

# WEEKLY WRAP

Issue 29

**BRICKWORK RESEARCH**

26 May 2025

# Weekly Wrap

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## India Economic News

- India has surpassed Japan to become the world's fourth-largest economy, with its GDP reaching USD 4.187 trillion, according to NITI Aayog CEO B.V.R. Subrahmanyam
- Moody's Ratings indicated India's strong domestic growth and low export reliance will help it weather U.S. tariffs and global trade disruptions. Government support for consumption, manufacturing, and infrastructure should offset weak global demand
- India's economy has shown resilience despite global economic slowdown caused by trade tensions, policy uncertainty, and subdued consumer sentiment, according to the RBI latest report
- Morgan Stanley has raised India's growth forecast to 6.2% for FY26 and 6.5% for FY27, citing easing US-China trade tensions, strong domestic demand, policy support, and higher capital spending
- India's infrastructure output, covering eight key sectors and accounting for 40% of industrial production, grew by 0.5% year-on-year in April 2025, down from 4.6% in March, according to the Ministry of Commerce & Industry
- Fitch has increased India's average growth potential to 6.4% through 2028

## Global Economic News

- Moody's has downgraded the United States' credit rating for the first time since 1919, lowering it from the top-tier 'AAA' to 'AA1' due to mounting concerns over rising national debt
- Finance ministers and central bank governors from the Group of Seven democracies (G7) set aside their differences, vowing to address "excessive imbalances" in the global economy and signaling the possibility of imposing additional sanctions on Russia
- US President Donald Trump has delayed the implementation of the proposed 50 percent tariff on European Union goods, moving the deadline from June 1 to July 9 to provide additional time for trade talks
- Goldman Sachs Research expects strong global economic growth in 2025, projecting a 2.7% rise in global GDP, slightly above Bloomberg's consensus. U.S. is expected to outperform, while the eurozone may lag due to anticipated new tariffs from a potential Trump administration

Equity Markets	Last	1 Week	YTD
Nifty	25,005.85	0.61%	5.49%
Sensex	82,426.36	0.86%	4.94%
Dow Jones	41,859.09	-2.30%	-2.21%
S&P 500	5,802.82	-2.70%	-1.34%
Nasdaq	18,737.21	-2.49%	-2.94%
FTSE 100	8,717.97	0.38%	5.54%
Nikkei 225	37,160.47	-1.05%	-4.78%
Shanghai	3,338.42	-0.30%	2.33%
CAC 40	7,734.40	-1.93%	4.61%
DAX	23,629.58	-0.58%	2.33%
Commodities	Last	1 Week	YTD
Gold	\$3,283.6	2.42%	24.08%
Silver	\$32.8	1.17%	11.56%
Crude Oil WTI	\$63.98	0.06%	-13.29%
Currency			
USD / INR	85.04	-0.18%	-1.07%
EUR / INR	96.74	-0.08%	9.33%
Government Bond	Last	1 Week	Y-o-Y
India 10 Year G-Bond	6.22	-2.43%	-11.09%

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

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## Central Bank and Regulatory Updates

- RBI to pay a record ₹2.69 lakh crore dividend to the government for FY25, a 27% increase from the ₹2.1 lakh crore transferred for the 2023-24 fiscal year
- RBI is considering easing investment rules for regulated entities in alternative investment funds, proposing a 10% cap per entity and a 15% overall limit on RE investments in a scheme
- Governor Sanjay Malhotra stated that the RBI is examining the banking licensing framework to better align it with the economy's evolving needs
- RBI sold \$34.5 billion in FY25 the highest since the global financial crisis to stabilize the rupee amid a strong US dollar
- Following the RBI, SEBI is now examining whether there were delays in reporting discrepancies in derivatives accounting and possible lapses by IndusInd Bank and its previous management
- SEBI's board is set to meet next on June 18 to approve a range of measures focused on enhancing ease of doing business and streamlining regulations for market intermediaries and various market segments

## Sectoral News

- India intends to invest 850 billion rupees \$10 billion to acquire 112 crude carriers by 2040, according to sources, as the world's third-largest oil importer aims to build its own fleet to ensure supply security
- India's media and entertainment industry is evolving quickly, reaching ₹2.5 trillion in revenue in 2024—a 3.3% rise from 2023, according to EY's 2025 report. Construction of CM Yogi Adityanath's ambitious International Film City may begin by month-end
- India's textile industry stands to gain ₹1,000 crore from Bangladesh trade restrictions, as domestic producers meet rising local demand. Due to India's move to limit imports from Bangladesh
- Brookfield Asset Management aims to triple its India AUM to \$100 billion in five years, focusing on infrastructure, real estate, renewables, and private equity. President Connor Teskey highlights India's economy and talent as key drivers of long-term growth despite short-term volatility
- India's plastics export industry grew by 8% in FY 2024–25, rising from USD 11.5 billion to USD 12.5 billion, strengthening its role as a major global supplier, according to the Plastics Export Promotion Council

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 (May)</b>	<b>58.3</b>	<b>58.2</b>
<b>HSBC India Services PMI (May)</b>	<b>61.2</b>	<b>58.7</b>
<b>FX Reserves, USD Billion</b>	<b>685.73</b>	<b>690.62</b>
Bank Deposit Growth	10.0%	10.2%
GST Collections (₹ Trillion) (April)	2.37	1.96
<b>Infra Output (YoY) (Apr)</b>	<b>0.5%</b>	<b>4.6%</b>
<b>Trade Balance (Apr) USD Billion</b>	<b>-26.42</b>	<b>-21.54</b>
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) (Apr)	3.16%	3.34%
Industrial Production (YoY) (Mar)	3.0%	2.7%

\*GDP Estimates

\* Views are personal

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