

WEEKLY WRAP

Issue 27

BRICKWORK RESEARCH

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Weekly Wrap

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India Economic News

- Morningstar DBRS has upgraded India's issuer rating to BBB with a stable outlook from BBB-, highlighting the country's robust economic reforms and strong growth prospects, while anticipating minimal effects from regional geopolitical tensions
- IMF's April Outlook projects that India will overtake Japan to become the world's fourth-largest economy, with its GDP expected to reach approximately \$4.19 trillion in 2025
- Moody's states that increasing tensions between India and Pakistan may hurt Pakistan's economic growth and foreign exchange reserves, but will have little impact on India due to limited trade links, with India's macroeconomic outlook remaining stable
- CII President Sanjiv Puri stated that India's GDP is projected to grow by 6.5% in the current fiscal year, with the economy demonstrating strong resilience against short-term geopolitical disruptions
- Chief Economic Advisor V. Anantha Nageswaran stated that current indicators reflect a strong Indian economy, which is maintaining solid growth despite a challenging global backdrop

Global Economic News

- J.P. Morgan Global Composite PMI Output Index, which tracks manufacturing and services across more than 40 economies, dropped from 52.0 in March to 50.8 in April, marking a 17-month low as future expectations fell to their weakest levels since the early months of the pandemic
- U.S. and China made progress in trade talks with productive discussions in Switzerland, agreeing to continue consultations as President Trump urged a reduction in the U.S. trade deficit with China
- UN Trade and Development report signals that the global economy could slow to 2.3%, reflecting a recessionary trend driven by escalating trade tensions and uncertainty
- China's services activity grew at its slowest pace in seven months in April, as new order growth weakened amid U.S. tariff concerns, with the Caixin/S&P Global services PMI dropping to 50.7 from 51.9 in March
- U.S. Federal Reserve held interest rates steady, citing increasing concerns over inflation and unemployment. The central bank also highlighted growing economic uncertainty, partly driven by new tariffs from the Trump

Equity Markets	Last	1 Week	YTD
Nifty	24,420.10	1.72%	3.70%
Sensex	79,454.47	0.68%	3.87%
Dow Jones	41,249.38	0.20%	-3.04%
S&P 500	5,659.91	0.17%	-3.77%
Nasdaq	17,928.92	0.47%	-7.13%
FTSE 100	8,554.80	0.68%	3.57%
Nikkei 225	37,503.33	1.61%	4.70%
Shanghai	3740.04	1.82%	3.27%
CAC 40	7,743.75	-0.34%	4.73%
DAX	23,499.32	1.79%	2.82%
Commodities	Last	1 Week	YTD
Gold	\$3,365.1	2.80%	27.16%
Silver	\$32.7	0.37%	11.22%
Crude Oil WTI	\$58.5	-4.08%	-20.72%
Currency	Last	1 Week	YTD
USD / INR	84.62	-0.92%	-1.34%
EUR / INR	96.06	0.61%	8.46%
Government Bond	Last	1 Week	Y-o-Y
India 10 Year G-Bond	6.37	-1.24%	-10.62%

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

Central Bank and Regulatory Updates

- RBI has released the Framework for Formulation of Regulations, this framework will encompass all forms of regulatory instruments issued by the RBI, including directions, guidelines, notifications, orders, policies, specifications, and standards
- According to SBI Research report, the RBI may reduce interest rates by up to 125 basis points in FY26, driven by inflation reaching multi-year lows
- RBI has eased regulations for Foreign Portfolio Investors (FPIs) investing in corporate debt securities via the general route. In a recent notification, the RBI stated that FPIs will no longer be subject to short-term investment and concentration limits
- SEBI is preparing to roll out a series of measures initially proposed in February, aimed at curbing speculative activity in the derivatives market
- NSE has denied reports that it lodged a complaint with the government regarding delays by SEBI in approving its IPO
- SEBI has proposed simplified delisting norms for PSUs with over 90% government ownership and limited public shareholding

Sectoral News

- India-UK Free Trade Agreement aims to boost Indian exporters' presence in the UK market, especially amid global economic uncertainties, with a target of raising bilateral trade to USD 100 billion by 2030
- India's tech sector is set to add 126,000 jobs in FY25, reaching a workforce of 5.8 million. Driven by AI and digital demand, it is generating \$283 billion in revenue and aims for \$500 billion by 2030, contributing 10% to GDP
- FMCG industry saw an 11% year-on-year value growth in the March quarter, fuelled by a 5.1% increase in volume and a 5.6% rise in prices, as per NielsenIQ
- As tensions rise between India and Pakistan, around 11% of daily domestic air traffic has been impacted due to the closure of 24 airports. Industry figures show that the average number of daily domestic flights fell from 3,265 in April to 2,907 as of May 8
- Universal Studios is reportedly set to open its first theme park in India by 2027. The indoor park is planned to be part of a new 3-million-square-foot mall being developed near Delhi Airport

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
HSBC India Mfg PMI (Apr)	58.2	58.1
HSBC India Services PMI (Apr)	58.7	58.5
FX Reserves, USD Billion	686.06	688.13
Bank Deposit Growth	10.2%	10.1%
GST Collections (₹ Trillion) (April)	2.37	1.96
Infra Output (YoY) (Mar)	3.8%	3.4%
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) (Mar)	3.0%	2.7%

*GDP Estimates

* Views are personal

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