

The background features a collage of business-related imagery. On the left, a world map is overlaid with a grid of numerical data. On the right, there are several overlapping documents and a tablet. One document prominently displays the text 'Successful Year plans successful' above a 3D bar chart with multiple colored bars. Another document shows a pie chart with several slices. A tablet in the foreground displays a line graph with multiple data series. The overall aesthetic is professional and data-driven.

# WEEKLY WRAP

Issue 16

**BRICKWORK RESEARCH**

**24 February 2025**

# Weekly Wrap

24 February 2025

## India Economic News

- According to a Goldman Sachs report, Trump's proposed tariffs could reduce India's GDP by 0.1 to 0.6 percent. If the US raises tariffs on all imports, India's exports, especially in electronics, pharmaceuticals, and textiles, may face negative impacts
- The State Bank of India projects that India's GDP grew by 6.2-6.3 percent in the December quarter of 2024-25. The official GDP figures are set to be released on February 28, 2025
- India's economic activity is demonstrating consistent momentum, with high-frequency indicators signaling a continued growth pickup in the second half of fiscal year 2024-25. Key metrics such as vehicle sales, air traffic, steel consumption, and GST e-way bills indicate that economic activity is on course to sustain its upward trend, as noted in RBI Bulletin released in February 2025
- India's inflation is expected to average 4.8% in 2025, supported by declining food prices. In January, consumer price inflation fell to 4.3%, primarily due to a sharp drop in vegetable prices. This trend could enable the RBI to implement another 25 basis point rate cut to stimulate economic growth, while carefully monitoring the potential inflationary effects of the depreciating rupee, according to centrum institutional research

## Global Economic News

- Russian Economic Minister Maksim Reshetnikov stated that by 2030, BRICS is expected to account for 40% of the global economy, while the West's share is projected to decrease to 27%
- Veteran Canadian economist David Rosenberg warns that U.S. President Donald Trump's trade policy proposals could lead the global economy into a recession if enacted
- Inflation has increased in Japan, the UK, and Canada, with food prices being a significant factor. As a result, policymakers in these nations have either raised interest rates or modified their economic approaches to tackle the growing price pressures
- Nobel laureate Joseph Stiglitz has stated that Donald Trump's tariff threats have turned the US into a risky environment for investment and could trigger stagflation
- Geopolitical uncertainties and trade policies will influence the global economy in 2025, with the US anticipated to outperform other major economies. Swiss Re predicts that US GDP growth will stay above its long-term potential of 1.9% in 2025, despite the possibility of higher tariffs on China and retaliatory actions from other nations

Equity Markets	Last	1 Week	YTD
Nifty	22,609.35	-0.82%	-4.92%
Sensex	74,557.97	-1.00%	-4.99%
Dow Jones	43,428.02	-2.51%	2.08%
S&P 500	6,014.97	-1.68%	2.27%
Nasdaq	19,533.49	-2.52%	1.18%
FTSE 100	8,659.37	-0.84%	4.83%
Nikkei 225	38,776.94	-0.95%	-1.34%
Shanghai	3,375.29	0.79%	3.46%
CAC 40	8,154.51	-0.29%	10.29%
DAX	22,287.56	0.85%	3.46%
Commodities	Last	1 Week	YTD
Gold	\$2926.10	0.71%	10.57%
Silver	\$32.80	1.68%	11.56%
Crude Oil WTI	\$72.21	0.06%	-2.14%
Currency	Last	1 Week	YTD
USD / INR	86.55	-0.02%	1.03%
EUR / INR	90.40	-0.15%	2.16%
Government Bond	Last	1 Week	1 Year
India 10 Year G-Bond	6.81	1.69%	-5.33%

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

## Central Bank and Regulatory Updates

- RBI will inject a liquidity boost of \$16 billion into the banking system next week due to tax outflows. Over the past month, the RBI has already infused approximately ₹2.68 trillion into the system
- The RBI has dissolved the board of New India Co-operative Bank for 12 months and imposed restrictions on the bank due to lending irregularities
- The minutes from the US Federal Reserve meeting revealed that many participants mentioned that the committee might keep the policy rate at a restrictive level if the economy remains robust and inflation stays high
- The People's Bank of China, the central bank, conducted its 2025 macro-prudence work conference, where it announced plans to enhance macroeconomic and financial analysis. The bank aims to strengthen its macro-prudence management and financial stability roles, focusing on the development of the real economy and the public's demand for financial services

## Sectoral News

- India's mobile exports have reached ₹1.5 lakh crore in the last 10 months, driven by a combination of government initiatives such as the production-linked incentive schemes and an increase in domestic manufacturing
- Defence Secretary Rajesh Kumar Singh emphasized the significant growth potential in India's defence industry, particularly through public-private partnerships. The government aims to build a technologically advanced, combat-ready force while promoting reforms, self-reliance in production, and enhanced collaboration within the defence ecosystem
- The auto component industry is poised to invest between ₹25,000 crore and ₹30,000 crore in capital expenditure during FY2026. These funds will be allocated towards capacity expansion, localization, capability development, and technological advancements
- The Indian food processing industry is projected to reach \$700 billion by 2030. Hemant Jain, President of the PHD Chamber of Commerce and Industry, stated that agriculture continued to play a crucial role during the pandemic, maintaining an impressive average growth rate of 4 percent

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.4%	8.2%
Unemployment Rate	8.3%	8.0%
Interest Rate	6.25%	6.5%
<b>Government Debt to GDP</b>	<b>81.59%</b>	<b>82.49%</b>
Consumer Confidence	93.7	94.0
Business Confidence	120	119
<b>HSBC India Mfg PMI (Feb)</b>	<b>57.1</b>	<b>57.7</b>
<b>HSBC India Services PMI (Feb)</b>	<b>61.1</b>	<b>56.5</b>
<b>FX Reserves, USD Billion</b>	<b>635.72</b>	<b>638.26</b>
<b>Bank Deposit Growth</b>	<b>10.6%</b>	<b>10.3%</b>
GST Collections (₹ Trillion) (Jan)	1.96	1.77
Infra Output (YoY) (Dec)	4.00%	4.40%
<b>Trade Balance (Jan) USD Billion</b>	<b>-22.99</b>	<b>-21.94</b>
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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