



HSBC Mutual Fund

Market Flash

August 11, 2025



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Markets weak amid volatility; Media sector shows gains

The equity markets have opened flat with Sensex and Nifty 50 trading marginally higher at 0.3% on Monday amid mixed global market cues. On last day of week, the Indian stock market ended significantly lower due to newsflow around the economic fallout with announcement of 50% tariffs on India by US.

Moody's Ratings said India's GDP growth is likely to slow down by about 30 basis points to 6% in the current fiscal if the US implements 50% tariffs from August 27.

India's stock benchmarks represented by the BSE Sensex and Nifty 50 ended lower by 0.95% each on Friday, dragged down by higher US tariffs, foreign fund outflows and weak earnings in the first quarter of fiscal 2026. Investors are expected to focus on developments in US-India trade talks, inflation data, updates on tariffs, Q1 results and other key economic data points.

In some of the important moves last week, Indian government reopened the portal for inviting fresh applications under the performance-linked incentive (PLI) scheme for textiles sector.

The Union Cabinet approved significant proposals, including the MERITE scheme with a Rs 4,200 crore outlay to enhance technical education across 275 institutions. The Union cabinet approved a 46-kilometre (km) National Highway project in Tamil Nadu between Marakkanam and Puducherry at a cost of Rs 2,157 crore. The Ministry of Heavy Industries (MHI) extended the PM E-drive scheme, a programme aimed at accelerating electric vehicle (EV) adoption and charging infrastructure, for a period of two years for certain segments, including e-trucks, e-ambulances, e-buses and public charging infrastructure. The Union Cabinet also approved a compensation package of Rs 30,000 crore for three public sector oil marketing companies.

WEEKLY REVIEW: 4 AUGUST 2025 – 8 AUGUST 2025

The Nifty 50 started the week well, going above 24,700 on 4 Aug '25 and closing with 0.6% gains. However, it faced slight selling pressure later in the week, closing at 24,363 on 8 Aug '25. The Nifty closed down by about -0.8% for the week. The BSE Sensex also fell by -0.9%, closing at 79,857 on 8 Aug '25. Indian equity benchmarks ended lower on Friday, dragged down by higher US tariffs, foreign fund outflows and weak earnings in the first quarter of fiscal 2026.

Media sector was a better performer, showing gains 1.2% for Nifty Media TRI. Other sectors like Nifty Metal TRI and Nifty Auto TRI index also saw positive movement over the weekend.

However, sectors such as Pharma, Healthcare, Realty, FMCG, Bank and Financial Services saw selling pressure. All these sectoral indices Nifty Pharma, Nifty Healthcare, Nifty Realty and Nifty FMCG closed down by over 2% with Nifty Pharma losing the most by about -2.7% over the last week.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	79,857.79	-0.95	-4.6	2.2
Nifty 50	24,363.30	-0.95	-4.54	3.04
S&P BSE 200	11,031.29	-1.13	-4.75	0.92
S&P BSE 500	35,228.64	-1.14	-4.78	0.11
S&P BSE Midcap	44,570.89	-1.56	-4.66	-4.03
S&P BSE Smallcap	51,596.97	-1.03	-5.43	-6.49
S&P BSE Auto	52,473.08	-1.4	-1.63	1.57
S&P BSE Bankex	61,127.28	-1.04	-4.54	5.86
S&P BSE Cap Goods	66,751.26	-1.62	-7.49	-1.52
S&P BSE Consumer Durables	59,029.25	-1.68	-1.65	-8.39
S&P BSE FMCG	20,200.25	-0.74	-1.1	-2.75
S&P BSE Healthcare	43,160.95	-1.11	-3.04	-4.67
S&P BSE IT	33,816.41	-0.99	-11.42	-21.7
S&P BSE Metal	30,461.00	-1.82	-3.75	5.43
S&P BSE Oil & Gas	26,029.19	-0.11	-8.84	-0.14
S&P BSE Power	6,573.23	-0.86	-4.97	-5.63
S&P BSE Realty	6,791.68	-2.09	-10.94	-17.52

GLOBAL MARKETS

Asian markets traded mixed, while the US stock market moved higher last week. The US tech index Nasdaq closing at record high level. In US Initial jobless claims rose by 7,000 to 226,000 in the last week of July 2025 compared to 219,000 from the previous week. US Initial jobless claims rose by 7,000 to 226,000 in the last week of July 2025 compared to 219,000 from the previous week. Japan household spending rose 1.3% in June 2025, compared to a 4.7% increase in May 2025. Japan Economy Watchers Survey edged up to 45.2 in July 2025 compared to 45.0 in June 2025 while the Economy Watchers Survey Outlook increased to 47.30 from 45.90.

Inflation data

India and the US will release their July CPI inflation data in this week. India's July inflation is expected to further decelerate to from 2.10% in the previous month. US CPI, on a year-on-year basis, may come marginally higher in July compared to 2.7% in June. India's inflation is expected to remain benign in FY26. MPC trimmed its FY26 CPI inflation forecast to 3.1% from 3.7% earlier.



RUPEE, OIL, GOLD & FIIs

Indian Rupee:

The Indian rupee ended lower for a fifth straight week, its biggest consecutive weekly drop over the last six months. Trade tensions between India and the United States escalated following US President's call for new tariffs on Indian goods. The currency opened at 87.5600 and reached an intraday high of 87.5350, supported by unwinding of long dollar positions in the NDF market. The rupee closed marginally higher at 87.6550 against the U.S. dollar on Friday, from 87.7025 on Thursday.

Crude Oil:

The global crude oil market continues to navigate through supply pressures and geopolitical volatility. Brent crude trades just below USD 70 per barrel, after recently being rejected above, overall leaving prices stuck near the middle of the one-year range. OPEC's quest to regain market share has so far been successful, with prices holding up well amid strong summer demand, and emerging signs high-cost producers struggle to grow.

FII flows

Foreign portfolio investors (FPIs) have been on a selling spree of Indian stocks since July. In the cash segment, FPIs sold Indian stocks worth about ₹47,666 crore in July, while so far in August, they have offloaded stocks worth about ₹14,018 crore. Tariff uncertainty and earnings outlook keep the short-term outlook of the market hazy. According to data published by the Reserve Bank of India (RBI), India's foreign exchange reserves registered a decrease of \$9.32 billion, reaching a total of \$688.87 billion for the week ending August 1.

Gold:

Gold rates in India extended their record rally on 7 Aug '25, with 24 carat gold of 10 grams moving to hit a new all-time high of Rs.1,02,550, Gold prices in India swung between August 4th and August 8th, 2025, with a significant rally towards the end. 24K gold prices saw increases, with a significant jump on August 7th and 8th, reaching ₹10,338 per gram on 8 Aug '25. This period also saw a continued upward trend in 22K gold prices.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
International				
DJIA*	43,968.64	-0.51	-0.99	3.35
Nasdaq Composite*	21,242.70	0.35	4.07	10
Nikkei 225 (Japan)	41,820.48	1.85	5.37	4.83
Straits Times (Singapore)	4,239.83	-0.43	4.74	11.94
Hang Seng (Hong Kong)	24,858.82	-0.89	2.94	23.92
Kospi Composite (Seoul)	3,210.01	-0.55	3.05	33.78
FTSE 100 (London)	9,100.77	-0.69	3.34	11.35
Cac 40 (France)*	7,709.32	0.97	-0.18	4.45
Xetra Dax (Germany)*	24,192.50	1.12	0.49	21.51
S&P 500 (US)*	6,340.00	-0.08	1.77	7.79
Shanghai (china)	3,635.13	-0.12	3.94	8.45
MICEX (Russia)*	2,895.59	0.67	5.06	0.44
Bovespa (Brazil)*	1,36,528.00	1.48	-2.12	13.51
JCI (Indonesia)	7,533.39	0.58	9.16	6.41
SET (Thailand)	1,259.07	-0.56	12.12	-10.08

***Data as of Aug 7**

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
07-Aug	12,964.00	7,254.00	5,710.00	12,558.00*
Jul-25	254723.57	207704.75	47018.82	
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	
Last Close	10,405.00	7,140.00	3,265.00	
6 Months average	2,31,271.08	1,94,912.20	36,358.88	

-MF data as of Aug 6

WEEK AHEAD

The coming week is holiday-truncated and the Indian stock market will be closed on Friday, 15 Aug 2025 to celebrate Independence Day.

The Indian market will keep a close eye on signals on the trade negotiation front as US imposed a 50% tariff on Indian imports. Some experts estimate the current tariff will shrink India's GDP growth by as much as 1%. Negotiations are still expected to be between India and US. India's tariff is higher than that of its export rivals.

Global macro environment remains challenging with heightened geo-political and economic uncertainties. Reciprocal tariffs announced by the US administration is likely to impact US and global growth outlook. The government may potentially look at additional measures to offset this impact. Forecast of an above normal monsoon is also a positive for rural demand.

Interest rate and liquidity cycle, decline in crude prices and normal monsoon are all supportive of a pick-up in growth going forward. Although, global trade related uncertainty remains a headwind to private capex in the near term,

Source: Bloomberg, HSBC MF, Data as on 11 Aug 2025 or as latest available.

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