY25, due to weaker consumption, subdued government spending, and adverse weather conditions. Additionally slowdown, was impacted by muted urban demand, rising food inflation in Oct'24, and higher borrowing costs.

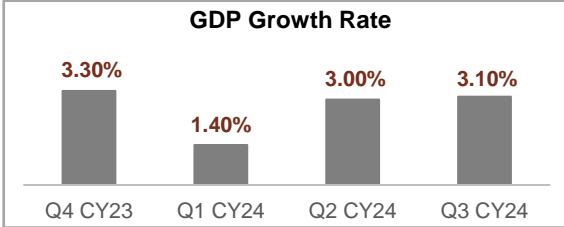
* There has been an update to the data in the last week.

Global Macroeconomic Indicators



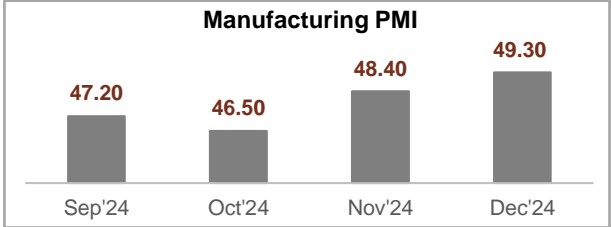
US Inflation increased by 0.10% MoM

U.S. inflation rate rose to 2.7% in Nov'24 from 2.6% in Oct'24, primarily due to low base effects from the previous year. Furthermore, slower declines in energy and new car prices, as well as an acceleration in food inflation to 2.4% from 2.1%, also contributed to the increase.



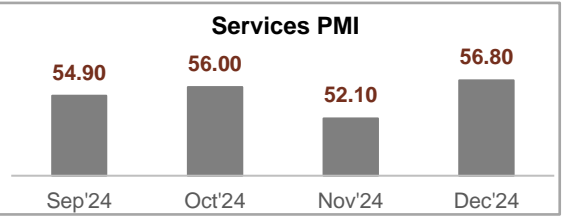
US GDP rate increased by 0.10% QoQ

US economy grew in Q3CY24 driven primarily by stronger consumer spending. Additionally, personal consumption expenditures, the proxy for consumer activity, increased 3.7% for the quarter, while federal government spending increased by 9.7%.



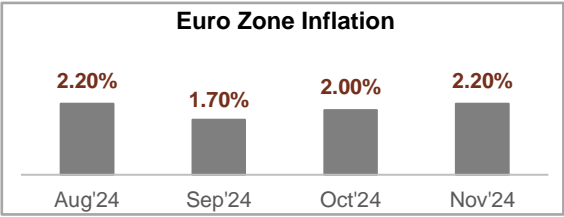
US Manufacturing PMI increased by 0.90% MoM

The US Manufacturing PMI rose to 49.3 in Dec'24 compared to 48.4 in Nov'24 and signaled the softest contraction in the sector since Mar'24. Furthermore, new orders rose at the highest rate in 11 months, signaling a potential bottoming of lower output despite the Fed's restrictive interest rates



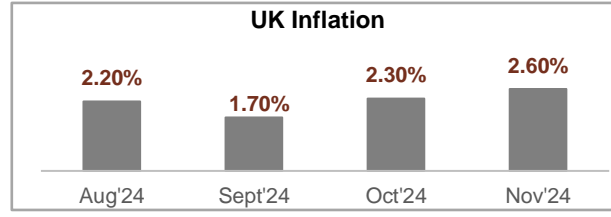
***US Services PMI increased by 4.70% MoM**

US services PMI increased to 56.8 in Dec'24, from 56.1 in Nov'24, marking the strongest growth in the sector since Mar'22. Furthermore, improved client demand and willingness to commit to new projects post-presidential election drove faster new business growth, including from abroad, while work backlogs accumulated



Eurozone Inflation increased by 0.20% MoM

Euro Area's Inflation increased to 2.2% in Nov'24, primarily due to base effect. Further, energy costs fell by 1.9% MoM and inflation to services fell to 3.9% while cost for non-energy industrial goods increased 0.7%.



UK Inflation increased by 0.30% MoM

UK's inflation rate reached an eight-month high, driven by higher price growth in recreation, housing, and food and non-alcoholic beverages. Core inflation rose to 3.5% YoY from 3.3% YoY, while core prices remained steady, showing stabilization despite ongoing inflationary pressures.

* There has been an update to the data in the last week.

RBI WSS Data (Data in INR Billion)

Scheduled Commercial Banks Business (SCBs)	Latest Data	% Change from	% Change from	% Change from
	13-Dec-24	29-Nov-24	15-Nov-24	15-Dec-23
Food Credit	523.07	2.05	15.83	23.08
Non-Food Credit	1,75,353.62	0.44	1.26	11.25
Bank Credit	1,75,876.69	0.45	1.30	11.28
Aggregate Deposits	2,20,677.18	0.23	0.98	11.50
Investments (SLR)	65,568.57	0.27	1.03	10.00
	13-Dec-24	29-Nov-24	15-Nov-24	15-Dec-23
Cash/ Deposit Ratio	4.86	-4.33	-3.95	-2.12
Credit/ Deposit Ratio	77.92	0.28	0.41	0.34
Investment/ Deposit Ratio	29.57	0.03	0.03	-0.77



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Government Securities

G-Sec Yields

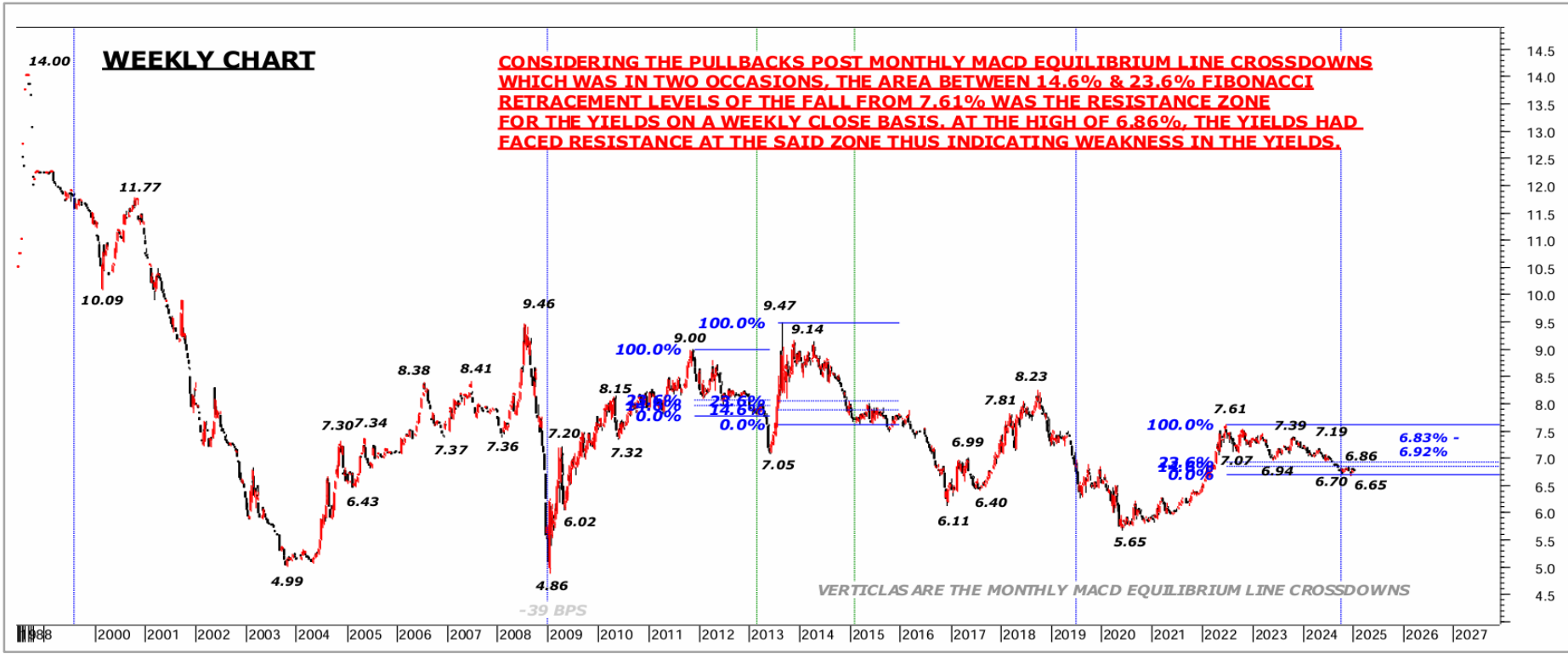
Security	Tenor	03 January 2025	27 December 2024
364 DTB	1	6.64	6.69
5.63% GS 2026	2	6.64	6.74
7.04% GS 2029	5	6.72	6.75
7.10% GS 2034	10	6.82	6.82
7.23% GS 2039	15	6.89	6.91
8.17% GS 2044	20	6.96	6.94
7.40% GS 2062	38	7.05	7.06
7.46% GS 2073	49	7.07	7.07

G-Sec Auction Results - Jan 10 2025

Security	Amount (INR Cr)	Cut-Off Yield	B/C
6.64% GS 2027	7,000	6.69%	0.25
7.34% GS 2064	15,000	7.06%	0.41
	22,000		

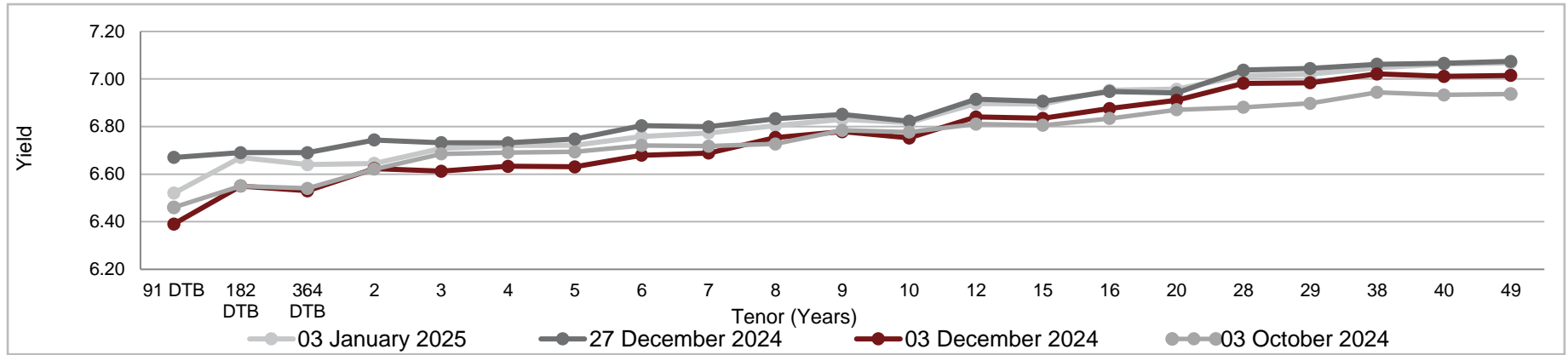
- For the week ended January 10, 2025, the new 10-year benchmark recorded a close at 6.77%, falling by 1 bp from the close of the previous week.
- The yields opened the week unchanged and traded downwards driven by an increase in India's Services PMI to 59.3 in Dec'24 from 58.4 in Nov'24, marking over three years of sustained expansion, fueled by robust global demand and heightened business confidence. Thereafter, the downtrend in yields was further accentuated following media reports that anticipated growth in the Indian economy to improve in Q3 FY25 driven by signs of recovery in business activity, supported by increased GST collections and improved government spending.
- During the mid-week, yields reversed their trajectory and traded upwards as the National Statistics Office released a subdued projection for India's GDP growth at 6.4% for FY25 from 8.2% in FY24, marking the slowest pace since FY21, amid weaker growth in gross fixed capital formation and inventories, alongside a significant slowdown in manufacturing growth. Additionally, a report from HSBC projected India's economic growth at 6.3% YoY for FY25, slightly below the official estimate of 6.4%, citing subdued capital expenditure and private investments.
- Towards the end of the week, up move in the yields was limited as India's Industrial production rose 5.2% YoY in Nov'24, from 3.5% YoY in Oct'24 as output increased at a faster pace in all of the sub-indices. Additionally, Manufacturing production in India rose 5.8% YoY in Nov'24 from 4.4% in Oct'24.
- The RBI conducted an auction of G-Sec for a notified amount of INR 22,000 Cr during the week ending January 10, 2025, with cut-off yields ranging around 6.69% - 7.06%.

Ten Year GOI Yields – 6.77% (January 10, 2025)

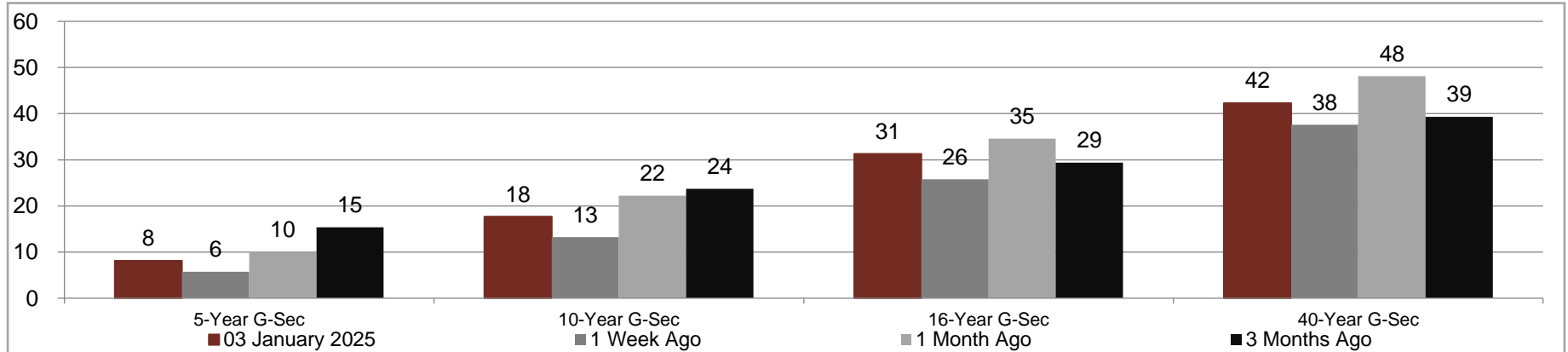


Support:- 6.24% Resistance: 6.94% and 7.07% (Quarterly Close basis)

Sovereign Yield Curve – January 03, 2025



Spread between 364 DTB and G-Sec



State Development Loans Auction Results – January 07, 2025

Auction Result: Jan 07, 2025

S No.	Rank	State	Amount to be Raised (INR Cr)	Tenure (Years)	Cut-Off Yield	Cut-Off Yield (Annualized)	Amount Raised (FY24) (INR Cr)	Amount Raised FYTD25 (INR Cr)
1	4*	Assam	500	10	7.15%	7.28%	18,400	11,550
2	18	Bihar	1000	10	7.15%	7.28%	47,612	34,000
			1000	15	7.15%	7.28%		
3	1	Gujarat	500	6	7.05%	7.17%	30,500	15,500
			500	7	7.06%	7.18%		
			1000	9	7.15%	7.28%		
4	6	Haryana	1000	13	7.15%	7.28%	47,500	29,000
5	3	Karnataka	2000	7	7.10%	7.23%	81,000	51,000
			2000	8	7.10%	7.23%		
6	2	Maharashtra	2000	13	7.11%	7.24%	1,10,000	71,000
			2000	18	7.14%	7.27%		
7	7	Tamil Nadu	2000	30	7.11%	7.24%	1,14,000	81,000
8	4	Telangana	1000	24	7.13%	7.26%	49,618	43,909
			1000	29	7.12%	7.25%		
			1000	30	7.11%	7.24%		
9	12	Uttar Pradesh	2000	Re-issue of 7.15% Uttar Pradesh SGS 2037, issued on January 01, 2025	7.14%	7.27%	97,650	26,000
10	1*	Uttarakhand	1000	7	7.13%	7.26%	5,500	4,400
Total			21,500		-	-	6,01,780	3,67,359

Note: Ranking of States as per the Darashaw State Finance Study 2022-23. *Special State Ranking as per Darashaw State Finance Study 2022-23.

State Development Loans Auction Notification – January 14, 2025

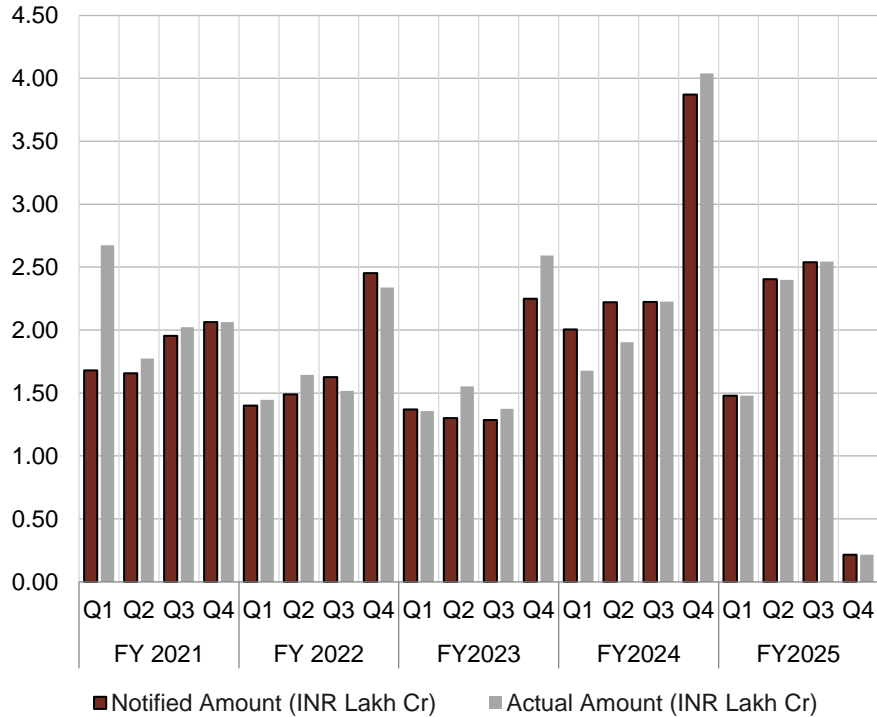
Notification: January 14, 2025

S No.	Rank	State	Tenure (Years)	Amount to be Raised (INR Cr)	Additional borrowing (INR Cr)	Notified Amount (FYTD) (INR Cr)	Actual Amount (FYTD) (INR Cr)	Actual amount raised compared to Notified (%)
1	18	Bihar	10	1000	-	28,000	34,000	82
			15	1000				
2	1	Gujarat	10	2000	-	13,500	15,500	115
3	6	Haryana	13	1000	-	26,000	29,000	112
4	3*	Jammu and Kashmir	22	300	-	11,350	12,070	106
5	3	Karnataka	11	2000	-	39,000	51,000	131
6	13	Kerala	19	2500	-	32,002	32,002	100
7	2	Maharashtra	16	2500	-	64,000	71,000	90
			19	2500				
8	7	Tamil Nadu	10	1000	-	73,000	81,000	111
9	9*	Mizoram	15	119	-	761	811	107
10	17	Punjab	12	2000	-	34,437	33,430	97
Total				17,919		3,22,050	3,59,813	1,051

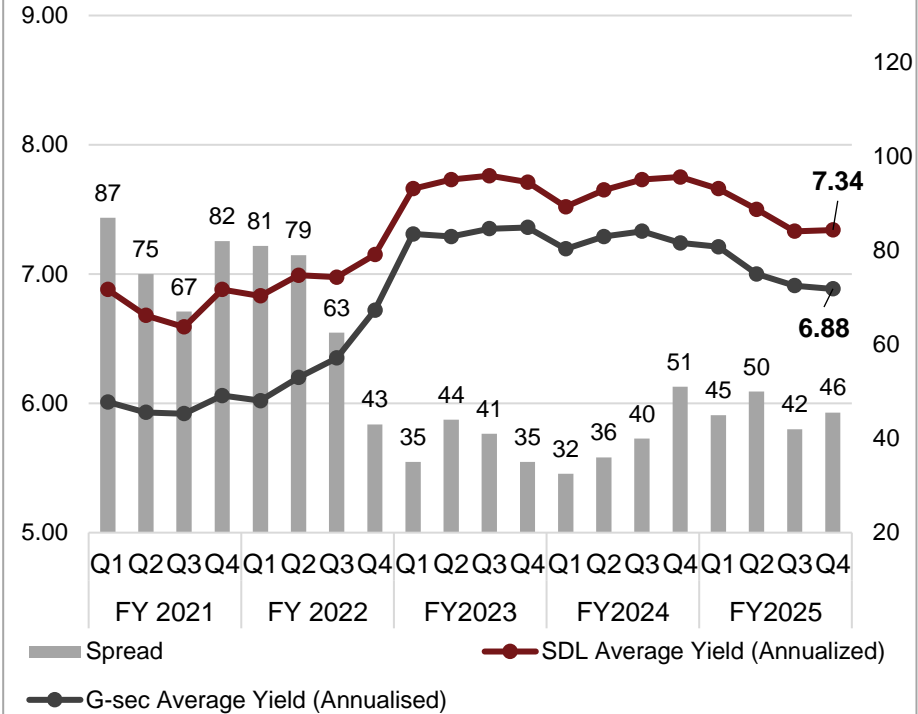
Note: Ranking of States as per the Darashaw State Finance Study 2022-23. *Special State Ranking as per Darashaw State Finance Study 2022-23.

SDL Auction- Notified vs Actual and Spread Analysis

Notified vs Actual

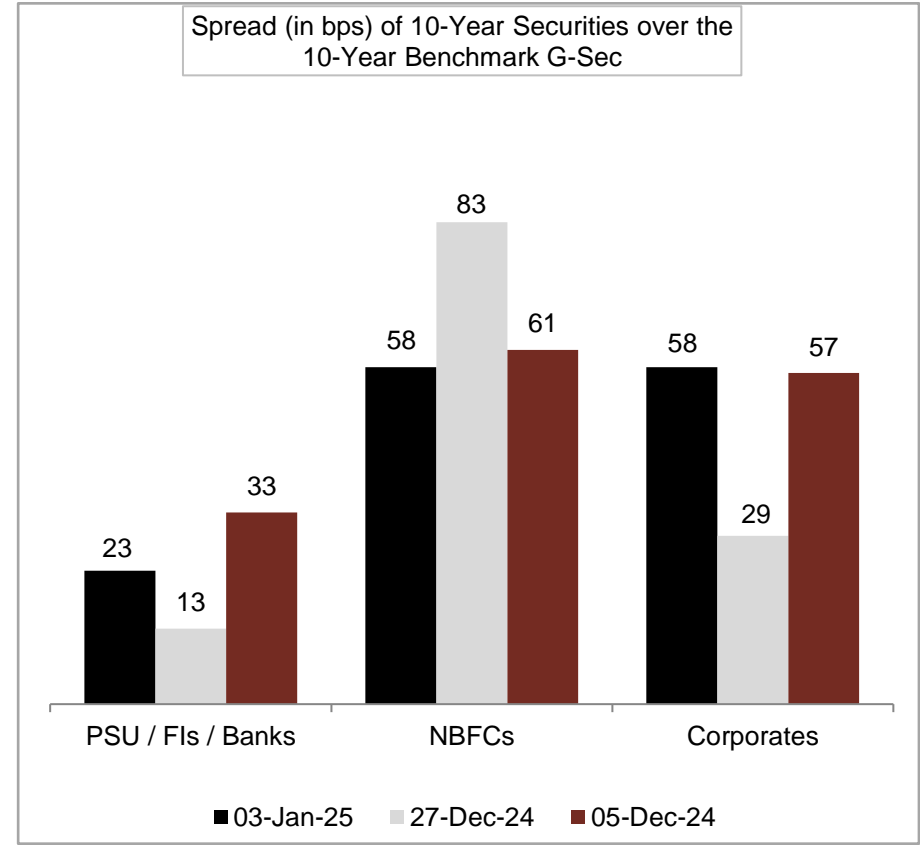
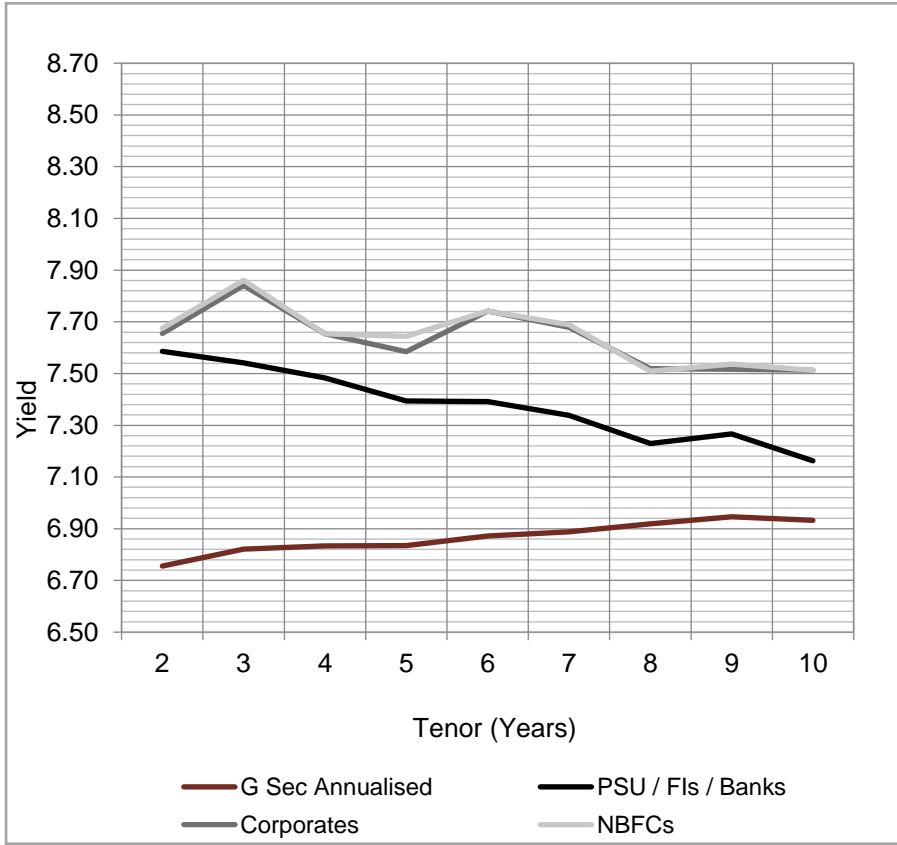


SDL Yield and G-sec Yield QoQ



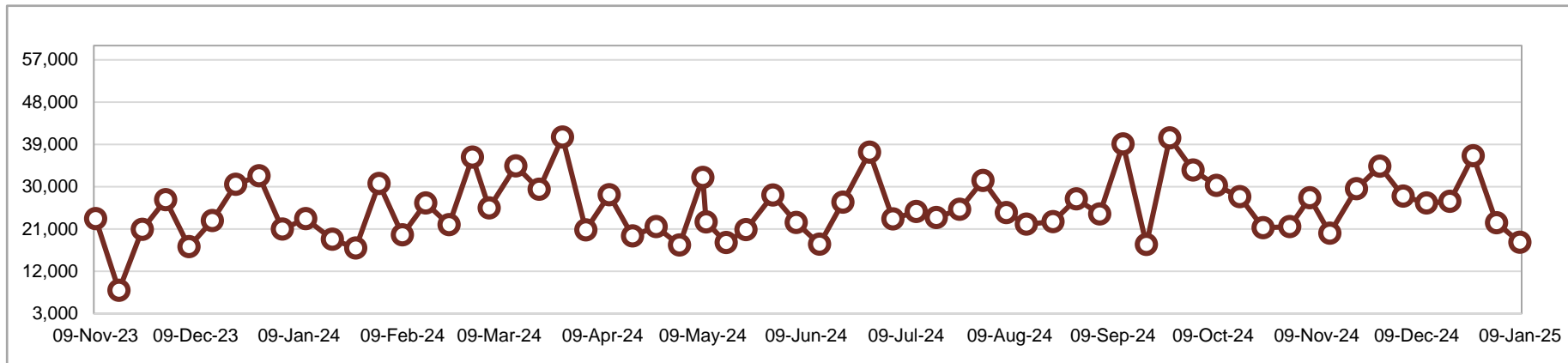
The SDL Yield and G-sec are sourced from the Secondary market

AAA Rated Bond Yield Curves – January 03, 2025



Corporate Bonds

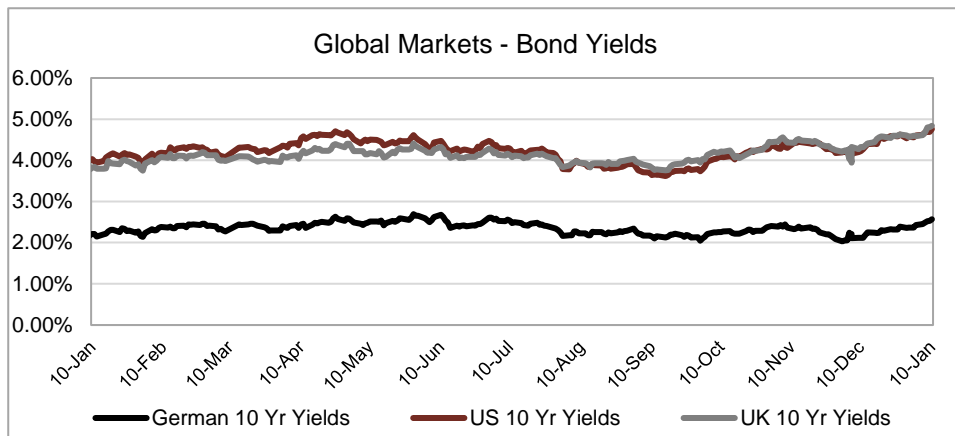
Volume of Corporate Bonds Traded (INR Cr.)



Recent Issuances

ISIN	Name of Issuer	Type	Maturity	Coupon (%)	Date of Allotment	Rating	Issue Size (in Rs.)
INE03W107306	ARKA FINCAP LIMITED	Secured	4	9.38	06-Jan-25	AA	50
INE242A08569	INDIAN OIL CORPORATION LIMITED	Unsecured	5	7.25	06-Jan-25	AAA	2500
INE572E07209	PNB HOUSING FINANCE LIMITED	Secured	3	8.104	07-Jan-25	AA+	400
INE721A07SK1	SHRIRAM FINANCE LIMITED	Secured	5	8.9043	06-Jan-25	AA+	510
INE725H08238	TATA PROJECTS LIMITED	Unsecured	3	8.3	10-Jan-25	AA	250

Global Bond Yields



Global 10-Year Yields

Country	10-Jan-25	03-Jan-25	Change (bps)
US	4.76%	4.60%	16
UK	4.84%	4.59%	24
Germany	2.57%	2.42%	14
China	1.62%	1.60%	2
Japan	1.21%	1.09%	12

- **U.S. Treasury yields rose** as solid job growth, robust services sector activity, and a strong labor market indicated by rising job openings and a fall in job quit figures bolstered confidence in continued economic expansion and reduced expectations of aggressive rate cuts by the Federal Reserve. Additionally, the payrolls report exceeded expectations, with the U.S. economy adding 256K jobs in Dec'24, significantly higher than the 212K jobs added in Nov'24, while the jobless rate also declined to 4.1%, reinforcing the view that the Fed would need to slow the pace of rate cuts.
- **UK yields rose** as the Labour government's plan to issue GBP 297 Bn in bonds during the current fiscal year, the second-largest issuance on record, has escalated concerns about the nation's debt levels. In addition, Inflationary pressures, reflected in rising CPI inflation and wage growth, have prompted a revision in expectations, with the Bank of England now anticipated to implement only two quarter-point rate reductions this year, a sharp decline from the more than three projected just a month ago.
- **German Bund yields rose** driven by stronger-than-expected Eurozone inflation data that supported the European Central Bank's cautious approach to reducing interest rates. Additionally, concerns over the U.S. administration's stance on tariffs against both allies and adversaries continued to weigh on market sentiment.



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Treasury Bills / Policy Rates / Systemic Liquidity

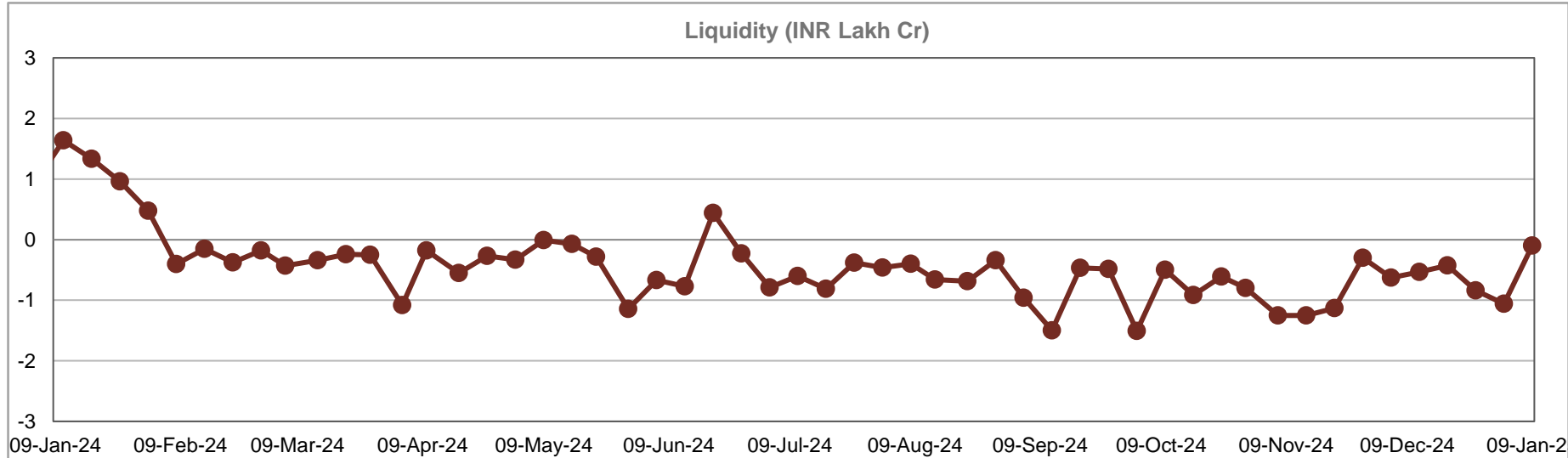
Policy Rates		T-Bill Yields		
Bank Rate	6.75%	Tenor	10-Jan-25	3-Jan-25
Repo Rate	6.50%	91 Day	6.59%	6.60%
Rev Repo Rate	3.35%	182 Day	6.70%	6.72%
MSF	6.75%	364 Day	6.69%	6.70%
CRR	4.00%			
SLR	18.00%			

T-Bill Auction

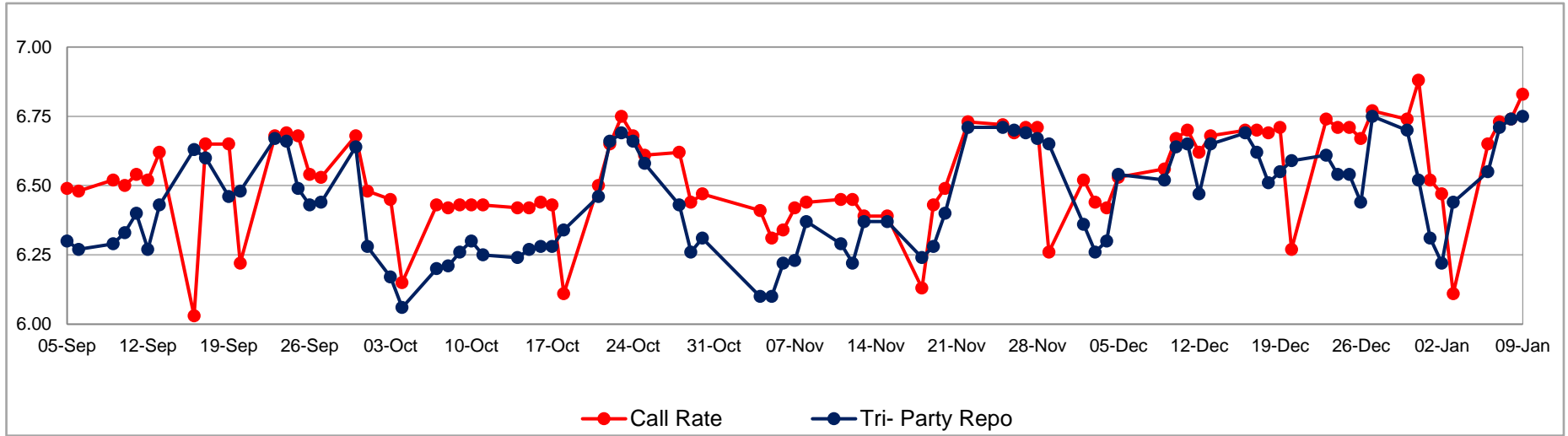
Tenor	Amount (INR Cr)	B/C Ratio		Cut Off Yield (%)		Auction on January 15, 2025 Amount (INR Cr)
		As on Jan 08, 2025	As on Jan 02, 2025	As on Jan 08, 2025	As on Jan 02, 2025	
91 Days	12,000.00	2.26	2.68	6.59%	6.60%	12,000.00
182 Days	8,000.00	3.25	2.66	6.70%	6.72%	8,000.00
364 Days	8,000.00	3.49	2.84	6.69%	6.70%	8,000.00
Total	28,000.00					28,000.00

Treasury Bills/ Policy Rates/ Systemic Liquidity

Liquidity Position (₹ Bn)		
Weekly Data	January 9, 2025	January 2, 2025
Average Reverse Repo	56.61	126.42
Average Net LAF	(44.51)	(114.32)
Average MSF	26.46	0.34
Average Liquidity Position	(10.05)	(105.65)



Call Rate/ Tri-Party Repo Rate



Particulars	January 9, 2025	January 2, 2025
Call Rate	6.83	6.47
Tri-Party Repo	6.75	6.22



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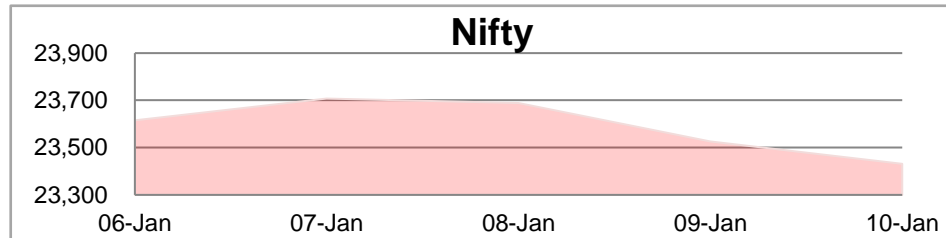
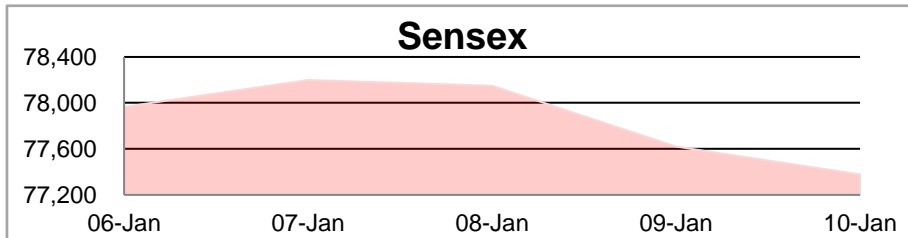
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Domestic Indices

Index	10-Jan-25	03-Jan-25	% Change
Sensex	77,378.91	79,223.11	-2.33
Nifty	23,431.50	24,004.75	-2.39
Nifty Mid Cap 50	15,253.30	16,181.60	-5.74
Nifty Small Cap 50	8,390.10	9,012.75	-6.91

Global Indices

S&P 500	5,827.04	5,942.47	-1.94
DJIA	41,938.45	42,732.13	-1.86
NASDAQ Composite	19,161.63	19,621.68	-2.34
FTSE 100	8,248.49	8,223.98	0.30
Nikkei	39,190.40	39,894.54	-1.77
Hang Seng	19,064.29	19,760.27	-3.52

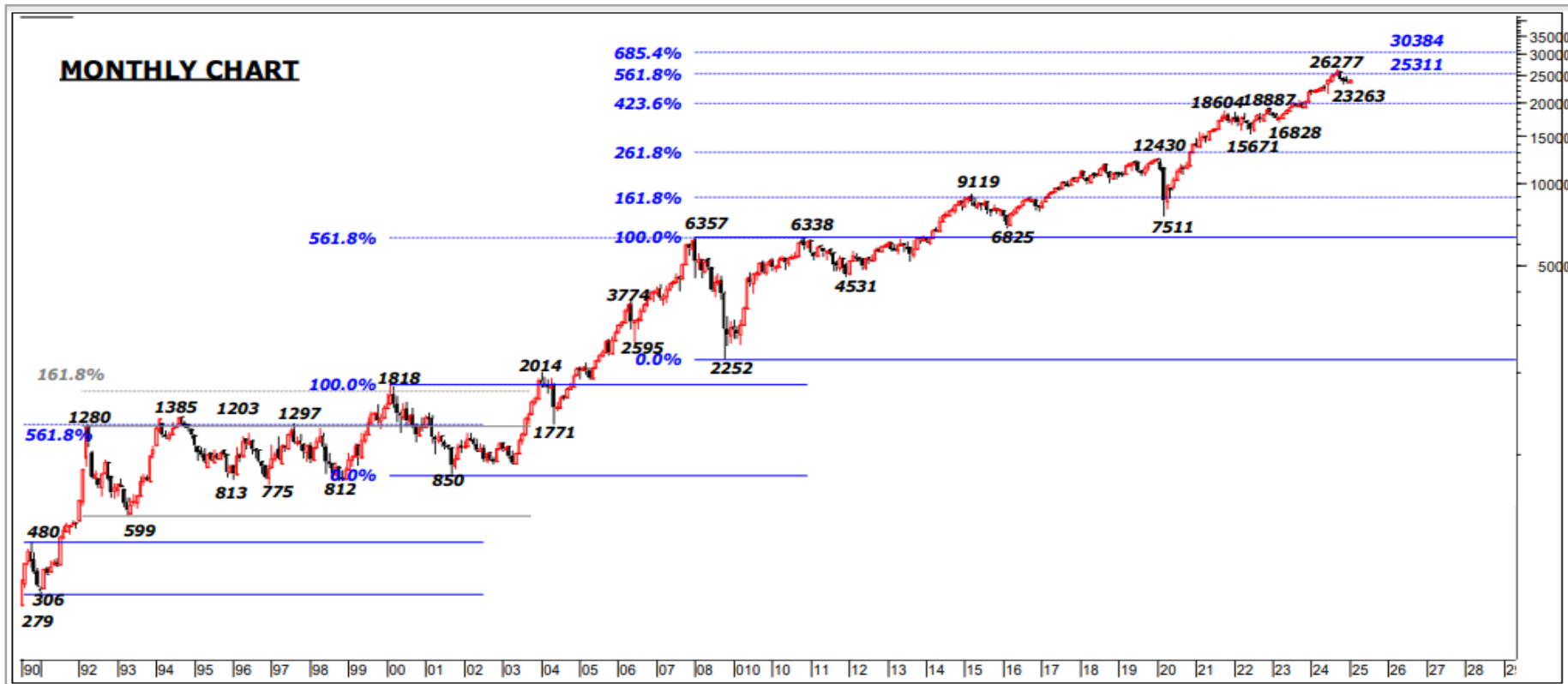
Domestic benchmark Indices

- Indices opened the week lower and traded upwards after India's Services PMI increased to 59.3 in Dec'24 compared to 58.4 in the previous month, and marked the 41st consecutive month of expansion in services activity, driven by strong demand and the highest rise in new orders in four months. However, investor sentiment turned cautious after the Indian government confirmed two Human Metapneumovirus (HMPV) cases in Karnataka, amid reports of a virus outbreak in China which capped the further up move in the indices.
- During the mid-week, the indices reversed their trajectory and traded downwards after the National Statistics Office released a subdued projection of India's GDP growth at 6.4% for FY25 from 8.2% recorded in FY24, marking the slowest pace since FY21, amid weaker growth in gross fixed capital formation and inventories, and a significant slowdown in the manufacturing sector.
- Thereafter, towards the end of the week, the down move in the indices was further accentuated after a report underscored India's economic challenges with subdued demand and slower growth across sectors amid weak household incomes and sluggish growth in consumption loans, collectively impacting GDP and corporate performance.

US Indices

- US benchmark indices traded downwards during the week as investor sentiment dampened as the Federal Reserve's Dec'24 meeting minutes indicated a preference for a slower pace of interest rate cuts due to persistent inflation along with concerns over trade and immigration policy impacts. Moreover, the release of macroeconomic data indicated a robust labor and dampened investor expectations of further rate cuts by the Fed.

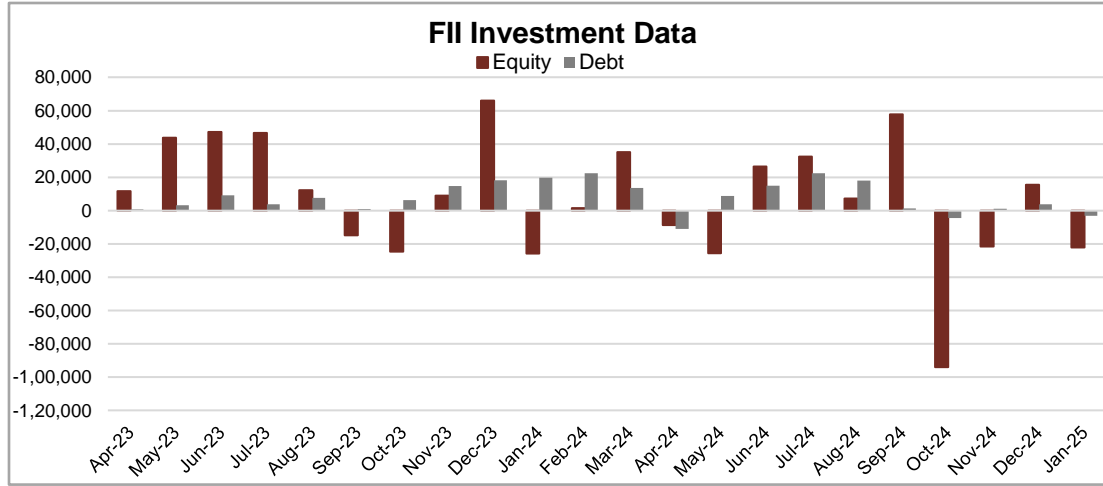
Nifty – 23,431.50 (January 10, 2025)



Support:- 23243, 22152

Resistance: 24180, 24587

Markets Investment Data



FII Investment Data		
Month	Equity	Debt
	Net Invest. (INR Cr)	Net Invest. (INR Cr)
Jan-25	-22,194.00	-3,105.00
Dec-24	16,675.00	5,352.00
Nov-24	-21,612	1,217
Oct-24	-94,017	-4,406
Sep-24	57,724	1,299
Aug-24	7,320	17,960
Jul-24	32,365	22,363
June-24	26,565	14,955
May-24	-25,586	8,761

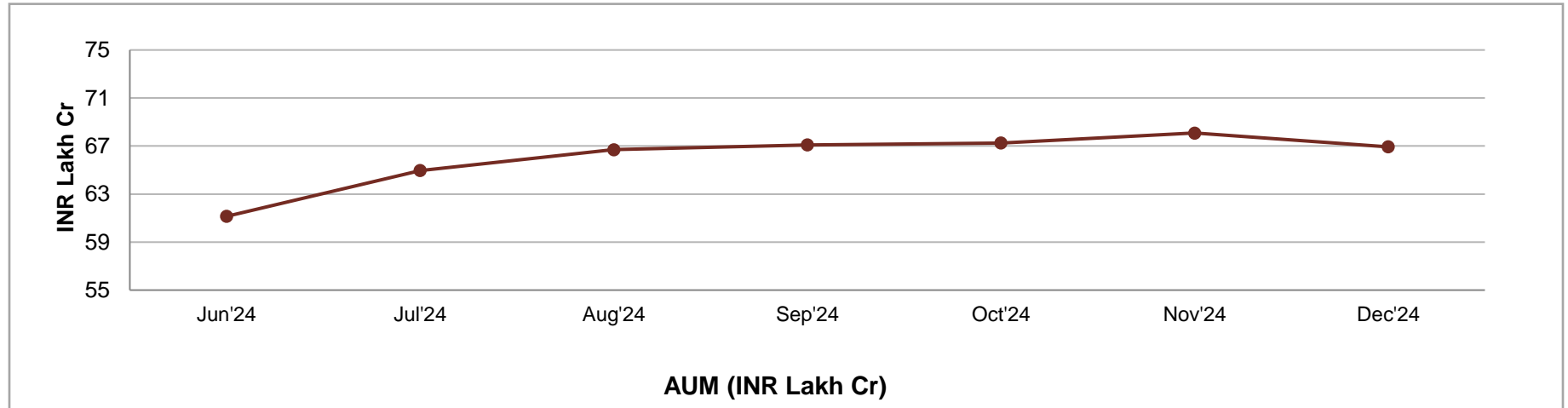
Weekly Investment Data						
Week	Equity			Debt		
	Gross Purchase	Gross Sale	Net Invest.	Gross Purchase	Gross Sales	Net Invest.
	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)
DII	53,038.84	47,725.84	5,313.00	52,166.85	59,042.89	-6,876.04
FII	58,972.74	68,188.61	-9,215.87	975.73	4,441.56	-3,465.83

FII Investment Data		
Year	Equity	Debt
	Net Invest. (INR Cr)	Net Invest. (INR Cr)
FY25TD	-32,661	51,850
FY24	2,08,212	1,21,059
FY23	-37,632	-8,937
FY22	-1,40,010	1,628
FY21	2,74,032	-50,443
FY20	6,153	-48,710

*DII data is from 02nd Jan'25 to 08th Jan'25 and FII data is from 03rd Jan'25 to 09th Jan'25 .

Mutual Funds Investment Data

Mutual Funds - All Schemes (INR Cr)						
Month	AUM	SIP Inflows	Net Inflow/(Outflow) in Equity Funds	Y-o-Y	AUM	SIP Inflows
Dec'24	66,93,032	26,459	41,156	Dec'23	50,77,900	17,610
Nov'24	68,08,101	25,320	35,943	Nov'23	48,74,812	17,073
Oct'24	67,25,615	25,323	41,887	Oct'23	46,71,688	16,928
Total	-	75,152	1,12,249	Total	-	33,115



Corporate earnings

Particulars	Q3 FY25 (Dec'24)	Q3 FY24 (Dec'23)	Change from Q3 FY24	Q2 FY25 (Sep'24)	Change from Q2 FY25	Remarks
Tata Consultancy Services						
Total Income	65,216.00	61,445.00	6.14%	64,988.00	0.35%	The company's revenue from operations during the quarter stood at INR 63,973 Cr, up 5.60% as against INR 60,583 Cr during the Q3FY24. The growth in profits is attributed to the company's clear strategy, efficient execution, and strong consulting and transformation capabilities
Operating Profit	16,666.00	14,829.00	12.39%	16,032.00	3.95%	
Net Profit	12,444.00	11,097.00	12.14%	11,955.00	4.09%	



Weekly Market Update

News & WSS

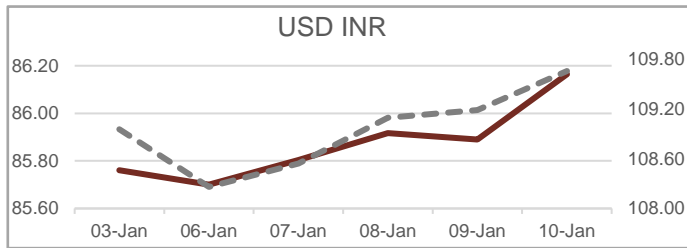
Bond

Money Market

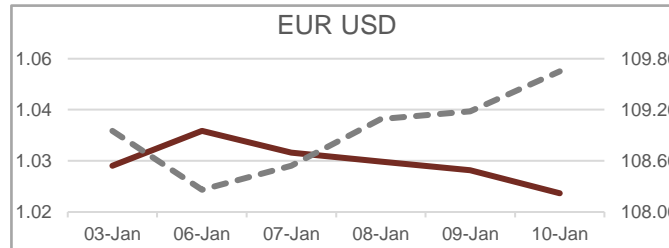
Equity

Forex & Crude

Foreign Exchange Report



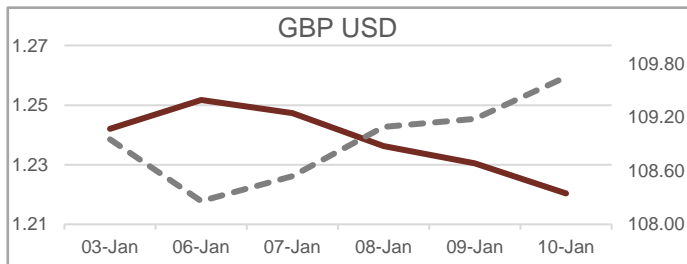
03-Jan	10-Jan
85.76	86.17
0.47%	



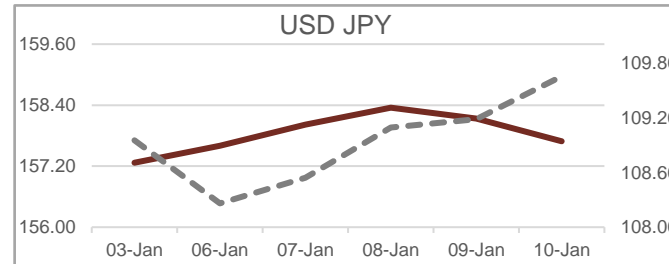
03-Jan	10-Jan
1.0308	1.0244
-0.62%	

The Indian Rupee depreciated after NSO's initial estimates projected India's GDP to grow at 6.4% in FY25, marking a four-year low and a decline from 8.2% in FY24. Furthermore, real GVA was estimated to grow by 6.4% in FY25 compared to 7.2% in FY24, while subdued performance in domestic equity markets and persistent foreign fund outflows weighed on the currency.

The Euro depreciated amid concerns over US trade policies and Eurozone inflation data. Inflation in Euro Area rose to 2.4% in Dec'24 from 2.2% in Nov'24, whereas year-end increase was largely expected due to base effects, as last year's sharp declines in energy prices are no longer factored into annual rates. Further, The ECB expects inflation to move back to the 2% target by the year-end.



03-Jan	10-Jan
1.2420	1.2204
-1.74%	



03-Jan	10-Jan
157.27	157.69
0.27%	

The British Pound depreciated as concerns over the UK's fiscal and inflation outlook pressured investor sentiment. Inflation fears persist, with CPI, wage growth, and inflation expectations rising. Further, market expects only two Bank of England rate cuts this year, down from over three predicted a month ago. Rising borrowing costs also exerted pressure on the currency.

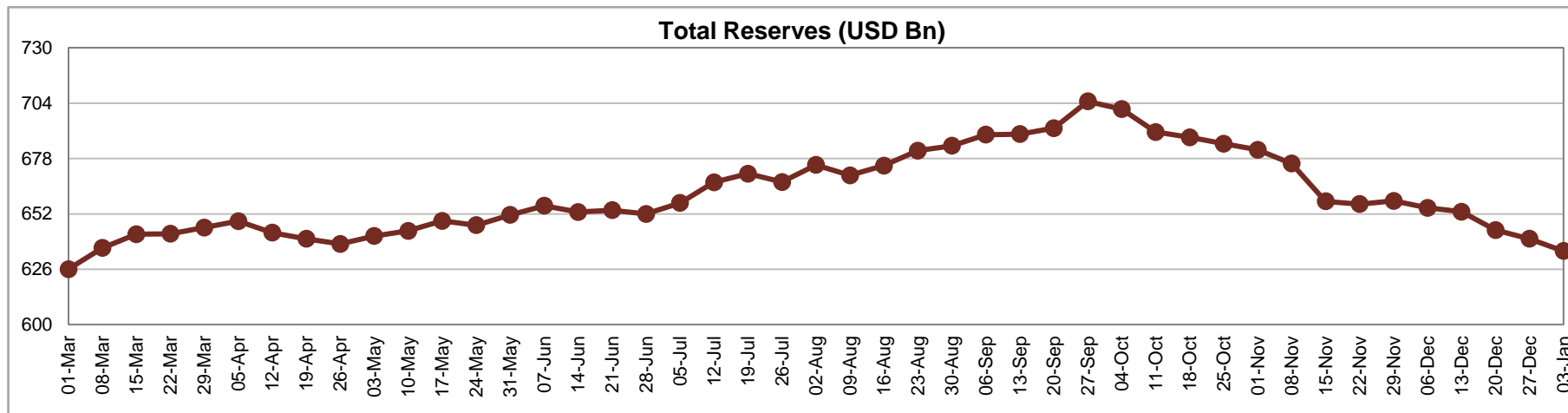
The Japanese Yen appreciated after BoJ Governor said the central bank will raise interest rates further if the economy continues to improve. Further, Japan's services PMI for the services sector was revised higher to 50.9 in Dec'24, from 50.5 in Nov'24 and marking the second consecutive month of growth at the strongest pace since Sep'24.

Dollar Index ended the week higher by **0.64%** at 109.65

--- Dollar Index

RBI Forex Reserves

	03-Jan-25	27-Dec-24	% Change (WoW)	% Change (MoM)	% Change (YoY)
Forex Reserves (USD Bn)	634.585	640.28	-0.89%	-3.10%	2.80%
Foreign Currency Assets (USD Bn)	545.48	551.92	-1.17%	-3.56%	-0.21%
Gold Reserves (USD Bn)	67.092	66.27	1.24%	0.23%	41.28%
SDRs (USD Bn)	17.815	17.87	-0.32%	-1.20%	-2.64%
Reserves with IMF (USD Bn)	4.199	4.22	-0.43%	-1.57%	-13.71%



Brent Crude

Date	Day	Price (USD/bbl.)	
January 10, 2025	Friday	79.76	↑
January 9, 2025	Thursday	76.92	↑
January 8, 2025	Wednesday	76.16	↓
January 7, 2025	Tuesday	77.05	↑
January 6, 2025	Monday	76.30	↓



- Brent Crude ended the week higher by 4.25% to close at USD 79.76, and WTI Crude ended the week higher by 3.53% to close at USD 76.57.
- Crude oil prices opened the week lower and traded upwards after China's slowing import growth is anticipated to exert additional pressure on regional fuel oil benchmark prices, which have already declined since the previous quarter amid abundant supply levels. Additionally, according to media reports, China's fuel oil imports are expected to drop in early 2025 following a hike in the product's import tax from January 1, 2025.
- During the mid-week, the up move in the crude oil prices was limited after a stronger dollar and significant increases in U.S. fuel inventories last week exerted downward pressure on prices, offsetting earlier gains driven by tightening supplies from Russia and other OPEC members.
- Towards the end of the week, crude oil prices moved up sharply following the announcement from the administration of President Joe Biden which introduced new sanctions aimed at Russian oil producers, tankers, intermediaries, traders, and ports, with the objective of targeting every stage of Moscow's oil production and distribution processes.
- As per Baker Hughes, the number of active crude oil rigs in the US reduced to 480 for the week ending January 10, 2025.

Things to watch out for during the week

Date	Country	Things to Watch Out For
13-Jan-25	India	CPI Inflation rate
	China	Balance of Trade
14-Jan-25	India	WPI Inflation rate
	US	US PPI
15-Jan-25	United Kingdom	Inflation Rate
	US	
	India	Balance of Trade
16-Jan-25	United Kingdom	GDP Data

Date	Q3FY25 Corporate Earnings
13-Jan	HCL Tech
15-Jan	HDFC Life Insurance Company
16-Jan	Axis Bank
13-Nov	Infosys
	Reliance Industries
17-Jan	SBI Life Insurance Company
	Tech Mahindra
	Wipro
18-Jan	Kotak Mahindra Bank

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