

# WEEKLY WRAP

Issue 18

**BRICKWORK RESEARCH**

**10 March 2025**

# Weekly Wrap

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## India Economic News

- India and the EU aim to finalize a free trade agreement by the end of the year. The EU is India's largest trade partner in goods, with trade reaching \$137.5 billion in 2023-24, nearly doubling over the past decade
- India's nominal GDP is currently \$3.9 trillion and is set to exceed \$4 trillion by FY25, according to CEA V Anantha Nageswaran. He also highlighted that India continued to be the fastest-growing major economy during the October-December period
- According to a World Bank report, India would need to maintain an average growth rate of 7.8% over the next 22 years to achieve its goal of reaching high-income status by 2047
- Hon'ble PM Narendra Modi announced that India's economy grew by 66% over the past decade, with a goal of reaching a \$5 trillion economy, while emphasizing progress in education, skills, and healthcare
- US Commerce Secretary Lutnick calls for India to reduce tariffs, suggesting a potential grand deal. He emphasizes that India's import tariffs, some of the highest globally, necessitate a review of its special relationship with the US

## Global Economic News

- Federal Reserve Chair Jerome Powell warned that the US economy could experience a slowdown in consumer spending due to increased uncertainty about the economic outlook among businesses
- The US economy added 151,000 new jobs in February 2025, with a slight increase in the unemployment rate. Meanwhile, consumer and business confidence, which had risen sharply following Trump's election, has significantly dropped since January 2025
- China's consumer inflation fell below zero for the first time in 13 months, a figure influenced by seasonal distortions but also highlighting ongoing deflationary pressures in the economy
- China has set its economic growth target at approximately 5% for 2025, despite facing challenges like a potential trade war with the US. To boost growth, the government is adopting a more relaxed monetary policy
- While the global economy may be stabilizing, growth is still concerningly sluggish, warned Anna Bjerde, MD of Operations at the World Bank. With rising trade tensions, Bjerde emphasized that global economic integration is crucial for fostering job creation and innovation

Equity Markets	Last	1 Week	YTD
Nifty	22,605.55	0.24%	-4.96%
Sensex	74,332.58	1.55%	-4.95%
Dow Jones	42,801.72	-2.37%	0.61%
S&P 500	5,770.20	-1.36%	-1.89%
Nasdaq	18,212.81	-0.73%	-5.66%
FTSE 100	8,679.88	-1.47%	5.08%
Nikkei 225	36,887.17	-1.37%	-5.86%
Shanghai	3,352.59	-0.59%	3.09%
CAC 40	8,120.80	0.11%	9.83%
DAX	23,008.94	2.03%	2.76%
Commodities	Last	1 Week	YTD
Gold	\$2,910.6	0.50%	9.99%
Silver	\$32.1	0.86%	9.18%
Crude Oil WTI	\$68.63	-1.86%	-6.99%
Currency	Last	1 Week	YTD
USD / INR	87.30	0.23%	1.64%
EUR / INR	94.28	-0.06%	6.55%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.80	1.84%	-4.99%

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

## Central Bank and Regulatory Updates

- RBI announced that it will conduct OMO purchase auctions of government securities totaling ₹1 trillion, split into two tranches of ₹50,000 crore each, scheduled for 12th March and 18th March
- RBI plans to enforce stricter underwriting processes for gold loans, urging banks to strengthen background checks on borrowers and verify gold ownership
- RBI has warned NBFCs about the risks of loan ever greening and financial instability associated with perpetual credit lines, urging lenders to reduce the issuance of such flexible credit products
- SEBI has launched centralized portal for corporate bonds, aimed at enhancing transparency and informed decision-making through detailed risk assessments
- New SEBI Chairman Tuhin Kanta Pandey takes charge, stating his goal is to make the regulator the best market institution
- Economists anticipate a 25 basis point rate cut by the RBI in the April 2025 meeting to boost economic growth

## Sectoral News

- Hon'ble PM Narendra Modi has urged the industry to lead a manufacturing boom and enhance India's global trade. With global supply chains in flux, he encouraged Indian businesses to seize the opportunity
- According to a recent report by the Indian Pharmaceutical Alliance and McKinsey & Company, the Indian pharmaceutical sector is at a tipping point and could redefine its operational strategies over the next decade to capitalize on opportunities and achieve the next level of performance as a global leader
- A report by the India Electronics and Semiconductor Association predicts that the global manufacturing supply chain will grow to \$420 billion by 2030, doubling its current size
- A McKinsey report states that India's chemical industry is poised to reach \$1 trillion by 2040
- The US announcement of reciprocal tariffs has raised concerns in India's gem and jewelry industry, as the American market holds a significant share

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.5%	9.2%
<b>Unemployment Rate</b>	<b>8.2%</b>	<b>8.3%</b>
Interest Rate	6.25%	6.5%
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	93.7	94.0
Business Confidence	120	119
<b>HSBC India Mfg PMI (Feb)</b>	<b>56.3</b>	<b>57.7</b>
<b>HSBC India Services PMI (Feb)</b>	<b>59.0</b>	<b>56.5</b>
<b>FX Reserves, USD Billion</b>	<b>638.70</b>	<b>640.48</b>
Bank Deposit Growth	10.6%	10.3%
GST Collections (₹ Trillion) (Feb)	1.84	1.96
Infra Output (YoY) (Jan)	4.60%	4.00%
Trade Balance (Jan) USD Billion	-22.99	-21.94
WPI Food (YoY) (Jan)	5.88%	8.47%
WPI Fuel (YoY) (Jan)	-2.78%	-3.79%
WPI Inflation (YoY) (Jan)	2.31%	2.37%
WPI Mfg Inflation (YoY) (Jan)	2.51%	2.14%
CPI Inflation (YoY) (Jan)	4.31%	5.22%
Industrial Production (YoY) (Dec)	3.2%	5.0%

\*GDP Estimates

\* Views are personal

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