

INDIA | 9 August 2025

India Weekly Watch

ECONOMY IN MINUTES – B2K Analytics Research

| Macro Indicators | July | Previous Month | 1 Yr ago |
|-----------------------------|------|----------------|----------|
| Services PMI | 60.5 | 60.4 | 60.3 |
| Repo Rate Decision (August) | 5.5 | 5.5 | 6.5 |

| Rates and Yields (%) | 8-Aug | Previous week | 1 Yr ago |
|------------------------------|-------|---------------|----------|
| Call Money Rates | 5.56 | 5.04 | 6.53 |
| 91-day Treasury Bills | 5.43 | 5.44 | 6.59 |
| 364-day Treasury Bills* | 5.57 | 5.55 | 6.73 |
| 1-year Govt Securities | 5.62 | 5.70 | 6.76 |
| 5-year Govt Securities | 6.16 | 6.03 | 6.79 |
| 10-year Govt Securities | 6.40 | 6.38 | 6.88 |
| AA Corporate Bonds: 1-year | 7.96 | 7.60 | 8.96 |
| AA Corporate Bonds: 5-year | 9.63 | 9.60 | 9.52 |
| AA Corporate Bonds: 10-year | 8.84 | 9.93 | 9.25 |
| AAA Corporate Bonds: 1-year | 6.57 | 6.51 | 7.91 |
| AAA Corporate Bonds: 5-year | 6.83 | 9.02 | 7.40 |
| AAA Corporate Bonds: 10-year | 7.16 | 7.30 | 8.25 |

| Demand/ Supply | 8-Aug | Previous week | 1 Yr ago |
|--|--------|---------------|----------|
| Net Liquidity Injected (+)/Absorbed (-): (Rs Bn) | -3,128 | -3,652 | -1,465 |
| Deposit Growth (%): 25-Jul-2025 | 10.17 | 10.15 | 10.87 |
| Credit Growth (%): 25-Jul 2025 | 10.04 | 9.86 | 13.71 |

| Investments: For the Week | 8-Aug | Previous week | 1 Yr ago |
|------------------------------|---------|---------------|----------|
| Mutual Funds: Debt (Rs Bn) | -271.43 | -151.82 | -151.77 |
| Mutual Funds: Equity (Rs Bn) | 201.79 | 161.30 | 131.03 |
| FPI-Equity (USD Bn) | -1.34 | -2.00 | -1.48 |
| FPI-Debt (USD Bn) | 0.29 | 0.12 | 0.19 |

| Market Performance | 8-Aug | Previous week | 1 Yr ago |
|------------------------|---------|---------------|----------|
| NSE Nifty 50 | 24363 | 24,565 | 24,368 |
| BSE Sensex | 79858 | 80,600 | 79,706 |
| BSE Market Cap (Rs Bn) | 440,635 | 444,526 | 450,218 |
| NSE India VIX | 12.03 | 11.98 | 15.34 |

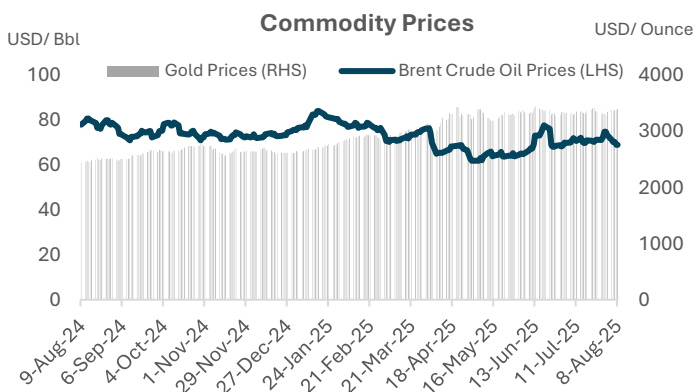
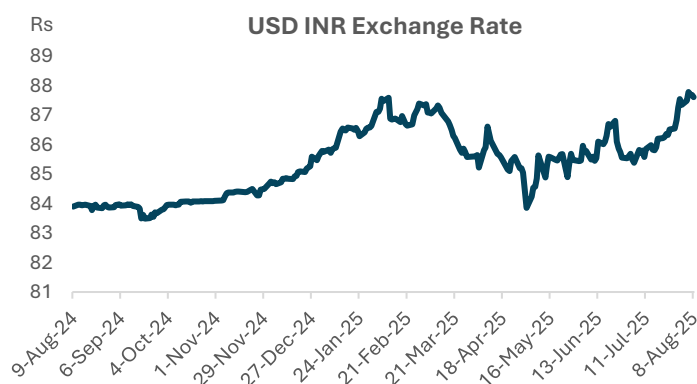
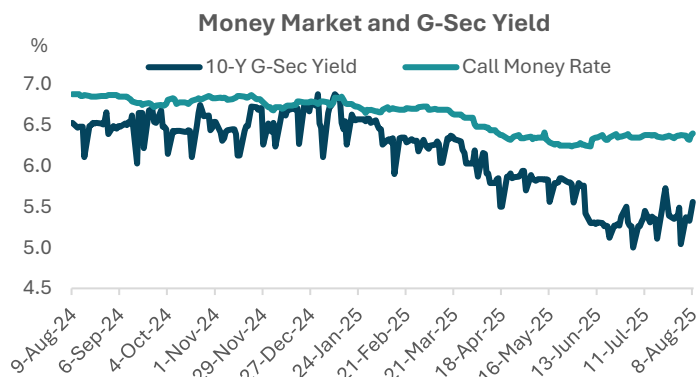
| Global Indicators | 8-Aug | Previous week | 1 Yr ago |
|------------------------|-----------|---------------|-----------|
| Federal Funds Rate (%) | 4.33 | 4.33 | 5.33 |
| S&P 500 | 6,389.45 | 6,238.01 | 5,344.16 |
| Hang Seng Index (HSI)* | 24,858.82 | 24,507.81 | 17,090.23 |
| Nikkei 225 | 41,820.48 | 40,799.60 | 35,025.00 |
| Nasdaq | 21,450.02 | 20,650.13 | 16,745.30 |
| FTSE 100 | 9,095.73 | 9,068.58 | 8,168.10 |
| DAX | 24,162.86 | 23,425.97 | 17,722.88 |
| Shanghai SE | 3,635.13 | 3,559.95 | 2,862.19 |
| DOW Jones | 44,175.61 | 43,588.58 | 39,497.54 |
| ASX 200 | 8,807.12 | 8,662.05 | 7,777.70 |

| Commodity Prices | 8-Aug | Previous week | 1 Yr ago |
|--|----------|---------------|----------|
| Gold (USD/Ounce) | 3,394.15 | 3,346.85 | 2,427.35 |
| Brent Crude Oil - Spot (USD/Barrel) * | 69.00 | 73.20 | 78.00 |
| Brent Crude Oil - Futures (USD/Barrel) | 66.59 | 69.67 | 75.26 |

| Forex Market | 8-Aug | Previous week | 1 Yr ago |
|---------------------------------|--------|---------------|----------|
| USD-INR | 87.62 | 87.35 | 83.90 |
| EUR-INR | 102.05 | 99.88 | 91.67 |
| JPY-INR | 0.60 | 0.58 | 0.57 |
| GBP-INR | 117.66 | 115.34 | 107.12 |
| US Dollar Index | 98.01 | 98.93 | 103.14 |
| Forex Reserves (USD Bn): 25-Jul | 688.87 | 698.19 | 674.92 |

Note: *: Data is for day before

Source: RBI, MoSPI, CCIL, NSE, BSE, NSDL, US Department of Treasury, S&P Global, Federal Reserve, ICE, IMF, LBMA, Hang Seng, Nikkei, Shanghai stock exchange, CMIE



- ❖ US stock markets rose last week after Trump nominated Stephen Miran to the Federal Reserve board of governors. This nomination raised expectations for a more dovish Fed policy in the future.
- ❖ US president Trump has raised tariffs on Indian imports to the US by another 25%, bringing the total to 50%, citing India's huge imports of crude oil from Russia. Imports of Russian oil compose 35% of India's total oil imports as India gets it at a discount. Trump has stated that the 25% extra tariff will be removed if India stops trade with Russia.
- ❖ Indian markets continued the downfall with the Nifty 50 marking its sixth straight weekly loss. The Indian rupee depreciated further as additional US tariffs, trade uncertainty, muted earnings and persistent FPI outflows continue to dampen investor sentiment.
- ❖ July Services PMI improved from June, indicating a sustained growth momentum driven by particularly strong demand for Indian services abroad and a pickup in new export orders.
- ❖ Amidst all the uncertainty, the MPC has opted for a status quo and maintained key policy rates unchanged in its August meeting to see how the economic situation will unfold.
- ❖ Government bond yields saw a rise in yield due to a large sell-off of securities following the MPC announcement, as the markets foresee fewer rate cuts in the near term.

Our View

- ❖ The additional US tariffs will cause significant short-term losses for exporters as they cannot easily find new buyers for their products immediately and still have contracts to fulfill. Non-durable items that are being exported to the US so far will flood the domestic market, and cost less for the Indian consumers.
- ❖ If the US administration persists in maintaining such unreasonable trade policies, the India-US trade relationship could deteriorate further which would severely impact India's economy. If the US maintains its current tariffs on India, another rate cut may be possible at the next MPC meeting depending on how the economic situation unfolds.

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