

Global Navigator

August 2025



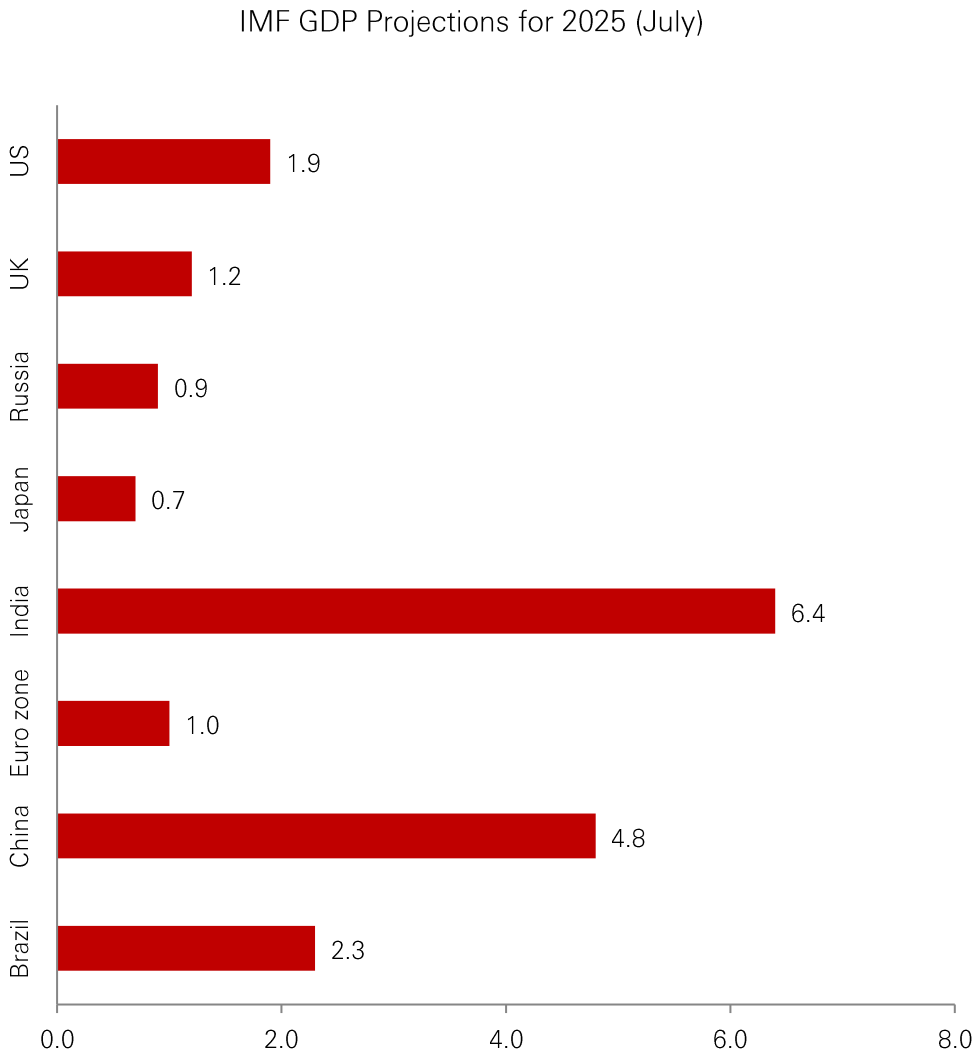
HSBC Mutual Fund

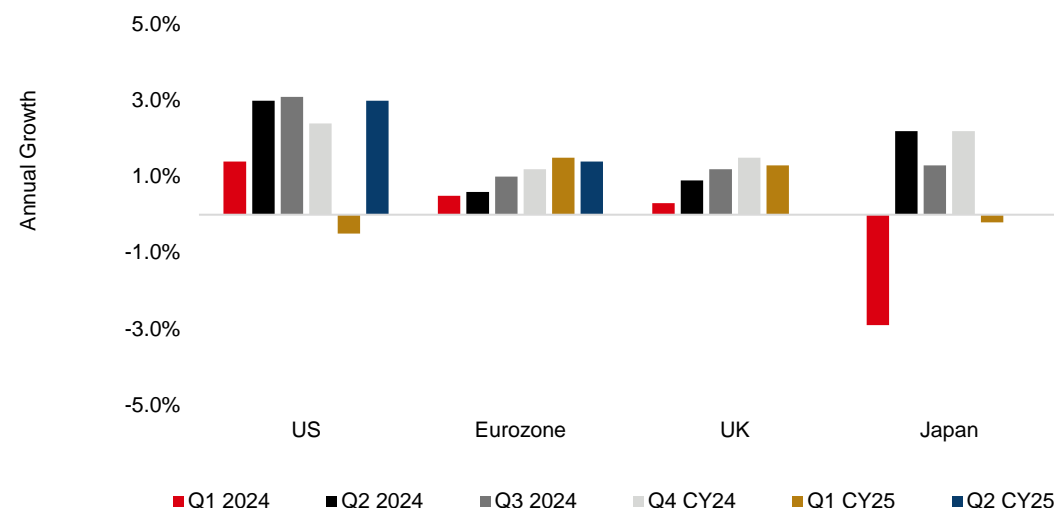
Global Update

	GDP		Inflation		Industrial Growth	
	Current	Previous	Current	Previous	Current	Previous
US	3.0% Q2 2025	-0.5% Q1 2025	2.7% Jun'25	2.4% May'25	0.7% Jun'25	0.7% May'25
Eurozone	*1.4% Q2 2025	1.5% Q1 2025	2.0% Jun'25	1.9% May'25	3.7% May'25	0.2% Apr'25
UK	1.3% Q1 2025	1.5% Q4 2024	3.6% Jun'25	3.4% May'25	-0.3% May'25	0.3% Apr'25
China	5.2% Q2 2025	5.4% Q1 2025	0.1% Jun'25	-0.1% May'25	6.8% Jun'25	5.8% May'25
Japan	-0.2% Q1 2025	2.2% Q4 2024	3.3% Jun'25	3.5% May'25	4.0% Jun'25	-2.4% May'25
India	7.4% Q4 FY25	6.4% Q3 FY25	2.1% Jun'25	2.8% May'25	1.5% Jun'25	1.9% May'25

Major Global Central Bank	Latest Key Interest rate
US Federal Reserve	4.50%
Bank of England	4.25%
European Central Bank	2.15%
Bank of Japan	0.50%
India RBI	5.50%

Source: Crisil, Bloomberg, Respective Central Banks, IMF. Data as on 31 July 2025 *Estimates
Past performance may or may not be sustained in future and is not a guarantee of any future returns., GDP – Gross Domestic Product, IMF – International Monetary Fund
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US economy expanded 3% in the second quarter of 2025; the US Federal Reserve(Fed) kept the funds rate unchanged

- The US economy grew at an annualised rate of 3% in the second quarter of 2025, compared with a 0.5% contraction in the previous quarter.
- The US Fed kept the federal funds rate target unchanged at 4.25-4.50% for the fifth time, signalling a data-dependent, cautious stance amid trade policy-induced uncertainty.

UK economy expanded 1.3% in the first quarter of 2025; Bank of England opted to hold key rates

- The Monetary Policy Committee of the Bank of England is expected to cut interest rates on August 7, 2025, to cushion the economy amid rising unemployment and global trade uncertainty.
- The IMF's latest World Economic Outlook has projected the UK's growth at 1.2% in 2025 and 1.4% in 2026.

Eurozone economy grew 1.4% in the second quarter of 2025

- The Eurozone economy expanded 1.4% in the second quarter of 2025, compared with 1.5% in the first quarter.
- The European Central Bank (ECB) kept interest rates unchanged during its July meeting. The main refinancing rate remains at 2.15%, while the lending rate remained unchanged at 2.40% and the deposit facility rate at 2.00%.

BoJ kept key short-term rate unchanged

- The Japanese economy printed -0.2% on an annualised basis in the first quarter of 2025 compared with a downwardly revised growth of 2.2% in the fourth quarter of 2024.
- The Bank of Japan (BoJ) kept the benchmark short-term rate unchanged at 0.5% in its July meeting.

Source : Crisil, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Global- Performance trends

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Global indices	% Change										
	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25 *	10-year CAGR*
DJIA	13.42	25.08	-5.63	22.34	7.25	18.73	-8.78	13.70	12.88	3.73	9.74
Nasdaq	7.50	28.24	-3.88	35.23	43.64	21.39	-33.10	43.42	28.64	9.38	15.48
Nikkei	0.42	19.10	-12.08	18.20	16.01	4.91	-9.37	28.24	19.22	2.95	7.99
Hang Seng	0.39	35.99	-13.61	9.07	-3.40	-14.08	-15.46	-13.82	17.67	23.50	1.23
FTSE	14.43	7.63	-12.48	12.10	-14.34	14.30	0.91	3.78	5.69	11.74	3.88
Cac 40	4.86	9.26	-10.95	26.37	-7.14	28.85	-9.50	16.52	-2.15	5.30	5.30
Xetra Dax	6.87	12.51	-18.26	25.48	3.55	15.79	-12.35	20.31	18.85	20.88	8.40
Shanghai	-12.31	6.56	-24.59	22.30	13.87	4.80	-15.13	-3.70	12.67	6.61	0.10
Brazil Bovespa	38.93	26.86	15.03	31.58	2.92	-11.93	4.69	22.28	-10.36	10.63	11.87
Russia RTS	52.22	0.18	-7.65	45.28	-10.42	15.01	-39.18	11.63	-17.56	19.97	3.54
Nifty 50 TRI	4.39	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	5.70	12.60
BSE SENSEX TRI	3.47	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	4.80	12.56

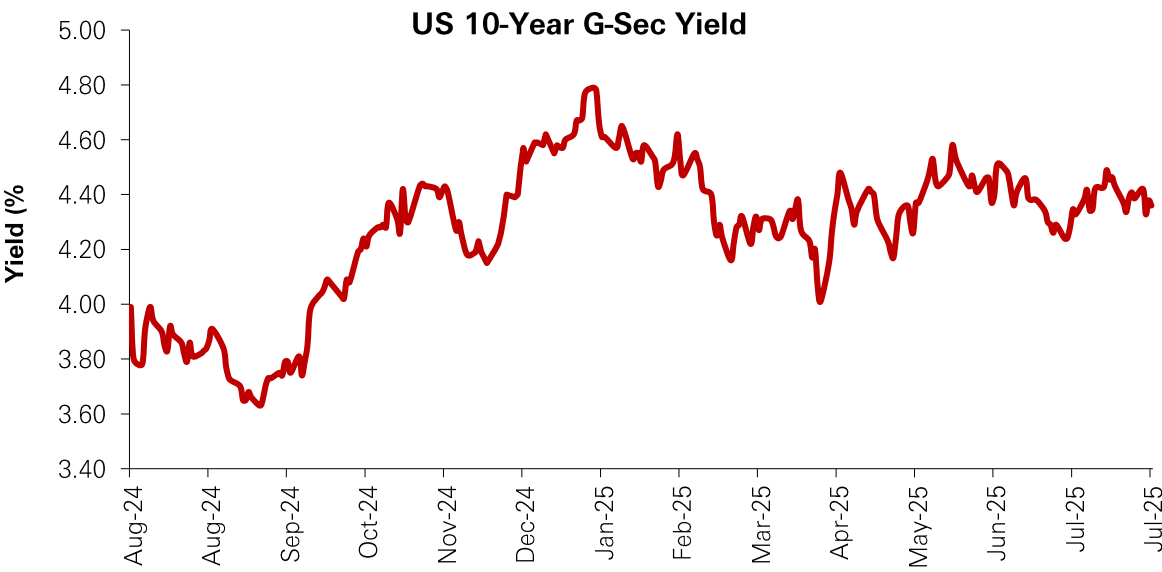
Source: Crisil, BSE, NSE and Financial websites Figures in red indicate negative returns in that period. CY25- YTD (till May 30, 2025) *10-year CAGR, Data as on 31 July 2025

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US treasury prices ended higher in July

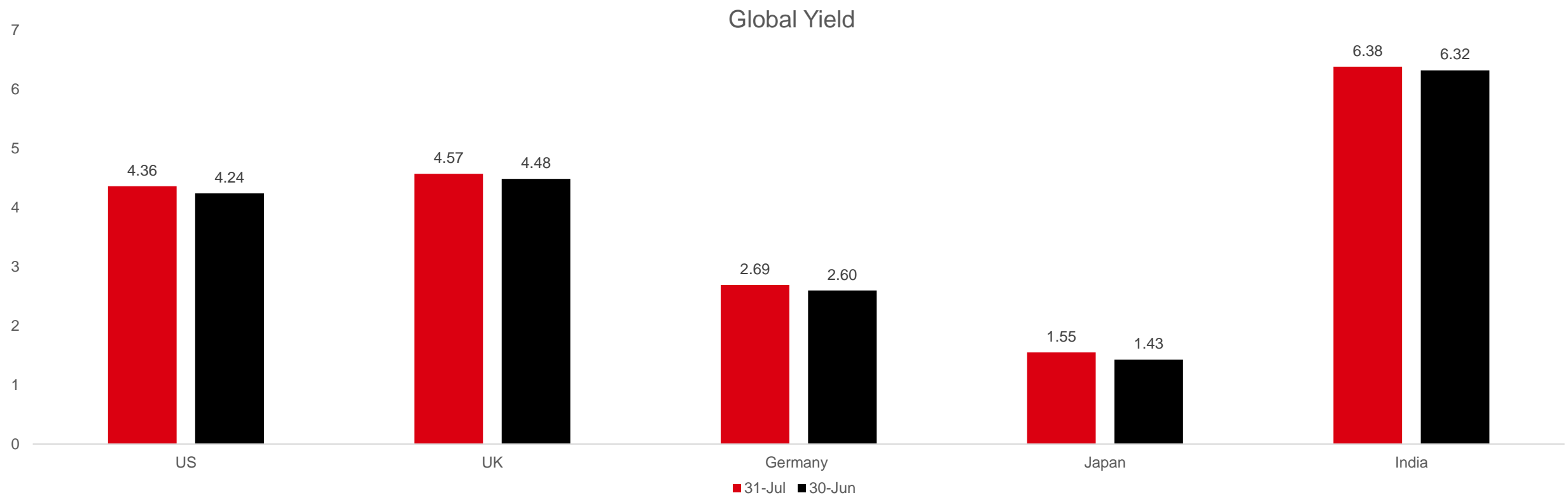
- The US Treasury prices ended lower in July as upbeat economic data eased growth concerns. The yield on the 10-year Treasury settled at 4.36% on July 31 compared with 4.24% on June 30.
- Bond prices declined after June’s non-farm payroll report was better than anticipated. The data could prompt the US Fed to hold interest rates steady at the July gathering given the lack of clear disruption in the job market.
- The price decline was also because of the remarks made by Fed Chair about the impact of US tariffs on the monetary policy.
- The Treasury Secretary’s comments easing the Fed leadership’s worries brought back the focus on interest rate outlook, which contributed to the price decline. The US’s trade deals with Japan and the Philippines also added to the fall.
- However, earlier in the month the prices had gained after the Fed’s June policy minutes showed that though policymakers voted unanimously to hold rates steady for now, there was a growing divide on how policy should proceed. The prices rose further amid concerns regarding a legislation enacted by the US government that is projected to widen the deficit.



Global bond yields			
	31-Jul	30-Jun	Change
US 10-Year (%)	4.36	4.24	0.12
UK 10-Year (%)	4.57	4.48	0.09
German 10-Year (%)	2.69	2.60	0.09
Japan10-Year (%)	1.55	1.43	0.12

Source: Crisil, Bloomberg, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Global Yield and Where India Stands



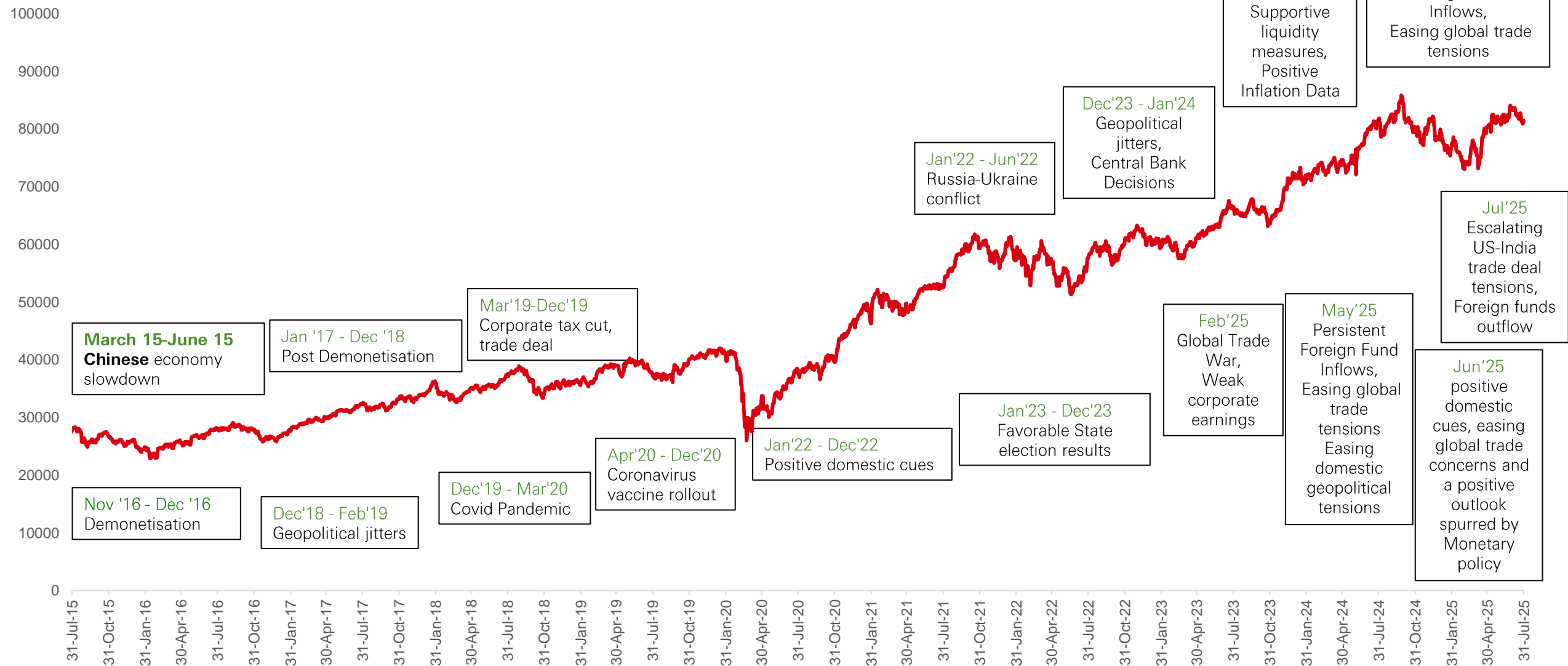
	US	UK	Germany	Japan	India
Current Yield (%)	4.37	4.57	2.69	1.56	6.38
Inflation (%)	2.7	3.60	2.00	3.30	2.10
Real Yield (%)	1.67	0.97	0.69	-1.74	4.28

Source : Crisil, Data as on 31 July 2025, Inflation Data as of June 2025 Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Domestic Equity

History of Equity markets through major events

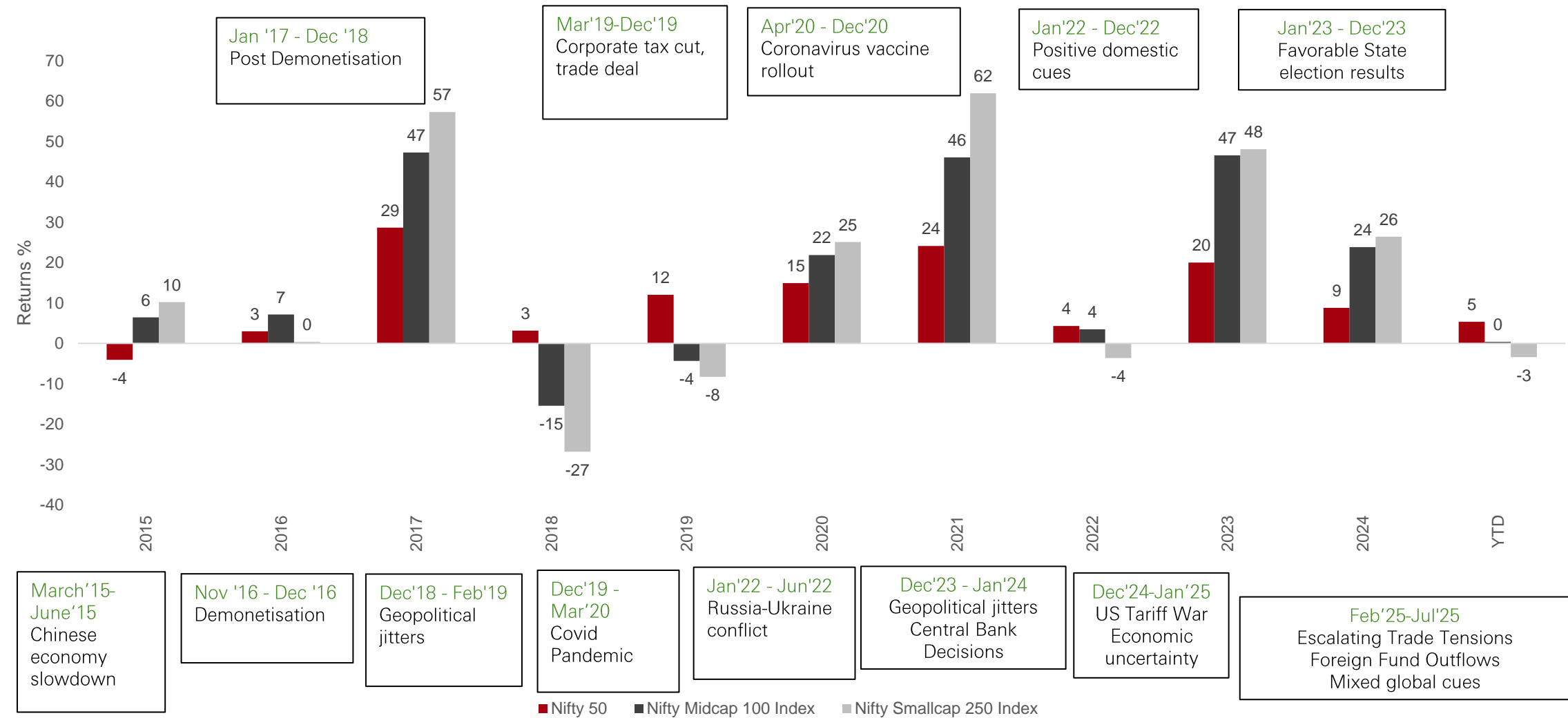
BSE SENSEX Index Value



Source: BSE, Crisil, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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History of Equity markets through major events

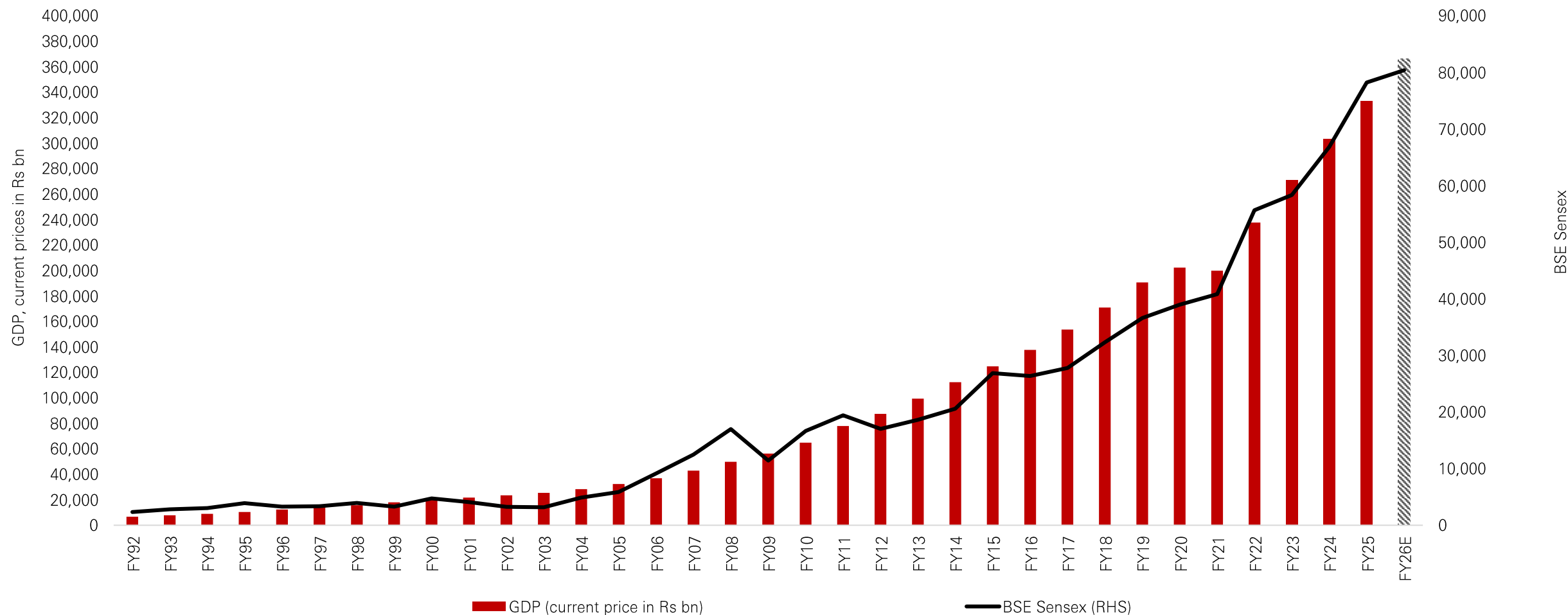
Performance of major equity indices



Source: NSE, Crisil, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Equity mirrors economic growth in the long term

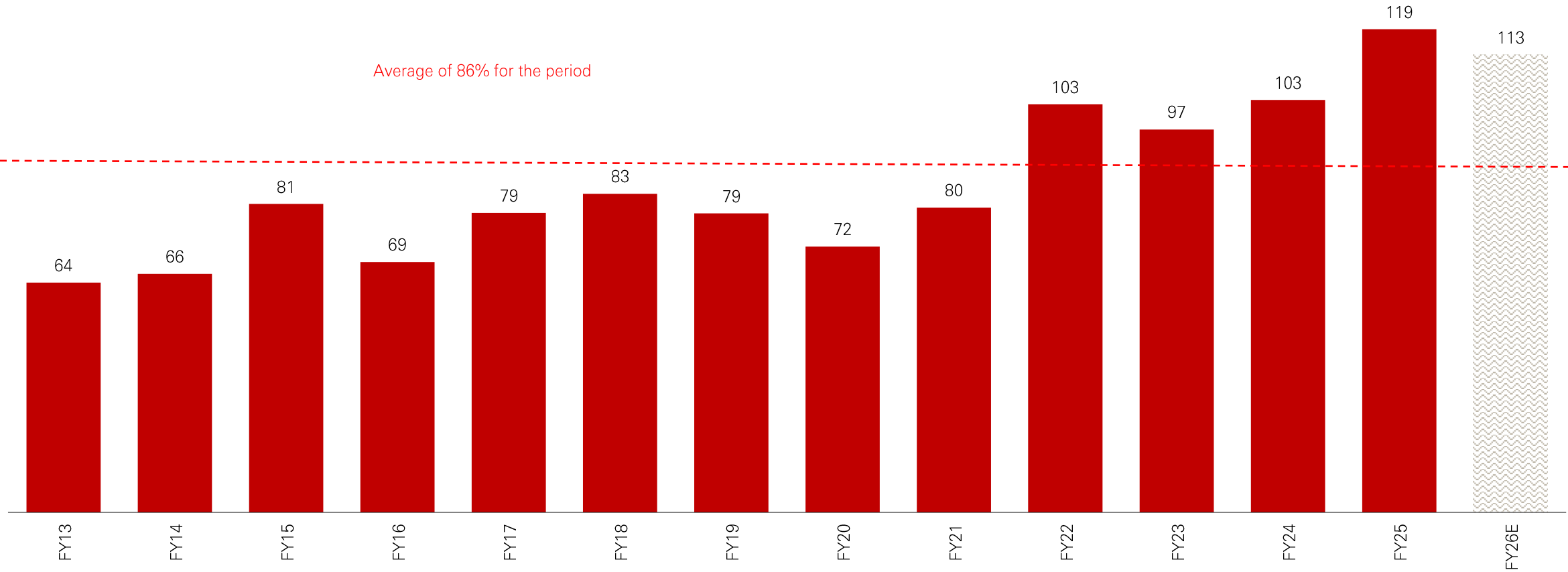
GDP - The Indian economy is expected to carry the momentum of last year’s GDP growth into the current fiscal year as well



Source: Crisil, Bloomberg, BSE, IMF, The GDP projection for fiscal year 2026 is shown shaded in this graph is for illustration purposes only and is not guaranteed,
Data as on 31 July 2025, Past Performance May or May not be sustained in future. Investors should not consider the same as investment advice GDP – Gross Domestic Product.
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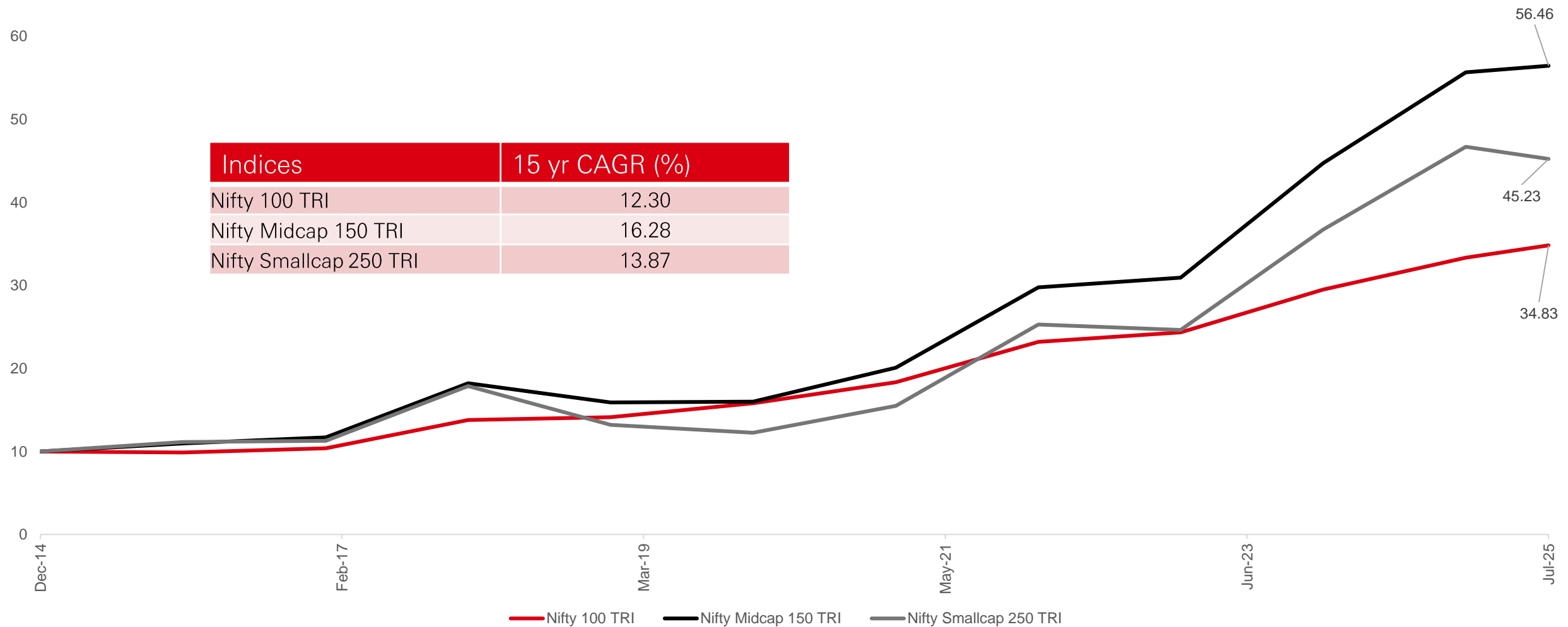
India Market cap to GDP (%)

Market cap as a % of GDP



Shaded area are Estimates (E) – FY26
Source: Crisil, MOSPI, Bloomberg, CRISIL estimates;
Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP- Gross Domestic Product
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Nifty Mid-cap 150 TRI vs Nifty Small-cap 250 TRI vs Nifty 100 TRI



Source: Crisil, NSE. Data as on 31 July 2025, data represents YTD values. The indices values are rebased by 10
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Indian market - Performance trends

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Indices	% Change										10-year CAGR*
	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25*	
Nifty 50 TRI	4.39	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	5.70	12.60
BSE SENSEX TRI	3.47	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	4.80	12.56
BSE Auto TRI	10.38	33.31	-21.33	-9.94	14.27	20.59	17.83	47.71	23.40	3.30	11.94
BSE BANKEX TRI	8.39	39.98	5.65	21.12	-2.12	12.97	21.91	12.12	7.15	8.31	11.83
BSE CG TRI	-2.38	41.42	-0.49	-8.79	12.52	54.75	17.17	68.15	22.53	1.32	15.41
BSE CD TRI	-5.83	102.87	-8.32	21.53	22.19	47.73	-10.93	26.40	29.31	-7.43	18.81
BSE FMCG TRI	4.77	33.26	12.11	-2.14	13.19	11.70	19.08	29.65	3.25	0.49	11.64
BSE Healthcare TRI	-12.43	1.10	-5.38	-2.80	62.61	21.54	-11.50	37.97	44.30	0.68	10.98
BSE IT TRI	-6.14	13.29	27.26	11.84	60.05	58.45	-22.70	28.28	22.21	-18.15	14.35
BSE Metal TRI	43.19	52.82	-16.20	-10.16	18.43	72.68	15.70	35.50	10.24	8.12	18.37
BSE Oil & Gas TRI	30.38	37.81	-12.40	10.59	-0.55	31.72	20.45	17.30	16.50	4.24	14.37
BSE Power TRI	2.99	22.03	-14.30	-0.64	11.38	73.68	28.51	36.45	21.28	-3.24	15.05
BSE PSU TRI	16.89	22.69	-18.69	-1.12	-12.80	47.95	28.30	61.48	24.34	2.59	13.35
BSE Realty TRI	-5.27	107.24	-30.69	27.58	9.20	55.40	-9.97	80.16	33.45	-13.80	18.26

Source: Crisil, BSE, Figures in red indicate negative returns in that period. *10-year CAGR, Data as on 31 July 2025, CY25 is YTD (till May 30, 2025) (CD- Consumer Durable/ CG – Capital Goods))

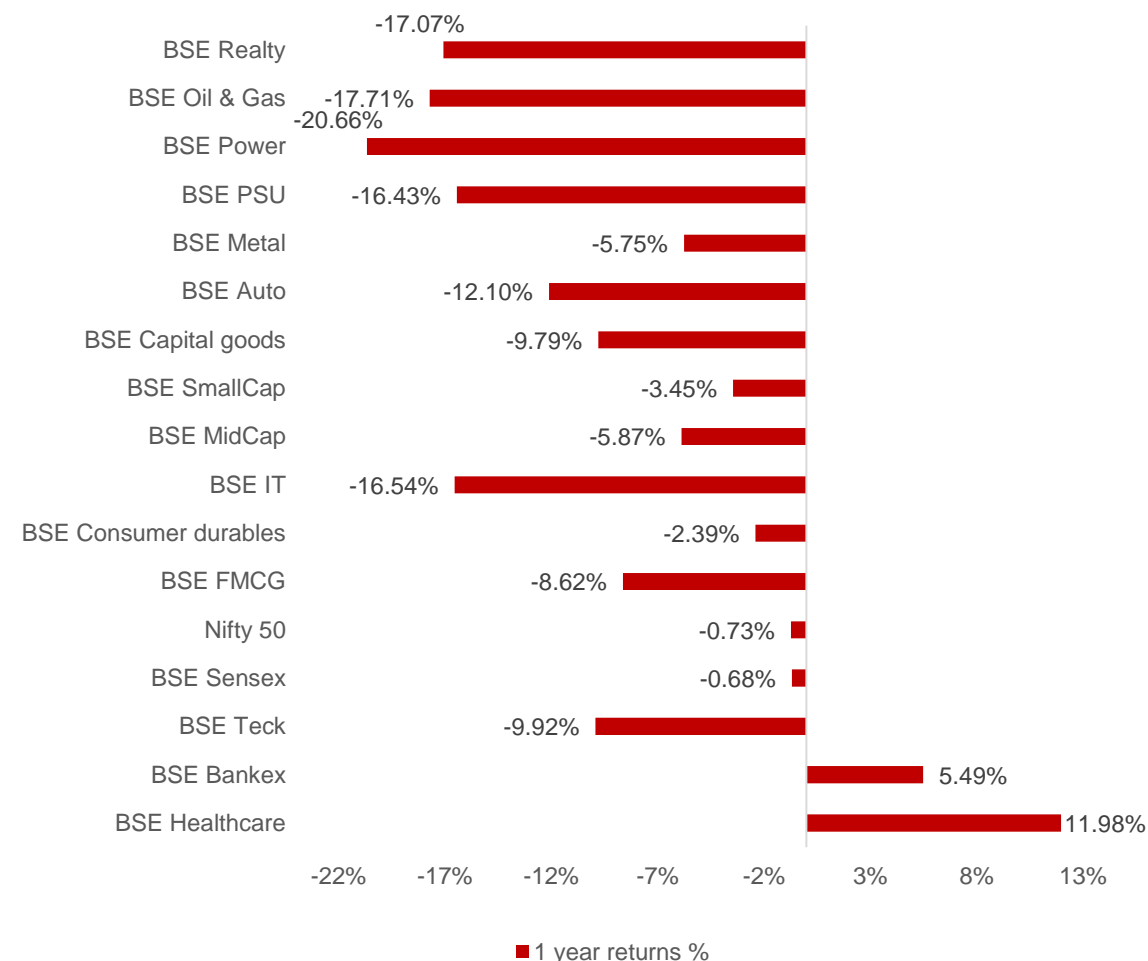
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Indian equity indices slipped in July'25

- The Indian equity markets snapped a four-month winning run in July, with global uncertainty, a strengthening US dollar, weak domestic earnings and heavy foreign fund outflows exerting tremendous pressure through the course of the month.
- The markets started the month on a cautious note ahead of the initial July 9 India-US trade deal deadline. Global uncertainty and concerns surrounding elevated valuations also clouded investor sentiment.
- As the month progressed, growing uncertainty about US tariffs and rising concerns over possible US sanctions on Russia led to sustained selling.
- Weak domestic first-quarter earnings also dampened investor sentiment. As the month drew to a close, dimming hopes of the possibility of a deal between India and the US before the August 1 deadline and US threats of heavy tariffs on countries buying oil from Russia led to persistent foreign fund outflows.



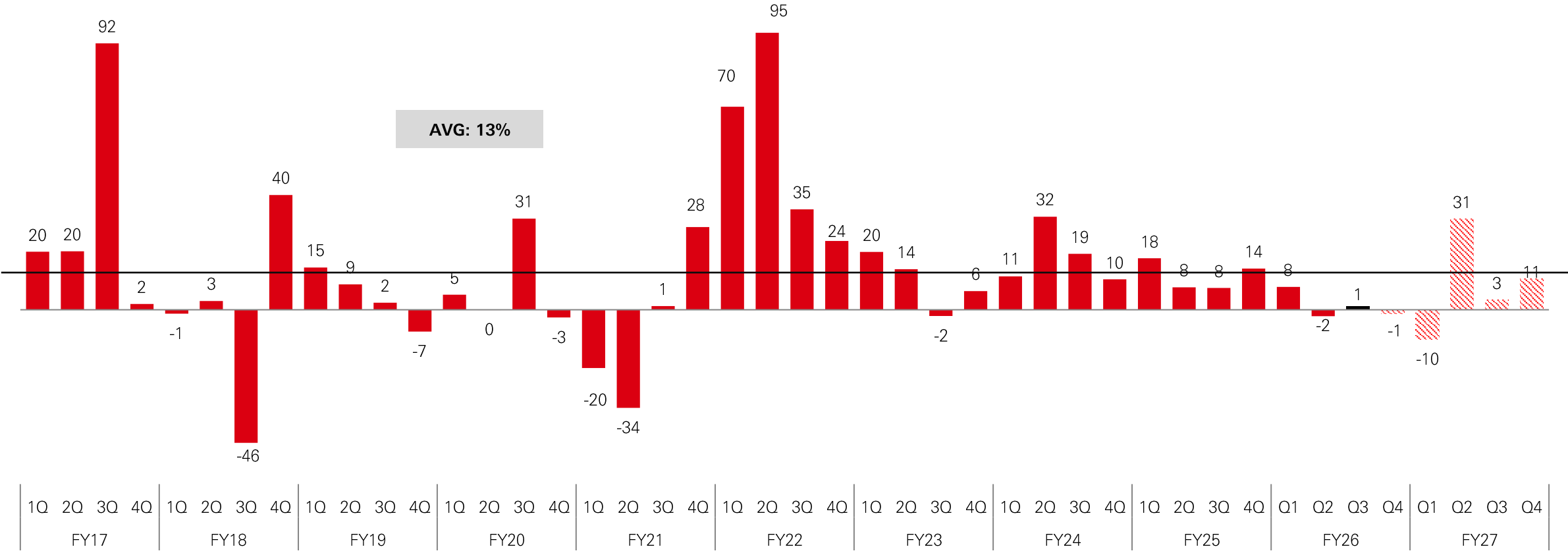
Source –Crisil, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP – Gross Domestic Product

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Earnings growth – quarterly trend

Nifty 50 earnings

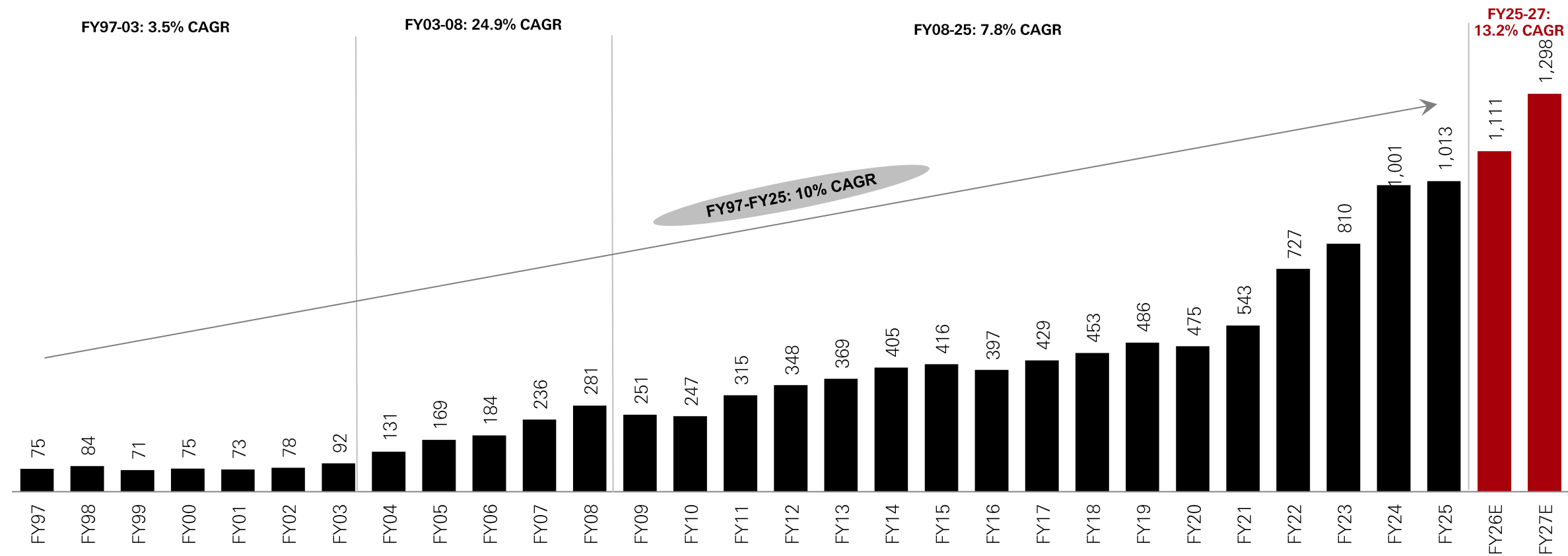


Nifty 50 EPS Growth (Y-o-Y)

Estimates – shaded portion of FY26 and FY27
Source: Crisil, Bloomberg, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Earnings trend

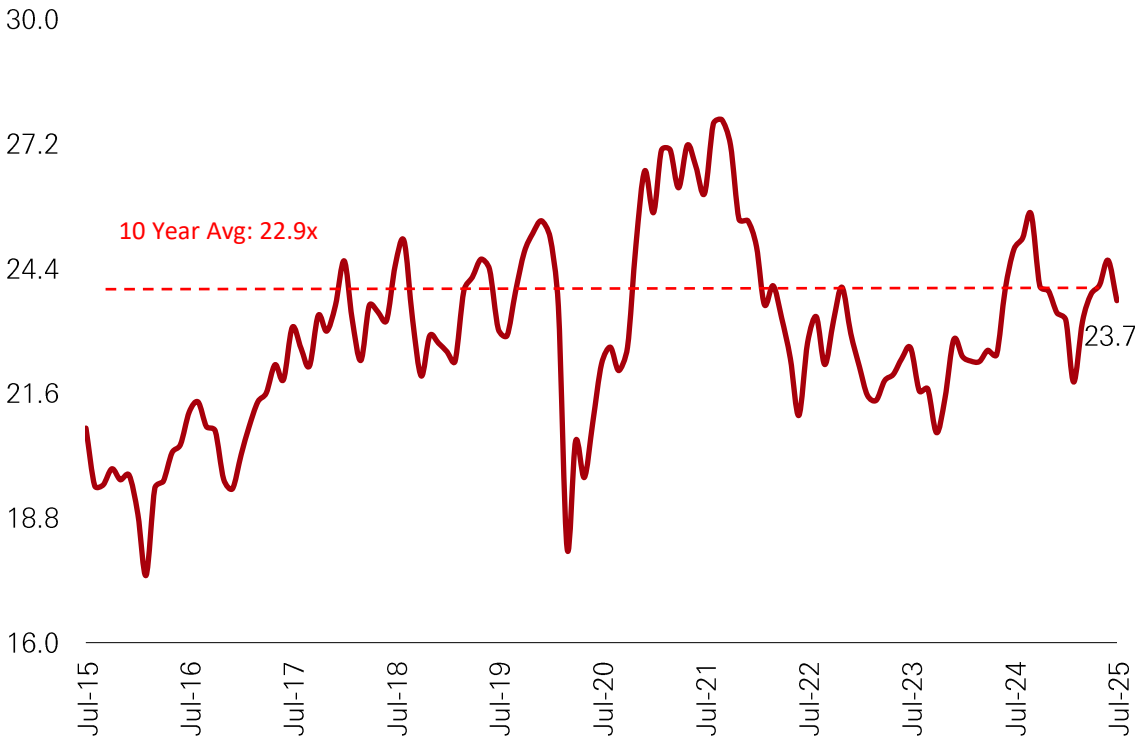
India - Equity earnings (Nifty 50 EPS)



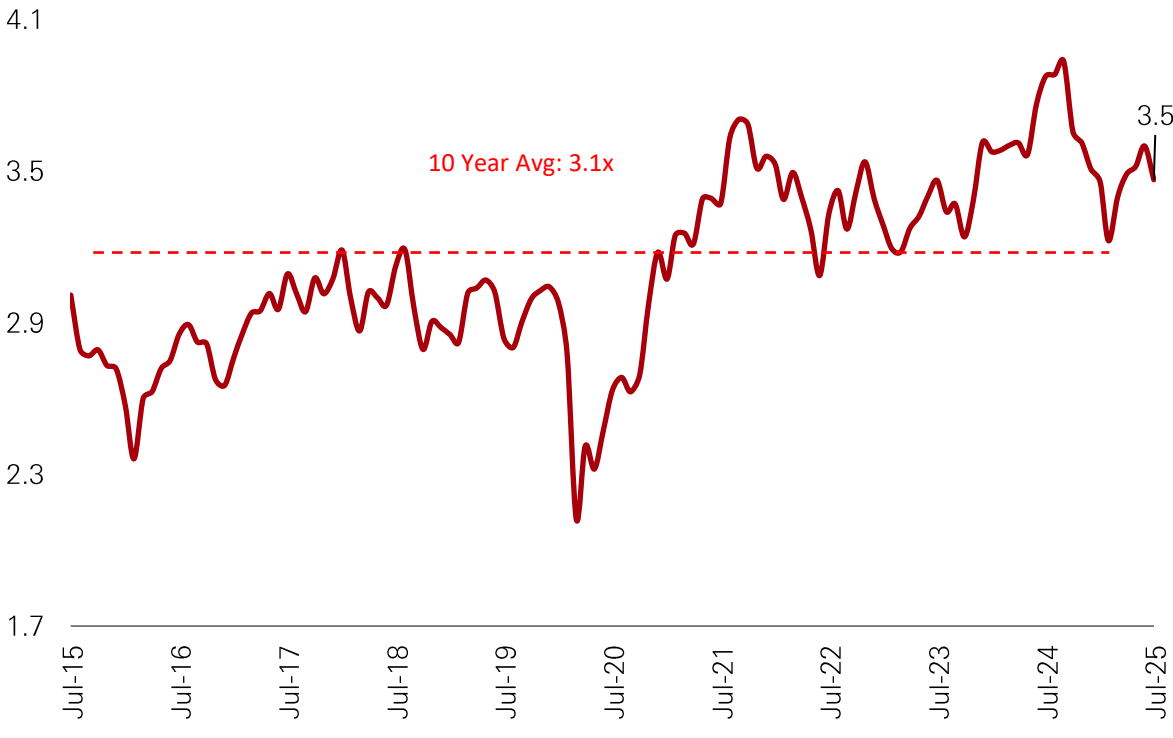
Note: Forward EPS (Earnings Per Share), Estimates of FY26 and FY27, Data for FY 26 is for only three quarters
Source: MOSL, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Market valuations – Nifty 50 and Nifty Midcap 100

Large and Mid Cap - Price to Earnings (PE)



Large and Mid Cap - Price to Book (PB)



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- MSCI World index rose 1.2% in Jul led by US (S&P 500) rising 2.2%. However, MSCI Europe declined 1.8% and MSCI Japan declined 1.4%. MSCI EM also rose 1.7% supported by a 4.5% rise in MSCI China.
- US government announced a 25% minimum import tariff from Aug 1, 2025 and followed up with another 25% import tariff on Indian goods. This is much higher than previously anticipated.
- India signed a Free trade agreement (FTA) with United Kingdom in July. As a part of this agreement UK will eliminate tariff on 99% of Indian goods exported to UK versus 73% currently.
- Indian equity indices saw a correction in Jul'25 after 4 months of up-move with BSE Sensex and NSE Nifty both declining 2.8% respectively.
- Nifty consensus EPS estimate for CY25/26 saw a -3%/+3% change respectively during July. Nifty now trades on 20.4x 1-year forward PE. This is now in-line with its 5-year average and a ~10% premium to its 10-year average. Valuations in midcap and small cap space have also recovered following the sharp rally over the last few months.
- Reciprocal tariffs announced by the US administration is likely to impact US and global growth outlook. The government will potentially need to announce additional measures to offset this impact.
- While government capex is moderating, private capex may take time to recover given global uncertainties. Forecast of an above normal monsoon is also a positive for rural demand.
- Growth cycle in India may be bottoming out. Interest rate and liquidity cycle, decline in crude prices and normal monsoon are all supportive of a pick-up in growth going forward.
- India's investment cycle to be on a medium-term uptrend supported by government investment in infrastructure and manufacturing, pickup in private investments and a recovery in real estate cycle.
- Expect higher private investments in renewable energy and related supply chain, localization of higher-end technology components, and India becoming a more meaningful part of global supply chains to support faster growth.

Source: HSBC Asset Management, India, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

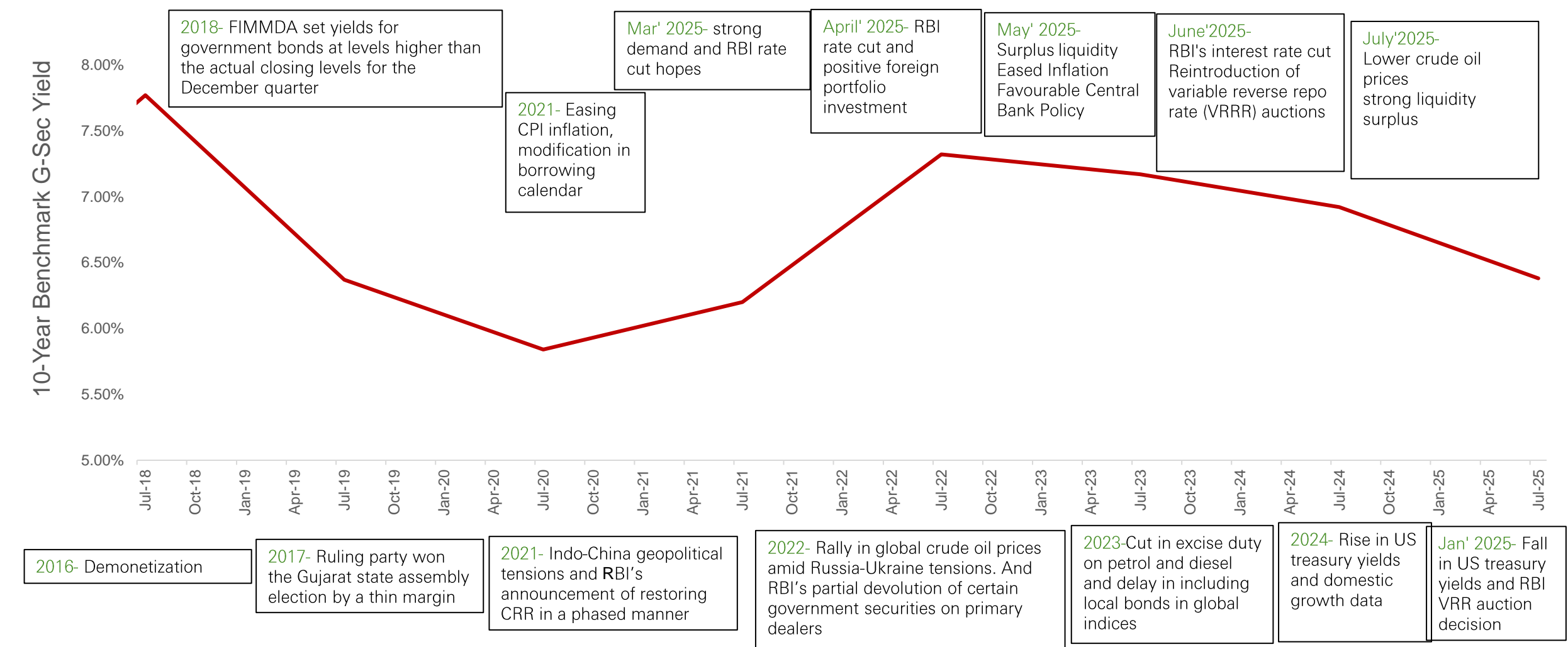
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Domestic Debt

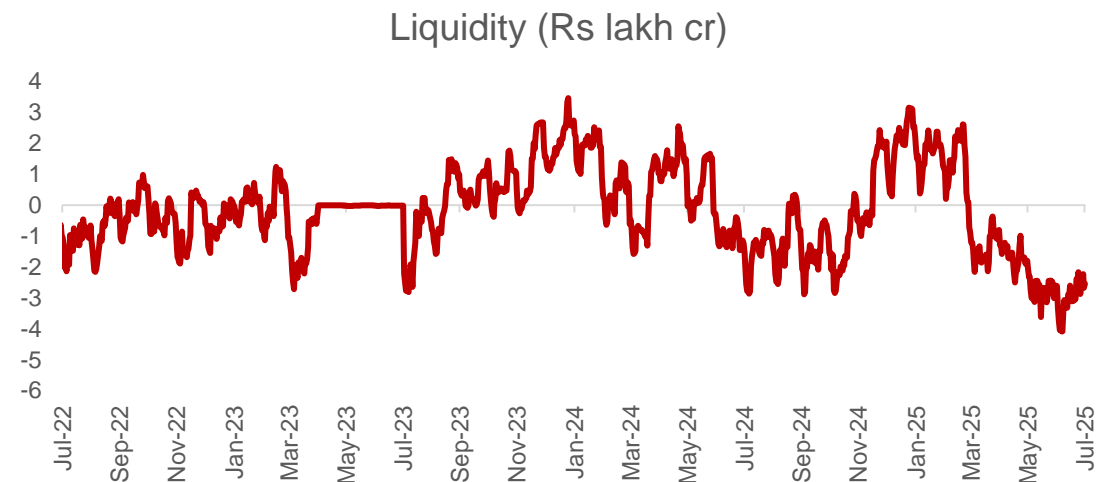
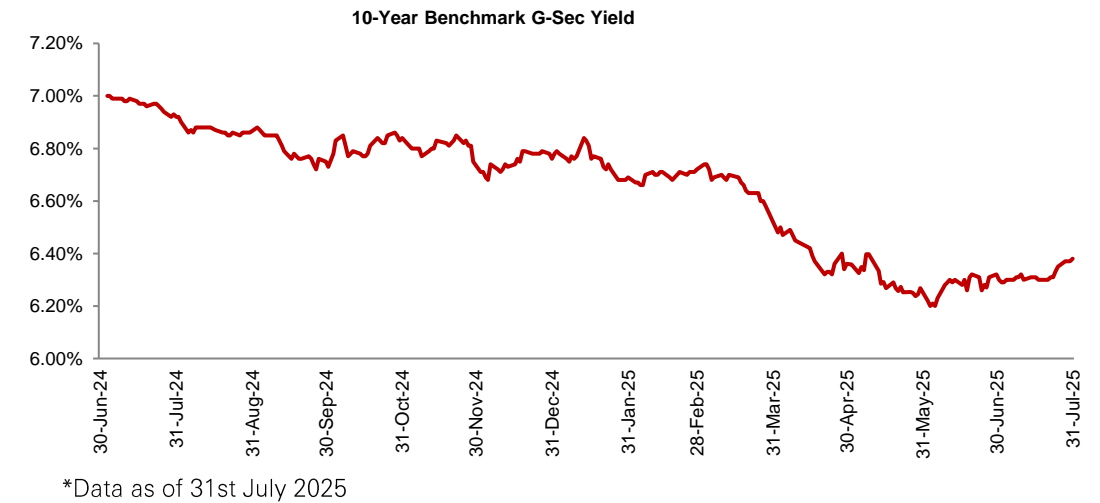
History of Debt Markets through major events

10-year G-Sec yield movement through major events



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- Liquidity surplus in the Indian banking system touched a two-year high of Rs 4.25 trillion on July 4, 2025, on the back of increased government spending following a record Rs 2.7 trillion dividend payout by the Reserve Bank of India (RBI).
- This led to a weighted average call rate averaging at 5.39% (till July 31, 2025) below the repo rate of 5.50%, prompting the central bank to conduct a series of variable rate reverse repo (VRRR) auctions to manage liquidity.
- Meanwhile, Indian government bonds traded in a narrow range for the better part of the month, with traders staying on the sidelines awaiting the announcement of a debt sale, cues on the RBI's Monetary Policy Committee's policy rate decision and updates on a potential US-India trade deal. The yield on the new 10-year benchmark 6.33% GS 2035 paper was at 6.36% on July 31, 2025, only marginally higher vs 6.32% on June 30.
- At month-end, the dearth of fresh positive cues and indications of a hawkish stance by the US Federal Reserve and the RBI led to a slight dip in bond prices.



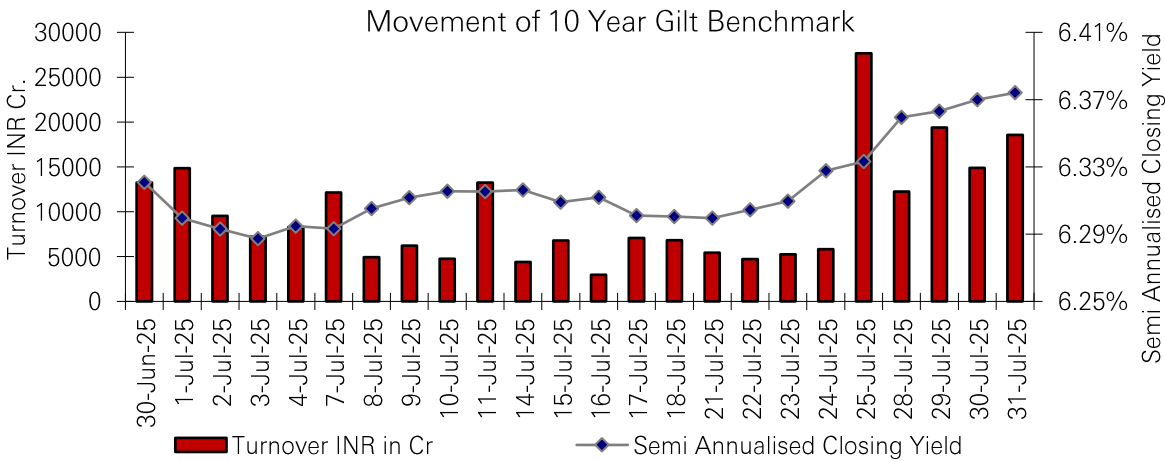
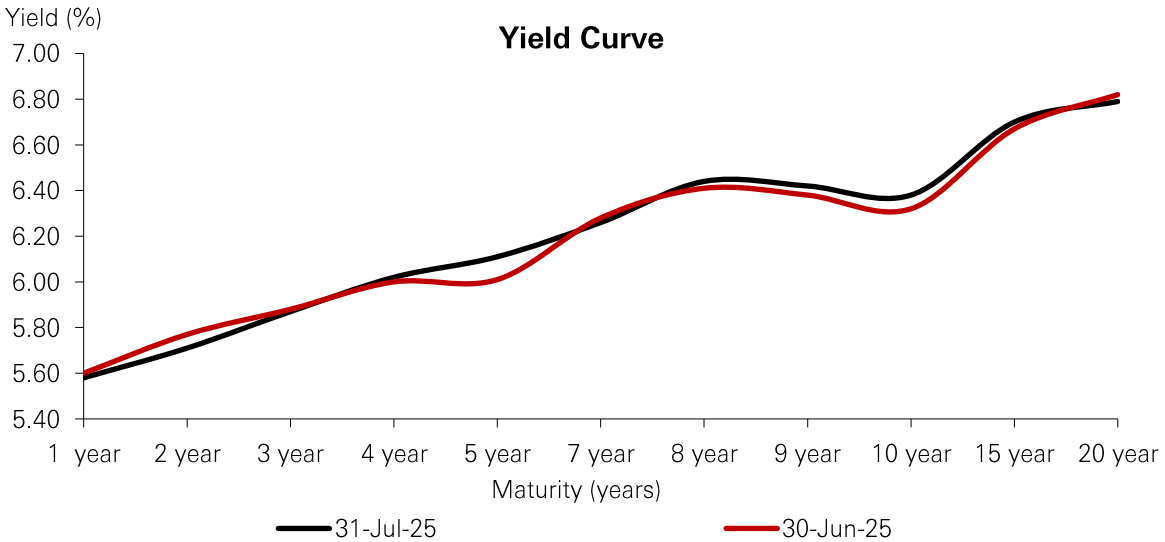
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Debt Market Review

Debt Market Indicators	31-July-25	30-June-25
Call Rate	4.95%	5.25%
3-mth CP rate	6.18%	6.20%
5 yr Corp Bond	6.74%	6.72%
10 Yr Gilt	6.38%	6.32%
Repo	5.50%	5.50%
SDF	6.25%	6.25%
CRR	4.00%	4.00%
1-Month CD	5.75%	5.85%
3-mth CD rate	5.75%	5.82%
6-Month CD	6.03%	6.10%



Source: Crisil Fixed Income database

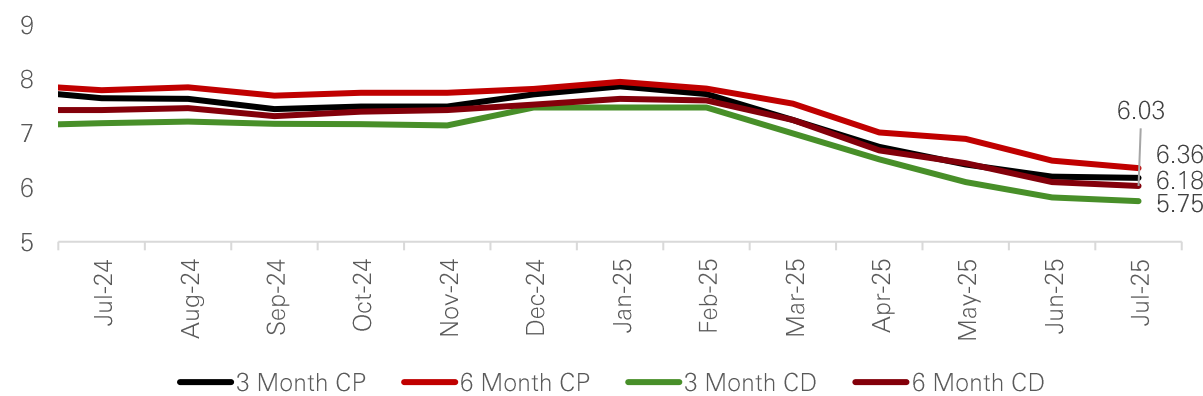
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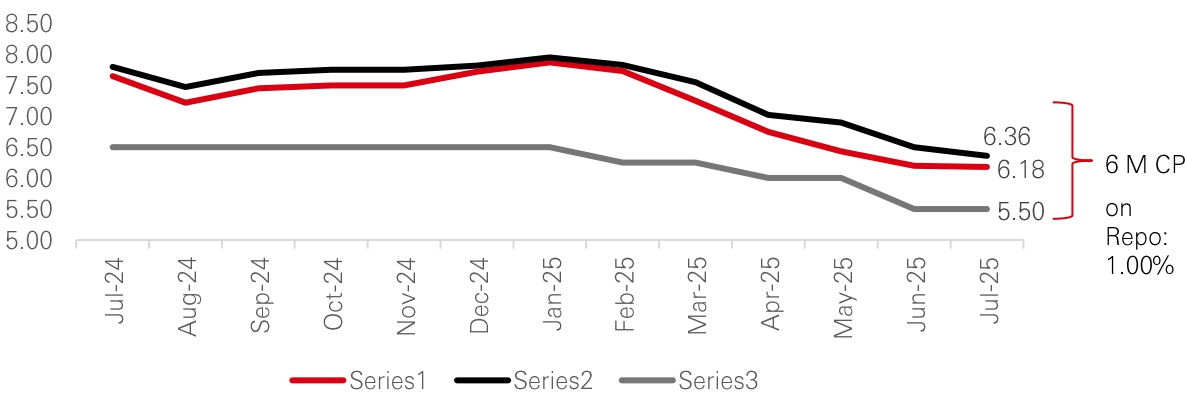
Debt Market Review

CP & CD Yields (%)



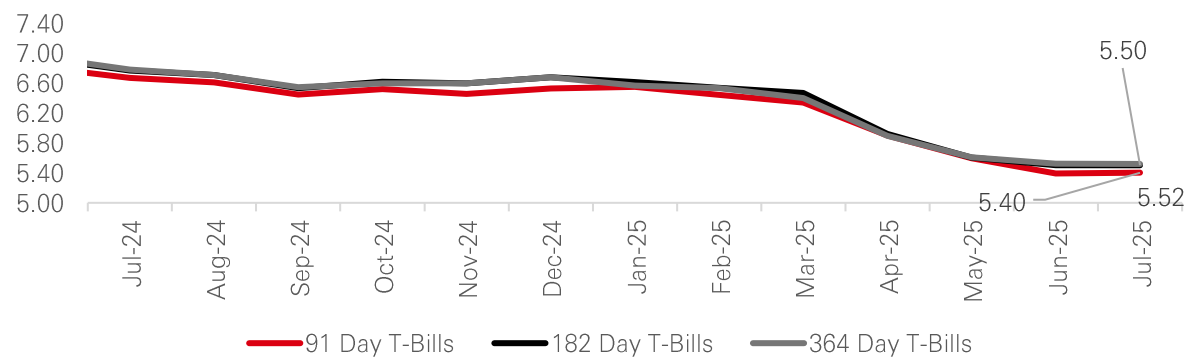
CP and CD largely steady in July

CP Yields & Repo Rate (%)



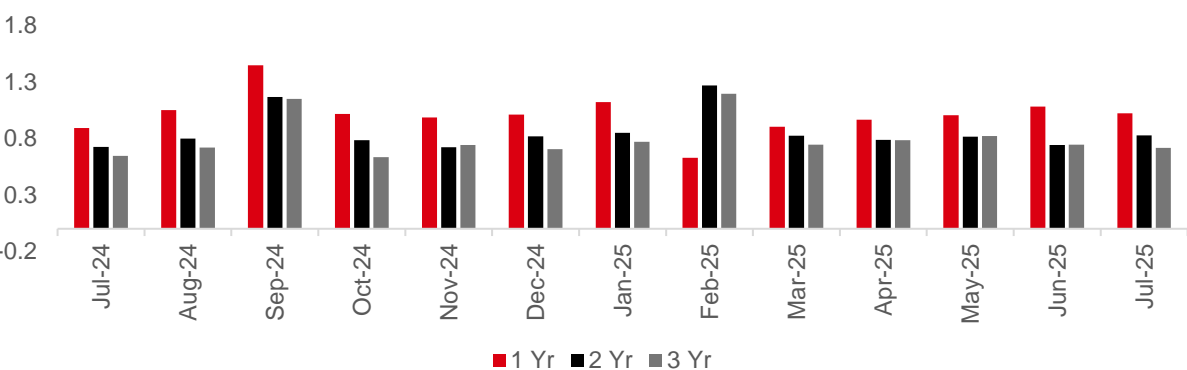
Spread of CPs over repo rate at 1.00% in July

T-Bill Yields (%)



T-Bill yields were steady in July

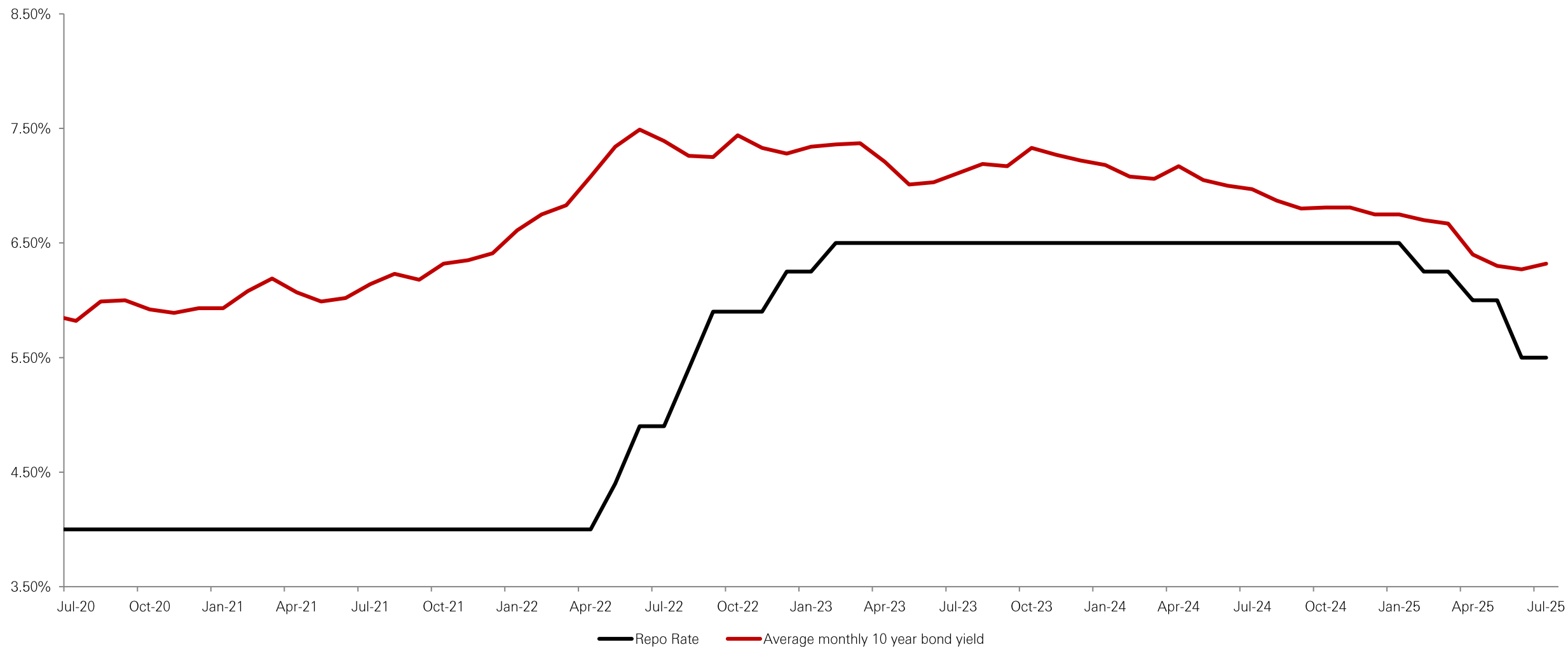
AAA bond spreads over G-Secs (%)



AAA corporate bond spreads were steady in July

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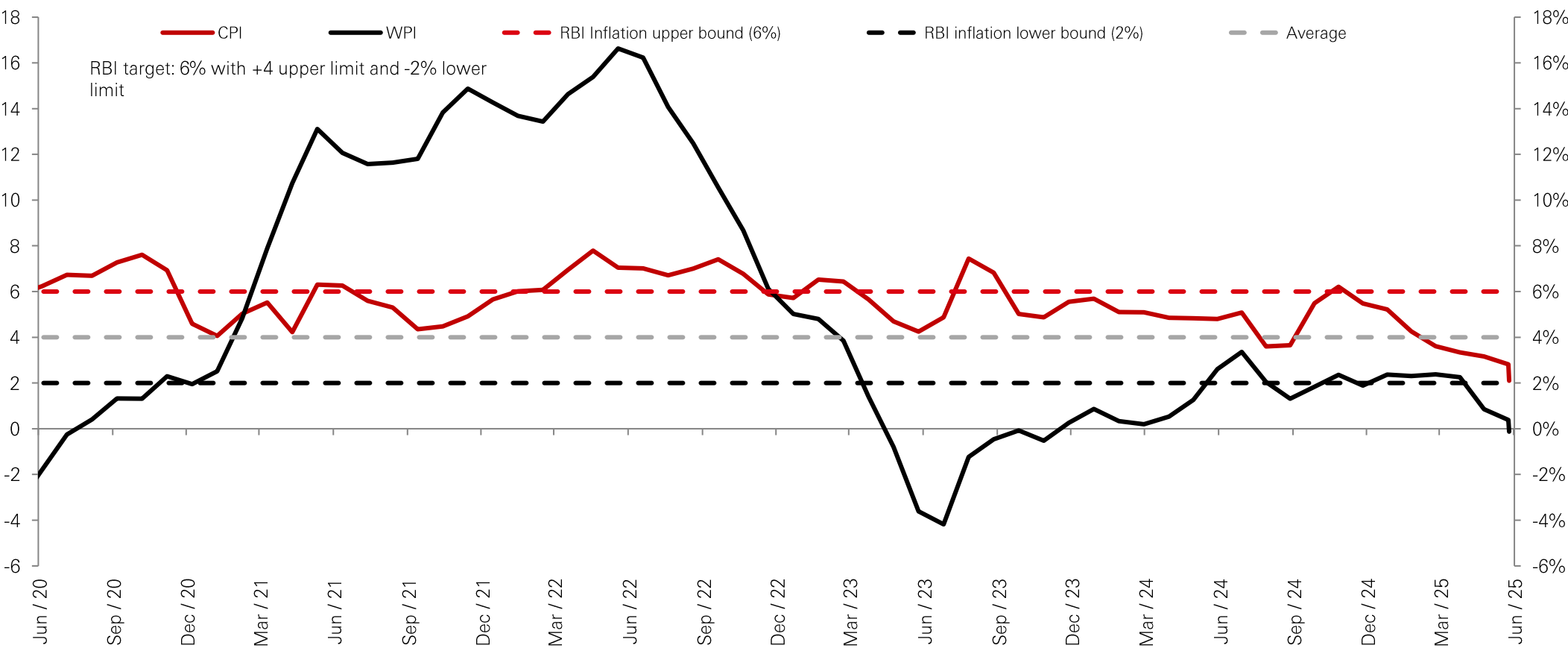
RBI Repo Rate reduced to 5.50% June policy meet



Source: RBI, Crisil, Data as on 31 July 2025
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Inflation target and trend

CPI inflation below the RBI's target range average



Source: Crisil, MOSPI, RBI, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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- The effective global tariff rate for US imports is seen raising to 17.5% which is a substantial increase from the 2.3% levels seen last year.
- As per a note by the Budget Lab (Yale), it would be the highest level seen since 1935. The new duties would test the global trade and global growth resilience.
- PMI Manufacturing has displayed a weakening momentum. The global PMI fell by a full point to 48.2 in July.
- India's July PMI Manufacturing accelerated to 59.1 sustaining the rapid pace of expansion seen in recent years with positive trends in the new orders but it was driven by domestic orders as export orders rose at a slower rate.
- Tariff by the US on Indian imports are higher than the ones levied on most Asian exporting countries and seen as a major risk to manufacturing.
- For now, there is optimism around improvement in rural demand following the healthy progress of South-west monsoon. All-India precipitation has been encouraging with rains 6% above normal as of end-July 2025.
- The RBI MPC unanimously decided to maintain a status-quo on policy rates with the Repo Rate held steady at 5.50% and retained the policy stance as neutral. We see today's policy decision as a neutral hold and the MPC would take a meeting-by-meeting approach.
- MPC is likely to remain data dependent. Any possible room for further easing may open up if GDP prints come lower than expectations and Fed starts aggressively easing due to weaker labour market conditions.
- G-Sec rates might remain range bound till any of these triggers come into effect. However, liquidity will be the main driver of yields going forward, and RBI will continue to provide the system with ample liquidity to ensure transmission of earlier rate cuts happen in the system.
- Currently, corporate bonds in the 2-4 year segment offer favorable spreads of 65-75 bps over IGBs and is likely to benefit from spread compression.

Source: HSBC Asset Management, India, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Domestic Economy

Indian Economic Environment

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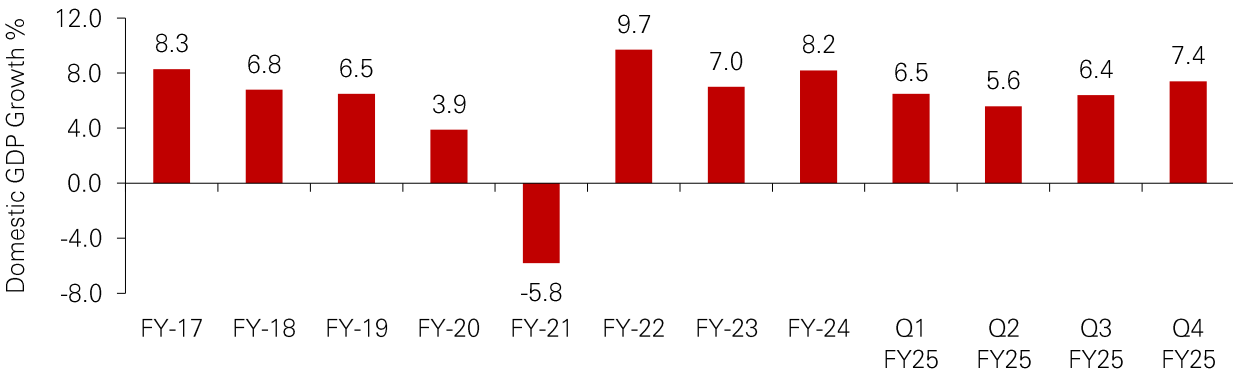
	Indicators	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24	Jul-24
Debt Indicators	Currency in circulation (Rs billion)	38147	38427	38344	37762	36997	36444	35892.682	35,643	35,589	35,103	34,994	35,231	35,600
	Repo rate	5.50%	5.50%	6.00%	6.00%	6.25%	6.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
	10-year G-sec yield	6.38%	6.32%	6.27%	6.36%	6.58%	6.72%	6.69%	6.76%	6.75%	6.85%	6.75%	6.86%	6.92%
	Call rate	4.95%	5.25%	5.75%	6.00%	7.00%	6.50%	6.65%	6.00%	6.70%	5.75%	6.24%	6.50%	6.50%
	Forex reserves (\$ billion; mthly. avg.)	698	699	689	682	658	638	628.9	648.1	666.1	693.9	688.7	673.8	661.7
Economy	GDP		NA			7.40%			6.40%			5.60%		
	Fiscal deficit (Rs billion)	NA	2675.69	-1731.69	1863.32	2304.18	1773.1	2554.53	674.95	957.7	276.3	393.44	1582.31	1412.33
	Gross Tax Collections (Rs crore)	NA	353,778	243,753	271,478	590,999	219,870	233,928	489,453	228,341	218,792	481,120	248,493	253,432
	IIP, %y/y	NA	1.50%	1.20%	2.70%	3.90%	2.90%	5.00%	3.20%	5.20%	3.50%	3.10%	-0.10%	4.70%
	Exports, \$ billion	NA	35.14	38.73	38.49	41.97	36.91	36.43	38.0	32.1	39.2	34.6	34.7	34.0
	Imports, \$ billion	NA	53.92	60.61	64.91	63.51	50.96	59.42	60.0	70.0	66.3	55.4	64.4	57.5
	Manufacturing PMI	59.1	58.4	57.6	58.2	58.1	56.3	57.7	56.4	56.5	57.5	56.5	57.5	58.1
	Services PMI	60.5	60.4	58.8	58.7	58.5	59.0	56.5	59.3	58.4	58.5	57.7	60.9	60.3
	GST collections (Rs crore)	195,735	184,597	201,050	236,716	196,141	183,646	195,506	176,857	182,269	187,346	173,240	174,962	182,075
	CPI inflation, % y/y	NA	2.10%	2.82%	3.16%	3.34%	3.61%	4.31%	5.22%	5.48%	6.21%	5.49%	3.65%	3.60%
	WPI inflation, % y/y	NA	-0.13	0.39%	0.85%	2.05%	2.38%	2.31%	2.37%	1.89%	2.36%	1.84%	1.31%	2.04%
	India crude oil import (mbpd)	NA	20.32	21.33	21	22.7	19.1	20.8	20.0	19.1	19.5	18.8	19.1	19.44
Sector update	Auto – Passenger vehicles	NA	-6.80%	-0.70%	3.40%	2.4%	2.4%	2.3%	9.8%	20.6%	15.2%	3.7%	-2.2%	-2.3%
	Auto – Two-wheelers	NA	-3.40%	2.20%	-16.70%	11.4%	-9.0%	2.1%	-8.78%	-1.15%	14.16%	15.78%	9.57%	12.45%
	Auto – Commercial vehicles	NA	-6.00%	-1.00%	-2.10%	-1.0%	-3.3%	0.6%	3.38%	13.79%	1.48%	-22.02%	-11.63%	-12.29%
	Auto – Tractors	NA	10.50%	9.10%	7.70%	25.4%	13.6%	11.4%	13.99%	-1.34%	22.37%	3.72%	-5.85%	1.61%
	Banks – Deposit growth	10.10%	10.40%	10.00%	10.20%	10.60%	10.60%	10.7%	11.50%	11.20%	11.80%	11.60%	10.90%	11.30%
	Banks – Credit growth	9.80%	9.60%	9.80%	10.30%	11.80%	11.30%	11.90%	11.28%	11.20%	11.70%	13.00%	13.50%	13.90%
	Infra – Coal	NA	-6.80%	2.80%	3.5%	1.6%	1.7%	4.6%	5.30%	7.50%	7.80%	2.60%	-8.10%	6.80%
	Infra – Electricity	NA	-2.80%	-4.70%	1.70%	7.50%	3.6%	2.4%	6.20%	4.40%	2.00%	-0.50%	-3.70%	7.90%
	Infra – Steel	NA	9.30%	7.40%	4.40%	8.70%	6.9%	4.7%	7.30%	10.50%	5.70%	1.80%	4.10%	7.00%
	Infra – Cement	NA	9.20%	9.70%	6.30%	12.20%	10.8%	14.6%	4.60%	13.10%	3.10%	7.20%	-2.50%	5.10%

Source – Crisil, Mospi, Financial Websites, RBI, PIB Data as on 31 July 2025

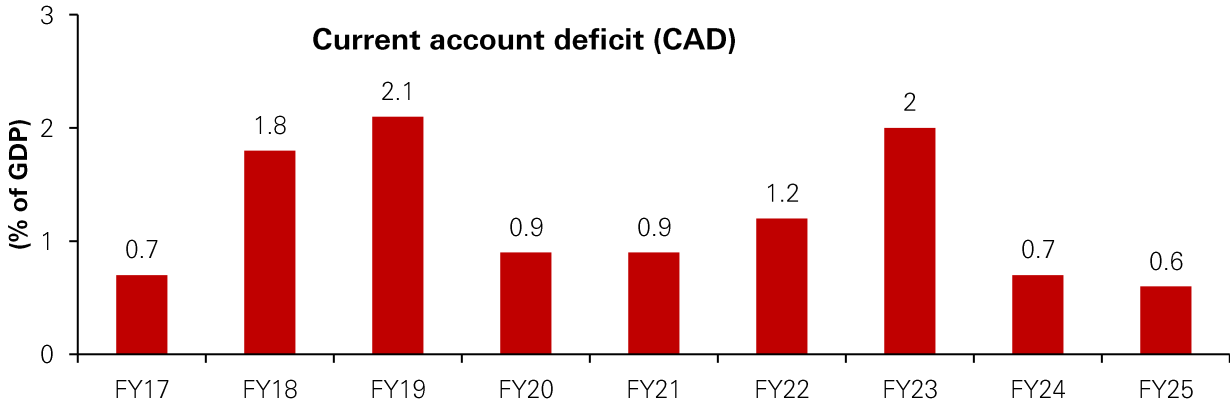
Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP – Gross Domestic Product. Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments.

GDP growth outlook remains positive; IMF raises growth projections for FY26 and FY27

- Despite downward risks posed by geopolitical uncertainty, India is expected to remain a bright spot in the global economic landscape. The International Monetary Fund (IMF) raised its growth projections for the economy by 20 basis points to 6.4% for FY26, and by 10 bps for FY27 to 6.4%, citing a more benign external environment than previously assumed, continued policy reforms, and steady domestic demand as key factors supporting this growth trajectory.
- The positive outlook was echoed by Economic Advisory Council to the Prime Minister (EAC-PM) Chairman, who expressed confidence in the Indian economy growing by 6.5% in FY26 on the back of low inflation, rate cuts, and increased government capital expenditure. In its monthly economic review, the Ministry of Finance presented a picture of resilient domestic supply and demand fundamentals during Q1FY26, thereby underscoring the confidence in the country's economic stability.



Gross domestic product expanded to 7.4% in Q4 of fiscal 2025

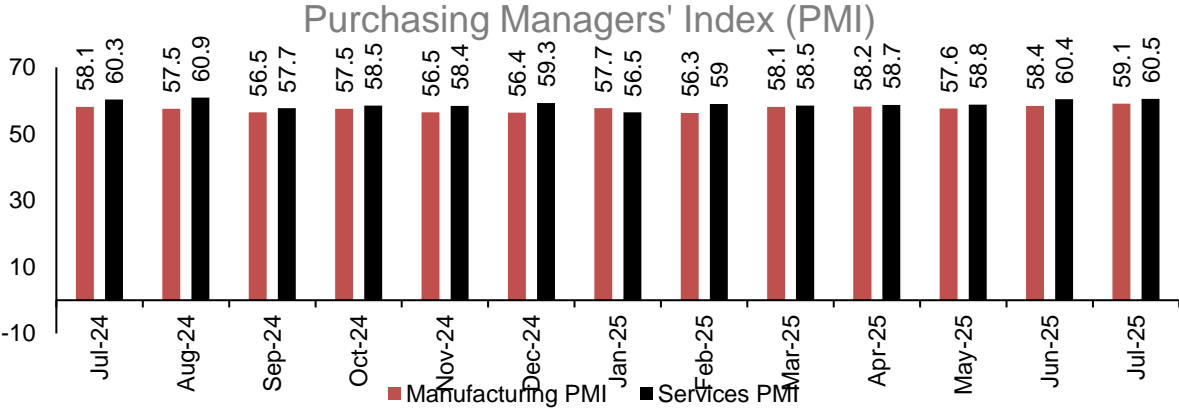


Current account deficit contracted to 0.6% of GDP for fiscal 2025

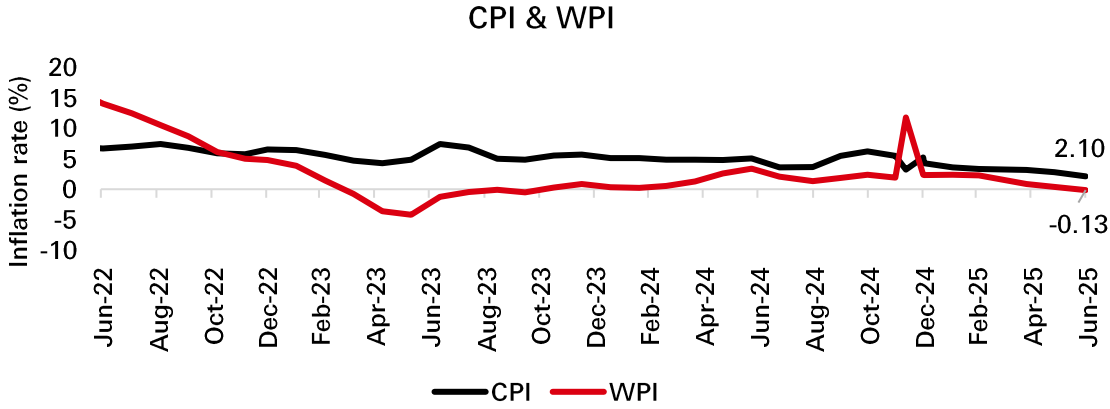
Source – Crisil, Mospi, Data as on 31 July 2025

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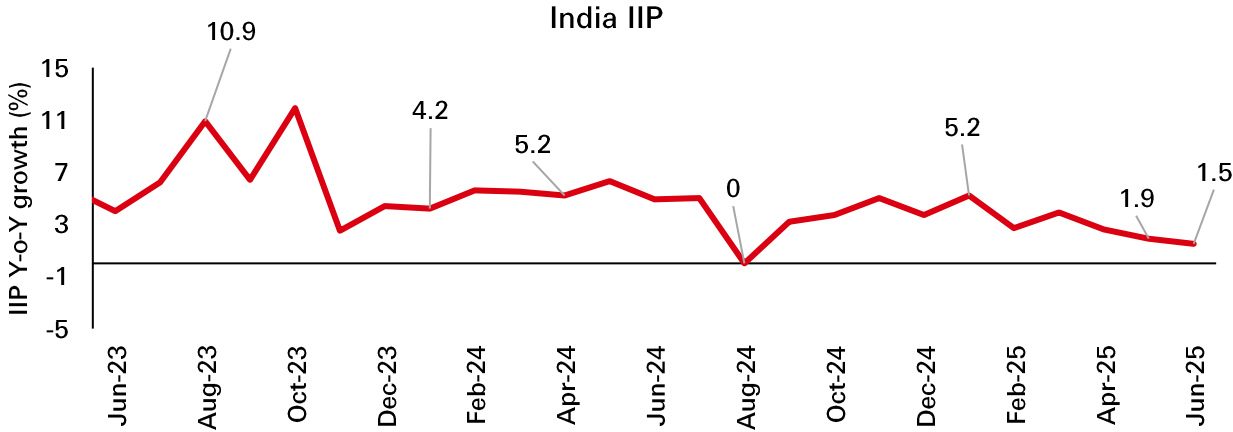
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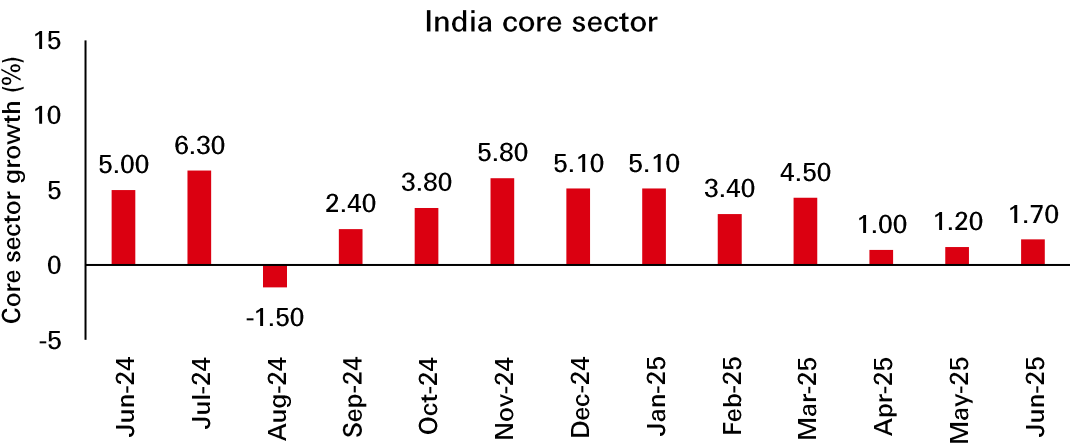
Domestic manufacturing and services activity grew in July



Retail inflation and wholesale inflation eased in June



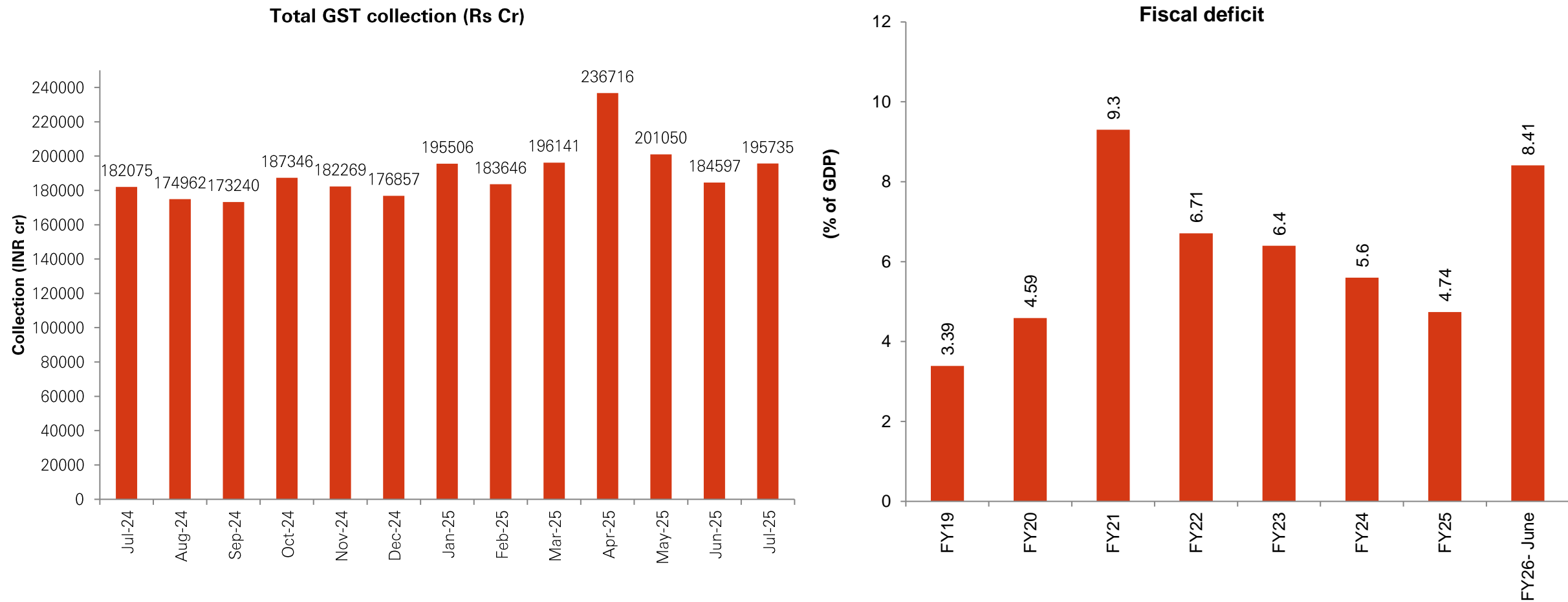
Industrial output growth rose in June



Core sector growth rose in June

Source—Crisil, Trading Economics, MOSPI, EAI, Data as on 31 July 2025, RBI- Reserve Bank of India GDP- Gross Domestic Product.
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GST collection INR 1.96 lakh crore in July



As per reports, the government collected INR 1.96 lakh crore goods and services tax (GST) for the month of July. Fiscal deficit for Apr-June period stood at 8.41% of estimated GDP for FY26.

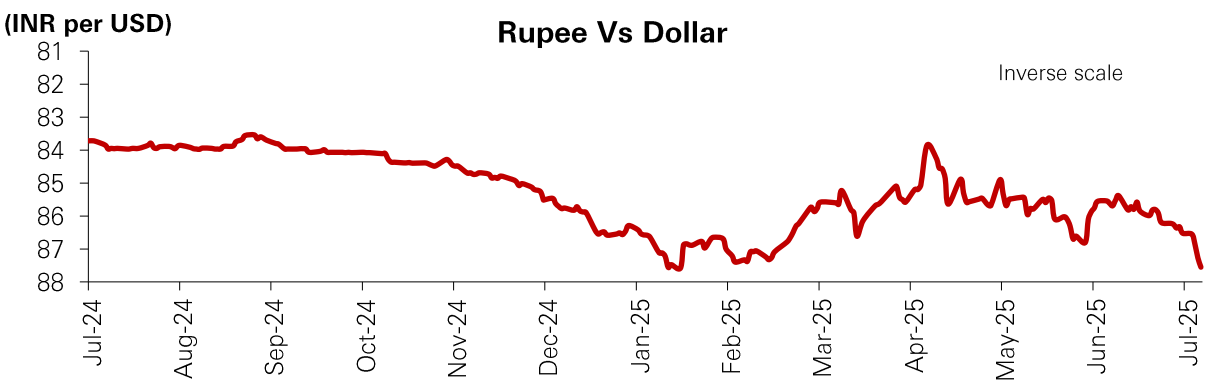
Source- Crisil, gst.gov.in, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GST – Goods and Services Tax
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Currency & Commodity market update

Rupee ended lower in July

- Growing concerns about tariffs to be imposed by the United States (US) and persistent portfolio outflows pushed the Indian rupee to its worst monthly performance in nearly three years during July 2025.
- The domestic currency fell to over five-month lows before closing the month at Rs 87.55 to the dollar, about 2.4% lower as compared with June-end (Rs 85.54 to the dollar). With this, it remained among Asia's weakest currencies in calendar year 2025 thus far.
- The month began with some early gains against the US dollar, arising from easing crude prices, intermittent weakness in the dollar index and initial optimism around India-US trade talks. The rupee also gained on the release of softer-than-expected inflation data during the first half.

Rupee Movement V/s Global Currencies				
	31-July-25	30-June-25	Change	% Change
USD	87.55	85.54	2.01	2.35%
GBP	116.24	117.47	-1.23	-1.05%
EURO	100.25	100.45	-0.20	-0.20%
100 YEN	58.85	59.43	-0.58	-0.98%



Rupee declined due to US tariffs and persistent portfolio outflows

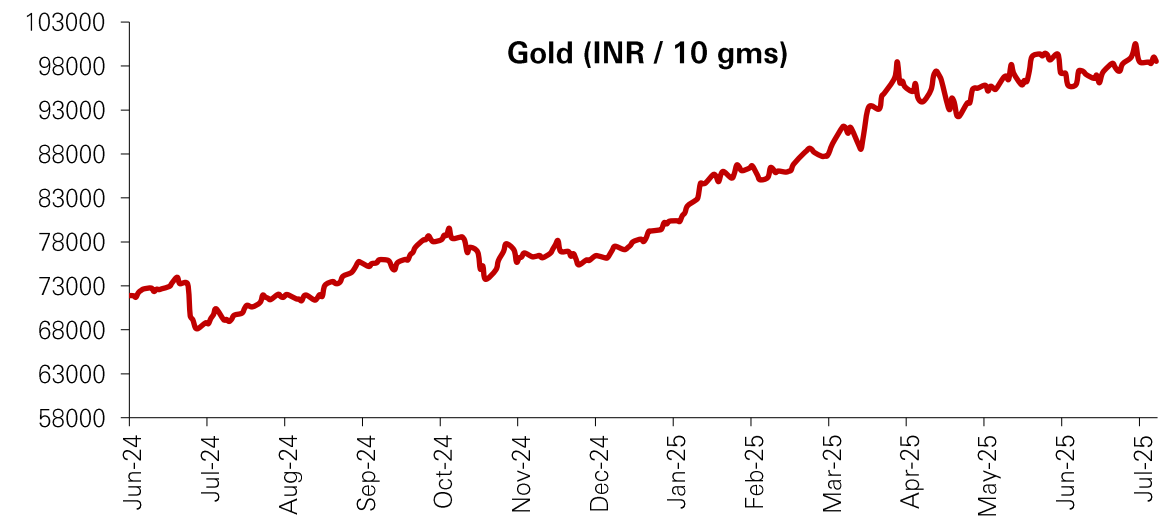
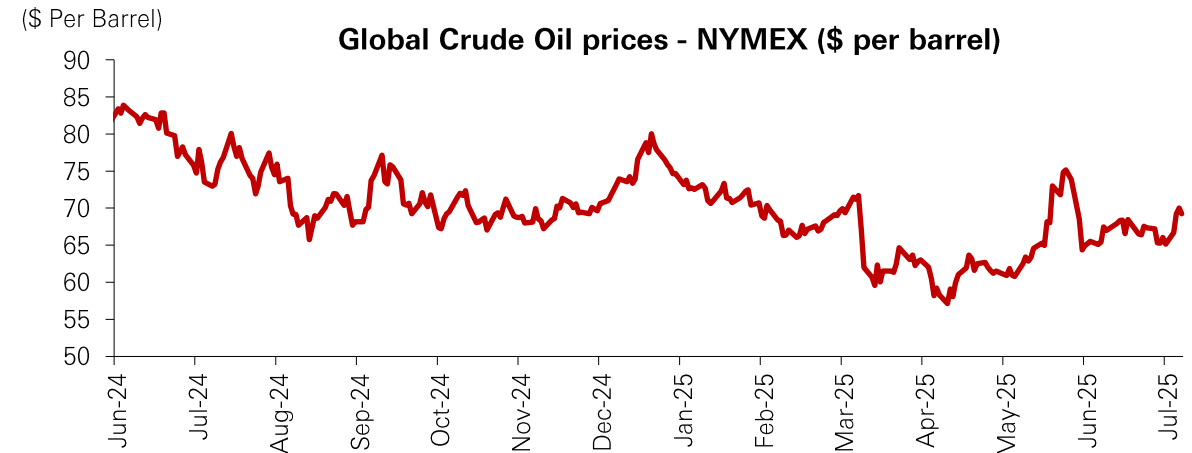
Source: RBI, Crisil. Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns. US- United States
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International crude oil prices rose in July

- Crude oil prices on the New York Mercantile Exchange closed at \$69.26 per barrel on July 31, up 4.15% from \$65.11 per barrel on June 30.
- Crude oil prices initially rose on optimism around US trade agreements and easing geopolitical uncertainties, which boosted the demand sentiment.

Domestic gold prices high in July

- Gold prices closed at Rs 98,534 per 10 gram on July 31, up 2.62% from Rs 95,886 per 10 gram on June 30, as reported by India Bullion and Jewellers Association Ltd.
- The month began on a positive note for gold prices, driven by safe-haven demand amid rising United States fiscal concerns and tax reforms.
- Prices continued to increase during the month due to a weaker dollar index and sustained safe-haven demand, as geopolitical uncertainties persisted following the European Union's approval of new sanctions on Russian oil.



Source – Crisil, NYMEX. IBJA Data as on 31 July 2025.

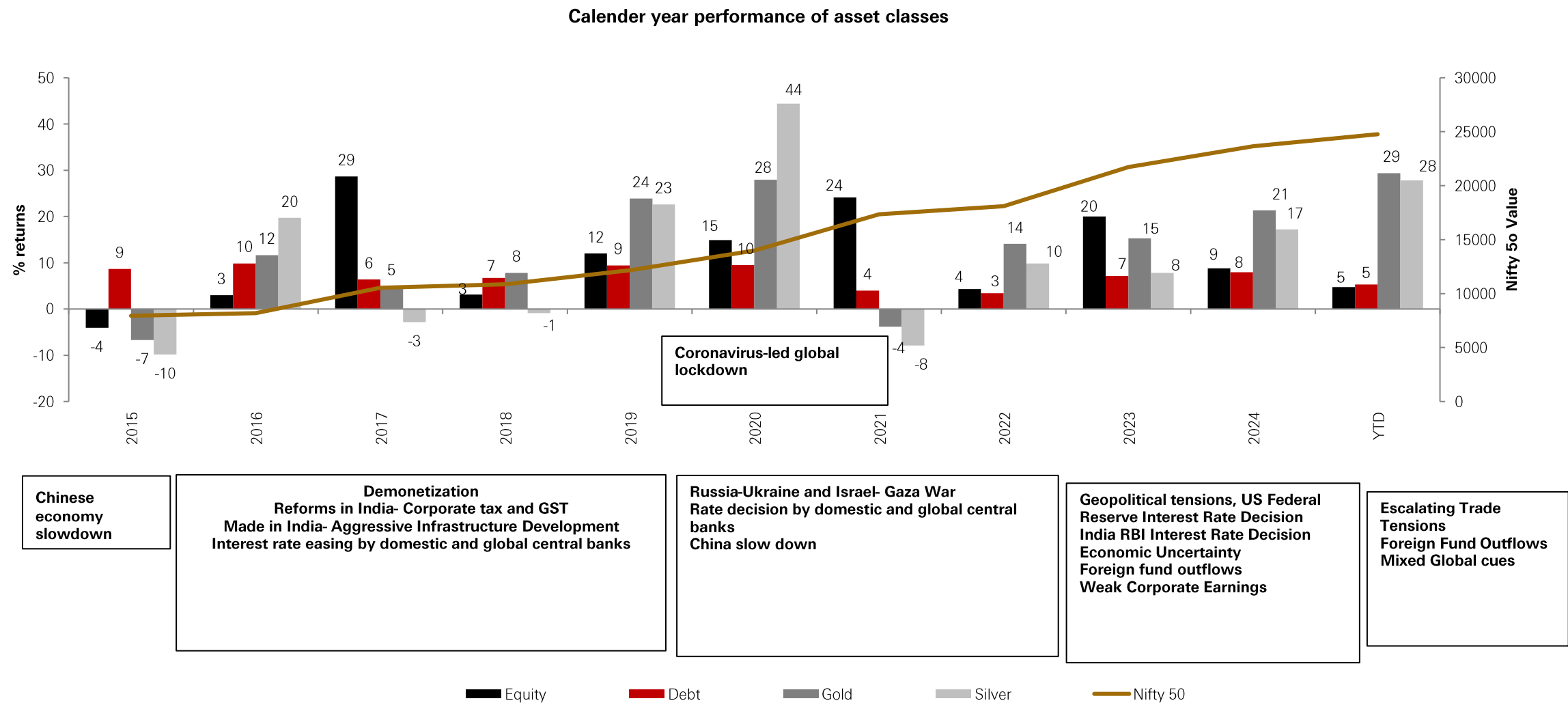
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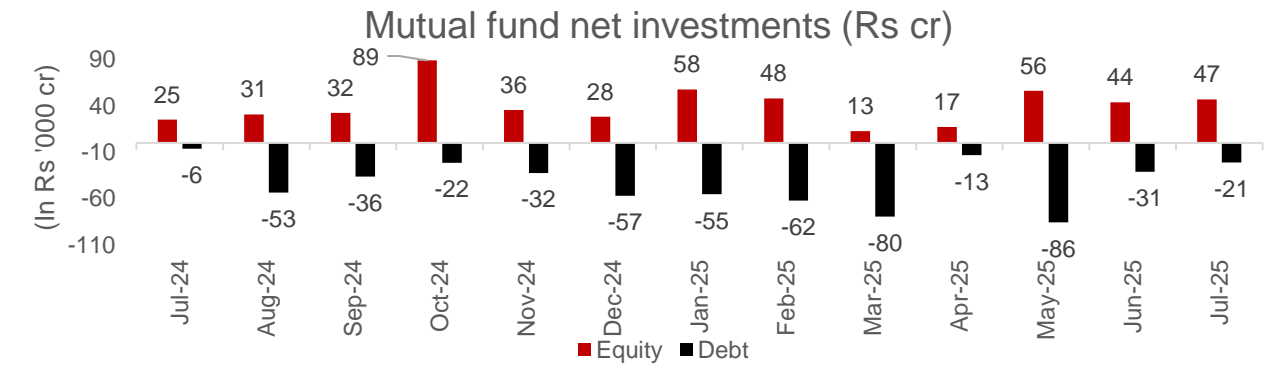
Asset Performance

History of asset classes through major events

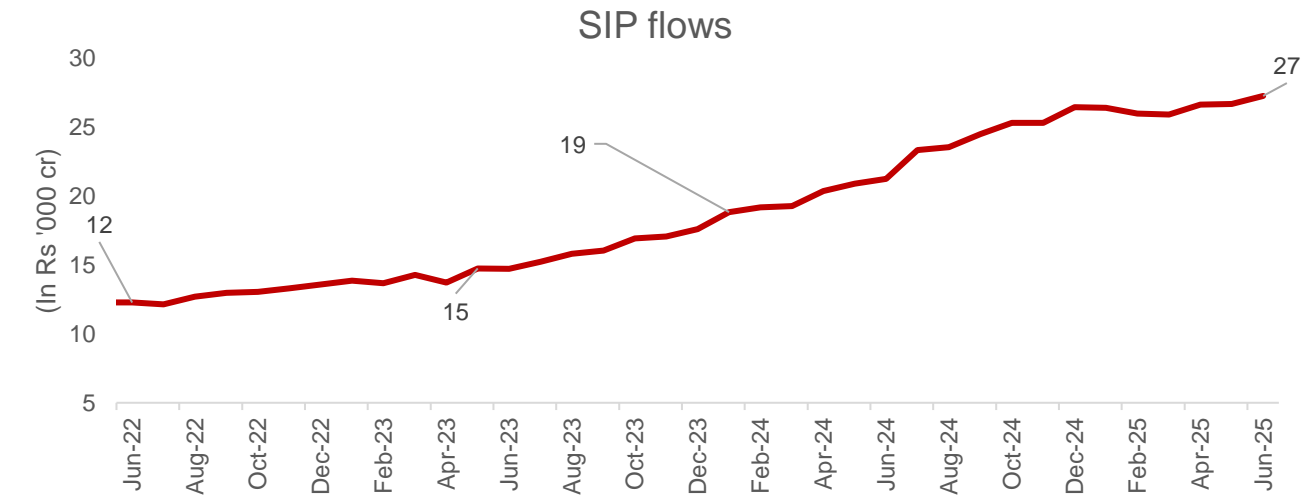


Equity- Nifty 50, Debt- Crisil short duration debt index
Gold and silver returns are based on spot rates from India Bullion and Jewellers Association (IBJA) and MCX
Source: NSE, CRISIL, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Mutual funds net buyers in equity and sellers in debt



Inflows through SIPs steady in Jun 2025



- The total assets under management (AUM) of the domestic mutual fund (MF) industry grew 3.06% (Rs 2,21,060 in absolute terms) on-month in June to ~Rs 74.40 lakh crore, compared with Rs 72.20 lakh crore in May, with equity schemes finding favour.
- The assets of hybrid funds grew 3.84% (Rs 36,646 crore) on-month to Rs 9.92 lakh crore owing to investor interest in balanced and aggressive hybrid funds. Net inflows into this category were Rs 23,223 crore against Rs 20,765 crore.
- The cumulative assets of exchange-traded funds and index funds rose to Rs 12.61 lakh crore versus Rs 12.24 lakh crore. However, net inflows dropped to Rs 3,997 crore compared with Rs 5,526 crore.
- Assets of open-ended, solution-oriented funds grew 2.97% on-month to Rs 56,148 crore from Rs 54,531 crore. Net inflows into the category eased to Rs 206 crore compared with Rs 177 crore.
- Assets of open-ended debt funds edged up 0.21% (or by Rs 3,764 crore) on-month to Rs 17.58 lakh crore in June. The category witnessed a net outflow of Rs 1,711 crore against Rs 15,908 crore. Within this category, short duration funds had an inflow of Rs 10,277 crore compared with Rs 1,790 crore, followed by a decline in net inflows of corporate bond funds to Rs 7,124 crore compared with Rs 11,983.35 crore.

Source: Crisil, AMFI, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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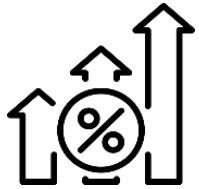
Economic Events Calendar

Date	Indicators	Previous
6-Aug-25	India RBI Interest Rate Decision	5.5%
7-Aug-25	UK BoE Interest Rate Decision	4.25%
9-Aug-25	China Inflation Rate, Jul	0.1%
12-Aug-25	US Inflation Rate, Jul	2.7%
	India Inflation Rate, Jul	2.1%
14-Aug-25	India WPI Inflation, Jul	0.5%
15-Aug-25	Japan GDP Growth Rate QoQ Prel Q2	0.0%
18-Aug-25	India Unemployment Rate, Jul	5.6%
20-Aug-25	Eurozone Inflation Rate Final, Jul	2%
	UK Inflation Rate, Jul	3.6%
28-Aug-25	US GDP Growth Rate QoQ 2nd Est Q2	3.8%
	India Industrial Production, Jul	1.5%
29-Aug-25	India GDP Growth Rate Q2	7.4%

Source: Crisil, Data as on 31 July 2025, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
US- United States, UK- United Kingdom, GDP- Gross Domestic Product, WPI- Wholesale Price Index
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- The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) voted unanimously to cut the policy repo rate by 50 basis points (bps) to 5.50%
- Accordingly, the standing deposit facility (SDF) rate, the marginal standing facility (MSF) rate and bank rate are revised to 5.25%, 5.75% and 5.75%, respectively. The MPC shifted the policy stance to 'neutral' from 'accommodative', indicating limited policy space and the need to monitor data closely to balance growth and inflation



- The RBI said, the provisional estimates released by the National Statistical Office (NSO) placed India's real gross domestic product (GDP) growth at 6.5% in fiscal 2025, driven by continued rural demand support and improving urban consumption.
- Meanwhile, private consumption and traction in fixed capital formation are set to support overall economic momentum, despite global uncertainties. Considering these factors, GDP growth for fiscal 2026 is projected at 6.5%, with first quarter at 6.5%, second quarter at 6.7%, third quarter at 6.6% and fourth quarter at 6.3%, with risks evenly balanced



- RBI Governor said the economy is progressing well, with strong fundamentals and a benign inflation outlook, creating space to support growth.
- Amid global uncertainties, today's policy steps aim to push growth to a higher trajectory, while ensuring price stability, which is key to long-term, equitable development

Source: Crisil, RBI Past performance may or may not be sustained in future and is not a guarantee of any future returns. RBI- Reserve Bank of India

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.

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