

Market Flash

June 23, 2025





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Sensex sinks over 800 points on geopolitical tension; India VIX up 4%

Stock markets opened lower on Monday (June 23) as investors tracked the United States' bombing of three nuclear facilities in Iran, siding with Israel in the West Asia war.

US bombed three nuclear sites -- Fordow, Natanz and Isfahan -- in Iran on Sunday, escalating the war in West Asia. Iran, on its part, has vowed to retaliate and has warned the US of "dire consequences". Further, Iran's Parliament has reportedly approved the closure of the Strait of Hormuz following US strikes on Iranian nuclear sites.

The Indian rupee opened 15 paise weaker against the US dollar on Monday, trading at 86.74 compared to its closing rate of 86.59 on Friday.

At 10:00 AM, the frontline BSE Sensex was trading at 81,560 down 848 points or 1.03%. Market breadth is negative with and out of a total of 3,479 shares traded on the Bombay Stock Exchange, 1,189 advanced while 2,117 declined and 173 remained unchanged. The broader Nifty50 was at 24,852 levels down 260 points or 1.04%.

In the broader markets, the Nifty Mid Cap and Nifty Small Cap indices dropped by 0.33% and 0.14%, respectively. Fear gauge, India VIX, was up over 4%.

Among sectors, all the indices were trading lower. The Nifty IT index fell 1.16%, the Nifty Auto index 0.9%, the Nifty Private Bank index 0.8%, and the Nifty FMCG 0.84%. However, defence stocks were rising. The Nifty India Defence index was trading 1.3% higher.

WEEKLY REVIEW – JUNE 16, 2025 – JUNE 20, 2025

The domestic markets ended with major gains during the week despite overcoming midweek weakness caused by rising tensions between Israel and Iran. After three straight sessions of losses, markets rebounded sharply on Friday. Broader markets underperformed. Investors largely overlooked domestic economic data and remained focused on geopolitical developments.

On the sectoral front, a mixed trend prevailed, as rate-sensitive sector indices, including auto, banking, financials, and realty, moved higher. Additionally, a recovery in the IT pack further strengthened the overall sentiment. On the other hand, defensive sectors like FMCG and pharma underperformed amid the prevailing risk-on environment, while metals and energy witnessed some profit booking

In the week ended on Friday, 20 June 2025, the BSE Sensex surged 1,289.57 points or 1.58% to settle at 82,408.17. The Nifty50 index jumped 393.8 points or 1.59% to settle at 25,112.40. The BSE Mid Cap index shed 0.44% to close at 45,480.26. The BSE Small Cap declined 1.85% to end at 52,378.52.

| Indices | Last close | One-day change in % | One month change in % | % YTD change in % |
|---------------------------|------------|---------------------|-----------------------|-------------------|
| Domestic | | | | |
| S&P BSE Sensex | 82,408.17 | 1.29 | 1.5 | 5.46 |
| Nifty 50 | 25,112.40 | 1.29 | 1.74 | 6.21 |
| S&P BSE 200 | 11,351.15 | 1.27 | 1.62 | 3.84 |
| S&P BSE 500 | 36,157.56 | 1.19 | 1.81 | 2.75 |
| S&P BSE Midcap | 45,480.26 | 1.2 | 2.47 | -2.08 |
| S&P BSE Smallcap | 52,378.52 | 0.55 | 2.83 | -5.08 |
| S&P BSE Auto | 52,934.37 | 0.84 | 0.39 | 2.46 |
| S&P BSE Bankex | 63,412.19 | 1.15 | 1.7 | 9.82 |
| S&P BSE Cap Goods | 70,243.36 | 1.15 | 3.33 | 3.64 |
| S&P BSE Consumer Durables | 57,642.09 | 0.84 | -2.34 | -10.54 |
| S&P BSE FMCG | 20,023.29 | 0.52 | -2.58 | -3.6 |
| S&P BSE Healthcare | 43,081.80 | 0.78 | 2.08 | -4.85 |
| S&P BSE IT | 38,171.50 | 0.65 | 3.72 | -11.62 |
| S&P BSE Metal | 30,401.55 | 1.1 | -1.75 | 5.22 |
| S&P BSE Oil & Gas | 27,053.84 | 0.61 | -0.28 | 3.8 |
| S&P BSE Power | 6,712.23 | 1.43 | -0.42 | -3.64 |
| S&P BSE Realty | 7,871.81 | 2.22 | 10.04 | -4.4 |

GLOBAL MARKETS

Shares slipped in Asia on Monday and oil prices briefly hit five-month highs as investors anxiously waited to see if Iran would retaliate against US attacks on its nuclear sites, with resulting risks to global activity and inflation.

Early moves were contained, with the dollar getting only a minor safe haven bid and no sign of panic selling across markets. Oil prices were up around 2.8%, but off their initial peaks.

World share markets were proving resilient so far, with S&P 500 futures off a modest 0.3% and Nasdaq futures down 0.4%.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 1.0%, while Chinese blue chips dipped 0.2%. Japan's Nikkei eased 0.6%, though surveys showed manufacturing activity there returned to growth in June after nearly a year of contraction.

EUROSTOXX 50 futures lost 0.4%, while FTSE futures fell 0.3% and DAX futures slipped 0.5%. Europe and Japan are heavily reliant on imported oil and LNG, whereas the United States is a net exporter.

The dollar edged up 0.3% on the Japanese yen to 146.50 yen, while the euro dipped 0.2% to \$1.1500. The dollar index firmed marginally to 98.958.

RUPEE, OIL, GOLD & FIIs

Indian Rupee: The rupee had closed at 86.5850 against the U.S. dollar on Friday, down 0.6% on the week.

Crude Oil: Global oil markets jolted sharply upward on Monday after the United States bombed three of Iran's key nuclear facilities over the weekend, raising fears that Tehran will retaliate by targeting critical Gulf oil infrastructure or disrupting shipping through the Strait of Hormuz.

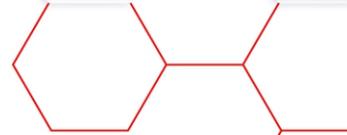
Brent crude opened at a five-month high of \$81.40 a barrel in Asian trading before easing to \$78.79—still a 2.3% gain. Brent crude oil futures closed at \$77 per barrel on Friday, up nearly 4% on week.

FPIs & DIIs: The sustained buying by FIIs was one of the key drivers for the market this week as they injected 8,709 crore into Indian equities. FIIs made a net investment of Rs 7,940.70 crore on June 20, the third-highest single-day inflow in 2025, according to provisional data. Overall, they remained net buyers for the fourth consecutive session, logging their longest streak of buying this month.

In contrast, domestic institutional investors (DIIs) made a net investment of Rs 12,635 crore this week, including a sell-off of equities worth Rs 3,049.88 crore on Friday.

Gold: Gold prices inched higher today as investors turned to safe-haven assets amid growing fears of a broader Middle East conflict, with markets closely watching for Iran's response to US attacks on its nuclear sites.

Spot gold was up 0.1% at US\$3,371.30 an ounce. US gold futures were steady at US\$3,387.20.


International

| | | | | |
|---------------------------|-----------|-------|--------|--------|
| DJIA* | Closed | NA | NA | 0 |
| Nasdaq Composite* | Closed | NA | NA | 0 |
| Nikkei 225 (Japan) | 38,403.23 | -0.22 | 2.33 | -3.74 |
| Straits Times (Singapore) | 3,883.43 | -0.28 | 0.02 | 2.53 |
| Hang Seng (Hong Kong) | 23,530.48 | 1.26 | -0.64 | 17.3 |
| Kospi Composite (Seoul) | 3,021.84 | 1.48 | 16.14 | 25.94 |
| FTSE 100 (London) | 8,791.80 | -0.58 | 1.06 | 7.57 |
| Cac 40 (France)* | 7,553.45 | -1.34 | -4.19 | 2.34 |
| Xetra Dax (Germany)* | 23,057.38 | -1.12 | -3.67 | 15.81 |
| S&P 500 (US)* | Closed | NA | NA | 0 |
| Shanghai (china) | 3,359.90 | -0.07 | -0.61 | 0.24 |
| MICEX (Russia)* | 2,762.37 | -0.77 | -4.17 | -4.19 |
| Bovespa (Brazil)* | Closed | NA | NA | 0 |
| JCI (Indonesia) | 6,907.14 | -0.88 | -2.64 | -2.44 |
| SET (Thailand) | 1,067.63 | -0.1 | -10.22 | -23.75 |

*Data as of Jun 19

FII equity investments, Rs cr

| | Buy | Sell | Net | MTD |
|------------------|-------------|-------------|------------|-----|
| 19-Jun | 13,557.00 | 11,517.00 | 2,040.00 | 812 |
| 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 | |
| Dec-24 | 3,28,550.47 | 3,17,464.70 | 11,085.77 | |
| Last Close | 11,210.00 | 11,808.00 | -598 | |
| 6 Months average | 3,09,288.36 | 3,22,797.91 | -13,509.55 | |

MF equity investments, Rs cr

| | Buy | Sell | Net | MTD |
|------------------|-------------|-------------|-----------|------------|
| 19-Jun | 8,215.00 | 8,121.00 | 94 | 42,419.00* |
| 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 | |
| Dec-24 | 238343.12 | 210205.34 | 28137.78 | |
| Last Close | 11,306.00 | 5,634.00 | 5,672.00 | |
| 6 Months average | 2,28,878.05 | 1,93,774.05 | 35,103.99 | |

-MF data as of Jun 18

WEEK AHEAD

The coming week may keep Indian equities under pressure, with sentiment fragile amid escalating tensions between Israel and Iran. Developments in the Middle East, US economic data and crude oil prices will likely dictate the mood.

Domestic Cues:

India's HSBC Composite PMI Flash for June will release on Monday, 23 June 2025.

India's HSBC Manufacturing PMI Flash for June will release on Monday, 23 June 2025.

India's HSBC Services PMI Flash for June will release on Monday, 23 June 2025.

Global Cues:

US existing home sales data for May will release on Monday, 23 June 2025.

Fed Chair Powell's testimony will take place on Tuesday, 24 June 2025.

US durable goods orders data for May will release on Thursday, 26 June 2025.

US GDP growth rate data for Q1 (final) will release on Thursday, 26 June 2025.

US Core PCE Price Index data for May will release on Friday, 27 June 2025.

US personal income data for May will release on Friday, 27 June 2025.

US personal spending data for May will release on Friday, 27 June 2025.

Source: Bloomberg, Capital Market, MOSL & HSBC MF estimates as on June 23, 2025 or as latest available.

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