



# WEEKLY WRAP

Issue 33

**BRICKWORK RESEARCH**

**23 June 2025**

# Weekly Wrap

23 June 2025

## India Economic News

- India's WPI inflation dropped to a 14-month low of 0.39% in May 2025, driven by easing prices of food, fuel, and primary articles, with core inflation also falling
- Core sector growth in India slowed to 0.7% in May 2025, down from 6.9% a year ago. While cement, steel, coal, and refinery products saw growth, crude oil, natural gas, and fertilizer output declined
- India's trade deficit narrowed to \$21.88 bn in May 2025 from \$26.42 bn, driven by lower oil prices and strong services exports. Total exports rose by 2.8%, while imports fell by 1%
- Escalating Iran-Israel tensions threaten India's West Asia trade, risking export disruption, higher oil prices, shipping costs, and supply chain strain, especially in agriculture and energy posing major risks to economic interests
- Rising global crude prices are putting upward pressure on India's FY25 current account deficit (CAD), with a \$10/barrel increase potentially widening the CAD by \$15 billion, says UBI report
- India is set to lead global oil demand growth by 2030, adding 1 million barrels per day, driven by strong GDP growth, rising vehicle use, industrial activity, and clean fuel adoption, says IEA

## Global Economic News

- US strikes on Iran's nuclear sites have heightened geopolitical risks, potentially driving up oil prices and inflation. With global growth already downgraded by the World Bank, OECD, and IMF, prolonged Middle East conflict could further strain the fragile global economy
- G7 Summit 2025 Highlights: India and Canada to reinstate high commissioners and strengthen cooperation in clean energy, technology, AI, digital infrastructure, food security, and critical minerals
- OPEC forecasts a strong global economy in H2 2025 and lowers its 2026 non-OPEC+ supply growth estimate to 730,000 bpd, down 70,000 bpd from last month
- U.S. Federal Reserve kept rates unchanged at 4.25–4.5% for the fourth straight meeting, with 2025 U.S. growth projected at 1.4% notably lower than last year
- The IMF warns Europe of economic stagnation if not addressed to combat slowing growth, weak investment, and rising geopolitical threats, suggesting a 50% budget increase

Equity Markets	Last	1 Week	YTD
Nifty	25,112.40	0.04%	4.83%
Sensex	82,408.17	0.12%	4.00%
Dow Jones	42,171.66	-0.37%	-0.79%
S&P 500	5,967.84	-1.08%	1.47%
Nasdaq	19,447.41	-1.17%	0.74%
FTSE 100	8,774.65	-0.86%	6.23%
Nikkei 225	38,403.23	0.29%	2.49%
Shanghai	3,364.06	0.12%	3.14%
CAC 40	7,589.66	-1.24%	2.65%
DAX	23,350.55	-0.70%	3.14%
Commodities	Last	1 Week	YTD
Gold	\$3,382.9	0.60%	27.84%
Silver	\$36.6	0.87%	24.49%
Crude Oil WTI	\$72.53	5.69%	-1.71%
Currency	Last	1 Week	YTD
USD / INR	86.74	0.19%	1.12%
EUR / INR	99.76	0.58%	12.74%
Government Bond	Last	1 Week	Y-o-Y
India 10 Year G-Bond	6.32	0.30%	-9.51%

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

## Central Bank and Regulatory Updates

- RBI has revised project finance norms, easing provisioning for infrastructure loans, which has significantly boosted sentiment in India's lending sector
- RBI has lowered the priority sector lending requirement for small finance banks from 75% to 60%, Aimed at improving credit efficiency, encouraging targeted lending, and aligning SFB operations with the evolving landscape of financial inclusion
- Standard Chartered is under RBI scrutiny for lapses in derivatives sales, with additional concerns raised over reserve maintenance and past accounting of forward rate agreement trades
- In its 210th meeting, SEBI introduced a special delisting route for PSUs with 90%+ government holding and approved key reforms, including mandatory demat before IPOs, simplified institutional disclosures, and updated FPI rules for G-Secs
- To enhance flexibility and ease compliance for AIFs, SEBI on June 18 allowed co-investments in unlisted securities and lifted the ban on AIF managers offering advisory services in listed securities

## Sectoral News

- The Indian mutual fund industry's AUM grew at 20% CAGR over 10 years and 24% over 5 years, reaching a record AUM of Rs 72.2 lakh crore, says Franklin Templeton India
- India's rare earth exploration is still in its infancy despite holding the world's third-largest reserves. Industry leaders urge urgent reforms, increased technology investment, and greater private sector involvement
- India is emerging as a major hub for data centers and chip manufacturing, according to Moody's Analytics in its report AI Is Beating the Odds, amid slowing cross-border investment and fragmented global trade
- India's cement production grew 6.66% YoY in April 2025 to 39.88 MMT but fell 16.7% from March due to a slowdown in construction after the fiscal year-end
- India's commercial vehicle industry is gradually shifting to hydrogen-powered vehicles, with Ashok Leyland, Tata Motors, and Daimler leading pilot trials under the National Green Hydrogen Mission

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
<b>HSBC India Mfg PMI (Jun)</b>	<b>58.4</b>	<b>57.6</b>
<b>HSBC India Services PMI (Jun)</b>	<b>60.7</b>	<b>58.8</b>
<b>FX Reserves, USD Billion</b>	<b>698.95</b>	<b>696.66</b>
Bank Deposit Growth	9.90%	10.0%
GST Collections (₹ Trillion) (May)	2.01	2.37
<b>Infra Output (YoY) (May)</b>	<b>0.70%</b>	<b>0.5%</b>
<b>Trade Balance (May) USD Billion</b>	<b>-21.88</b>	<b>-26.42</b>
<b>WPI Food (YoY) (May)</b>	<b>-1.56%</b>	<b>-0.86%</b>
<b>WPI Fuel (YoY) (May)</b>	<b>-2.27%</b>	<b>-2.18%</b>
<b>WPI Inflation (YoY) (May)</b>	<b>0.39%</b>	<b>0.85%</b>
<b>WPI Mfg Inflation (YoY) (May)</b>	<b>2.04%</b>	<b>2.62%</b>
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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