



HSBC Mutual Fund

Market Flash

May 19, 2025





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Markets open weak tracking global cues; Nifty IT index down 1%

The benchmark indices started on a quiet note today amid marginally weak global market mood. In early trade, the Sensex fell 155 points, or 0.19%, to quote at 82,175. The NSE Nifty50, meanwhile, was around testing the 25,000-mark at 24,997, down 22.15 points or 0.09%.

The Indian Rupee opened 12 paise stronger at 85.44 against the US Dollar on Monday, compared to its closing rate of 85.52 a dollar on Friday.

At 9:40 AM, the frontline BSE Sensex was trading at 82,212 down 107 points or 0.13%. Market breadth is positive with and out of a total of 3,332 shares traded on the Bombay Stock Exchange, 2,287 advanced while 862 declined and 183 remained unchanged. The broader Nifty50 was at 25,004 levels down 16 points or 0.06%.

Among sectoral indices, the Nifty IT index was the only loser, down 0.6%, after Moody's credit rating downgrade for the US sparked slowdown fears.

Among gainers, the Nifty Auto, Pharma, Realty, and Metal indices climbed over 0.5% each. The Nifty Bank index, too, was up 0.23%.

In the broader markets, the Nifty Mid Cap and the Nifty Small Cap indices were trading around 0.3% and 0.66% higher, respectively.

WEEKLY REVIEW – MAY 12, 2025 – MAY 16, 2025

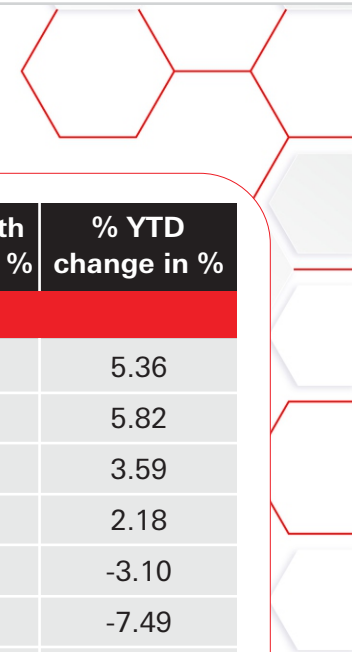
The domestic equity benchmarks ended with robust gains this week, driven by easing geopolitical tensions after a ceasefire, softening retail and wholesale inflation, foreign institutional investors pouring money into domestic equities and the timely onset of the monsoon.

The broader market skyrocketed, with mid-cap indices gaining over 6% and small-cap indices surging more than 9%. While profit booking capped gains on Friday, the overall investor mood remained upbeat.

India's retail inflation slowed to 3.16% for April and remained below the Reserve Bank of India's 4% target for the third consecutive month. This provides scope for further rate cuts to support growth. IMD has announced that the southwest monsoon is likely to arrive four days earlier than usual, with onset over Kerala expected around May 27.

On the sectoral front, the Nifty Defence Index led the rally, soaring 11%, followed by Realty (up 10.9%), and Metal (up 9.22%). PSU Banks, Auto, and IT indices each posted gains of nearly six percent each. Defensive indices like Nifty FMCG, Nifty Pharma, and Nifty Healthcare also saw modest gains in trade over the week.

In the week ended on Friday, 16 May 2025, the BSE Sensex zoomed 2,876.12 points or 3.62% to settle at 82,330.59. The Nifty 50 index soared 1,011.8 points or 4.21% to settle at 25,019.80. The BSE Mid Cap index surged 6.87% to close at 45,005.84. The BSE Small Cap index climbed 9.20% to end at 51,045.74.



Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	82,330.59	-0.24	6.86	5.36
Nifty 50	25,019.80	-0.17	6.75	5.82
S&P BSE 200	11,323.86	0.19	6.72	3.59
S&P BSE 500	35,957.63	0.34	6.79	2.18
S&P BSE Midcap	45,005.84	0.85	7.81	-3.10
S&P BSE Smallcap	51,045.74	1.18	7.02	-7.49
S&P BSE Auto	53,659.29	0.63	13.13	3.86
S&P BSE Bankex	62,967.17	-0.15	3.67	9.05
S&P BSE Cap Goods	68,909.14	1.63	13.61	1.67
S&P BSE Consumer Durables	59,572.56	0.62	5.04	-7.55
S&P BSE FMCG	20,806.82	0.62	1.82	0.17
S&P BSE Healthcare	42,441.98	-0.29	2.72	-6.26
S&P BSE IT	37,397.38	-0.71	13.78	-13.41
S&P BSE Metal	30,998.21	-0.20	8.38	7.29
S&P BSE Oil & Gas	27,407.19	0.59	8.09	5.15
S&P BSE Power	6,814.40	1.37	2.36	-2.17
S&P BSE Realty	7,075.90	1.72	8.54	-14.07

GLOBAL MARKETS

Asian shares slipped on Monday as a mixed bag of Chinese economic data showed the domestic economy was struggling even as US tariffs began to bite into exports, while the White House kept up its rhetorical pressure on trade partners.

Wall Street share futures also slipped with the dollar, while Treasury yields rose as concerns about erratic US economic policies were underlined by Moody's downgrade of the country's credit rating.

In markets, MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.2%, with Japan's Nikkei down 0.6%. Chinese blue chips eased 0.4% as retail sales missed forecasts for April, while industrial output slowed but not by as much as feared. EUROSTOXX 50 futures added 0.1%, while FTSE futures eased 0.1% and DAX futures were flat.

S&P 500 futures lost 0.8% and Nasdaq futures 1.1%, though that followed major rallies last week in the wake of US President decision to lower levies on China. Yields on 10-year Treasuries rose another 5 basis points to 4.49%, extending Friday's reversal on the Moody's news.

RUPEE, OIL & FIIs

Indian Rupee: Rupee pared its gains and settled 3 paise lower at 85.57 against the greenback on Friday as robust inflow of foreign capital failed to boost the local currency amid negative equity market sentiment and higher crude oil prices.

Crude Oil: Oil prices struggled on concerns about the risk of increased output from OPEC and Iran. Brent inched down 19 cents to \$65.22 a barrel, while US crude eased 15 cents to \$62.34 per barrel.

FPIs & DIIs: Foreign portfolio investors net bought shares worth Rs 8,831 crore on Friday. DIIs, meanwhile, were net buyers at Rs 5,187 crore.

International				
DJIA*	42,322.75	0.65	4.84	-0.52
Nasdaq Composite*	19,112.32	-0.18	13.61	-1.03
Nikkei 225 (Japan)	37,753.72	0.00	11.30	-5.37
Straits Times (Singapore)	3,897.87	0.15	6.43	2.91
Hang Seng (Hong Kong)	23,345.05	-0.46	10.87	16.38
Kospi Composite (Seoul)	2,626.87	0.21	7.33	9.48
FTSE 100 (London)	8,633.75	0.57	4.66	5.64
Cac 40 (France)*	7,853.47	0.21	7.06	6.40
Xetra Dax (Germany)*	23,695.59	0.72	11.49	19.02
S&P 500 (US)*	5,916.93	0.41	9.64	0.60
Shanghai (China)	3,367.46	-0.40	2.79	0.47
MICEX (Russia)*	2,852.07	0.42	-0.34	-5.74
Bovespa (Brazil)*	139,334.00	0.66	7.81	15.84
JCI (Indonesia)	7,106.53	0.94	11.04	-1.05
SET (Thailand)	1,195.77	0.11	4.88	-10.92

*Data as of May 15

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
15-May	21,440.00	15,694.00	5,746.00	18,446.00
Apr-25	318,326.36	313,929.66	4,396.70	
Mar-25	298,911.92	290,858.48	8,053.44	
Feb-25	297,314.60	343,915.00	-46,600.40	
Jan-25	251,530.65	324,206.54	-72,675.89	
Dec-24	328,550.47	317,464.70	11,085.77	
Nov-24	359,106.71	381,708.83	-22,602.12	
Last Close	15,095.00	14,165.00	930.00	
6 Months average	308,956.79	328,680.54	-19,723.75	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
15-May	10,264.00	9,354.00	910.00	20,194.00*
Apr-25	212481.74	195438.37	17043.37	
Mar-25	202659.75	196742.88	5916.87	
Feb-25	226200.32	178266.51	47933.81	
Jan-25	259968.35	204678.3	55290.05	
Dec-24	238343.12	210205.34	28137.78	
Nov-24	184871.96	149239.4	35632.56	
Last Close	12,188.00	8,640.00	3,548.00	
6 Months average	220,754.21	189,095.13	31,659.07	

-MF data as of May 14

WEEK AHEAD

The Indian stock market appears set to extend its uptrend in the coming week, supported by a blend of positive domestic and global factors. Investor sentiment remains optimistic as ongoing trade negotiations between India and the United States continue to bolster market confidence.

Despite persistent geopolitical concerns, market participants have largely brushed them aside, with Foreign Institutional Investors (FIIs) actively infusing capital into domestic equities. Alongside steady inflows from Domestic Institutional Investors (DIIs), this robust institutional participation is helping maintain market resilience and broad-based gains.

On the macroeconomic front, easing crude oil prices and moderating inflation provide additional support. This favorable environment is boosting confidence in India's economic growth outlook and encouraging wider participation across sectors.

Domestic Cues:

India's HSBC Composite PMI Flash for May is due on Thursday, 22 May 2025.

India's HSBC Manufacturing PMI Flash for May is due on Thursday, 22 May 2025.

India's HSBC Services PMI Flash for May is due on Thursday, 22 May 2025.

India's bank loan growth data for the fortnight ending 9 May 2025 is due on Friday, 23 May 2025.

India's deposit growth data for the fortnight ending 9 May 2025 is due on Friday, 23 May 2025.

India's foreign exchange reserves data for the week ending 16 May 2025 is due on Friday, 23 May 2025.

Global Cues:

China's industrial production data for April is due on Monday, 19 May 2025.

China's retail sales data for April is due on Monday, 19 May 2025.

Japan's balance of trade data for April is due on Wednesday, 21 May 2025.

The United States' existing home sales data for April is due on Thursday, 22 May 2025.

Japan's inflation data for April is due on Friday, 23 May 2025.

Views provided above are based on information in public domain and subject to change. Investors are requested to consult their financial advisor for any investment decisions.

Source: Bloomberg, Capital Market, MOSL & HSBC MF estimates as on May 19, 2025 or as latest available.

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