

WEEKLY WRAP

Issue 30

BRICKWORK RESEARCH

2 June 2025

Weekly Wrap

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India Economic News

- India's economy grew by a robust 7.4% from January to March 2025 up from 6.2%, exceeding expectations, with strong performance in construction, public administration, defence and financial services sector. However, potential U.S. tariffs introduce uncertainty to the economic outlook
- RBI report warns global risks threaten India's growth; in FY26, markets will watch US tariffs and retaliations amid policy uncertainty that may boost financial market volatility
- Despite global uncertainty, India has several positives, with the economy projected to grow at 6.3–6.8% in FY26 and beyond, says CEA V Anantha Nageswaran
- Hon'ble Finance Minister Nirmala Sitharaman stated that industries embracing artificial intelligence will play a crucial role in propelling India to become the world's third-largest economy. She emphasized that adopting technology leads to faster productivity gains
- India's industrial production growth slowed to 2.7% in April 2025, compared to 5.2% in the same month last year, due to weaker performance in the mining, manufacturing, and power sectors

Global Economic News

- According to the World Economic Forum's Chief Economists Outlook report, India is expected to be the primary driver of global economic growth in 2025 and 2026
- U.S. GDP contracted at an annualized rate of 0.2% in the first quarter, marking the first economic decline since 2022. This follows a 2.4% growth in the fourth quarter of 2024 and comes amid ongoing effects of Donald Trump's trade war
- Donald Trump stated that he struck a "quick deal" with China to help stabilize its economy, which he believed was suffering due to his tariffs. However, he now claims that China has completely violated the terms of that agreement
- Moody's reaffirmed its A1 rating for China while maintaining a negative outlook, citing ongoing trade tensions that could harm its credit profile. The outlook was downgraded from stable to negative in December 2023
- ECB President Christine Lagarde stated that the euro could serve as a viable alternative to the US dollar, noting that shifts in U.S. economic policy have opened opportunities for the euro to become a key currency in future global trade

Equity Markets	Last	1 Week	YTD
Nifty	24,591.00	-0.65%	3.58%
Sensex	80,849.68	-0.74%	3.06%
Dow Jones	42,270.07	1.60%	-0.64%
S&P 500	5,911.69	1.88%	0.51%
Nasdaq	19,113.77	2.01%	-0.99%
FTSE 100	8,772.38	0.62%	6.20%
Nikkei 225	37,965.10	-0.03%	-4.75%
Shanghai	3,347.49	-0.03%	2.60%
CAC 40	7,751.89	0.23%	4.84%
DAX	23,997.48	1.56%	2.60%
Commodities	Last	1 Week	YTD
Gold	\$3,296.9	0.40%	24.59%
Silver	\$33.2	1.09%	12.93%
Crude Oil WTI	\$61.61	-2.61%	-16.51%
Currency			
USD / INR	85.39	-0.12%	-0.47%
EUR / INR	96.96	-0.09%	9.57%
Government Bond	Last	1 Week	Y-o-Y
India 10 Year G-Bond	6.21	0.18%	-11.25%

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

Central Bank and Regulatory Updates

- RBI is expected to cut interest rates by 25 basis points on June 6, followed by another reduction in August marking a third consecutive meeting of rate cuts to support a weakening economy, according to a Reuters poll of economists
- SEBI issues new Futures and options rules, introducing higher index position limits and a revised risk assessment method
- SEBI bars former IndusInd Bank CEO Sumant Kathpalia and four others from market participation following insider trade allegations
- JioBlackRock Asset Management gets SEBI approval for mutual funds; Sid Swaminathan named MD & CEO of the new firm
- Lokpal clears ex-SEBI chief Madhabi Puri Buch, calling Hindenburg-linked complaints speculative and unsubstantiated
- RBI's balance sheet grew by 8.2% in FY25, reaching ₹76.25 lakh crore. The rise in assets was driven by significant increases in gold holdings (52.09%), domestic investments (14.32%), and foreign investments (1.70%)

Sectoral News

- According to a report by Allianz Global Insurance, the life insurance market in India is projected to grow at a rate of 10.5% over the next ten years, significantly outpacing the global average growth rate of 5%
- According to a recent report by Colliers India, the country's data centre sector is expected to attract investments of \$20–25 billion over the next six years. As of April 2025, India's data centre capacity has reached 1,263 MW across seven key cities
- India's exports of goods and services could touch \$1 trillion in FY26, FIEO President S C Ralhan stated that merchandise exports are expected to rise from \$437 billion to between \$525 billion and \$535 billion in 2025–26
- Bajaj Auto's Executive Director, Rakesh Sharma, cautioned that ongoing supply bottlenecks of rare earth magnets, a crucial element in electric vehicle motors could severely affect the company's production plans by July if the shortage continues
- India is set to become the global data capital in five years, says Hon'ble Telecom Minister Jyotiraditya Scindia, noting the rise in telecom subscribers from 800 million to 1.2 billion, making it the world's second-largest mobile market

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.5%	8.2%
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 (May)	57.6	58.2
HSBC India Services PMI (May)	61.2	58.7
FX Reserves, USD Billion	692.72	685.73
Bank Deposit Growth	10.0%	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) (Apr)	3.16%	3.34%
Industrial Production (YoY) (Apr)	2.70%	3.90%

*GDP Estimates

* Views are personal

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