

# WEEKLY WRAP

Issue 19

**BRICKWORK RESEARCH**

**17 March 2025**

# Weekly Wrap

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## India Economic News

- India's retail inflation dropped to a seven-month low of 3.61% in February 2025, compared to 4.31% in January, as the pressure from food prices eased
- India's industrial output rose by 5.0% in January, up from 3.5% in December 2024. The manufacturing sector saw a growth of 5.5%, compared to 3.6% in the previous month. Mining production experienced a small decline of 4.4%, while power output increased by 2.4%
- A study by U.S. banking group Citi predicts that India will become the world's largest economy in 39 years, with a GDP of \$85.97 trillion by 2050
- India is expected to emerge as the leading global market for initial public offerings by 2035, as stated by Infosys co-founder Nandan Nilekani during the ArkamVC event
- OPEC mentioned in its latest monthly report that after a modest rebound and stable growth in Q4 2024, the Indian economy is expected to sustain an average quarterly growth rate of approximately 6.5% in both 2025 and 2026

## Global Economic News

- US inflation dropped more than anticipated to 2.8% in February, strengthening the argument for the Federal Reserve to lower interest rates as signs of economic slowdown emerge
- The IMF warns that if U.S. tariffs on Mexico and Canada persist, they will notably harm the economies of both countries
- Britain's largest unions are urging for stronger UK-EU relations in response to the volatile global economy
- Canada has imposed \$21 billion in retaliatory tariffs on the U.S., despite a recent easing of tensions over the potential 25% surcharge on U.S. electricity consumers, as the global trade conflict intensifies
- China's retail sales increased by 4% year-on-year, but the rising unemployment rate of 5.4% raises concerns about China's 5% GDP growth target
- China unveiled a special action plan to stimulate consumption, in an effort to boost domestic spending

Equity Markets	Last	1 Week	YTD
Nifty	22,489.55	0.56%	-5.29%
Sensex	74,144.58	-0.74%	-5.56%
Dow Jones	41,289.14	-1.49%	-2.93%
S&P 500	5,638.94	0.43%	-4.13%
Nasdaq	17,754.09	1.64%	-8.03%
FTSE 100	8,632.33	-0.55%	4.51%
Nikkei 225	36,887.17	1.72%	-4.51%
Shanghai	3,429.30	1.68	5.11%
CAC 40	8,028.28	-1.14%	8.58%
DAX	22,986.82	-0.10%	5.11%
Commodities	Last	1 Week	YTD
Gold	\$2,983.74	3.24%	13.65%
Silver	\$34.11	5.52%	16.66%
Crude Oil WTI	\$67.36	-2.64%	-5.65%
Currency	Last	1 Week	YTD
USD / INR	86.88	-0.58%	1.27%
EUR / INR	94.71	-0.17%	7.04%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.74	-0.90%	-4.80%

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

## Central Bank and Regulatory Updates

- RBI has assured that there is no need for depositors to be concerned about speculative reports, as IndusInd Bank's financial health remains stable
- RBI has initiated an industry-wide review of derivative positions following the IndusInd Bank incident. The aim is to determine whether other banks are also failing to comply with its derivative trading regulations
- NBFCs may adjust their funding strategies as the RBI relaxes bank lending regulations, lowering the risk weight on microfinance loans. Banks are expected to focus on top-rated NBFCs
- RBI has imposed a ₹76.6 lakh fine on four NBFCs for compliance violations related to their lending platforms
- RBI has observed weak demand for VRR auctions as the liquidity crunch in the banking system subsides. The liquidity deficit in India's banking system has dropped from a peak of over ₹2 trillion in January to around ₹20,000 crore now
- SEBI has implemented a stricter regulatory framework for SME IPOs, introducing a profitability requirement and imposing a 20% cap on offer-for-sale

## Sectoral News

- According to the FICCI-EY report, India aims to capture 8% of the global space market. The country has set an ambitious goal to expand its space economy from \$8.4 billion in 2022 to \$44 billion by 2033
- According to Manish Kumar, CEO of Solidworks, Virtual Twins, AI, and Industry 5.0 will be key drivers of India's manufacturing surge
- Steel Secretary Sandeep Poundrik stated that the US tariffs will have minimal impact on India's steel industry, as the domestic market remains strong and only a small portion is exported to the US
- ICRA projects that India's CV industry wholesale volumes will grow by 3-5% in FY26. Capital expenditure in the sector is also anticipated to rise significantly to ₹58-60 billion in FY25 and FY26, compared to ₹34 billion in FY24
- Indian tea exports reached a decade-high of 255 million kg in 2024, driven by strong demand from the UAE, Iraq, and Russia, reflecting a 10% increase from 2023. Prices also rose by 10%, providing a boost to producers despite a decline in production

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.5%	9.2%
Unemployment Rate	8.2%	8.3%
Interest Rate	6.25%	6.5%
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	93.7	94.0
Business Confidence	120	119
HSBC India Mfg PMI (Feb)	56.3	57.7
HSBC India Services PMI (Feb)	59.0	56.5
<b>FX Reserves, USD Billion</b>	<b>653.97</b>	<b>638.70</b>
<b>Bank Deposit Growth</b>	<b>10.3%</b>	<b>10.6%</b>
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%
<b>WPI Inflation (YoY) (Feb)</b>	<b>2.36%</b>	<b>2.31%</b>
WPI Mfg Inflation (YoY) (Jan)	2.51%	2.14%
<b>CPI Inflation (YoY) (Feb)</b>	<b>3.61%</b>	<b>4.26%</b>
<b>Industrial Production (YoY) (Jan)</b>	<b>5.0%</b>	<b>3.5%</b>

\*GDP Estimates

\* Views are personal

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