

Macro-Economic Update and Key Events

Event Update

The RBI reduced key policy repo rate by 25 bps to 6%

The Monetary Policy Committee (MPC) in its first bi-monthly monetary policy review of FY26 reduced key policy repo rate by 25 bps to 6% with immediate effect. The MPC unanimously voted to reduce the policy repo rate by 25 bps. Consequently, the standing deposit facility (SDF) rate under the liquidity adjustment facility (LAF) shall stand adjusted to 5.75% and the marginal standing facility (MSF) rate and the Bank Rate to 6.25%. Additionally, it also decided to change the stance from neutral to accommodative.

Gross GST revenue reached a record high in Apr 2025

The total gross Goods and Services Tax (GST) revenue grew by 12.6% YoY, reaching a record high of USD 27.87 bil in Apr 2025, compared to USD 25.14 bil in Apr 2024.

Manufacturing PMI improved to 58.2 in Apr 2025

The Manufacturing Purchasing Managers' Index improved to 58.2 in Apr 2025 compared to 58.1 in Mar 2025, supported by exports and accompanied by a notable improvement in employment.

Services PMI rose to 58.7 in Apr 2025

India's Services Purchasing Managers' Index (PMI) rose to 58.7 in Apr 2025 from 58.5 in Mar 2025, driven by robust demand, with a sharp rise in new business volumes. The composite PMI rose to 59.7 in Apr 2025 from 59.5 in Mar 2025.

Industrial production rose 3.0% YoY in Mar 2025

Index of Industrial Production (IIP) rose 3.0% YoY in Mar 2025, compared to a 2.7% rise in Feb 2025. Production in mining, manufacturing, and electricity witnessed growth of 0.4%, 3.0%, and 6.3%, respectively, in Mar 2025.

CPI-based inflation eased to 3.34% YoY in Mar 2025

The consumer price index-based inflation eased to 3.34% YoY in Mar 2025 compared to 3.61% in Feb 2025, driven by softening food prices. Consumer food price inflation decreased to 2.69% YoY in Mar 2025 from 3.75% in Feb 2025.

Merchandise trade deficit widened annually in Mar 2025

India's merchandise trade deficit widened annually to USD 21.54 billion in Mar 2025 compared to USD15.34 billion in Mar 2024. Exports rose by 0.67% YoY to USD41.97 billion in Mar 2025, and imports increased 11.36% YoY to USD63.51 billion during the same period.

Key Indicator	Frequency	Period	Current	Previous
CPI	Monthly	Mar-25	3.34%	3.61%
WPI	Monthly	Mar-25	2.05%	2.38%
IIP	Monthly	Mar-25	3.00%	2.70%
GDP	Quarterly	Dec-24	6.20%	5.60%
Credit Growth	Fortnightly	Apr-25	10.30%	11.00%
Deposit Growth	Fortnightly	Apr-25	10.20%	10.10%
Export Growth (YoY)	Monthly	Mar-25	0.67%	-10.87%
Import Growth (YoY)	Monthly	Mar-25	11.36%	-16.35%
Trade Balance (Billion)	Monthly	Mar-25	-\$21.54	-\$14.05

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 30-Apr-2025.

Institutional Flows (Equity)			
Net Flow (USD bil)	Current Month	Previous Month	Year to Date
FII Flows	0.50	-0.46	-12.94
DII Flows	3.32	4.39	25.12
MF Flows	2.12	1.57	15.50

Source:CDSL & SEBI; As on 30-Apr-2025

Institutional Flows (Debt)			
Net Flow (USD bil)	Current Month	Previous Month	Year to Date
FII Flows	-1.57	1.13	-1.46
MF Flows	-2.80	-9.41	-24.26

Source:CDSL & SEBI; As on 30-Apr-2025

Exchange Rate Movement					
Exchange Rate	Apr-25	1 Month Ago	3 Months Ago	6 Months Ago	Year Ago
₹/ Euro	96.74	92.32	90.01	91.25	89.34
₹/ Pound	113.88	110.74	107.62	108.95	104.64
₹/ 100 Yen	59.62	56.75	55.96	55.03	53.25
₹/ Dollar	85.05	85.58	86.64	84.09	83.52

Source: Refinitiv

Performance of Various Commodities					
Commodities	Apr-25	Returns			
		1 Week	1 Month	6 Month	1 Year
Crude Brent(\$/Barrel)	65.25	-3.95%	-15.44%	-11.69%	-26.99%
Gold (\$/Oz)	3,287.72	0.01%	5.27%	19.82%	43.85%
Gold (₹./10 gm)	93,928.00	-1.79%	5.90%	18.62%	30.86%
Silver (\$/Oz)	32.59	-2.84%	-4.34%	-0.18%	24.01%
Silver (₹./Kg)	93,975.00	-2.39%	-6.67%	-2.66%	17.35%

Source: Refinitiv

Key Events Calendar			
Event	Date	Current	Previous
U.S. PCE Price Index YY Mar 2025	30-Apr	2.30%	2.70%
China Caixin Mfg PMI Final Apr 2025	30-Apr	50.40	51.20
Japan JP BOJ Rate Decision	1-May	0.50%	0.50%
U.S. Unemployment Rate Apr 2025	2-May	4.20%	4.20%
Euro Zone Unemployment Rate Mar 2025	2-May	6.20%	6.20%

Source: Refinitiv

Indian Debt Market Update

Key Policy Rates (%)

	Apr-25	3 Months Ago	6 Months Ago	Year Ago	2 Years Ago
Repo	6.00	6.50	6.50	6.50	6.50
Reverse Repo	3.35	3.35	3.35	3.35	3.35
Bank Rate	6.25	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	5.75	6.25	6.25	6.25	6.25

Source: RBI

10 Year Benchmark Bond



Source: Refinitiv

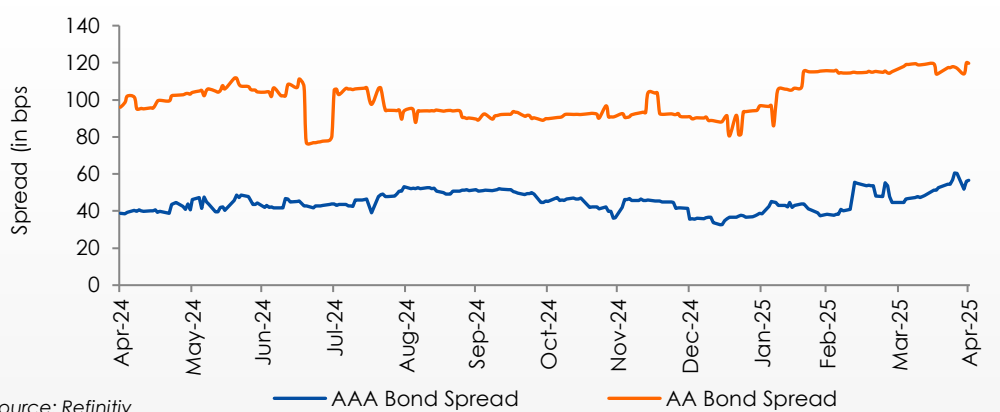
Bond yields declined after the RBI announced a plan to buy Rs. 80,000 crore worth of bonds in Apr 2025. Gains were extended after the RBI reduced its key repo rate for the second consecutive time in its Apr 2025 monetary policy meeting and it shifted its monetary policy stance from "neutral" to "accommodative".

Money Market Rates (%)

	Apr-25	1 Month Ago	3 Months Ago	6 Months Ago	Year Ago
Call	5.94	7.12	6.60	6.54	6.67
TREP	5.95	6.69	6.58	6.27	6.63
FBIL 1 Month Term Mibor	6.46	7.18	7.10	7.10	7.06
91 Days T-Bills	5.89	6.34	6.55	6.51	6.98
3 Month CP	6.57	7.35	7.51	7.23	7.34
6 Month CP	6.71	7.30	7.71	7.46	7.56

Source: Refinitiv

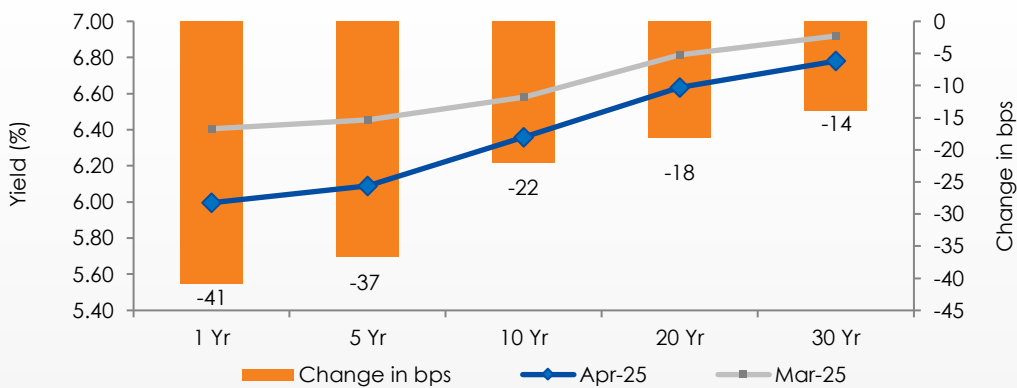
10 Year Corporate Bond Spread (for AAA & AA bonds)



Source: Refinitiv

Yield on corporate bonds fell between 11 to 41 bps across the curve, barring 15 year paper that increased by 4 bps.

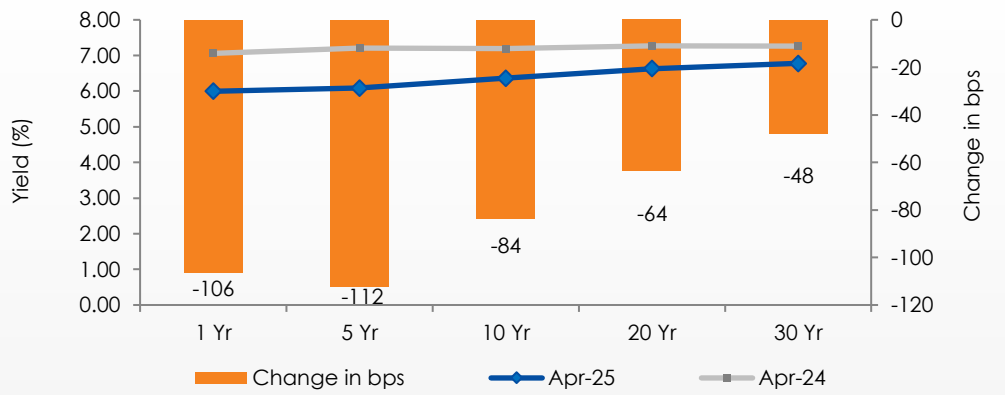
India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

Yield on gilt securities fell between 14 to 42 bps across the maturities. Difference in spread between corporate bond & gilt securities expanded up to 28 bps across the segments.

India Yield Curve Shift (Year-on-Year)

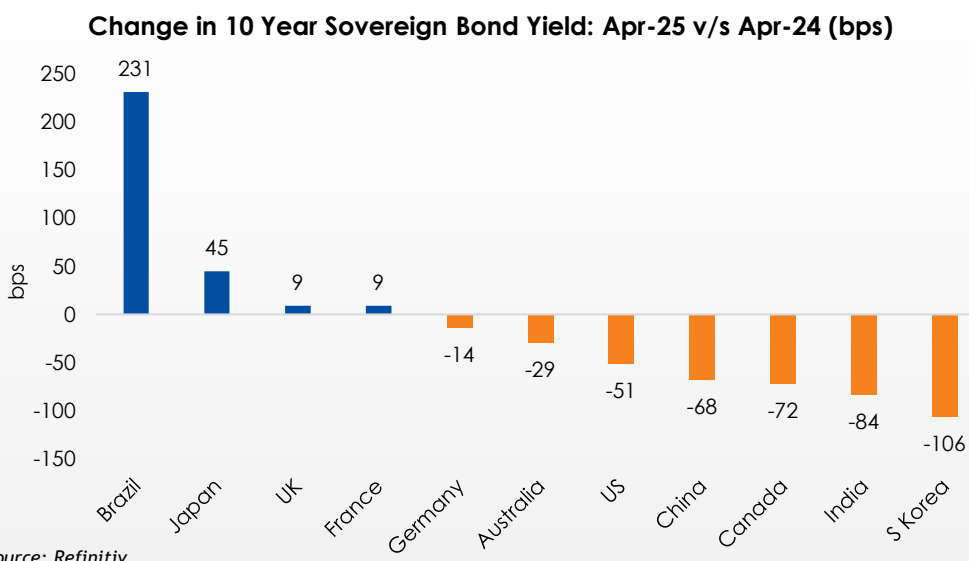


Source: Refinitiv

Year on year, yields on gilt fell between 49 to 118 bps across the maturities. Yield on corporate bonds fell in the range of 11 to 93 bps across the curve.

Global Debt Market Update

Brazil saw the highest rise in yields while S Korea fell the most



Source: Refinitiv

Yield of 10 Year Government Bonds (%)

	Mar-25	Apr-25	Range:Apr-2025	Real Yields: Apr-25
Brazil	15.1	14.1	15.06 - 14.1	8.6
India	6.6	6.4	6.50 - 6.32	3.0
France	3.4	3.2	3.42 - 3.16	2.4
UK	4.7	4.4	4.79 - 4.44	1.8
US	4.2	4.2	4.49 - 3.99	1.8
Australia	4.4	4.1	4.38 - 4.09	1.7
China	1.9	1.6	1.88 - 1.63	1.7
Canada	3.0	3.1	3.27 - 2.88	0.8
S Korea	2.8	2.6	2.8 - 2.58	0.5
Germany	2.7	2.4	2.73 - 2.44	0.2
Japan	1.5	1.3	1.5 - 1.1	-2.2

Source: Refinitiv

Monthly Market Update

May 2025



Indian Equity Market Update



Domestic equity markets initially fell due to imposition the U.S. tariffs on over 180 countries, sparking global trade war fears. However, the trend reversed following the U.S. President's announcement of a 90-day suspension on an additional 26% tariff in India, while keeping a base tariff of 10%. Gains were driven by a strong domestic economic outlook, a promising monsoon, and returning foreign investors but were limited by rising India-Pakistan tensions.

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

Rolling Returns – Monthly Performance

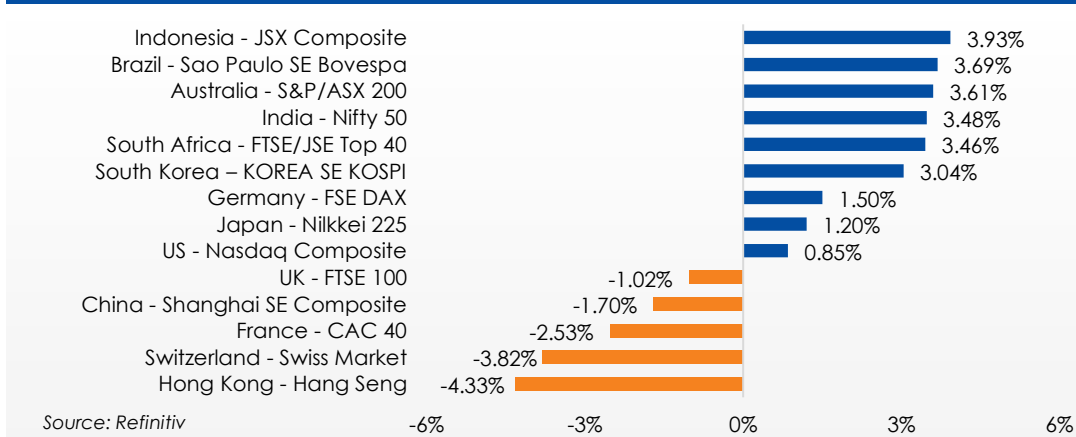
May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Nifty Metal 5.97%	Nifty IT 11.72%	Nifty IT 13.14%	Nifty Pharma 6.80%	Nifty Metal 8.54%	Nifty Pharma -2.34%	Nifty IT 6.78%	Nifty Pharma 5.27%	Nifty Auto 0.15%	Nifty Financial Services -0.79%	Nifty Energy 11.85%	Nifty Bank 6.83%
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%	Nifty FMCG -0.19%	Nifty Metal -2.14%	Nifty Metal 10.62%	Nifty FMCG 5.35%
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%	Nifty IT -0.99%	Nifty Bank -2.51%	Nifty Infra 10.34%	Nifty Auto 4.76%
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 Financial Services 4.15%
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 Realty 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 Infra 3.88%
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 Pharma 3.00%
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 Media 2.62%
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 -8.40%	Nifty Media -12.11%	Nifty FMCG 5.72%	Nifty Energy 2.00%
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%	Nifty Realty -12.44%	Nifty IT -12.53%	Nifty Auto 3.93%	Nifty IT -2.84%
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%	Nifty Metal -5.62%

In April 2025, Bank followed by FMCG & Auto sectors rose the most, while Metal & IT sectors remained the worst performer. The banking sector surged due to expectations of further rate cuts by the RBI, spurred by favorable Mar 2025 inflation data. Improved Net Interest Margin outlook, driven by lower savings rates and stable asset quality, also boosted banking stocks.

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

Global Equity Market Update

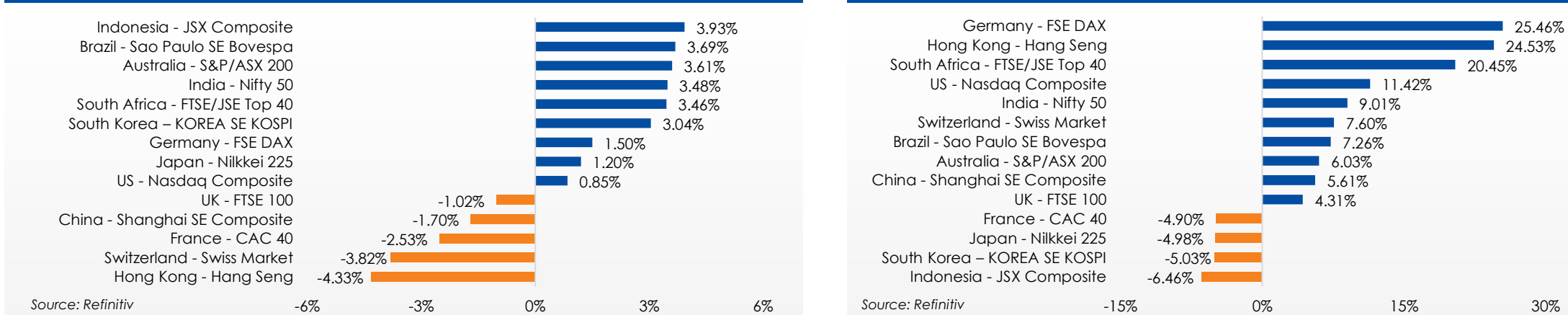
1 Month Performance



Source: Refinitiv

Global markets remained mixed in April 2025, Indonesia followed by Brazil rose the most, while Hong Kong followed by Switzerland witnessed the highest fall.

1 Year Performance



Source: Refinitiv

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

News Summary & Event Calendar

News Summary

1. Domestic

- IRDAI has mandated that insurance companies and intermediaries, including brokers, corporate agents, insurance marketing firms, and web aggregators, must report any cyber incidents to both IRDAI and the Indian Computer Emergency Response Team (Cert-In) within six hours of occurrence. Previously, these entities were required to report such incidents within 24 hours.
- The SEBI has permitted registered investment advisers (RIAs) to promote their historical performance. However, they must authenticate this performance via the SEBI-recognized Past Risk and Return Verification Agency (PaRRVA). SEBI has also released operational guidelines for entities aspiring to become PaRRVA. As per the SEBI regulations, Credit Rating Agencies (CRAs) are eligible to become PaRRVA.
- Department for Promotion of Industry and Internal Trade has clarified that an Indian company engaged in a sector/activity prohibited for FDI (foreign direct investment) is permitted to issue bonus shares to its pre-existing non-resident shareholders provided that the shareholding pattern of the non-resident shareholder does not change pursuant to the issuance of bonus shares.
- SEBI has issued a circular outlining the standardized format for the Investment Strategy Information Document (ISID) that Asset Management Companies (AMCs) must prepare for Specialized Investment Funds (SIFs). The ISID must encompass essential scheme details, investment strategy and allocation, financial calculations and expenses, as well as mandatory disclaimers.
- SEBI has instructed all registered and regulated entities, such as mutual funds, Portfolio Management Services (PMS), Alternative Investment Funds (AIFs), and Registered Investment Advisors (RIAs) to exclusively use the '1600' number series for all service and transactional voice calls to their existing customers, in line with TRAI guidelines. Additionally, SEBI has urged investors to report any Unsolicited Commercial Communication (UCC) by filing a Do Not Disturb (DND) complaint through their telecom provider or the TRAI DND app, to minimize tele-fraud and bolster investor protection.
- According to a consultation paper, SEBI has proposed reclassifying units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) as equity instruments. Currently, these instruments are categorized as hybrid securities, as they combine features of both equity and debt instruments. SEBI observed that globally, in some jurisdictions, REITs and InvITs are classified as equity instruments and are included in equity indices. Additionally, SEBI is considering increasing the exposure limit of mutual funds in REITs/InvITs from 10% to 20% of the NAV in equity and hybrid funds.

2. International

- The U.S. Federal Reserve has revealed its decision to keep interest rates unchanged on 07th May 2025, following its third 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.
- According to the Labor Department, the U.S. consumer price index edged down by 0.1% in Mar 2025 after rising by 0.2% in Feb 2025. Economists had expected consumer prices to inch up by 0.1%. The Labor Department also said the annual rate of consumer price growth slowed to 2.4% in Mar 2025 from 2.8% in Feb 2025. Economists had expected the pace of price growth to slow to 2.6%. The annual rate of core consumer price growth also fell to 2.8% in Mar 2025 from 3.1% in Feb 2025. Core price growth was expected to dip to 3.0%.
- According to the Labor Department, U.S. non-farm payroll employment jumped by 228,000 jobs in Mar 2025 after climbing by a downwardly revised 117,000 jobs in Feb 2025. Economists had expected employment to rise by 135,000 jobs compared to the originally reported addition of 151,000 jobs for the previous month.
- The U.K. real gross domestic product increased by 0.5% in Feb 2025 after experiencing no growth in Jan 2025, according to the Office for National Statistics.
- The European Central Bank has reduced its key interest rate by 25 basis points on 17th Apr 2025 as policymakers assessed that disinflation is progressing as expected, the heightened uncertainty stemming from the intensification of the tariff conflict is likely to negatively impact the economic outlook for the Eurozone. The main refinancing rate was reduced by a quarter basis points to 2.40% and the marginal lending rate to 2.65%.
- China's Gross Domestic Product (GDP) increase by 5.4% YoY for the first quarter of 2025, driven by supportive measures that enhanced domestic demand. However, rising trade tensions present considerable obstacles to its future growth potential, according to data released by the National Bureau of Statistics.
- The People's Bank of China left its one-year loan prime rate unchanged at 3.10% on 21st Apr 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.

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