

WEEKLY WRAP

Issue 32

BRICKWORK RESEARCH

16 June 2025

Weekly Wrap

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India Economic News

- India's retail inflation fell to a 75-month low of 2.82% in May from 3.2% in April 2025, with food inflation remaining below 3% for the third straight month
- Hon'ble PM Narendra Modi and Cyprus President Nikos Christodoulides held a high-level business roundtable in Limassol, bringing together leaders from sectors like banking, manufacturing, defence, tech, AI, tourism
- US-India trade talks have been extended as a US delegation stays on to finalize a phased deal ahead of the July 9 tariff deadline. Both sides remain optimistic
- India and the EU have accelerated FTA talks, now meeting monthly instead of quarterly. With five more chapters closed, they aim to finalize an early harvest deal by July 2025, covering trade barriers, IP rights, and investment protection
- India's gig workforce is projected to reach 62 million by 2047, making up 15% of the non-agricultural workforce, says a Labour Ministry study
- India could become the world's third-largest economy by end-2025, fueled by strong 7.4% growth and reforms. WEF chief Borge Brende called India the global economy's "shining star" amid global instability

Global Economic News

- The World Bank has cut its 2025 global growth forecast to 2.3%, down from 2.7% in January, citing trade tensions and policy uncertainty following broad U.S. tariff measures
- JPMorgan CEO Jamie Dimon cautioned that the U.S. economy may weaken soon as the impact of pandemic-era spending and monetary support fades
- Top U.S. and Chinese officials resumed trade talks in London, aiming to resolve export control issues on goods like rare earths that risk disrupting global supply chains and economic growth
- Britain's economic output fell by 0.3% in April, mainly due to U.S. tariffs and the end of a property tax break. Goods exports to the U.S. hit a record low. Despite a solid first quarter, the Bank of England expects the tariffs to hinder future growth
- China's retail sales rose 6.4% in May, the fastest since December 2023, boosted by subsidies. The growth beat forecasts of 5% and improved from April's 5.1%. Country's industrial output grew 5.8% year-on-year in May 2025, down from 6.1% in April and slightly below the expected 5.9% increase

| Equity Markets | Last | 1 Week | YTD |
|----------------------|-----------|--------|---------|
| Nifty | 24,800.35 | 0.33% | 4.31% |
| Sensex | 81,118.60 | -1.30% | 3.53% |
| Dow Jones | 42,197.79 | -1.32% | -0.81% |
| S&P 500 | 5,976.97 | -0.48% | 1.62% |
| Nasdaq | 19,406.83 | -0.94% | 0.53% |
| FTSE 100 | 8,850.63 | 0.14% | 7.15% |
| Nikkei 225 | 37,834.25 | 0.07% | -2.56% |
| Shanghai | 3,791.70 | -0.57% | 4.36% |
| CAC 40 | 7,684.68 | 1.54% | 3.93% |
| DAX | 23,516.23 | -3.24% | 3.56% |
| Commodities | Last | 1 Week | YTD |
| Gold | \$3,362.7 | 0.17% | 27.07% |
| Silver | \$36.3 | 4.40% | 23.47% |
| Crude Oil WTI | \$65.99 | 3.01% | -10.57% |
| Currency | Last | 1 Week | YTD |
| USD / INR | 86.12 | 0.02% | 0.42% |
| EUR / INR | 99.00 | -0.48% | 11.88% |
| Government Bond | Last | 1 Week | Y-o-Y |
| India 10 Year G-Bond | 6.3 | 0.06% | -9.94% |

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

Central Bank and Regulatory Updates

- RBI has eased KYC norms, allowing Banking Correspondents to update customer KYC. The move aims to simplify updates and reduce service delays
- RBI has granted Yes Bank CEO Prashant Kumar a 6-month extension, while the bank's board has hired Egon Zehnder to search for a new CEO
- RBI announced that it will stop conducting daily variable rate repo auctions starting June 11, after reviewing the banking system's current and evolving liquidity conditions
- RBI Deputy Governor M. Rajeshwar Rao raised concerns over high interest rates and coercive recoveries in the microfinance sector, warning of rising borrower debt. He urged lenders to improve credit assessments and avoid excessive margins, even with low-cost funding
- SEBI will launch 'SEBI Check' to verify UPI payment handles, aiming to enhance investor safety
- JioBlackRock has received SEBI approval to launch investment advisory services in India, strengthening its digital-first financial offerings. Marc Pilgrem will lead as CEO. The firm earlier secured SEBI nod for its mutual fund business

Sectoral News

- Indian auto industry urges faster rare earth magnet imports from China amid new export restrictions causing potential EV production delays
- Air India Flight 171 crash in Ahmedabad has highlighted key problems in India's aviation sector - grounded planes, faulty engines, pilot shortages, and poor infrastructure. While past failures like Kingfisher and Jet Airways remain cautionary examples
- India's AI industry is set to triple to \$17 billion by 2027, as businesses move from pilot projects to full-scale use, says a Boston Consulting Group report. AI is becoming essential for faster decisions, innovation, and market growth across sectors
- Hon'ble Commerce Minister Piyush Goyal urged Swiss companies to expand in India and tap into its fast-growing market during a meeting in Bern with top leaders from various Swiss firms
- India's natural gas consumption is set to more than double to 496 mmscmd by 2040, driven by increased CNG use in vehicles, cooking, and industry, says a PNGRB study

| Economic Indicators | Last | Previous |
|------------------------------------|---------------|---------------|
| GDP Annual Growth Rate* | 6.5% | 8.2% |
| Unemployment Rate | 7.90% | 8.2% |
| Interest Rate | 5.50% | 6.00% |
| Government Debt to GDP | 81.59% | 82.49% |
| Consumer Confidence | 95.40 | 95.50 |
| Business Confidence | 120.00 | 120.30 |
| HSBC India Mfg PMI (May) | 57.6 | 58.2 |
| HSBC India Services PMI (May) | 58.8 | 58.7 |
| FX Reserves, USD Billion | 696.66 | 691.49 |
| Bank Deposit Growth | 9.90% | 10.0% |
| GST Collections (₹ Trillion) (May) | 2.01 | 2.37 |
| Infra Output (YoY) (Apr) | 0.5% | 4.6% |
| Trade Balance (Apr) USD Billion | -26.42B | -21.54B |
| WPI Food (YoY) (Apr) | -0.86% | 1.57% |
| WPI Fuel (YoY) (Apr) | -2.18% | 0.20% |
| WPI Inflation (YoY) (Apr) | 0.85% | 2.05% |
| WPI Mfg Inflation (YoY) (Apr) | 2.62% | 3.07% |
| CPI Inflation (YoY) (May) | 2.82% | 3.16% |
| Industrial Production (YoY) (Apr) | 2.70% | 3.90% |

*GDP Estimates

* Views are personal

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