

WEEKLY WRAP

Issue 21

BRICKWORK RESEARCH

31 March 2025

Weekly Wrap

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India Economic News

- India's GDP is set to surpass Japan in 2025 and Germany by 2027, according to the IMF. Over the past decade, India's GDP has grown by 105%, increasing from \$2.1 trillion in 2015 to \$4.3 trillion in 2025
- Global rating agencies believe that reciprocal tariffs will have a limited impact on India
- According to a Goldman Sachs report, India's economic slowdown may have already hit its lowest point, with expectations for growth and earnings to improve
- According to the DHL Trade Atlas 2025 report, India is projected to contribute 6% of global trade growth over the next five years, ranking third after the US and China
- According to the Finance Ministry, trade tensions and financial market volatility are key risks to India's GDP growth in FY26. On the inflation front, the ministry anticipates food prices to stay stable, supported by projected agricultural production estimates
- S&P has lowered India's FY26 GDP growth forecast to 6.5% from 6.7% due to global economic pressures

Global Economic News

- According to an official from the International Monetary Fund, global economic growth is projected to average approximately 3.1 percent over the next five years, which is lower than the pre-pandemic level of 3.7 percent
- Consumer confidence index in the US has experienced a significant decline in 2025, with Americans' outlook on their financial futures dropping to a 12-year low. The index decreased by 7.2 points in March, reaching 92.9
- President Donald Trump's proclamation of April 2, 2025, as "Liberation Day" marks a significant change in U.S. trade policy. The anticipated introduction of extensive reciprocal tariffs is stirring apprehension across the global economy
- Eurozone PMI climbed to 50.4 in March 2025, up from 50.2 in February, reaching its highest point since August 2024. This rise indicates that the Eurozone economy experienced its fastest growth in seven months
- China's industrial profits fell in January-February 2025, reflecting increasing economic risks. According to data from the National Bureau of Statistics, industrial profits dropped by 0.3% compared to the same period last year

Equity Markets	Last	1 Week	YTD
Nifty	23,515.40	0.71%	-1.01%
Sensex	76,905.51	4.17%	-1.35%
Dow Jones	41,985.35	1.20%	-1.31
S&P 500	5,667.56	-0.13%	-3.64%
Nasdaq	17,784.05	-0.14%	-7.88%
FTSE 100	8,646.79	0.17%	4.68%
Nikkei 225	37,749.99	0.54%	-4.20%
Shanghai	3,356.50	-0.25%	2.88%
CAC 40	8,042.95	0.18%	8.78%
DAX	22,891.68	-0.41%	2.88%
Commodities	Last	1 Week	YTD
Gold	\$3,020.3	2.70%	14.13%
Silver	\$33.70	1.90%	14.63%
Crude Oil WTI	\$67.84	-0.85	-8.06%
Currency	Last	1 Week	YTD
USD / INR	85.93	-0.06%	0.15%
EUR / INR	93.62	0.68%	5.80%
Government Bond	Last	1 Week	YTD
India 10 Year G-Bond	6.64	-0.30%	-6.59%

*YTD – Indicates % gain/loss as of year to date

Central Bank and Regulatory Updates

- RBI has introduced updated guidelines for Priority Sector Lending, set to take effect on April 1, 2025. The new provisions feature increased loan limits, broader coverage for renewable energy and underserved communities
- A Reuters poll of economists indicates that the RBI is set to reduce interest rates for the second consecutive meeting on April 9, with only one more cut anticipated in August. This would make it the shortest easing cycle on record
- RBI plans to raise the investment cap for individual foreign investors in listed companies to 10%, aiming to enhance capital inflows, ongoing discussions with the government and SEBI
- SEBI has revised the rules for foreign portfolio investors, increasing the ownership disclosure threshold from ₹25,000 crore to ₹50,000 crore
- RBI has levied penalties on HDFC Bank and Punjab & Sind Bank for lapses in regulatory compliance
- NSE has approached SEBI once again to seek the crucial NOC for its proposed IPO

Sectoral News

- India's IT industry has experienced significant growth over the last decade and is projected to reach \$283 billion in 2024-25 compared to \$115 billion in FY15, according to NASSCOM
- India's data center industry is now valued at \$10 billion, reflecting rapid growth. According to an Anarock Capital report, the sector has attracted over \$6.5 billion in investments over the past decade
- The PLI scheme has generated 26,351 jobs in India's telecom manufacturing sector. It supports 33 telecom and networking products, as of January 2025
- Digital media has surged to ₹80,200 crore, surpassing TV in India's ₹2.5 trillion M&E industry, according to the FICCI-EY report
- 25% tariff imposed by U.S. President Trump on vehicles and auto parts is unlikely to significantly affect India's automobile industry, as its presence in the U.S. market is minimal at USD 8.9 million in 2024, this stands in contrast to the country's total global car exports of USD 6.98 billion

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	120.00	120.30
HSBC India Mfg PMI (Mar)	57.6	56.3
HSBC India Services PMI (Mar)	57.7	59
FX Reserves, USD Billion	658.80	654.27
Bank Deposit Growth	10.2%	10.3%
GST Collections (₹ Trillion) (Feb)	1.84	1.96
Infra Output (YoY) (Feb)	2.9%	5.1%
Trade Balance (Q4) USD Billion	-79.20	-75.30
WPI Food (YoY) (Feb)	3.38%	5.88%
WPI Fuel (YoY) (Feb)	-0.71%	-2.78%
WPI Inflation (YoY) (Feb)	2.38%	2.31%
WPI Mfg Inflation (YoY) (Feb)	2.86%	2.51%
CPI Inflation (YoY) (Feb)	3.61%	4.26%
Industrial Production (YoY) (Jan)	5.00%	3.5%

*GDP Estimates

* Views are personal

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