

Macro-Economic Update and Key Events

Event Update

Current account deficit increased YoY in Q3 FY25

India's current account deficit (CAD) increased to USD 11.5 bil (1.1% of GDP) in Q3 FY25 from USD 10.4 bil (1.1% of GDP) in Q3 FY24 but moderated from USD 16.7 bil (1.8% of GDP) in Q2 FY25.

Gross GST revenue stood USD 22.90 bil in Mar 2025

The total gross goods and services tax (GST) revenue grew 9.9% YoY to USD 22.90 bil in Mar 2025 as compared to USD 21.35 bil in Mar 2024.

Manufacturing PMI rose to 58.1 in Mar 2025

The Manufacturing Purchasing Managers' Index rose to 58.1 in Mar 2025 compared to 56.3 in Feb 2025. The rise was driven by stronger new orders growth, as the New Orders Index reached its highest level in eight months, supported by increased customer interest, favourable demand conditions, and successful marketing initiatives.

Services PMI fell slightly to 58.5 in Mar 2025

India's Services Purchasing Managers' Index (PMI) fell slightly to 58.5 in Mar 2025 from 59.0 in Feb 2025, due to softer demand, with a slower pace of job creation. The composite PMI rose to 59.5 in Mar 2025 from 58.8 in Feb 2025.

Industrial production rose 5.0% YoY in Jan 2025

Index of Industrial production (IIP) rose 5.0% YoY in Jan 2025, as compared to 3.5% rise in Dec 2024. Production in mining, manufacturing and electricity witnessed a growth of 4.4%, 5.5% and 2.4%, respectively, in Jan 2025.

CPI-based inflation eased to 3.61% YoY in Feb 2025

The consumer price index-based inflation eased to a seven-month low of 3.61% YoY in Feb 2025 compared to 4.26% in Jan 2025, led by lower food prices. Consumer food price inflation decreased to 3.75% YoY in Feb 2025 from 5.97% in Jan 2025.

Fiscal deficit stood at 85.8% of BE till Feb of FY25

Government data showed that India's fiscal deficit for the period from Apr to Feb of FY25 stood at USD 157.40 bil or 85.8% of the Budget Estimates (BE) of the current fiscal. India's fiscal deficit was at 86.5% of the BE in the corresponding period of the previous fiscal year. Total expenditure stood at USD 454.90 bil or 82.5% of the BE as compared to 83.4% of the BE in the corresponding period of the previous fiscal year.

Merchandise trade deficit narrowed annually in Feb 2025

India's merchandise trade deficit narrowed annually to USD 14.05 bil in Feb 2025 compared to USD 19.51 bil in Feb 2024. Exports fell by 10.87% YoY to USD 36.91 bil in Feb 2025, and imports decreased 16.35% YoY to USD 50.96 bil during the same period.

Key Indicator	Frequency	Period	Current	Previous
CPI	Monthly	Feb-25	3.61%	4.26%
WPI	Monthly	Feb-25	2.38%	2.31%
IIP	Monthly	Jan-25	5.00%	3.50%
GDP	Quarterly	Dec-24	6.20%	5.60%
Credit Growth	Fortnightly	Mar-25	11.10%	11.00%
Deposit Growth	Fortnightly	Mar-25	10.20%	10.30%
Export Growth (YoY)	Monthly	Feb-25	-10.87%	-2.38%
Import Growth (YoY)	Monthly	Feb-25	-16.35%	10.28%
Trade Balance (Billion)	Monthly	Feb-25	-\$14.05	-\$22.99

Source: RBI, MOSPI CPI- Consumer Price Index, WPI- Wholesale Price Index IIP- Index of Industrial Production, GDP- Gross Domestic Product, Trade deficit- in Billion, All above indicators are in percentage change on Y-o-Y (Year-on-Year) basis, except Trade Deficit. For Credit and Deposit growth, previous means last fortnight of the previous month. Latest available data as on 31-Mar-2025.

Institutional Flows (Equity)

Net Flow (USD bil)	Current Month	Previous Month	Year to Date
FII Flows	-0.46	-3.96	-13.43
DII Flows	4.39	7.42	21.80
MF Flows	1.57	5.44	13.37

Source: CDSL & SEBI; As on 31-Mar-2025

Institutional Flows (Debt)

Net Flow (USD bil)	Current Month	Previous Month	Year to Date
FII Flows	1.13	-0.63	0.10
MF Flows	-9.41	-6.09	-21.45

Source: CDSL & SEBI; As on 31-Mar-2025

Exchange Rate Movement

Exchange Rate	Mar-25	1 Month Ago	3 Months Ago	6 Months Ago	Year Ago
₹/ Euro	92.32	90.78	89.09	93.53	90.22
₹/ Pound	110.74	109.98	107.46	112.16	105.29
₹/ 100 Yen	56.75	58.30	54.82	59.11	55.09
₹/ Dollar	85.58	87.40	85.62	83.79	83.37

Source: Refinitiv

Performance of Various Commodities

Commodities	Mar-25	Returns			
		1 Week	1 Month	6 Month	1 Year
Crude Brent(\$/Barrel)	77.16	3.74%	3.09%	5.71%	-9.78%
Gold (\$/Oz)	3,123.05	3.68%	9.25%	18.54%	39.90%
Gold (₹./10 gm)	88,691.00	1.42%	4.60%	18.17%	32.40%
Silver (\$/Oz)	34.07	3.26%	9.37%	9.37%	36.42%
Silver (₹./Kg)	100,693.00	3.58%	7.94%	12.46%	36.02%

Source: Refinitiv

Key Events Calendar

Event	Date	Current	Previous
U.S. PCE Price Index YY Feb 2025	28-Mar	2.50%	2.50%
U.K. GDP QQ Q4 2024	28-Mar	0.10%	0.10%
China Caixin Mfg PMI Final Mar 2025	1-Apr	51.20	50.80
U.S. Non-Farm Payrolls Mar 2025	4-Apr	228K	117K
U.S. Unemployment Rate Mar 2025	4-Apr	4.20%	4.10%

Source: Refinitiv

Indian Debt Market Update

Key Policy Rates (%)

	Mar-25	3 Months Ago	6 Months Ago	Year Ago	2 Years Ago
Repo	6.25	6.50	6.50	6.50	6.50
Reverse Repo	3.35	3.35	3.35	3.35	3.35
Bank Rate	6.50	6.75	6.75	6.75	6.75
CRR	4.00	4.00	4.50	4.50	4.50
SLR	18.00	18.00	18.00	18.00	18.00
SDF	6.00	6.25	6.25	6.25	6.25

Source: RBI

10 Year Benchmark Bond



Source: Refinitiv

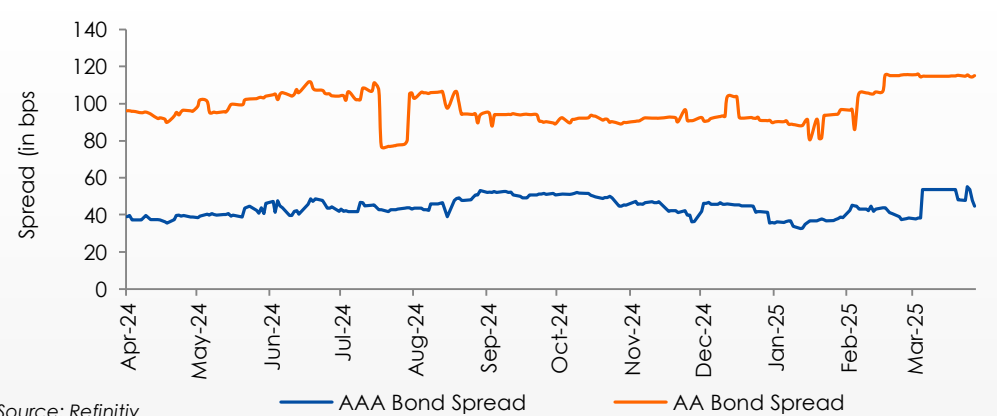
Bond yields fell as the RBI's latest liquidity measures to purchase government securities through Open Market Operations boosted sentiment. Gains were extended following a lower-than-expected domestic inflation print for Feb 2025.

Money Market Rates (%)

	Mar-25	1 Month Ago	3 Months Ago	6 Months Ago	Year Ago
Call	7.12	6.31	6.88	6.68	7.63
TREP	6.69	6.21	6.52	6.64	6.99
FBIL 1 Month Term Mibor	7.18	7.00	7.16	7.11	7.38
91 Days T-Bills	6.34	6.47	6.54	6.40	6.90
3 Month CP	7.35	7.55	7.35	7.28	7.70
6 Month CP	7.30	7.64	7.55	7.47	7.77

Source: Refinitiv

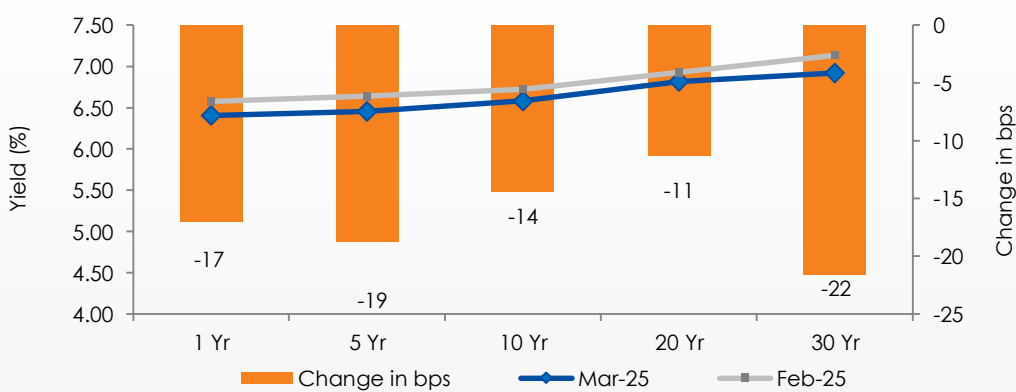
10 Year Corporate Bond Spread (for AAA & AA bonds)



Source: Refinitiv

Yield on corporate bonds fell between 3 to 17 bps across the curve.

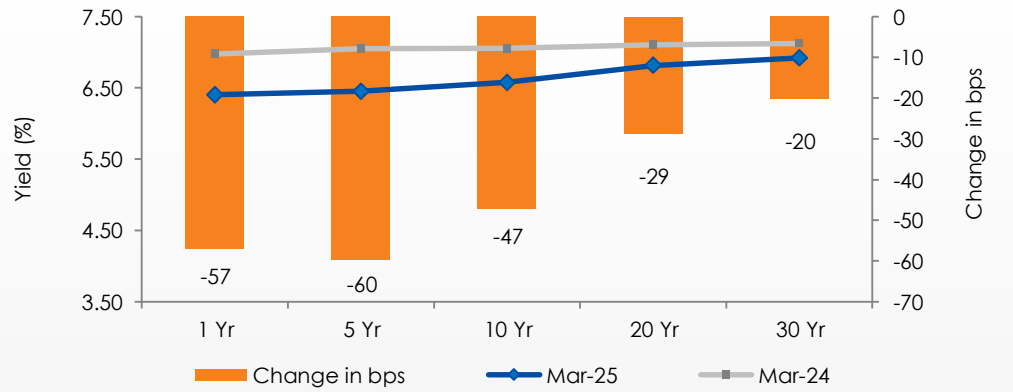
India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

Yield on gilt securities fell between 12 to 23 bps across the maturities. Difference in spread between corporate bond & gilt securities expanded between 6 to 15 bps across the segments, barring 1 year paper that remained steady.

India Yield Curve Shift (Year-on-Year)



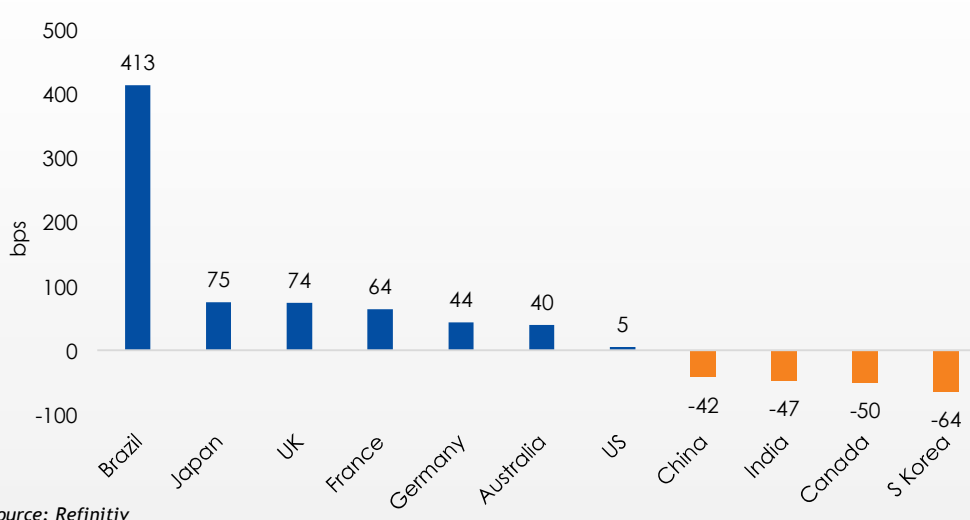
Source: Refinitiv

Year on year, yields on gilt fell between 21 to 65 bps across the maturities. Yield on corporate bonds fell in the range of 4 to 46 bps across the curve.

Global Debt Market Update

Brazil saw the highest rise in yields while highest fall was in S Korea

Change in 10 Year Sovereign Bond Yield: Mar-25 v/s Mar-24 (bps)



Source: Refinitiv

Yield of 10 Year Government Bonds (%)

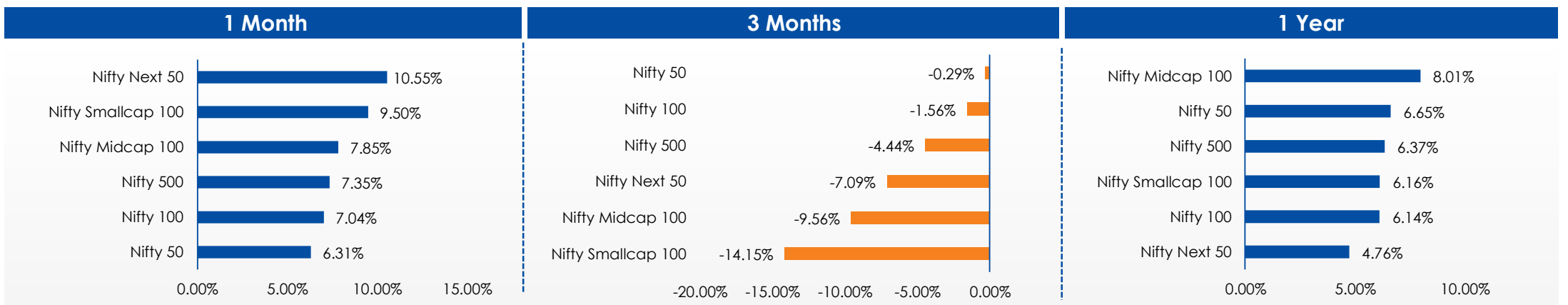
	Feb-25	Mar-25	Range:Mar-2025	Real Yields: Mar-25
Brazil	15.3	15.1	15.16 - 14.6	10.0
India	6.7	6.6	6.74 - 6.58	3.0
France	3.1	3.4	3.59 - 3.22	2.6
China	1.8	1.9	1.96 - 1.76	2.6
Australia	4.3	4.4	4.51 - 4.28	2.0
UK	4.5	4.7	4.79 - 4.53	1.9
US	4.2	4.2	4.37 - 4.18	1.4
S Korea	2.7	2.8	2.85 - 2.7	0.7
Germany	2.4	2.7	2.89 - 2.48	0.4
Canada	2.9	3.0	3.13 - 2.83	0.4
Japan	1.4	1.5	1.58 - 1.42	-1.4

Monthly Market Update

April 2025



Indian Equity Market Update



Domestic equity markets rallied amid a broad-based buying across the sectors following better-than-expected retail sales data in the U.S. and China for Feb 2025. Gains were extended after the U.S. Federal Reserve, in its Mar 2025 monetary policy meeting, maintained the interest rate and signaled the possibility of two rate cuts by the end of the year. Gains were further bolstered by the inflow of foreign capital into the domestic equity markets and the strengthening of the rupee.

Source: NSE; Returns are on the basis of TRI index

Rolling Returns – Monthly Performance

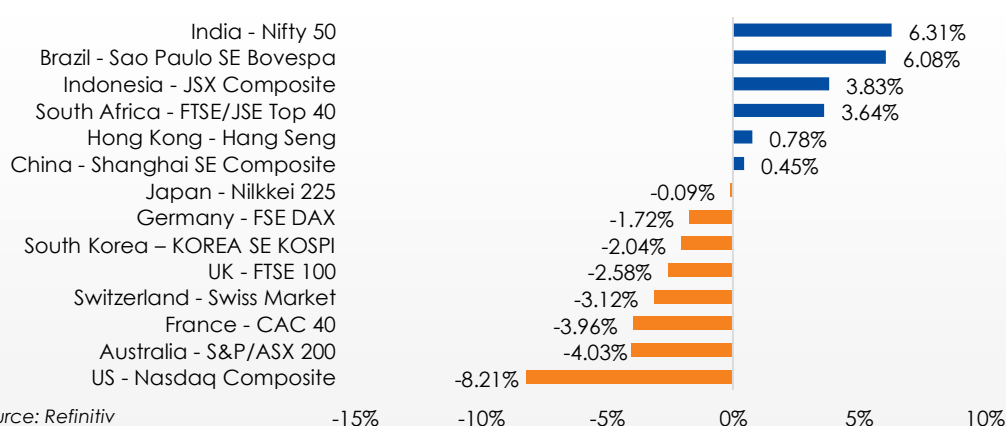
Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Nifty Metal 11.13%	Nifty Metal 5.97%	Nifty IT 11.72%	Nifty IT 13.14%	Nifty Pharma 6.80%	Nifty Metal 8.54%	Nifty Pharma -2.34%	Nifty IT 6.78%	Nifty Pharma 5.27%	Nifty IT 6.78%	#VALUE!	Nifty Energy 11.85%
Nifty Realty 8.06%	Nifty Realty 4.75%	Nifty Realty 8.38%	Nifty Pharma 10.61%	Nifty IT 4.76%	Nifty Realty 4.34%	Nifty Financial Services -2.42%	Nifty Realty 2.07%	Nifty Realty 3.16%	742.0%	#VALUE!	Nifty Metal 10.62%
Nifty Media 5.46%	Nifty Auto 4.18%	Nifty Financial Services 7.91%	Nifty FMCG 9.45%	Nifty FMCG 1.67%	Nifty FMCG 3.93%	Nifty Bank -2.84%	Nifty Bank 1.13%	Nifty IT 0.44%	5.44	#VALUE!	Nifty Infra 10.34%
Nifty Auto 4.95%	Nifty Infra 1.08%	Nifty Auto 7.81%	Nifty Media 7.90%	Nifty Financial Services 1.18%	Nifty Financial Services 3.56%	Nifty IT -3.12%	Nifty Financial Services 0.56%	Nifty FMCG -1.97%	Nifty Financial Services -1.23%	Nifty Pharma -7.41%	Nifty Financial Services 8.91%
Nifty Bank 4.82%	Nifty Financial Services 0.00%	Nifty Bank 6.95%	Nifty Auto 6.13%	Nifty Bank -0.17%	Nifty Auto 3.26%	Nifty Media -5.57%	Nifty Auto -0.60%	Nifty Financial Services -2.07%	Nifty Infra -1.29%	Nifty Infra -8.06%	Nifty Realty 6.69%
Nifty Financial Services 4.06%	Nifty FMCG -0.12%	Nifty Media 6.52%	Nifty Energy 5.53%	Nifty Energy -0.27%	Nifty Bank 3.17%	Nifty Infra -7.81%	Nifty Media -0.82%	Nifty Auto -2.29%	Nifty Bank -2.50%	Nifty FMCG -10.08%	Nifty Pharma 6.68%
Nifty Energy 3.45%	Nifty Energy -0.28%	Nifty FMCG 5.69%	Nifty Infra 4.07%	Nifty Infra -0.51%	Nifty Media 1.61%	Nifty Metal -8.55%	Nifty Infra -0.93%	Nifty Bank -2.30%	Nifty Metal -2.89%	Nifty Auto -10.35%	Nifty Bank 6.66%
Nifty Infra 2.87%	Nifty Bank -0.29%	Nifty Infra 5.51%	Nifty Financial Services 0.00%	Nifty Metal -1.66%	Nifty Infra 1.58%	Nifty Realty -9.05%	Nifty FMCG -1.86%	Nifty Infra -3.10%	Nifty Energy -3.45%	Nifty Energy -11.11%	Nifty Media 6.44%
Nifty FMCG 0.55%	Nifty Pharma -0.90%	Nifty Pharma 4.98%	Nifty Realty -0.84%	Nifty Auto -1.67%	Nifty Energy 0.59%	Nifty FMCG -9.65%	Nifty Pharma -2.16%	Nifty Metal -4.03%	Nifty Pharma -2.16%	#VALUE!	Nifty FMCG 5.72%
Nifty Pharma -0.13%	Nifty Media -1.18%	Nifty Energy 3.81%	Nifty Bank -1.49%	Nifty Media -2.00%	Nifty Pharma 0.28%	Nifty Energy -10.63%	Nifty Metal -3.09%	Nifty Energy -6.12%	-6.09	#VALUE!	Nifty Auto 3.93%
Nifty IT -4.86%	Nifty IT -1.61%	Nifty Metal 0.95%	Nifty Metal -2.25%	Nifty Realty -3.63%	Nifty IT -1.97%	Nifty Auto -12.99%	Nifty Energy -4.47%	Nifty Media -8.96%	Nifty Media -13.04%	Nifty Realty -13.40%	Nifty IT -1.16%

In March 2025, Energy followed by Metal & Infra rose the most, while IT sector remained the worst performer. Energy sector rose buoyed by surging demand, fresh capacity additions, and strong infrastructure orders. Additionally, the early onset of summer this year has put the spotlight on stocks of power generation companies.

Source: NSE; Returns are on the basis of TRI index

Global Equity Market Update

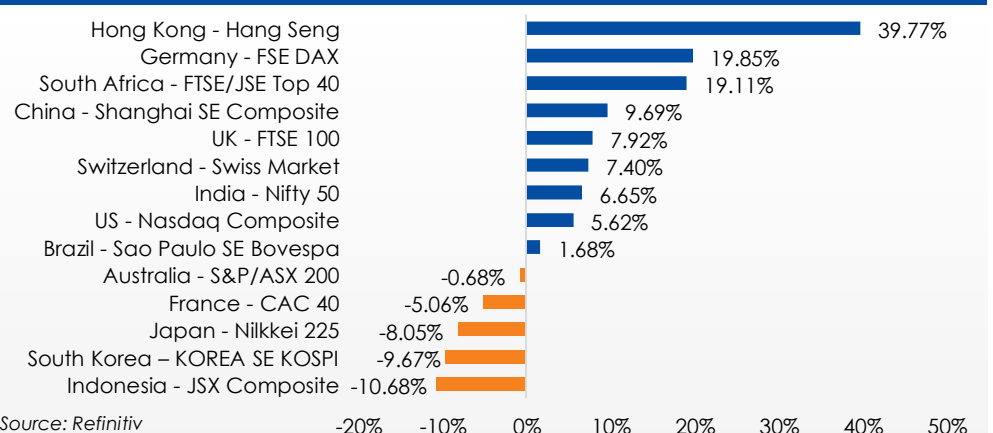
1 Month Performance



Source: Refinitiv

Global markets remained mixed in March 2025, India followed by Brazil rose the most, while U.S. followed by Australia witnessed the highest fall.

1 Year Performance



Source: Refinitiv

In the last one year, the global markets mostly rose with Hong Kong gaining the most while Indonesia fell the most.

News Summary & Event Calendar

News Summary

1. Domestic

- According to the latest circular published by the SEBI, the capital market regulator has directed Asset Management Companies to enable investors to store their most recent or last available Consolidated Account Statement (CAS) of mutual fund holdings, transaction statements of mutual fund units from the past 30 days, and demat account details in DigiLocker, the Government of India's digital document wallet. This regulation aims to minimize unclaimed mutual fund assets resulting from the death of investors. DigiLocker will offer a nomination facility, allowing nominees to access all the investor's digital information posthumously.
- The RBI and the Bank of Mauritius have entered into a Memorandum of Understanding to encourage the utilization of the Indian Rupee and the Mauritian Rupee for international transactions. This agreement is designed to support exporters and importers by enabling invoicing and payments in their respective domestic currencies, thereby promoting bilateral trade and strengthening economic relations between India and Mauritius.
- SEBI has instructed registered intermediaries, such as mutual funds (MFs) and registered investment advisors (RIAs), to link their email addresses and mobile numbers with social media platforms like YouTube, Meta, Google, X, and Telegram. These contact details must match those registered on the SEBI intermediary portal. SEBI has specified that intermediaries need to update this information on both the SEBI portal and the respective social media platforms by Apr 30, 2025.
- According to SEBI's latest circular, designated AMC employees earning over Rs. 25 lakh annually must invest at least 10% of their gross income, excluding taxes and statutory contributions like NPS and PF, in their company's mutual fund schemes. This gross income includes any income from company stocks under ESOPs. Employees without ESOP income must invest a minimum of 12.5% of their net income in these schemes. Previously, these employees were required to invest at least 20% of their gross salary in their schemes.
- The Union Cabinet has sanctioned a Rs. 1,500 crore incentive program to encourage UPI transactions below Rs. 2,000 for small merchants, for the period from Apr 1, 2024 to Mar 31, 2025. Small merchants will benefit from a 0.15% incentive per transaction, with no Merchant Discount Rate applied. This initiative is designed to bolster local businesses and enhance digital payment adoption nationwide.
- The Pension Fund Regulatory & Development Authority (PFRDA) announced the Unified Pension Scheme (UPS), which ensures a pension of 50% of the average basic pay from the last 12 months before retirement. This follows the government's Jan 24, 2025 notification for central government employees under the National Pension System (NPS).

2. International

- The U.S. Federal Reserve has revealed its decision to keep interest rates unchanged on 19th Mar 2025, following its second monetary policy meeting of 2025. Further, the U.S. central bank has decided to maintain the target range for the federal funds rate at 4.25 to 4.50% in support of its dual goals of maximum employment and inflation at the rate of 2% over the longer run.
- The European Central Bank has once again reduced its key interest rate by 25 basis points on 06th Mar 2025 primarily due to the anticipated decline in exports and investment, set against a backdrop of significant trade uncertainty resulting from the ongoing tariff conflict. The main refinancing rate was reduced by a quarter basis points to 2.65% and the marginal lending facility rate to 2.90%.
- The Bank of England decided to keep its key interest rates unchanged on 20th Mar 2025 amid uncertainty surrounding global trade policies and sluggish economic growth in the U.K. During the policy board meeting, the nine-member Monetary Policy Committee decided to keep the Bank Rate steady at 4.5%, marking the lowest rate since Jun 2023.
- The People's Bank of China left its one-year loan prime rate unchanged at 3.10% on 20th Mar 2025. Similarly, the five-year LPR, the benchmark for mortgage rates, was held at 3.60%. The bank had reduced its both LPRs by 25 basis points each in Oct 2024.
- The Bank of Japan decided to keep its key interest rates steady on 19th Mar, 2025, amid rising concerns about U.S. trade policies and its impact on economic activity and prices. During the policy board meeting, the members unanimously decided to maintain the uncollateralized overnight call rate at around 0.5%, which was the highest level since the global financial crisis in 2008. The bank had raised the benchmark rate to the current level from 0.25% in Jan 2025.
- According to the National Bureau of Statistics, China's industrial output rose by 5.9% YoY in Feb 2025, although this growth was slower than the 6.2% rise recorded in Dec 2024.

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