



## Weekly Market Update

News & WSS

Bond

Money Market

Equity

Forex & Crude

# Key Domestic News

## RBI Flags Food Inflation Stickiness, Predicts H2FY25 To Rebound Amid Global Headwinds

- RBI in its bulletin highlighted the persistent stickiness of food inflation despite a recent moderation in price increases, emphasizing careful monitoring due to second-order effects driven by rising rural wages and corporate salaries.
- It noted an expected economic rebound in H2FY25, supported by festive demand, resilient rural consumption, and public infrastructure spending, while cautioning against risks from rising input costs, weather exigencies, and global headwinds. Additionally, India's Q2FY25 GDP growth falling to 5.4%, the lowest in seven quarters was described as temporary.

## Union Budget FY26 to Focus on Fiscal Consolidation and Economic Growth Drivers

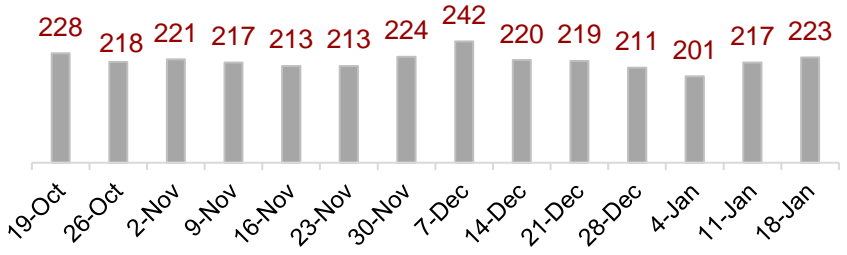
- According to a CareEdge Ratings report, the Union Budget FY26 is projected to prioritize fiscal consolidation with a targeted budgetary deficit of 4.5% of GDP, while focusing on measures to stimulate consumption, enhance manufacturing competitiveness, and capitalize on India's demographic dividend.
- Gross Tax Revenue is projected to grow by 10.4% in FY26, marginally exceeding the estimated nominal GDP growth of 10.3%, driven by a recovery in corporate tax collections. Moreover, GST collections are expected to remain robust, with growth forecasts of 11% for FY25 and 11.4% for FY26, reflecting continued economic momentum.

## EPFO Reports 9% MoM Growth in Formal Jobs, Highlighting Rising Employment Trends

- According to the payroll data of EPFO, net formal job creation rose by 4.88% in Nov'24 to 1.46 Mn from 1.39 Mn in Nov'23 and marked a 9.07% MoM increase from 1.34 Mn in Oct'24.
- Furthermore, EPFO enrolled around 8.74 Lakh new members in Nov'24, reflecting a 16.58% MoM increase and an 18.80% YoY growth, driven by expanding job opportunities, heightened awareness of employee benefits, and effective outreach efforts.

# Key International News

**US Initial Jobless Claims Unemployment Filing (in Thousands)**



### United States

- According IMF’s World Economic Outlook projections, it highlighted the strong performance of USD and US stock markets, with US GDP growth for CY25 revised upward from 1.7% in Jan’24 to 2.7% in Jan’25. Furthermore, this significant revision, including a 0.5% increase between Oct’24 and Jan’25, reflected robust underlying demand, strong wealth effects, and supportive financial conditions. Moreover, the IMF highlighted the role of a less restrictive monetary policy stance in sustaining growth momentum. Additionally, these solid fundamentals explain the exceptional market trends in the US.
- Americans filing for unemployment benefits increased to 223,000 for the week ended Jan 18, 2025.

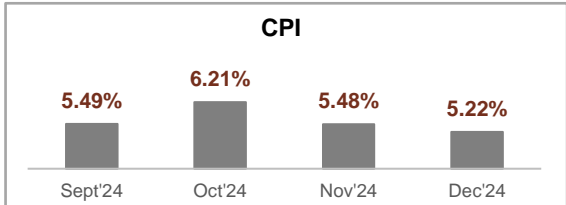
### Japan

- Japan’s trade surplus sharply rose to JPY 130.94 Bn in Dec’24 from JPY 32.35 Bn in Dec’23, marking the first trade gain since Jun’24, as exports grew faster than imports. Moreover, exports grew 2.8% YoY to a record JPY 9,910.60 Bn, marking the third consecutive monthly increase, while imports rose 1.8% to JPY 9,779.67 Bn. Meanwhile, despite the monthly surplus, Japan recorded an annual trade deficit of JPY 5,332.56 Bn in CY24, significantly narrower than the JPY 9,522.07 Bn deficit recorded in CY23.
- The Bank of Japan raised interest rates to 0.5%, the highest level since 2008, highlighting confidence in rising wages sustaining inflation around the 2% target; this marked the first hike since July last year. Furthermore, Governor Kazuo Ueda emphasized the central bank’s commitment to gradual rate increases, contingent on economic and price trends, while also revising inflation forecasts upward.

### China

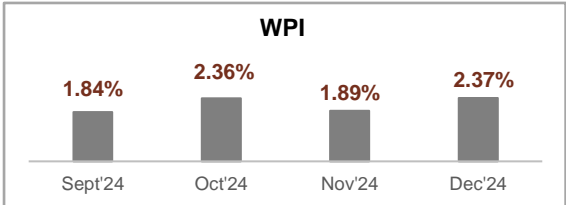
- People’s Bank of China kept its key lending rates unchanged for the third consecutive month during the January meeting, maintaining the one-year loan prime rate at 3.1% and the five-year LPR, at 3.6%. Furthermore, the decision aligned with market expectations amid renewed yuan pressure and caution regarding potential US policy shifts under the incoming Trump administration. Additionally, China’s GDP grew by 5.4% YoY in Q4CY24, driven by stimulus measures since Sep’24. Moreover, full-year growth reached 5%, meeting the official target but slowing from 5.2% in CY23.

# Domestic Macroeconomic Indicators



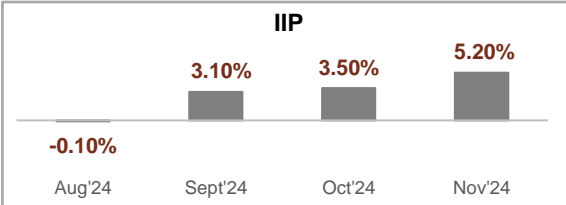
**CPI decreased by 0.26% MoM**

India's inflation rate fell to 5.22% in Dec'24 from 5.48% in Nov'24 fuelled by a moderation in food prices, as food inflation declined to 8.39% from 9.04%, the easing of food prices can be attributed to a successful summer crop harvest, supported by favorable monsoon conditions.



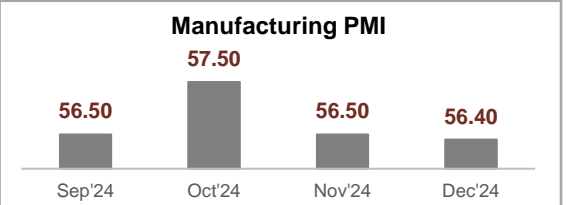
**WPI increased by 0.48% MoM**

India's WPI rose to 2.37% YoY in Dec'24 from 1.89% YoY in Nov'24, marking its highest in six months and 14th consecutive monthly increase, driven by faster growth in primary articles and manufacturing prices, with notable surges in food products and chemicals.



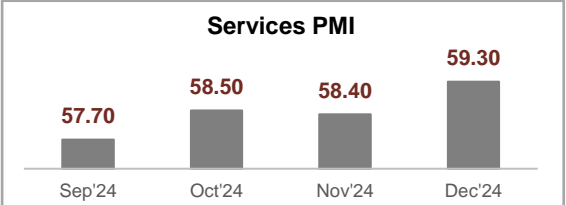
**IIP increased by 1.70% MoM**

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.



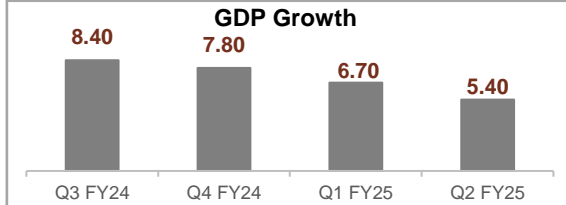
**Manufacturing PMI decreased by 0.10% MoM**

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.

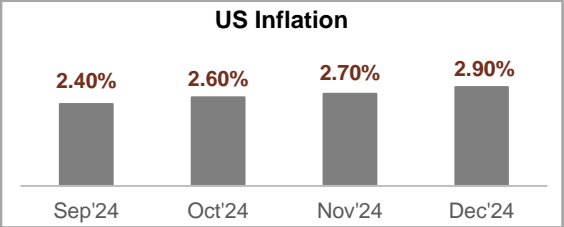


**GDP growth decreased to 5.40% YoY**

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.

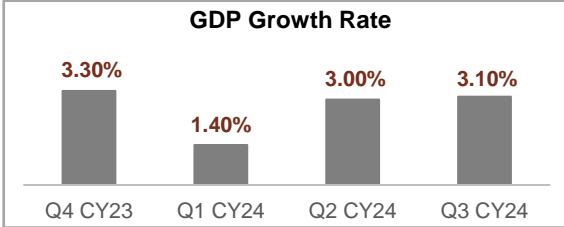
*There has been an update to the data in the last week.*

# Global Macroeconomic Indicators



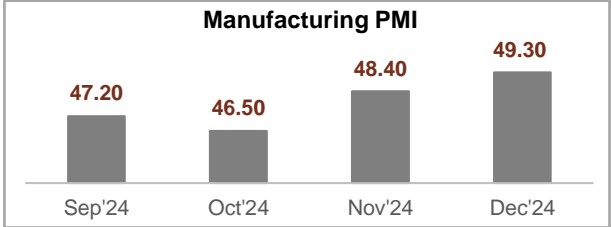
**US Inflation increased by 0.20% MoM**

US inflation rose to 2.9% in Dec'24 from 2.7% in Nov'24, marking its third consecutive monthly increase, driven partly by low base effects from the previous year and slower declines in energy costs such as gasoline and natural gas.



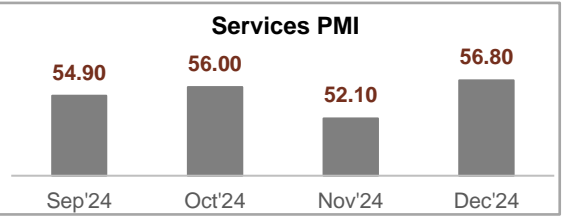
**US GDP rate increased by 0.10% QoQ**

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%.



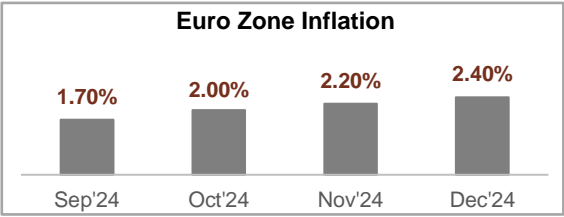
**US Manufacturing PMI increased by 0.90% MoM**

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



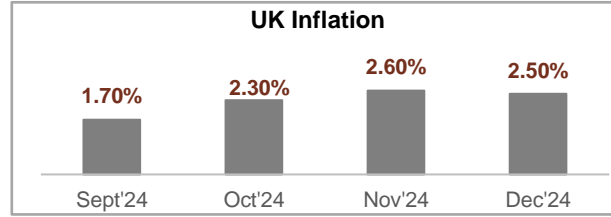
**US Services PMI increased by 4.70% MoM**

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 2.4% in Dec'24, primarily due to base effect. Further, energy costs increased by 0.1% MoM and inflation to services increased to 4% while cost for non-energy industrial goods increased 0.7%.



**UK Inflation decreased by 0.10% MoM**

UK's inflation rate fell to 2.5% in Dec'24 from 2.6% in Nov'24, primarily due to slower price increases in services, recreation, and hospitality, while food inflation remained steady. Additionally, transport costs contracted at a slower pace.

\* 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 |
|--|-------------|---------------|---------------|---------------|
|  | 10-Jan-25   | 27-Dec-24     | 13-Dec-24     | 12-Jan-24     |
| Food Credit                                | 577.23      | 2.82          | 10.35         | 31.28         |
| Non-Food Credit                            | 1,77,438.82 | 0.32          | 1.19          | 11.40         |
| Bank Credit                                | 1,78,016.05 | 0.33          | 1.22          | 11.46         |
| Aggregate Deposits                         | 2,21,502.49 | 0.39          | 0.37          | 10.84         |
| Investments (SLR)                          | 66,198.27   | 0.38          | 0.96          | 10.22         |
|  | 10-Jan-25   | 27-Dec-24     | 13-Dec-24     | 12-Jan-24     |
| Cash/ Deposit Ratio                        | 4.57        | -2.35         | -5.97         | -7.69         |
| Credit/ Deposit Ratio                      | 78.64       | -0.04         | 0.92          | 1.44          |
| Investment/ Deposit Ratio                  | 29.74       | -0.03         | 0.57          | 0.00          |



## Weekly Market Update

News & WSS

Bond

Money Market

Equity

Forex & Crude

# Government Securities

## G-Sec Yields

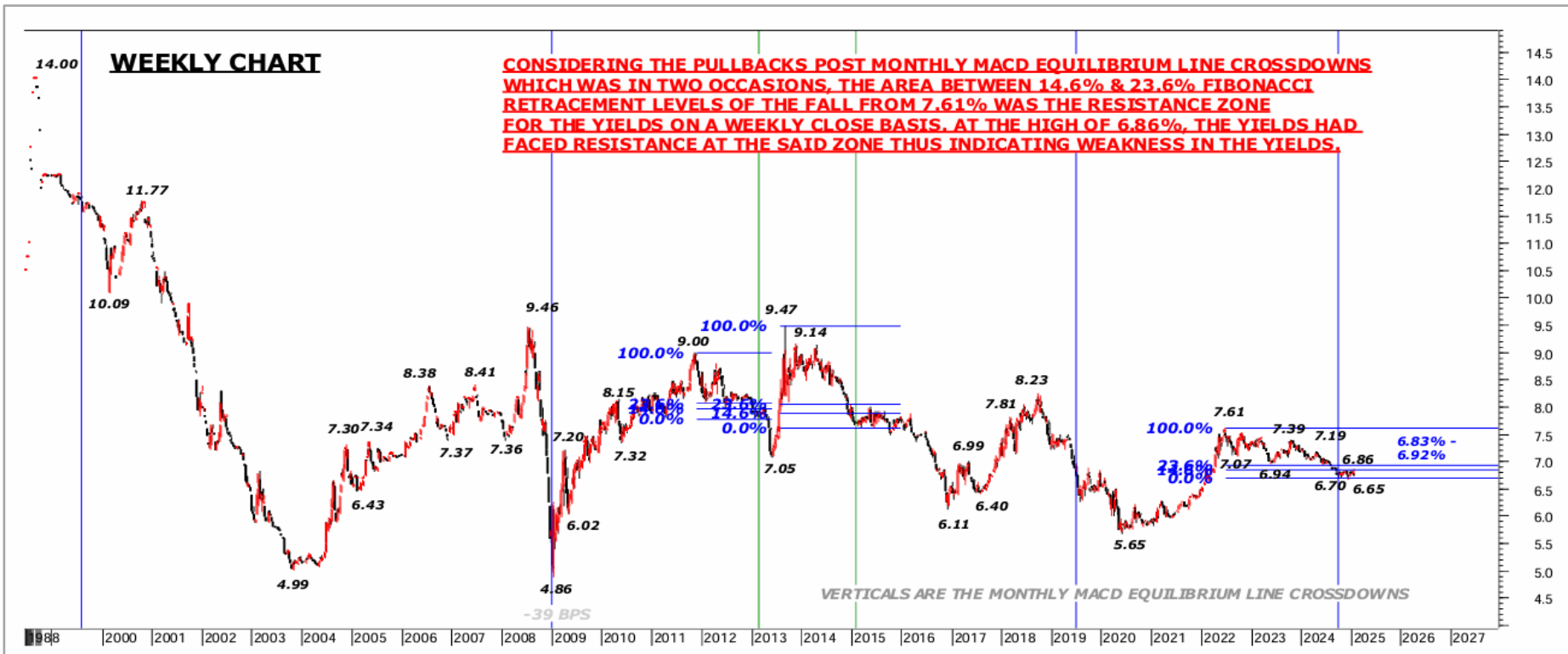
| Security      | Tenor | 17 January 2025 | 10 January 2025 |
|---------------|-------|-----------------|-----------------|
| 364 DTB       | 1     | 6.64            | 6.63            |
| 5.63% GS 2026 | 2     | 6.62            | 6.68            |
| 7.04% GS 2029 | 5     | 6.71            | 6.73            |
| 6.79% GS 2034 | 10    | 6.77            | 6.77            |
| 7.23% GS 2039 | 15    | 6.90            | 6.89            |
| 8.17% GS 2044 | 20    | 7.00            | 6.97            |
| 7.40% GS 2062 | 38    | 7.11            | 7.07            |
| 7.46% GS 2073 | 49    | 7.11            | 7.06            |

## G-Sec Auction Results - Jan 24 2025

| Security      | Amount (INR Cr) | Cut-Off Yield | B/C  |
|---------------|-----------------|---------------|------|
| 6.79% GS 2034 | 22,000          | 6.73%         | 0.41 |
| 7.09% GS 2074 | 10,000          | 7.03%         | 0.47 |
|               | <b>32,000</b>   |               |      |

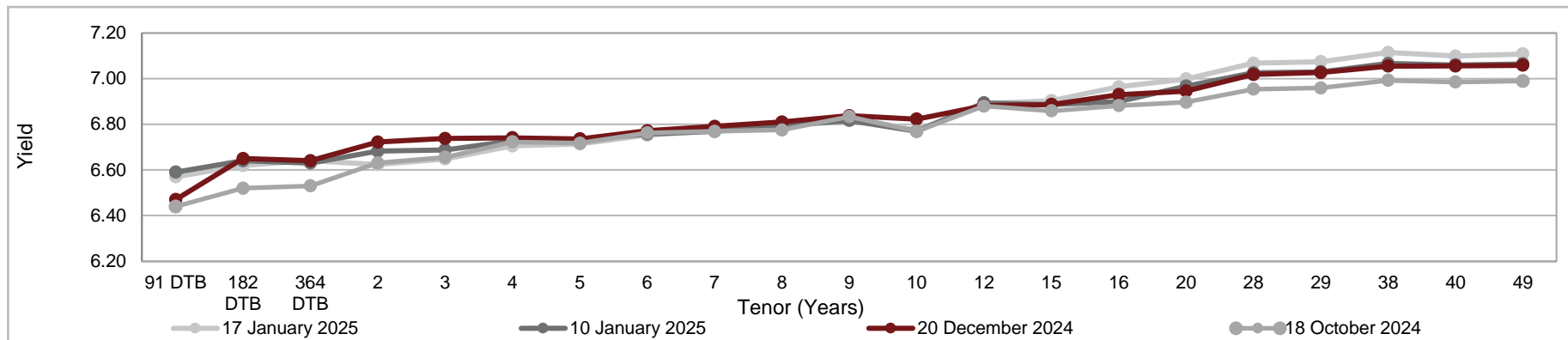
- For the week ended January 24, 2025, the new 10-year benchmark recorded a close at 6.72%, falling by 1 bp from the close of the previous week.
- The yields opened the week higher but traded downwards after reports suggested that India's upcoming Union Budget CY25 is expected to focus on boosting economic growth by increasing capital expenditure on infrastructure, defense, and social welfare initiatives, while also supporting the rural economy. Additionally, a CII survey indicated that India's current economic environment is conducive to private investments and is emerging as a bright spot amid a challenging global landscape, which further reinforced the downward trend in yields.
- During the mid-week, yields continued to trade with a downward bias as optimism grew after a CareEdge Ratings report suggested that the Union Budget FY26 will prioritize fiscal consolidation with a targeted fiscal deficit of 4.5% of GDP, while focusing on measures to boost consumption, enhance manufacturing competitiveness, and leverage the demographic dividend. Additionally, the anticipation of looser monetary policy by the US Federal Reserve this year contributed significantly to the decline in yields.
- Towards the end of the week, down move in the yields continued as an SBI report highlighted that domestic investment announcements surged to over INR 37 Lakh Cr in FY23 and FY24, up from INR 10 Lakh Cr in FY21, driven by strong government and private sector contributions. Additionally, media reports indicated that the RBI may transfer an exceptional dividend to the Union government to help offset sluggish corporate tax revenue and a divestment shortfall.
- The RBI conducted an auction of G-Sec for a notified amount of INR 32,000 Cr during the week ending January 24, 2025, with cut-off yields ranging around 6.73% - 7.03%.

# Ten Year GOI Yields – 6.72% (January 24, 2025)

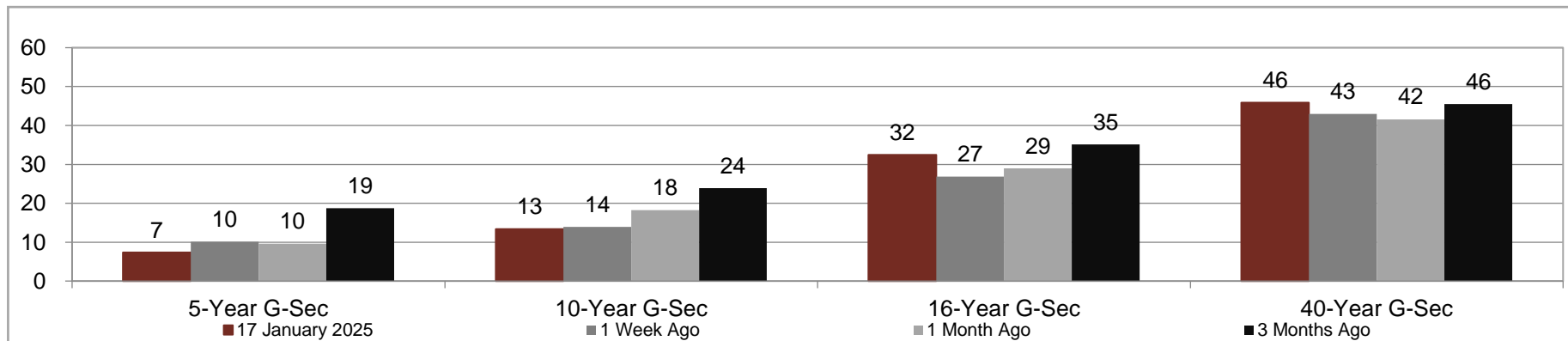


Support:- 6.24% Resistance: 6.94% and 7.07% (Quarterly Close basis)

# Sovereign Yield Curve – January 17, 2025



## Spread between 364 DTB and G-Sec



# State Development Loans Auction Results – January 21, 2025

## Auction Result: January 21, 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            | 18   | Bihar       | 1,000                        | 12   | 7.15%         | 7.28%                      | 47,612                        | 38,000                        |
|              |      |             | 1,000                        | 20   | 7.14%         | 7.27%                      |                               |                               |
| 2            | 1    | Gujarat     | 1,000                        | 10   | 7.12%         | 7.25%                      | 30,500                        | 18,500                        |
| 3            | 6    | Haryana     | 1,000                        | 13   | 7.14%         | 7.27%                      | 47,500                        | 31,000                        |
| 4            | 3    | Karnataka   | 2,000                        | 13   | 7.15%         | 7.28%                      | 81,000                        | 55,025                        |
|              |      |             | 2,000                        | Re-issue of 7.15% Karnataka SGS 2042, issued on January 01, 2025   | 7.1391%       | 7.27%                      |                               |                               |
| 5            | 13   | Kerala      | 1,500                        | 20   | 7.14%         | 7.27%                      | 42,438                        | 36,002                        |
| 6            | 2    | Maharashtra | 2,500                        | Re-issue of 7.11% Maharashtra SGS 2038, issued on January 08, 2025 | 7.1693%       | 7.30%                      | 1,10,000                      | 81,000                        |
|              |      |             | 2,500                        | Re-issue of 7.14% Maharashtra SGS 2043, issued on January 08, 2025 | 7.1386%       | 7.27%                      |                               |                               |
| 7            | 7    | Tamil Nadu  | 1,000                        | 10   | 7.15%         | 7.28%                      | 1,14,000                      | 85,000                        |
|              |      |             | 2,000                        | 30   | 7.12%         | 7.25%                      |                               |                               |
| <b>Total</b> |      |             | <b>17,500</b>                |  | -             | -                          | <b>4,73,050</b>               | <b>3,44,527</b>               |

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 28, 2025

Notification: January 28, 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     | 4*   | Assam             | 20   | 500                          | -                             | 10,800                          | 11,550                        | 107   |
| 2     | 18   | Bihar             | 12   | 1,000                        | -                             | 34,000                          | 38,000                        | 89  |
|       |      |                   | 20   | 1,000                        |                               |                                 |                               |   |
| 3     | 1    | Gujarat           | 9  | 1,000                        | -                             | 19,000                          | 18,500                        | 97  |
|       |      |                   | 10   | 1,000                        |                               |                                 |                               |   |
| 4     | 6    | Haryana           | 13   | 2,000                        | -                             | 30,000                          | 31,000                        | 103   |
| 5     | 3*   | Jammu and Kashmir | 30   | 300                          | -                             | 12,370                          | 12,370                        | 100   |
| 6     | 3    | Karnataka         | 16   | 2,000                        | -                             | 53,000                          | 55,025                        | 104   |
|       |      |                   | Re-issue of 7.11% Maharashtra SGS 2036, issued on September 25, 2024 | 2,000                        |                               |                                 |                               |   |
| 7     | 2    | Maharashtra       | Re-issue of 7.11% Maharashtra SGS 2038, issued on January 08, 2025   | 2,000                        | -                             | 73,000                          | 81,000                        | 90  |
|       |      |                   | Re-issue of 7.14% Maharashtra SGS 2043, issued on January 08, 202    | 2,000                        |                               |                                 |                               |   |

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 28, 2025

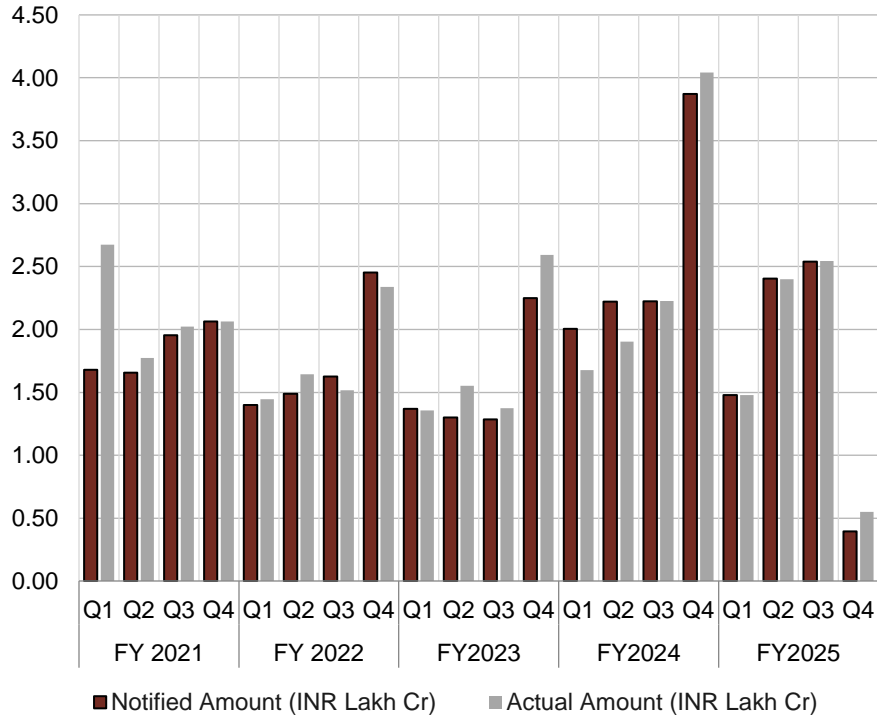
Notification: January 28, 2025

| 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 (%) |
|--------------|------|-------------|---|------------------------------|-------------------------------|---------------------------------|-------------------------------|---|
| 8            | 5    | Odisha      | 6   | 1,000                        | -                             | 1,000                           | 1,000                         | 100   |
| 9            | 17   | Punjab      | 20  | 1,400                        | -                             | 36,937                          | 35,430                        | 96  |
| 10           | 15   | Rajasthan   | 10  | 1,500                        | -                             | 54,450                          | 53,300                        | 98  |
|              |      |             | 25  | 1,000                        |                               |                                 |                               |   |
|              |      |             | 26  | 1,000                        |                               |                                 |                               |   |
|              |      |             | Re-issue of 7.72% Rajasthan SDL 2035, issued on May 25, 2022      | 1,000                        |                               |                                 |                               |   |
| 11           | 7    | Tamil Nadu  | 20  | 2,000                        | -                             | 81,000                          | 85,000                        | 105   |
|              |      |             | Re-issue of 7.12% Tamil Nadu SGS 2055, issued on January 22, 2025 | 2,000                        |                               |                                 |                               |   |
| 12           | 4    | Telangana   | 22  | 1,000                        | -                             | 44,909                          | 43,909                        | 98  |
|              |      |             | 24  | 1,000                        |                               |                                 |                               |   |
|              |      |             | 25  | 800                          |                               |                                 |                               |   |
| 13           | 16   | West Bengal | 17  | 2,000                        | -                             | 42,500                          | 43,000                        | 101   |
|              |      |             | 19  | 1,500                        | -                             |                                 |                               |   |
| <b>Total</b> |      |             |   | <b>32,000</b>                |                               | <b>4,92,966</b>                 | <b>5,09,084</b>               |   |

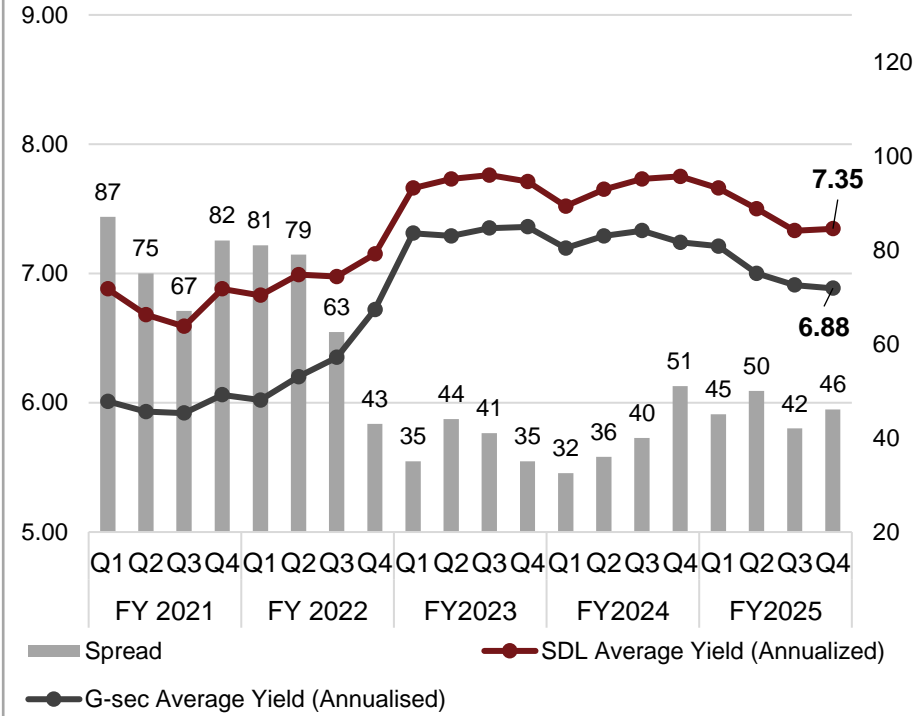
Note: Ranking of States as per the Darashaw State Finance Study 2022-23. \*Special State Ranking as per Darashaw State Finance Study 2022-23.

# SDL Auction- Notified vs Actual and Spread Analysis

## Notified vs Actual

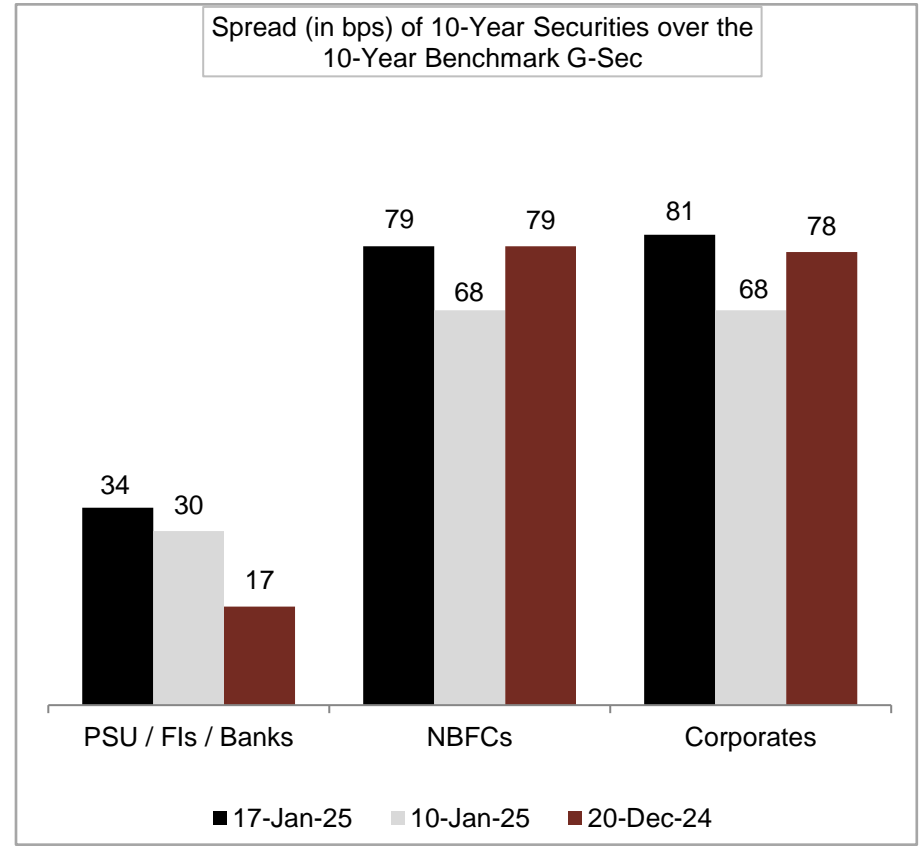
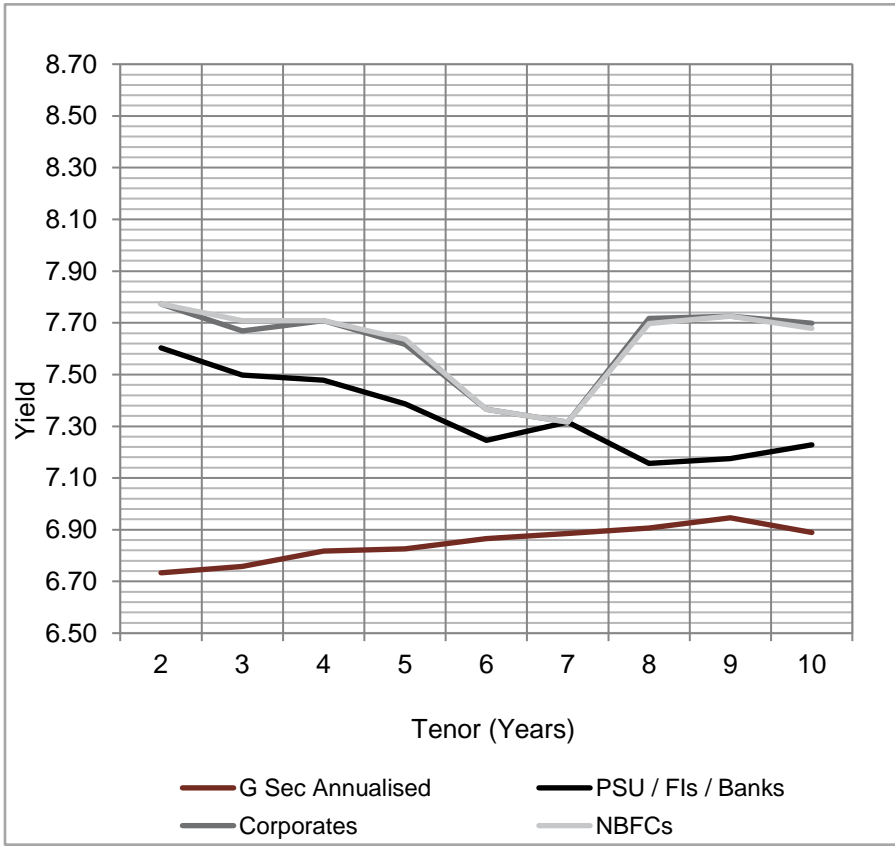


## SDL Yield and G-sec Yield QoQ



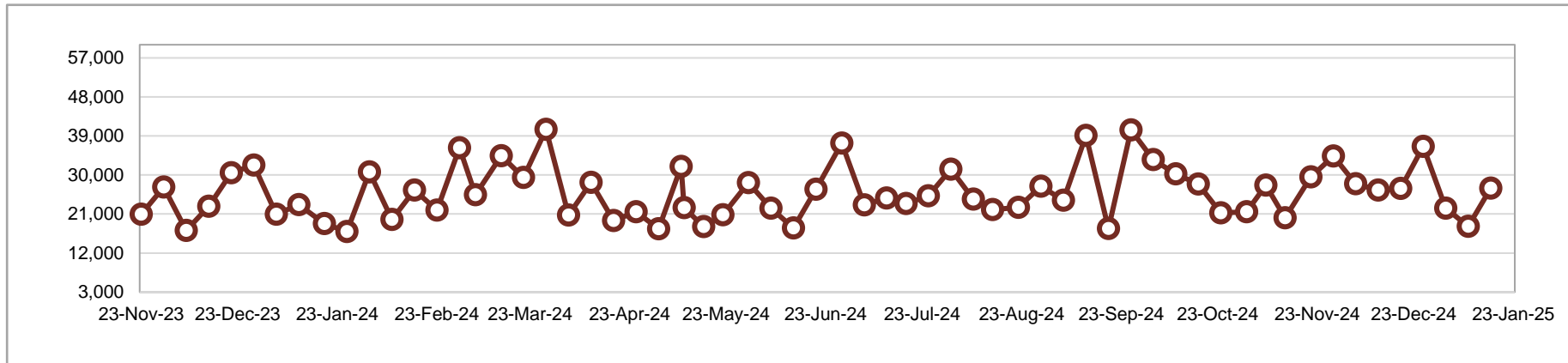
The SDL Yield and G-sec are sourced from the Secondary market

# AAA Rated Bond Yield Curves – January 17, 2025



# Corporate Bonds

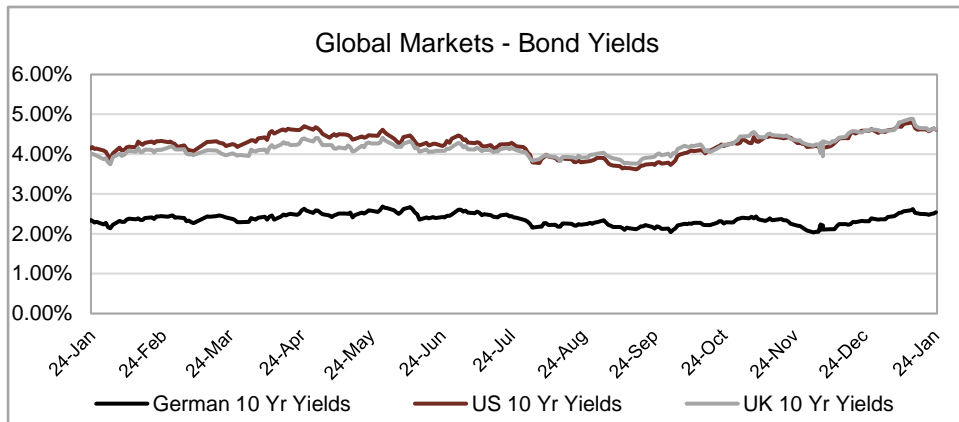
## Volume of Corporate Bonds Traded (INR Cr.)



## Recent Issuances

| ISIN         | Issuer                               | Type    | Maturity | Coupon (%) | Date of Allotment | Rating | Amount (INR Cr) |
|--------------|--------------------------------------|---------|----------|------------|-------------------|--------|-----------------|
| INE831R07532 | ADITYA BIRLA HOUSING FINANCE LIMITED | Secured | 5        | 7.85%      | 20-Jan-25         | AAA    | 1,250           |
| INE115A07RB7 | LIC HOUSING FINANCE LTD              | Secured | 10       | 7.58%      | 21-Jan-25         | AAA    | 1,245           |
| INE2         |                                      |         |          |            |                   |        |                 |

# Global Bond Yields



- **U.S. Treasury yields** fell during the week as markets evaluated the economic outlook following various executive actions by the new administration, including a directive to address trade deficits while refraining from imposing aggressive tariffs. Additionally, investors are focused on the Federal Reserve's upcoming policy meeting, with optimism fueled by the administration's advocacy for an immediate reduction in interest rates.
- **UK yields** fell during the week, driven by positive market sentiment following the new US administration's decision to refrain from imposing aggressive tariffs. Additionally, a six-month high in wage growth strengthened expectations of a 25 bps rate cut by the Bank of England, further supporting the market sentiment.
- **German Bund yields** rose during the week as ECB policymakers expressed caution about further rate cuts, highlighting the need for careful consideration due to persistently high inflation. Meanwhile, economic signals remained mixed, with recent data just above the growth-contraction threshold, offered little indication of sustained growth momentum.

## Global 10-Year Yields

| Country | 24-Jan-25 | 17-Jan-25 | Change (bps) |
|---------|-----------|-----------|--------------|
| US      | 4.62%     | 4.62%     | -1           |
| UK      | 4.63%     | 4.66%     | -3           |
| Germany | 2.54%     | 2.50%     | 4            |
| China   | 1.67%     | 1.64%     | 3            |
| Japan   | 1.23%     | 1.21%     | 2            |



## Weekly Market Update

News & WSS

Bond

Money Market

Equity

Forex & Crude

# Treasury Bills / Policy Rates / Systemic Liquidity

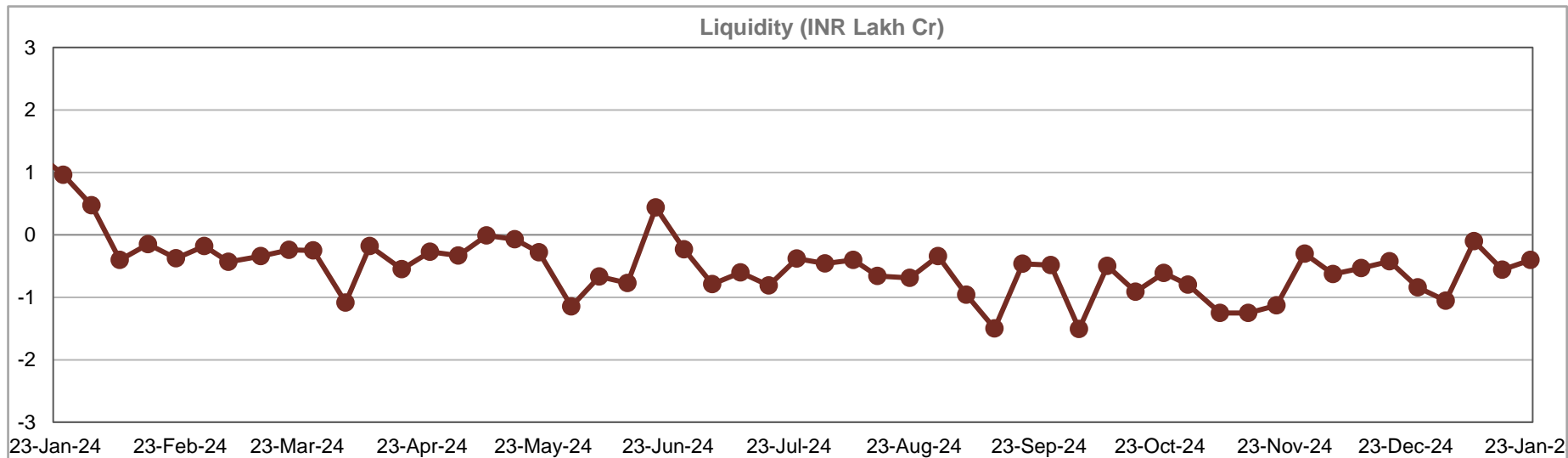
| Policy Rates  |        | T-Bill Yields |           |           |
|---------------|--------|---------------|-----------|-----------|
| Bank Rate     | 6.75%  | Tenor         | 24-Jan-25 | 17-Jan-25 |
| Repo Rate     | 6.50%  | 91 Day        | 6.61%     | 6.60%     |
| Rev Repo Rate | 3.35%  | 182 Day       | 6.71%     | 6.72%     |
| MSF           | 6.75%  | 364 Day       | 6.68%     | 6.70%     |
| CRR           | 4.00%  |               |           |           |
| SLR           | 18.00% |               |           |           |

## T-Bill Auction

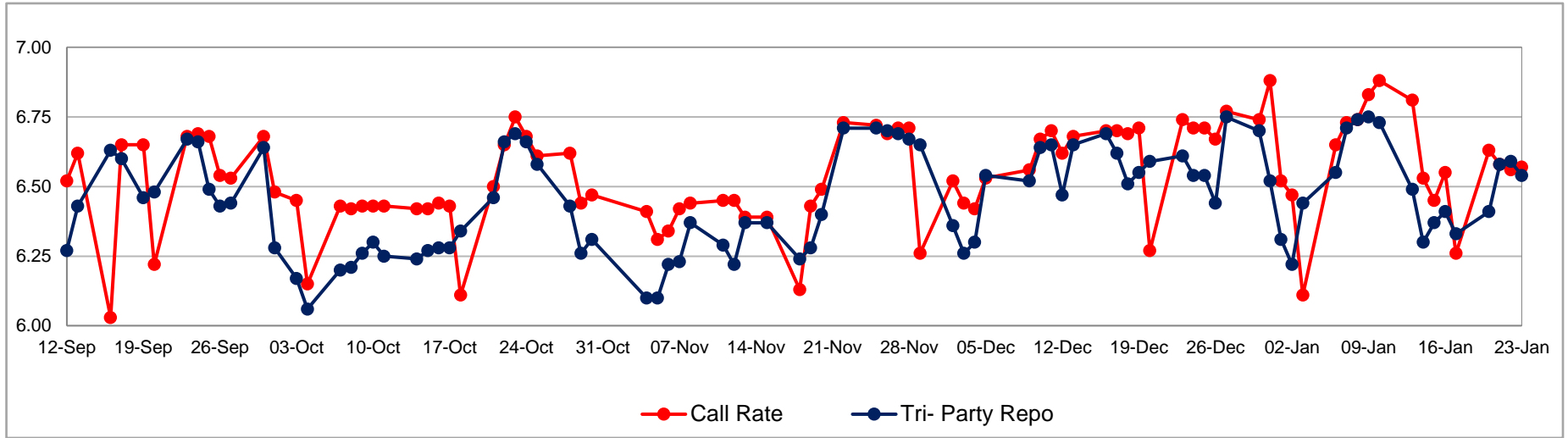
| Tenor        | Amount (INR Cr)  | B/C Ratio          |                    | Cut Off Yield (%)  |                    | Auction on January 29, 2025 Amount (INR Cr) |
|--------------|------------------|--------------------|--------------------|--------------------|--------------------|---|
|              |                  | As on Jan 22, 2025 | As on Jan 15, 2025 | As on Jan 22, 2025 | As on Jan 15, 2025 |   |
| 91 Days      | 12,000.00        | 2.75               | 2.60               | 6.61%              | 6.60%              | 12,000.00                                   |
| 182 Days     | 8,000.00         | 2.54               | 2.46               | 6.71%              | 6.72%              | 8,000.00                                    |
| 364 Days     | 8,000.00         | 4.85               | 3.11               | 6.68%              | 6.70%              | 8,000.00                                    |
| <b>Total</b> | <b>28,000.00</b> |                    |                    |                    |                    | <b>28,000.00</b>                            |

# Treasury Bills/ Policy Rates/ Systemic Liquidity

| Liquidity Position (₹ Bn)         |                  |                  |
|-----------------------------------|------------------|------------------|
| Weekly Data                       | January 23, 2025 | January 16, 2025 |
| Average Reverse Repo              | 66.35            | 45673.00         |
| Average Net LAF                   | (54.25)          | 78.10            |
| Average MSF                       | 4.71             | (66.00)          |
| <b>Average Liquidity Position</b> | <b>(39.98)</b>   | <b>(55.72)</b>   |



# Call Rate/ Tri-Party Repo Rate



| Particulars    | January 23, 2025 | January 17, 2025 |
|----------------|------------------|------------------|
| Call Rate      | 6.57             | 6.26             |
| Tri-Party Repo | 6.54             | 6.33             |



## Weekly Market Update

News & WSS

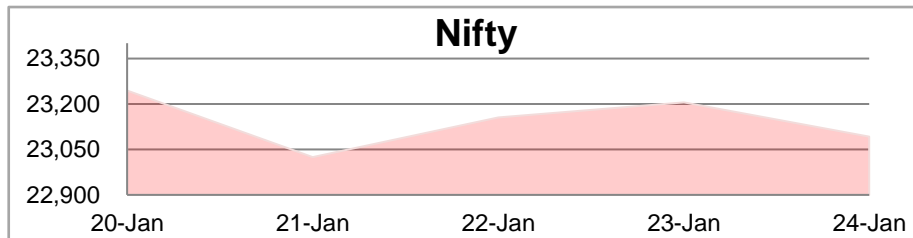
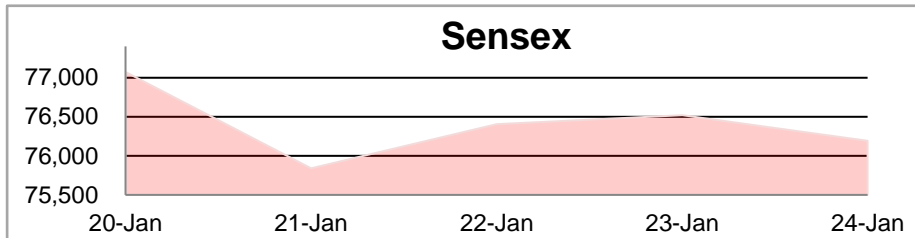
Bond

Money Market

Equity

Forex & Crude

# Equity Markets



## Domestic Indices

| Index              | 24-Jan-25 | 17-Jan-25 | % Change |
|--------------------|-----------|-----------|----------|
| Sensex             | 76,190.46 | 76,619.33 | -0.56    |
| Nifty              | 23,092.20 | 23,203.20 | -0.48    |
| Nifty Mid Cap 50   | 14,827.00 | 15,139.65 | -2.07    |
| Nifty Small Cap 50 | 8,115.50  | 8,421.95  | -3.64    |

## Global Indices

|                  |           |           |       |
|------------------|-----------|-----------|-------|
| S&P 500          | 6,101.24  | 5,996.66  | 1.74  |
| DJIA             | 44,424.25 | 43,487.83 | 2.15  |
| NASDAQ Composite | 19,954.30 | 19,630.20 | 1.65  |
| FTSE 100         | 8,502.35  | 8,505.22  | -0.03 |
| Nikkei           | 39,931.98 | 38,451.46 | 3.85  |
| Hang Seng        | 20,066.19 | 19,584.06 | 2.46  |

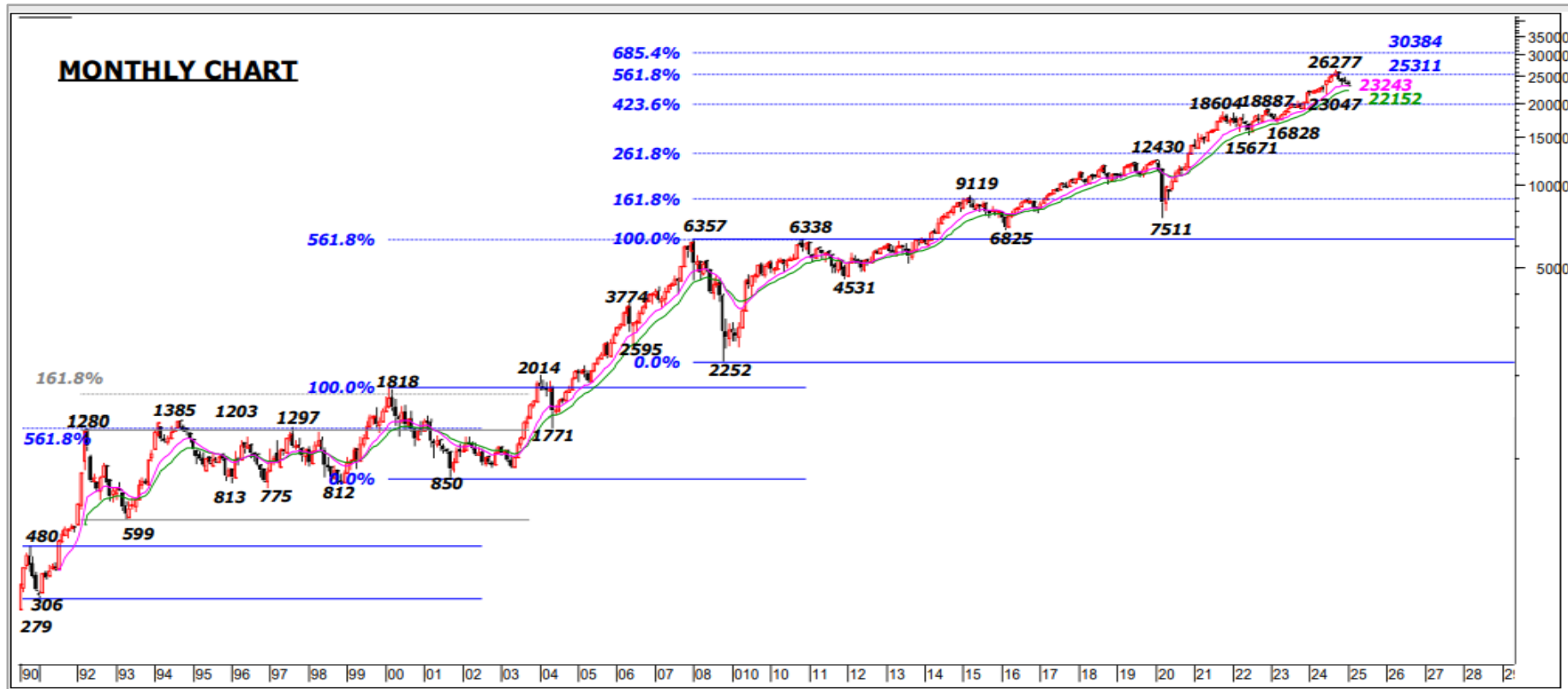
## Domestic benchmark Indices

- Indices opened the week higher and traded downwards as Moody's downgraded India's FY25 economic growth forecast to 7% from 8.2% recorded in FY24 amidst a slowdown in domestic economic trends, geopolitical uncertainties disrupting supply chains, and adverse weather conditions complicating recovery efforts. Further, investors turned cautious over concerns about the US president's potential policies toward India after he suggested the possibility of imposing trade tariffs on its neighboring countries.
- During the mid-week, the indices reversed their trajectory and traded marginally upwards after reports suggested the upcoming Union Budget for FY26 aims for a balance between fiscal consolidation and growth, with increased capital expenditure, and reduced fiscal deficit.
- Thereafter, towards the end of the week, upward movement in the indices was limited after media report highlighted food inflation reaching a decade-high of 8.4% in 2024, driven by a 26.8% surge in vegetable prices compared to 5.7% in 2023, which would reduce the possibility of a rate cut in the upcoming MPC meeting. Further, India's formal employment showed mixed results in Nov'24, with higher-paying jobs seeing growth while lower-paying positions declined. Furthermore, new enrollments in the Employees' Provident Fund rose by 11.2%, reaching 0.9 Mn

## US Indices

- US benchmark indices traded upwards during the week, driven mixed corporate earnings and policy signals from President Trump coupled with softened stance on tariffs toward China that provided some relief, though warnings of potential action against other trade partners kept uncertainties high.

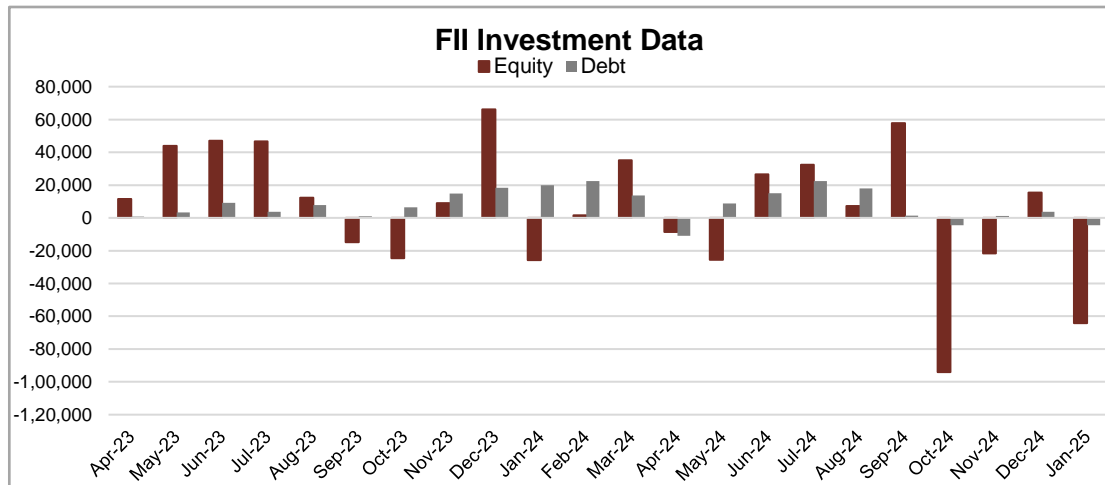
# Nifty – 23,092.20 (January 24, 2025)



Support:- 23243 – 22152

Resistance: 23522, 24180

# Markets Investment Data



| FII Investment Data |             |             |
|---------------------|-------------|-------------|
| Month               | Equity      | Debt        |
|                     | Net Invest. | Net Invest. |
|                     | (INR Cr)    | (INR Cr)    |
| Jan-25              | -64,156     | -4,399      |
| Dec-24              | 15,446      | 3,755       |
| 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       |

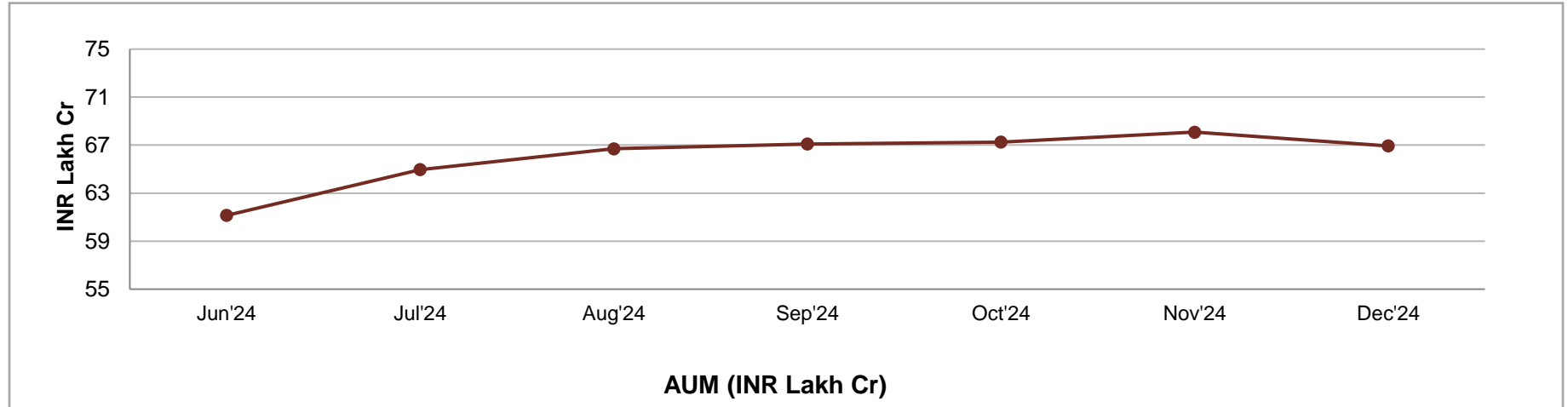
| Weekly Investment Data |                |            |             |                |             |             |
|------------------------|----------------|------------|-------------|----------------|-------------|-------------|
| Week                   | Equity         |            |             | 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                    | 55,466.97      | 43,507.02  | 11,959.95   | 47,414.39      | 59,634.74   | -12,220.35  |
| FII                    | 61,373.48      | 81,132.81  | -19,759.33  | 2,642.09       | 2,192.71    | 449.38      |

| FII Investment Data |             |             |
|---------------------|-------------|-------------|
| Year                | Equity      | Debt        |
|                     | Net Invest. | Net Invest. |
|                     | (INR Cr)    | (INR Cr)    |
| FY25TD              | -74,623     | 50,556      |
| 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 16<sup>th</sup> Jan'25 to 22<sup>nd</sup> Jan'25 and FII data is from 20<sup>th</sup> Jan'25 to 24<sup>th</sup> Jan'25 .

# Mutual Funds Investment Data

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



# Corporate earnings

| Particulars       | Q3 FY25<br>(Dec'24) | Q3 FY24<br>(Dec'23) | Change<br>from Q3<br>FY24 | Q2 FY25<br>(Sep'24) | Change<br>from Q2<br>FY25 | Remarks  |
|-------------------|---------------------|---------------------|---------------------------|---------------------|---------------------------|--|
| <b>ICICI Bank</b> |                     |                     |                           |                     |                           |  |
| Total Income      | 74,626.56           | 59,479.76           | 25.47%                    | 72,942.55           | 2.31%                     | <ul style="list-style-type: none"> <li>The company reported a rise in NII by 9.1% YoY to INR 20,371 Cr during Q3FY25, while NIM stood at 4.25% in Q3FY25 as compared to 4.43% in Q3FY24.</li> <li>GNPA stands at 1.96% in Q3FY25 as compared to 1.97% in Q2FY25, while provisions rose nearly 17% YoY to INR 12.27 Bn.</li> </ul>          |
| Operating Profit  | 19,750.88           | 16,162.31           | 22.20%                    | 19,878.34           | -0.64%                    |  |
| Net Profit        | 12,883.37           | 11,052.60           | 16.56%                    | 12,947.77           | -0.50%                    |  |
| <b>NTPC</b>       |                     |                     |                           |                     |                           |  |
| Total Income      | 45,597.45           | 43,574.65           | 4.64%                     | 45,197.77           | 0.88%                     | <ul style="list-style-type: none"> <li>Company's EBITDA rose by 20.3% YoY to INR 11,960.6 in Q3FY25 as compared to INR 9,941 in Q3FY24 driven by improved operational efficiency and a favorable power demand environment.</li> <li>Margins of the company improved to 30.3% in Q3FY25 as compared to 26.5% in Q3FY24.</li> </ul>          |
| Operating Profit  | 7,130.41            | 4,792.43            | 48.78%                    | 4,320.50            | 65.04%                    |  |
| Net Profit        | 5,169.69            | 5,208.87            | -0.75%                    | 5,380.25            | -3.91%                    |  |
| <b>JSW Steel</b>  |                     |                     |                           |                     |                           |  |
| Total Income      | 41,525.00           | 42,134.00           | -1.45%                    | 39,837.00           | 4.24%                     | <ul style="list-style-type: none"> <li>The company reported a EBITDA at INR 5,579 Cr in QFY25 with a margin of 13.5% as lower coking coal costs and higher volumes offset weaker steel prices.</li> <li>Consolidated crude steel production rose 2% YoY to 7.03 million tonnes, with Indian operations running at 91% capacity.</li> </ul> |
| Operating Profit  | 1,275.00            | 3,319.00            | -61.58%                   | 1,193.00            | 6.87%                     |  |
| Net Profit        | 719.00              | 2,450.00            | -70.65%                   | 404.00              | 77.97%                    |  |

# Corporate earnings

| Particulars                   | Q3 FY25<br>(Dec'24) | Q3 FY24<br>(Dec'23) | Change<br>from Q3<br>FY24 | Q2 FY25<br>(Sep'24) | Change<br>from Q2<br>FY25 | Remarks   |
|-------------------------------|---------------------|---------------------|---------------------------|---------------------|---------------------------|---|
| <b>Shriram Finance</b>        |                     |                     |                           |                     |                           |   |
| Total Income                  | 10,705.47           | 8,927.30            | 19.92%                    | 10,096.68           | 6.03%                     | <ul style="list-style-type: none"> <li>The GNPA for the quarter reduced to 5.38% in Q3FY25 as compared to 5.66% in Q3FY24, while it was down at 5.32 per cent in Q2FY25.</li> <li>The company's AUM increased 18.8% YoY to INR 2.54 lakh Cr in Q3FY25 as compared to INR 2.14 lakh Cr in the year-ago period.</li> </ul>  |
| Operating Profit              | 2,759.15            | 2,439.62            | 13.10%                    | 2,751.52            | 0.28%                     |   |
| Net Profit                    | 3,248.64            | 1,873.59            | 73.39%                    | 2,153.27            | 50.87%                    |   |
| <b>Ultratech Cement</b>       |                     |                     |                           |                     |                           |   |
| Total Income                  | 17,437.62           | 16,880.45           | 3.30%                     | 15,855.46           | 9.98%                     | <ul style="list-style-type: none"> <li>The company reported a ~10.5% increase in domestic demand, with a increase in prices over Q2 helping with better realizations.</li> <li>The company reported that its volumes in the Q3FY25 grew by ~9% as compared to 28.10 million tonne per annum (MTPA) in Q2FY25, with trade sales growing by 12.5% on a YoY basis. Rural sales volumes grew by 13% on a YoY basis</li> </ul> |
| Operating Profit              | 1,832.77            | 2,349.41            | -21.99%                   | 1,018.02            | 80.03%                    |   |
| Net Profit                    | 1,473.51            | 1,774.78            | -16.98%                   | 825.18              | 78.57%                    |   |
| <b>Dr Reddys Laboratories</b> |                     |                     |                           |                     |                           |   |
| Total Income                  | 8,531.40            | 7,453.00            | 14.47%                    | 8,345.70            | 2.23%                     | <ul style="list-style-type: none"> <li>The company reported a ~2% rise in net profit in Q3FY25, the growth was largely driven by revenues from the recently acquired Nicotine Replacement Therapy(NRT) portfolio, revenues from India and Emerging Markets.</li> <li>The company further invested INR 6.7 billion in R&amp;D, focusing on complex generics and biosimilars.</li> </ul>                                    |
| Operating Profit              | 1,870.10            | 1,826.40            | 2.39%                     | 1,911.30            | -2.16%                    |   |
| Net Profit                    | 1,404.20            | 1,380.90            | 1.69%                     | 1,341.90            | 4.64%                     |   |

# Corporate earnings

| Particulars                         | Q3 FY25<br>(Dec'24) | Q3 FY24<br>(Dec'23) | Change<br>from Q3<br>FY24 | Q2 FY25<br>(Sep'24) | Change<br>from Q2<br>FY25 | Remarks  |
|-------------------------------------|---------------------|---------------------|---------------------------|---------------------|---------------------------|--|
| <b>HDFC Bank</b>                    |                     |                     |                           |                     |                           |  |
| Total Income                        | 1,12,193.94         | 1,15,015.51         | -2.45%                    | 1,21,456.74         | -7.63%                    | <ul style="list-style-type: none"> <li>The reported a marginal 2.2% YoY rise in Q3FY25 net profit, while its NII growth was around 8.1% YoY.</li> <li>HDFC Bank witnessed a rise in GNPA ratio at 1.42% at the end of Q3FY25, compared to 1.36% in Q2FY25 and 1.26% in Q3FY24. NNPA ratio also increased to 0.46% in Q3FY25 from 0.41% in Q2FY25 and 0.31% in Q3FY24.</li> </ul>           |
| Operating Profit                    | 27,930.16           | 25,947.01           | 7.64%                     | 27,237.29           | 2.54%                     |  |
| Net Profit                          | 17,656.61           | 17,257.87           | 2.31%                     | 17,825.91           | -0.95%                    |  |
| <b>Hindustan Unilever</b>           |                     |                     |                           |                     |                           |  |
| Total Income                        | 16,050.00           | 15,781.00           | 1.70%                     | 16,145.00           | -0.59%                    | <ul style="list-style-type: none"> <li>The company posted a volume growth of ~3% in Q3FY25 as compared to Q2FY25, volumes were impacted mainly due to negative mix, with small packs growing ahead of large packs, partially offset by the secular trend of premiumization.</li> <li>Company's margins marginally contracted to 23.4% in Q3FY25 as compared to 23.5% in Q3FY24.</li> </ul> |
| Operating Profit                    | 3,474.00            | 3,476.00            | -0.06%                    | 3,564.00            | -2.53%                    |  |
| Net Profit                          | 2,989.00            | 2,508.00            | 19.18%                    | 2,595.00            | 15.18%                    |  |
| <b>Bharat Petroleum Corporation</b> |                     |                     |                           |                     |                           |  |
| Total Income                        | 1,28,158.36         | 1,30,475.59         | -1.78%                    | 1,18,646.20         | 8.02%                     | <ul style="list-style-type: none"> <li>The company's EBITDA rose by ~68% to INR 7,580 Cr in Q3FY25 as compared to INR 4,512 Cr in Q2FY25, on a standalone basis.</li> <li>Refinery throughput in the Q3FY25 stood at 9.54 million metric tonnes, down from 10.28 MMT in Q2FY25, due to planned maintenance-related shutdowns.</li> </ul>   |
| Operating Profit                    | 5,462.30            | 3,938.97            | 38.67%                    | 2,513.20            | 117.34%                   |  |
| Net Profit                          | 3,805.94            | 3,181.42            | 19.63%                    | 2,297.23            | 65.68%                    |  |



## Weekly Market Update

News & WSS

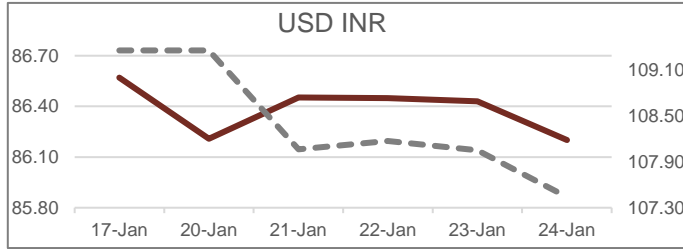
Bond

Money Market

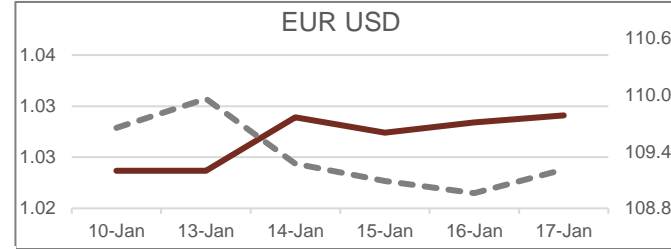
Equity

Forex & Crude

# Foreign Exchange Report



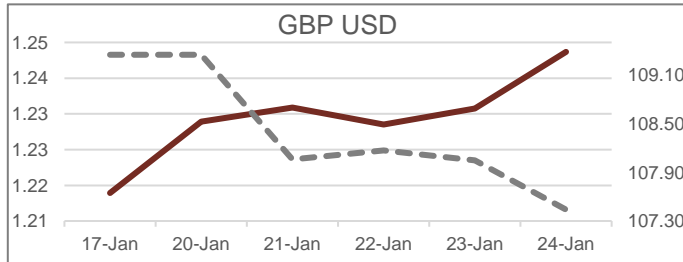
| 17-Jan        | 24-Jan |
|---------------|--------|
| 86.57         | 86.20  |
| <b>-0.43%</b> |        |



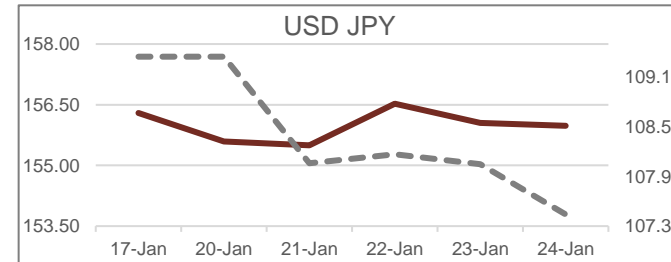
| 17-Jan       | 24-Jan |
|--------------|--------|
| 1.0271       | 1.0493 |
| <b>2.16%</b> |        |

**The Indian Rupee appreciated** after the World Bank's Global Economic Prospects report projected India as the fastest-growing major economy at 6.7% in both FY25 and FY26. Moreover, it highlighted that India's manufacturing activity and services sector were expected to grow steadily, supported by tax reforms and infrastructure enhancements.

**The Euro appreciated** supported by a weaker dollar after President Trump appeared to soften his stance on universal tariffs and advocated for an immediate drop in interest rates. Additionally, private sector activity showed signs of recovery. Meanwhile, the ECB is widely expected to implement another 25 bps cut to the key deposit rate this week, following four reductions in 2024.



| 17-Jan       | 24-Jan |
|--------------|--------|
| 1.2163       | 1.2479 |
| <b>2.60%</b> |        |



| 17-Jan        | 24-Jan |
|---------------|--------|
| 156.30        | 155.98 |
| <b>-0.20%</b> |        |

**The British Pound appreciated** as data showed that the UK economy performed better than expected in Jan'24. The Services PMI rose slightly, while the Manufacturing PMI also improved, with both surpassing forecasts. Although the Bank of England is expected to cut interest rates by 25 bps in Feb'24, the data suggests it is unlikely to accelerate the pace of rate cuts.

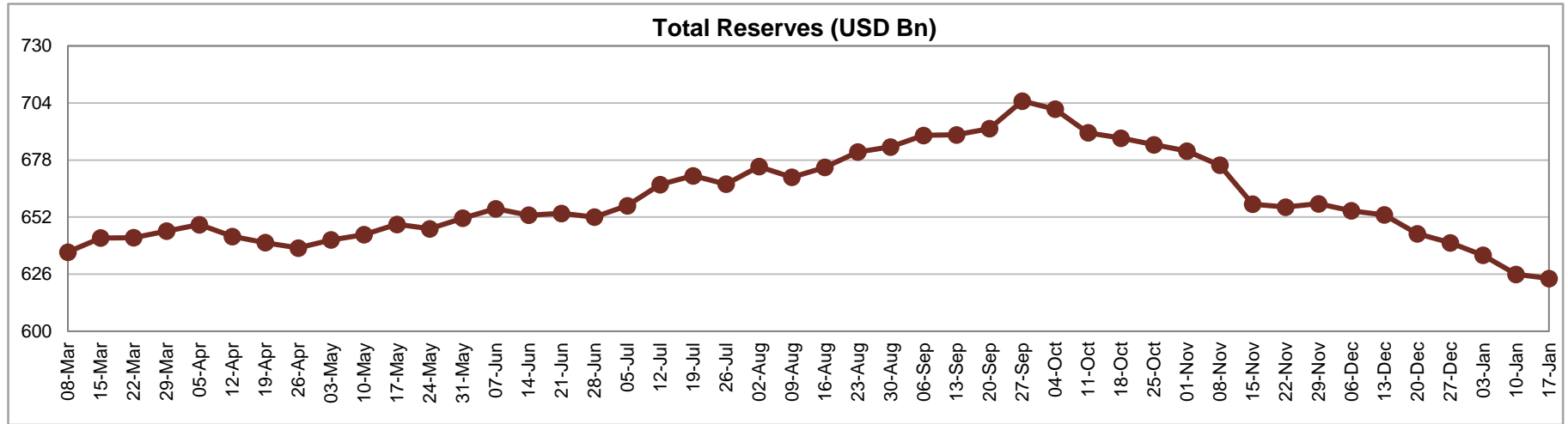
**The Japanese Yen depreciated** as Japan's core inflation rate surged to a 16-month high of 3% in Dec'24. Further, the BoJ raised interest rates by 25 basis points to 0.5%, in line with expectations. The move marks the highest short-term borrowing costs in 16 years. The central bank also projected that inflation would reach its 2% target in the second half of its forecast period,

**Dollar Index** ended the week lower by **1.75%** at 107.44

--- Dollar Index

# RBI Forex Reserves

|                                  | 17-Jan-25 | 10-Jan-25 | % Change (WoW) | % Change (MoM) | % Change (YoY) |
|----------------------------------|-----------|-----------|----------------|----------------|----------------|
| Forex Reserves (USD Bn)          | 623.983   | 625.871   | -0.30%         | -3.17%         | 1.27%          |
| Foreign Currency Assets (USD Bn) | 533.133   | 536.011   | -0.54%         | -4.21%         | -2.33%         |
| Gold Reserves (USD Bn)           | 68.947    | 67.883    | 1.57%          | 4.90%          | 46.04%         |
| SDRs (USD Bn)                    | 17.782    | 17.781    | 0.01%          | -0.58%         | -2.41%         |
| Reserves with IMF (USD Bn)       | 4.122     | 4.195     | -1.74%         | -2.25%         | -15.08%        |



# Crude Oil

| Date             | Day       | Brent Crude Price (USD/bbl.) |   |
|------------------|-----------|------------------------------|---|
| January 24, 2025 | Friday    | 78.50                        | ↑ |
| January 23, 2025 | Thursday  | 78.29                        | ↓ |
| January 22, 2025 | Wednesday | 79.00                        | ↓ |
| January 21, 2025 | Tuesday   | 79.29                        | ↓ |
| January 20, 2025 | Monday    | 80.15                        | ↓ |



- Brent Crude ended the week lower by 2.83% to close at USD 78.50, and WTI Crude ended the week lower by 4.13% to close at USD 74.66.
- Crude oil prices opened the week lower and traded downwards after U.S. President Donald Trump urged Saudi Arabia and OPEC to bring down its cost during his address at the World Economic Forum. Uncertainty over how Trump's proposed tariffs and energy policies would affect global economic growth and energy demand also weighed on prices.
- During the mid-week, the down move in the crude oil prices continued after US President Trump declared a national energy emergency on Monday, rolling back environmental restrictions on energy infrastructure as part of his plans to maximize domestic oil and gas production.
- Towards the end of the week, the down move in the crude oil was limited after reports raised oil price outlook for 2025 due to geopolitical risks centred on Russia and Iran, but noted prices were likely to ease through the second half of the year. Additionally, Brent crude is expected to average USD 67 a barrel in 2025, up from a previous forecast of USD 62.
- As per Baker Hughes, the number of active crude oil rigs in the US reduced to 472 for the week ending January 24, 2025.

# Things to watch out for during the week

| Date      | Country   | Things to Watch Out For    |
|-----------|-----------|----------------------------|
| 27-Jan-25 | China     | Manufacturing PMI          |
| 30-Jan-25 | US        | Fed Interest Rate Decision |
|           | Euro Area | ECB Interest Rate Decision |
| 31-Jan-25 | India     | Government Budget Value    |
|           | US        | Core PCE Price Index       |
| 01-Feb-25 | India     | Union Budget 2025          |

| Date   | Q3FY25 Corporate Earnings       |
|--------|---------------------------------|
| 31-Jan | Sun Pharmaceutical Industries   |
|        | Oil and Natural Gas Corporation |
|        | Nestle India                    |
|        | IndusInd Bank                   |
| 30-Jan | Larsen & Toubro                 |
|        | Bajaj Finserv                   |
|        | Adani Enterprises               |
|        | Adani Ports & SEZ               |
|        | Bharat Electronics              |
|        | Tata Consumer Products          |
| 29-Jan | Bajaj Finance                   |
|        | Maruti Suzuki                   |
|        | Tata Motors                     |
|        | Bajaj Auto                      |
| 28-Jan | Cipla                           |
|        | Coal India                      |
|        | Tata Steel                      |

## **Disclaimer:**

*This report has been issued by Darashaw & Company Pvt Ltd (CIN- U67120MH1994PTC076656) registered with Securities and Exchange Board of India (“SEBI”) as a Stock broker, Merchant banker, Portfolio manager, Research analyst. The information herein has been obtained from various sources and is meant only for general reading purposes. Darashaw does not guarantee its veracity, accuracy or completeness. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities. This research report is not prepared for any particular recipient. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investor may seek financial and other advice before relying on the data set out in this report. It is possible that any possible inferred change in position of such securities may not happen. Investor should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Past performance is not necessarily a guide for future prospect and performance.*

## **Disclaimer for our Technical Reports**

*This is a technical research report (“Report”) prepared by Darashaw’s Research Analysts based on their study of certain charts, statistical data and their interpretation of the same. This Report is not based on assessment of the specific investment objectives, financial situation and the particular needs of any specific person who may receive this Report. Investors must undertake independent analysis with their own legal, tax and financial advisors and must reach their own decision regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this Report and should understand that statements regarding future prospects may not be realized.*

*The investment discussed or views expressed may not be suitable for all investors. This information is strictly confidential and is being furnished solely for purposes of information. This Report is not directed or intended for distribution to, or used by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or licensing requirements within such jurisdiction. The distribution of this Report in certain jurisdictions may be restricted by law, and persons in whose possession this Report comes, should observe such restrictions. The information given in this Report is as of the date of this Report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. Darashaw reserves the right to make modifications and alterations to this statement as may be required from time to time. Darashaw or any of its affiliates shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this Report.*

*This information does not constitute or form part of and should not be construed as, any offer for sale or subscription of or any invitation to offer to buy or subscribe for any securities. The information and opinions on which this communication is based have been compiled or arrived at from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, correctness and are subject to change without notice. The view may be positively or adversely affected by changes in foreign exchange or interest rates, as well as by other financial, economic or political factors. Past performance is not necessarily indicative of future performance or results. Investors are advised to read “Risk disclosure documents for capital market and derivatives segments” as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.*

*Analyst Certification: The research analyst(s) who prepared this research Report hereby certifies that the views expressed in this research Report accurately reflect the research analyst’s personal views about all of the subject issuers and/or securities, that the analyst have no known conflict of interest and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific views or recommendations contained in this research Report. The Research Analyst certifies that he /she or his / her family members does not own the stock(s) covered in this research Report.*

### **Copyright:**

*The information contained herein is confidential and is intended solely for the addressee(s). The copyright in this Report belongs exclusively to Darashaw. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the Darashaw prior consent, except that a recipient may reprint it for internal circulation only.*

**Caution:** *Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication to future performance. There are risks associated with trading in securities and derivatives. Investors should carefully consider whether trading is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances.*

*Darashaw group was established in 1926 and is one of India’s oldest continuously managed financial services group. Darashaw & Co Pvt. Ltd (CIN-U67120MH1994PTC076656) is registered with the Securities and Exchange Board of India (“SEBI”) as a stock broker, merchant banker, portfolio manager, research analyst. Darashaw along with its associates are participants in all securities trading markets in India. Details of our associates are available on our website i.e. [www.darashaw.com](http://www.darashaw.com).*