

# WEEKLY WRAP

Issue 26

**BRICKWORK RESEARCH**

**5 May 2025**

# Weekly Wrap

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## India Economic News

- India's economy remains resilient and stable amid global uncertainties and trade disruptions, with key indicators signaling continued growth momentum in the final quarter of FY25, according to the Finance Ministry's Economic Review for March
- India's industrial output growth accelerated to 3% in March, up from a revised 2.7% in February. Meanwhile, manufacturing activity hit a 10-month high in April, with the PMI inching up from 58.1 to 58.2
- Deloitte has forecasted India's economic growth to range between 6.5% and 6.7% for the current fiscal year, citing that tax incentives introduced in the Budget are likely to boost domestic demand despite ongoing uncertainties in global trade
- At the inaugural WAVES Summit 2025, Hon'ble PM Narendra Modi highlighted India's "Orange Economy," powered by content, creativity, and culture, as a key driver of the country's future GDP growth
- U.S. Treasury Secretary Scott Bessent recently indicated that India might be one of the first countries to finalize a trade deal with the United States, pointing to smooth negotiations and minimal non-tariff barriers

## Global Economic News

- U.S. economy contracted by 0.3% in the first quarter, as uncertainty surrounding Trump administration policies impacted business confidence. Economists had anticipated a 0.4% increase, following a 2.4% GDP growth in the fourth quarter of 2024
- According to a Reuters poll, most economists now believe there is a high risk of the global economy entering a recession this year, with many citing U.S. President Donald Trump's tariffs as a key factor hurting business confidence
- S&P Global has lowered GDP forecasts for most regions and raised its U.S. inflation outlook for 2025, warning of a potential slowdown as U.S. tariffs create ripple effects across the global economy
- Chinese President Xi Jinping unveiled a new economic plan to counter U.S. tariffs, urging stronger "bottom-line thinking" and readiness with emergency measures to support economic recovery
- Euro zone economy grew by a better-than-expected 0.4% in the first quarter, doubling economists' forecast of 0.2% and indicating a modest uptick in economic momentum

Equity Markets	Last	1 Week	YTD
Nifty	24,312.20	0.36%	3.21%
Sensex	80,401.15	1.37%	3.18%
Dow Jones	41,318.09	2.85%	-2.54%
S&P 500	5,686.68	2.92%	-3.31%
Nasdaq	17,977.73	3.42%	-6.88%
FTSE 100	8,596.35	2.15%	4.07%
Nikkei 225	36,830.69	3.15%	-6.29%
Shanghai	3,279.03	-0.53%	0.50%
CAC 40	7,770.48	3.11%	5.10%
DAX	23,086.65	3.80%	0.50%
Commodities	Last	1 Week	YTD
Gold	\$3273.6	-1.46%	24.01%
Silver	\$32.6	-1.47%	-3.38%
Crude Oil WTI	\$63.30	-0.51%	-14.21%
Currency	Last	1 Week	YTD
USD / INR	84.41	-0.41%	-1.69%
EUR / INR	95.48	-1.61%	8.22%
Government Bond	Last	1 Week	Y-o-Y
India 10 Year G-Bond	6.45	-0.31%	-11.18%

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

## Central Bank and Regulatory Updates

- RBI has announced it will purchase government bonds totaling ₹1.25 trillion through open market operations (OMOs) in four separate tranches during May, as part of its ongoing efforts to infuse liquidity into the banking system
- RBI has granted approval to the board of IndusInd Bank to immediately form a 'committee of executives' to manage the bank's operations following the resignation of MD and CEO Sumant Kathpalia
- SEBI has warned investors that 'Opinion Trading platforms' are not covered by its protection framework, as they involve event-based trades rather than securities and are thus unregulated
- RBI has mandated the use of the PRAVAAH portal for all regulatory applications by banks, financial institutions, and other regulated entities from May 1, 2025. The move is intended to streamline the application process
- Supreme Court has overturned high court rulings that had paused actions against major defaulters, enabling the RBI and banks to proceed with recovery efforts

## Sectoral News

- Mukesh Ambani stated that India's media and entertainment industry, currently valued at \$28 billion, is poised to reach \$100 billion within the next decade
- Hon'ble Union IT Minister Ashwini Vaishnaw launched the Electronics Component Manufacturing Scheme with a ₹22,919 crore budget over six years to boost domestic manufacturing and attract major investments
- India's steel industry is poised to play a key role in fulfilling domestic and global demand, said Union Commerce Minister Piyush Goyal, adding that the country is actively negotiating free trade agreements with various nations and blocs, including the EU and U.S.
- India's restaurant sector could generate 1.5 crore jobs by 2028, up from 85 lakh currently, if supported with industry status and GST input tax credit, says NRAI Vice President Zorawar Kalra
- India's online gaming sector is projected to grow from \$3.7 billion in 2024 to \$9.1 billion by 2029, driven by a 19.6% CAGR and a user base expanding from 600 million to 952 million, according to a study by Winzo Games and IEIC

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.5%	9.2%
Unemployment Rate	7.90%	8.2%
Interest Rate	6.00%	6.25%
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	95.50	93.7
Business Confidence	120.00	120.30
<b>HSBC India Mfg PMI (Apr)</b>	<b>58.2</b>	<b>58.1</b>
<b>HSBC India Services PMI (Apr)</b>	<b>59.1</b>	<b>58.5</b>
<b>FX Reserves, USD Billion</b>	<b>688.13B</b>	<b>686.15B</b>
Bank Deposit Growth	<b>10.2%</b>	<b>10.1%</b>
GST Collections (₹ Trillion) (March)	<b>2.37</b>	<b>1.96</b>
<b>Infra Output (YoY) (Mar)</b>	<b>3.8%</b>	<b>3.4%</b>
Trade Balance (Mar) USD Billion	-21.54B	-14.05B
WPI Food (YoY) (Mar)	1.57%	3.38%
WPI Fuel (YoY) (Mar)	-0.20%	-0.71%
WPI Inflation (YoY) (Mar)	2.05%	2.38%
WPI Mfg Inflation (YoY) (Mar)	3.07%	2.86%
CPI Inflation (YoY) (Mar)	3.34%	3.61%
Industrial Production (YoY) (Feb)	<b>3.0%</b>	<b>2.7%</b>

\*GDP Estimates

\* Views are personal

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