



HSBC Mutual Fund

Market Flash

July 28, 2025





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Markets weak amid volatility; Bank indices up

Equity markets opened lower today (as on 28 July '25). This is followed by weekend performance, where Indian equity benchmarks ended lower on Friday, weighed down by financial stocks amid weak global cues, stalled US-India trade talks and foreign fund outflows.

India's stock benchmarks represented by the BSE Sensex and Nifty 50 ended lower by 0.88% and 0.90%, respectively on Friday, weighed down by financial stocks amid weak global cues, stalled US-India trade talks and persistent foreign fund outflows.

Last week, India has signed a pact to extend a Rs 4,850 crore line of credit to the Maldives, after bilateral meetings between the two countries. The RBI said India's forex reserves declined by \$1.183 billion to \$695.489 billion during the week ended July 18.

India and the United Kingdom signed a Comprehensive Economic Trade Agreement (CETA) on Thursday (24 July 2025) during Prime Minister's visit to the U.K. The two sides also released a reworked and extended cooperation framework, replacing 'Roadmap 2030' with the 'India-U.K. Vision 2035' framework. The deal would benefit Indian farmers, the MSME sector, Indian footwear and Jewellery exports, as well as seafood and engineering goods sectors. British medical devices and aerospace parts would be more easily sold in India (i.e., they would face lower Indian tariffs).

WEEKLY REVIEW – JUNE 30, 2025 – JULY 04, 2025

The Nifty 50 started the week well, going above 25,050 on 21 July '25. However, it faced selling pressure later in the week, closing at 24,837 on 25 July '25. This was its fourth week of losses in a row, down by about 0.5% for the week. The BSE Sensex also fell by 0.3%, closing at 81,463.09 on 25 July '25.

Banking sector was a better performer, showing gains 0.5% for BSE Bankex TRI. Other sectors like Metal and Auto also saw some positive movement at times but lost gains towards weekend.

However, sectors such as Oil & Gas and FMCG saw selling pressure. The Smallcap and Midcap index both registered weekly losses.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	81,463.09	-0.88	-1.56	4.25
Nifty 50	24,837.00	-0.9	-1.62	5.04
S&P BSE 200	11,282.11	-1.07	-1.4	3.21
S&P BSE 500	36,129.89	-1.19	-1.14	2.67
S&P BSE Midcap	45,978.04	-1.46	-0.28	-1
S&P BSE Smallcap	53,906.46	-1.88	0.02	-2.31
S&P BSE Auto	53,195.00	-1.29	-0.24	2.97
S&P BSE Bankex	63,043.13	-0.78	-1.03	9.18
S&P BSE Cap Goods	69,136.11	-1.83	-2.22	2
S&P BSE Consumer Durables	59,563.49	-1.09	1.24	-7.56
S&P BSE FMCG	20,170.15	-0.95	0.15	-2.9
S&P BSE Healthcare	45,338.67	0.2	4.01	0.14
S&P BSE IT	35,100.90	-1.65	-8.12	-18.72
S&P BSE Metal	31,368.33	-1.64	1.11	8.57
S&P BSE Oil & Gas	27,028.50	-2.11	-0.18	3.7
S&P BSE Power	6,707.61	-2.36	-0.99	-3.7
S&P BSE Realty	7,374.78	-0.98	-6.82	-10.44

GLOBAL MARKETS

US stock market ended higher on Friday amid optimism over the US-European Union trade deal, with the S&P 500 and Nasdaq notching record high closes.

The Dow Jones Industrial Average gained about 0.4% to 44,901, while the S&P 500 rose 0.4% to end at 6,388.64. The Nasdaq closed about 0.2% higher at 21,108. The S&P 500 rallied 1.5%, while the Dow surged 1.3% during the week. The US Nasdaq index gained 1% during the week.

During the last week Global trade talks and central bank actions were in focus. Discussions about US trade deals, especially with the European Union, were closely watched. US President Donald Trump continued to push for certain tariffs in potential deals, with car tariffs staying at major focus area. This created some caution in global trade.

The European Central Bank (ECB) kept its interest rates steady at 2.15%, which suggests no immediate rate cuts. In Asia, Japan's exports kept falling due to US car tariffs. These global developments, especially the talk of trade protection, led to some investor caution that also affected markets like India.

UK Retail Sales increased 1.70% in June 2025 compared to a downwardly revised 1.10% in May 2025.



Japan and the European Union have reached agreements with U.S., alongside others such as Indonesia and Vietnam, even as India's negotiations have appeared to run into roadblocks over key sectors such as dairy and agriculture.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The rupee closed at 86.51 against the U.S. dollar on Friday, down 0.4% during the week, as foreign portfolio outflows and uncertainty over a U.S.-India trade agreement kept sentiment in check.

While the Fed is widely expected to keep rates unchanged on Wednesday, investors will pay close attention to commentary from Fed to gauge the outlook for U.S. policy rates.

The Indian rupee and government bonds are expected to react to a host of cues this week, including a U.S. Federal Reserve policy decision and the 1 Aug '25 reciprocal tariff deadline, which is likely to keep traders cautious. A plunge in India's retail inflation to a more-than-six-year low in June, along with expectations that it will slip to a record low in July will be in focus.

Crude Oil: Crude oil prices rose after the US reached a trade deal with the European Union. Brent crude futures gained 0.34% to \$68.67 a barrel, while US West Texas Intermediate crude was at \$65.37 a barrel, up 0.32%.

FIIs & DIIs: During the week, foreign institutional investors (FIIs) continued selling with sales amounting to Rs 13,552 crore. Meanwhile, domestic institutional investors continued their purchasing trend

Foreign Institutional Investors (FIIs) were careful this week, selling more Indian shares than they bought. This selling was mainly due to global uncertainties and a change in how much risk investors were willing to take.

Domestic Institutional Investors (DIIs), on the other hand, strongly supported the market by buying more shares than they sold. DII Data as per provisional Figures were Net Purchases of ~\$17,932 Cr.

Gold: Gold prices fell to their lowest in nearly two weeks, as a framework trade agreement between the United States and European Union reduced appetite for safe-haven assets. Spot gold price fell 0.1% to \$3,332.39 per ounce, after touching its lowest level since July 17, while US gold futures eased 0.1% to \$3,332.50.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA*	44,693.91	-0.7	3.72	5.05
Nasdaq Composite*	21,057.96	0.18	5.75	9.05
Nikkei 225 (Japan)	41,456.23	-0.88	6.46	3.91
Straits Times (Singapore)	4,261.06	-0.28	8.53	12.5
Hang Seng (Hong Kong)	25,388.35	-1.09	3.73	26.56
Kospi Composite (Seoul)	3,196.05	0.18	2.82	33.2
FTSE 100 (London)	9,138.37	0.85	4.33	11.81
Cac 40 (France)*	7,818.28	-0.41	2.66	5.93
Xetra Dax (Germany)*	24,295.93	0.23	2.77	22.03
S&P 500 (US)*	6,363.35	0.07	4.45	8.19
Shanghai (china)	3,593.66	-0.33	3.98	7.22
MICEX (Russia)*	2,773.98	-1.2	-0.6	-3.78
Bovespa (Brazil)*	1,33,808.00	-1.15	-2.45	11.24
JCI (Indonesia)	7,543.50	0.17	10.41	6.55
SET (Thailand)	1,217.15	0.38	9.88	-13.07

***Data as of Jul 24**

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
24-Jul	14,387.00	16,383.00	-1,996.00	-7,333.00
Jun-25	3,71,204.75	3,50,781.11	20,423.64	
May-25	3,61,096.18	3,46,413.08	14,683.10	
Apr-25	3,18,326.36	3,13,929.66	4,396.70	
Mar-25	2,98,911.92	2,90,858.48	8,053.44	
Feb-25	2,97,314.60	3,43,915.00	-46,600.40	
Jan-25	2,51,530.65	3,24,206.54	-72,675.89	
Last Close	15,482.00	18,782.00	-3,300.00	
6 Months average	3,16,397.41	3,28,350.65	-11,953.24	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
24-Jul	12,331.00	7,925.00	4,406.00	29,966.00*
Jun-25	257946.08	214007.74	43938.34	
May-25	233615	177312.92	56302.08	
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	
Last Close	13,572.00	8,789.00	4,783.00	
6 Months average	2,32,145.21	1,94,407.79	37,737.42	

-MF data as of July 23

WEEK AHEAD

This week, investors will focus on key stock market triggers, including on developments in the US-India trade deal, US Federal Reserve meeting, auto sales data, IPO activity, Q1 results, trends in crude oil prices and other key domestic and global economic data.

However, strong performance from some local sectors, especially banking, and steady buying by DIIs can help balance things out.

A decline in geopolitical tensions across West Asia and a correction in Brent crude prices have eased concerns over imported inflation.

Q1 FY26 Earnings Season India Inc's Q1 results will be tracked closely.

India's southwest monsoon has shown healthy progress, with reasonable cumulative July '25 rainfall.

India's strong economic foundation and ongoing reforms are expected to keep it attractive for long-term investors, even with short-term market ups and downs.

Global Cues:

U.S. July consumer confidence – 29 Jul '25

Federal Reserve monetary policy decision – 30 July '25

US Initial weekly jobless claims for week to July 21 - July 31

Source: Bloomberg, HSBC MF, Data as on 28 July 2025 or as latest available.

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