

The background features a collage of business-related imagery. On the left, a world map is overlaid with a grid of numerical data. In the center and right, there are various charts including 3D bar graphs, pie charts, and a line graph. A tablet computer is positioned on the right side, displaying a dashboard with a circular gauge and bar charts. The overall color palette is dominated by blues and yellows.

# WEEKLY WRAP

Issue 14

**BRICKWORK RESEARCH**

**10 February 2025**

# Weekly Wrap

10 February 2025

## India Economic News

- Exporters say that the U.S. imposition of customs duties on imports from China, Canada, and Mexico creates significant export opportunities for India to the U.S. The tariffs are expected to impact exports from these countries by raising the prices of their goods in the American market, reducing their competitiveness
- Despite India's efforts to strengthen its fiscal position, a sovereign rating upgrade remains unlikely due to concerns over high public debt and interest payments. India's debt-to-GDP ratio exceeds 80%, significantly higher than the high-50% range observed in similarly rated countries, which presents a key constraint for an upgrade, according to Fitch Ratings
- Finance Secretary Tuhin Kanta Pandey urged India Inc to demonstrate "animal spirit" and increase investments, emphasizing that for India to become a developed country, both the government and the private sector must work together as a team
- India and the UK will resume discussions on the proposed trade agreement starting February 24. Talks for the proposed FTA began in January 2022, but the 14th round was delayed as both countries entered their general election cycles

## Global Economic News

- The U.S. economy experienced consistent job growth in January, according to Labor Department data, with 143,000 jobs added and the unemployment rate remaining stable at a relatively low 4%, amidst the transition between the Biden and Trump administrations
- President Donald Trump announced that he intends to introduce reciprocal tariffs, marking a significant escalation in his trade conflict with U.S. economic partners
- China highlighted record spending during the Lunar New Year holiday, with 501 million domestic trips made over the eight-day travel, according to data from the Ministry of Culture and Tourism. This marked a 5.9% rise from the previous year. Tourism spending also saw a significant boost, increasing by 7% to reach \$93 billion compared to the year before
- According to a report by the Association of Chartered Certified Accountants, the global economy is projected to experience moderate growth in 2025, though significant uncertainty remains, especially concerning political and geopolitical developments

Equity Markets	Last	1 Week	YTD
Nifty	23,497.40	-0.27%	-1.35%
Sensex	77,860.19	2.19%	-1.32%
Dow Jones	44,303.40	-0.54%	4.13%
S&P 500	6,025.99	0.52%	2.45%
Nasdaq	19,525.23	0.62%	1.14%
FTSE 100	8,700.53	0.31%	5.33%
Nikkei 225	38,828.00	0.11%	-1.27%
Shanghai	3,303.67	1.01%	1.57%
CAC 40	7,973.03	0.29%	7.83%
DAX	21,787.00	8.80%	1.57%
Commodities	Last	1 Week	YTD
Gold	\$2,850.90	2.92%	7.73%
Silver	\$31.90	3.68%	8.50%
Crude Oil WTI	\$73.52	0.29%	-0.37%
Currency	Last	1 Week	YTD
USD / INR	87.89	0.31%	2.46%
EUR / INR	90.82	0.36%	2.63%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.83	2.05%	-5.82%

\*YTD – Indicates % gain/loss as of today

## Central Bank and Regulatory Updates

- RBI has reduced its benchmark interest rate for the first time in almost five years, aiming to boost the slowing economic growth. RBI announced that it had decreased the repo rate by 0.25 percentage points to 6.25 percent
- According to a report by the World Gold Council, central banks will continue to be the primary drivers of demand for gold in 2025, alongside ETF investors who view the yellow metal as a hedge against growing economic and geopolitical risks. The report further suggests that in 2025, central banks will maintain their dominant role, with gold ETF investors also playing a significant part
- The U.S. Federal Reserve may ease its position on cryptocurrency, as the Trump Administration has fully embraced it. Meanwhile, Congress is moving forward with efforts to pass legislation that would establish a regulatory framework for digital assets
- To mitigate the impact of concentrated reverse repo maturities in the open market and maintain adequate liquidity in the banking system, the People's Bank of China conducted \$97.2 billion in seven-day reverse repos at an interest rate of 1.5%

## Sectoral News

- The Economic Survey for 2024-25 highlighted that the increasing presence of Global Capabilities Centers (GCC) is set to transform the corporate landscape in India and impact global business dynamics. The survey reported that the number of GCCs in India has risen from around 1,430 in FY19 to more than 1,700 in FY24, employing nearly 1.9 million professionals
- In 2024, the Indian advertising industry saw a growth of 6.3%, reaching a market value of INR 1,01,084 crore. This growth trend is expected to persist, with forecasts predicting a CAGR of 6.87%, pushing the market size to INR 1,15,460 crore by 2026. India's advertising sector is experiencing a significant transformation, driven by the swift convergence of technology, creativity, and consumer experience
- The budget introduced a "focus product scheme" for the footwear and leather industry, aiming to create 2.2 million jobs, achieve a turnover of INR 4 trillion, and target exports exceeding INR 1.1 trillion. This initiative will support suppliers of non-leather footwear brands such as Nike, Adidas, Puma, New Balance, and Reebok. These companies are increasingly looking to India as a manufacturing hub under the China-plus-one strategy

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.4%	8.2%
Unemployment Rate	8.3%	8.0%
<b>Interest Rate</b>	<b>6.25%</b>	<b>6.5%</b>
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	94	94.7
Business Confidence	119	127
<b>HSBC India Mfg PMI (Jan)</b>	<b>57.7</b>	<b>56.4</b>
<b>HSBC India Services PMI (Jan)</b>	<b>56.5</b>	<b>59.3</b>
<b>FX Reserves, USD Billion</b>	<b>630.61</b>	<b>629.56</b>
<b>Bank Deposit Growth</b>	<b>10.3%</b>	<b>10.8%</b>
GST Collections (₹ Trillion) (Jan)	1.96	1.77
Infra Output (YoY) (Dec)	4.00%	4.40%
Trade Balance (Dec) USD Billion	-21.94	-37.84
WPI Food (YoY) (Dec)	8.47%	8.63%
WPI Fuel (YoY) (Dec)	-3.79%	-5.83%
WPI Inflation (YoY) (Dec)	2.37%	1.89%
WPI Mfg Inflation (YoY) (Dec)	2.14%	2.00%
CPI Inflation (YoY) (Dec)	5.22%	5.48%
Industrial Production (YoY) (Nov)	5.2%	3.7%

\*GDP Estimates

\* Views are personal

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