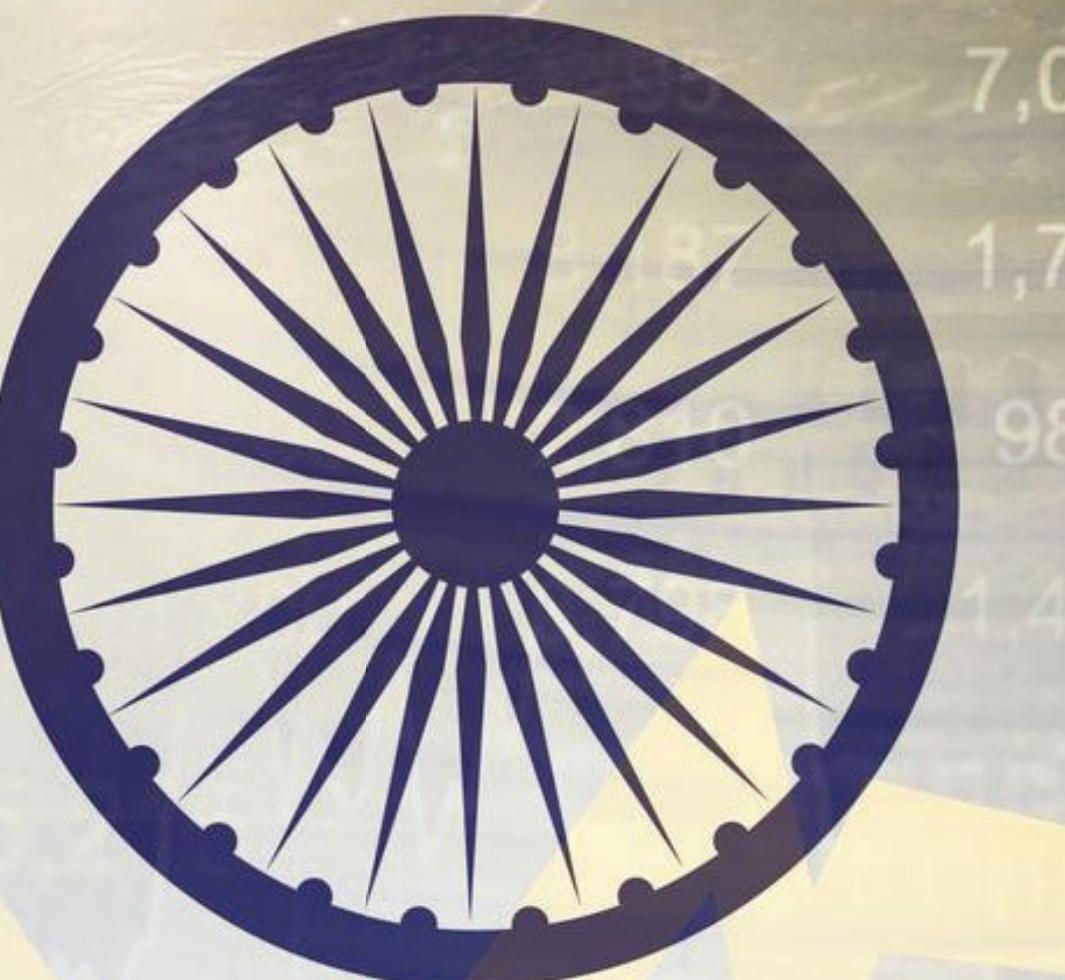


MONTHLY
MARKET OUTLOOK



BY 2030, INDIA IS SET TO BECOME
THE WORLD'S THIRD-LARGEST ECONOMY

August 2025



Global Real GDP Growth – April to June 2025

Asset performance (Ranked by % change each year)

- India recorded the fastest growth worldwide (7.8%), reflecting robust domestic demand and policy support.
- China (5.2%) and Indonesia (5.1%) show solid expansion among emerging economies.
- Advanced economies (USA, Japan & UK) are growing at a slower pace (1-2%)
- Germany slipped slightly into negative territory (-0.2%), signalling stagnation in parts of Europe



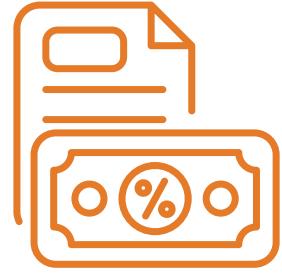
Source: Ministry of Statistics and Programme Implementation



India GDP Journey

Rank	Country	GDP (USD)
1	United States (U.S)	\$30.507 trillion
2	China	\$19.231 trillion
3	Germany	\$4.744 trillion
4	India	\$4.187 trillion
5	Japan	\$4.186 trillion
6	United Kingdom (U.K.)	\$3.839 trillion
7	France	\$3.211 trillion
8	Italy	\$2.422 trillion
9	Canada	\$2.225 trillion
10	Brazil	\$2.125 trillion

- India is projected to reach a GDP of Rs. 4,26,45,000 crore (US\$ 5 trillion) by 2027
- On course to surpass Germany by 2028
- By 2030, India is set to become the world's third-largest economy with a projected GDP of \$7.3 trillion



Schemes & Initiatives Fueling India's Economic Transformation

Schemes & Initiatives Driving India's Economic Transformation



- 1 PLI Scheme – Backed by a 1.97 lakh crore outlay it has drawn 1.76 lakh crore investment, boosted exports and created jobs strengthening India's role in global value chains
- 2 Digital India – Digital India expanded internet users from 25 Cr (2014) to 97 Cr (2024). With 5G rollout and a Bharat 6G roadmap, India ranks third globally in digitalisation, driving tech led growth
- 3 Make In India Initiative – Launched in 2014, Make in India has turned the nation into a manufacturing hub, boosting rail, defence, toys and electronics. India is now the world's #2 mobile maker, with 300+ plants versus two in 2014
- 4 Foreign Trade Policy 2023–28 boosts exports, ease of business and e-commerce while SEZs attract investment and jobs
- 5 PM GatiShakti and the National Logistics Policy improve logistics and connectivity while GST and corporate tax cuts simplify compliance and lower costs, creating a business friendly environment



GST Reforms 2025 – Relief for Common Man, Boost for Businesses

GST simplified to a two-slab structure (5% & 18%)



GST reforms cut taxes on household essentials (soaps, toothpaste, Indian breads) to 5% or Nil boosting affordability

Life-saving drugs, medicines reduced from 12% to Nil or 5% making healthcare affordable



Two-wheelers, small cars, TVs, ACs, cement cut from 28% to 18% bringing relief to middle-class.

Farm machinery, irrigation equipment cut from 12% to 5%, reducing farming costs



Tobacco, pan masala, aerated drinks, and luxury goods taxed at 40%.

GST reforms – fewer slabs and lower taxes on essentials, medicines and everyday goods make key items cheaper, boost spending, raise incomes, help important sectors and support overall economic growth.



Capital Expenditure

Month	2025-26 Monthly (₹ Cr)	2025-26 YTD (₹ Cr)	2024-25 Monthly (₹ Cr)	2024-25 YTD (₹ Cr)
April	1,59,790	1,59,790	99,235	99,235
May	61,564	2,21,354	44,390	1,43,625
June	53,778	2,75,132	37,426	1,81,051
July	71,794	3,46,926	80,209	2,61,260

Higher spend in 2025-26 - (April-July) capital outlay is 3.47 lakh cr Vs 2.61 lakh cr last year about 33% higher.

Momentum sustained - Each month of 2025-26 stays ahead of the previous year, signalling front loaded infrastructure & development focus



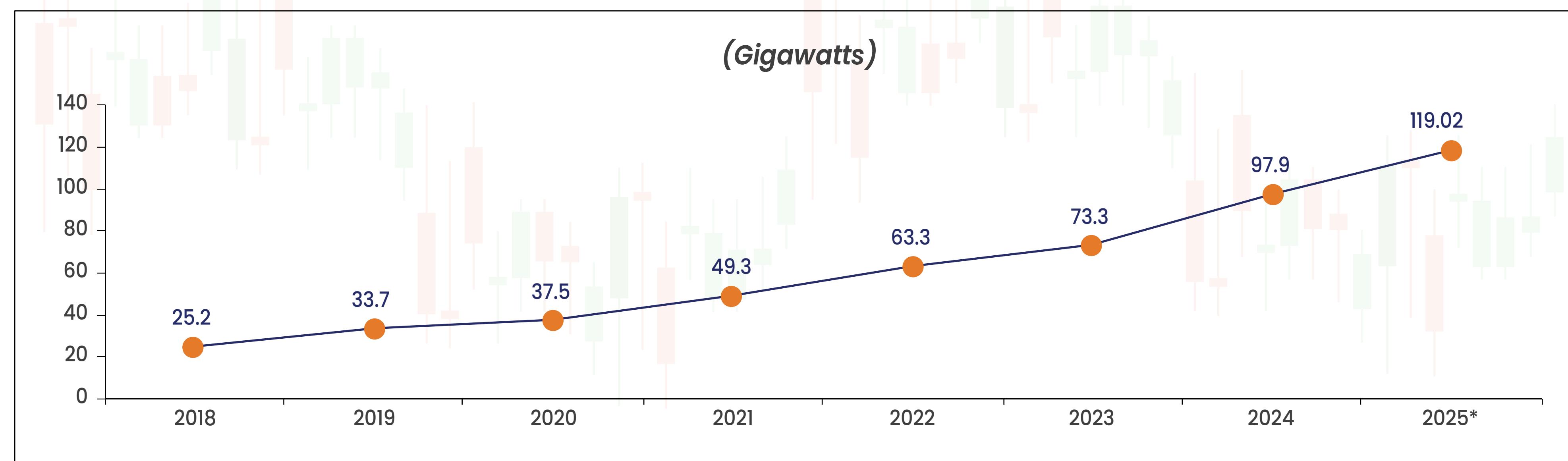
Major Economies PMI for August 2025

Country	Aug 2025 PMI	Compared to India	Country	Aug 2025 PMI	Compared to India
India	59.8	–	Germany	49.8	Lower
Saudi Arabia	56.4	Lower	Japan	49.7	Lower
United States	53	Lower	South Africa	49.5	Lower
Australia	53	Lower	Russia	48.7	Lower
Euro Area	50.7	Lower	South Korea	48.3	Lower
China	50.5	Lower	Brazil	47.7	Lower
France	50.4	Lower	United Kingdom	47	Lower
Singapore	50	Lower			

India leads global PMI growth at 59.8 in August 2025, outpacing all major economies.



India has emerged as the third largest country in terms of solar power generation a significant milestone in its pursuit of an energy secure future.

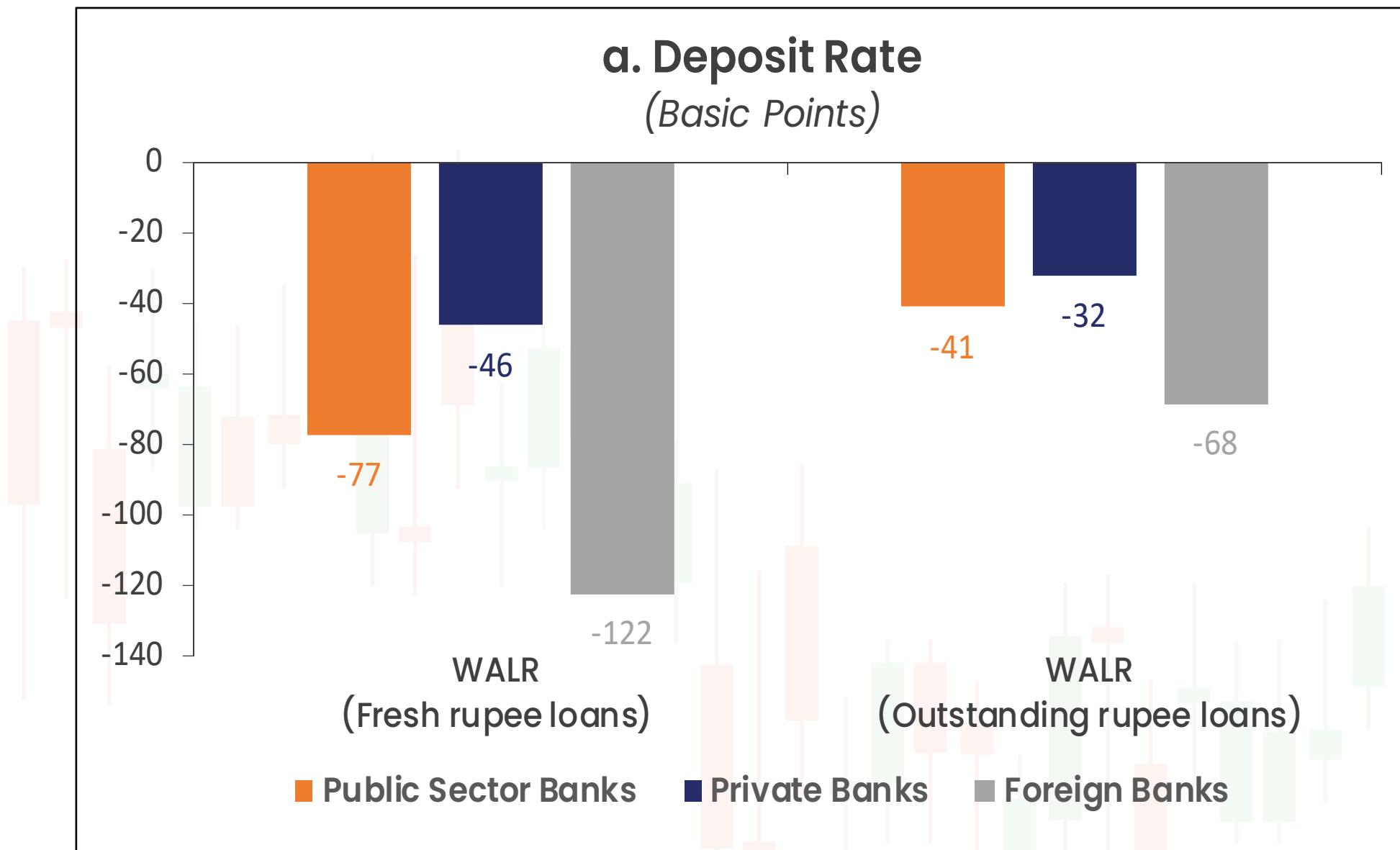
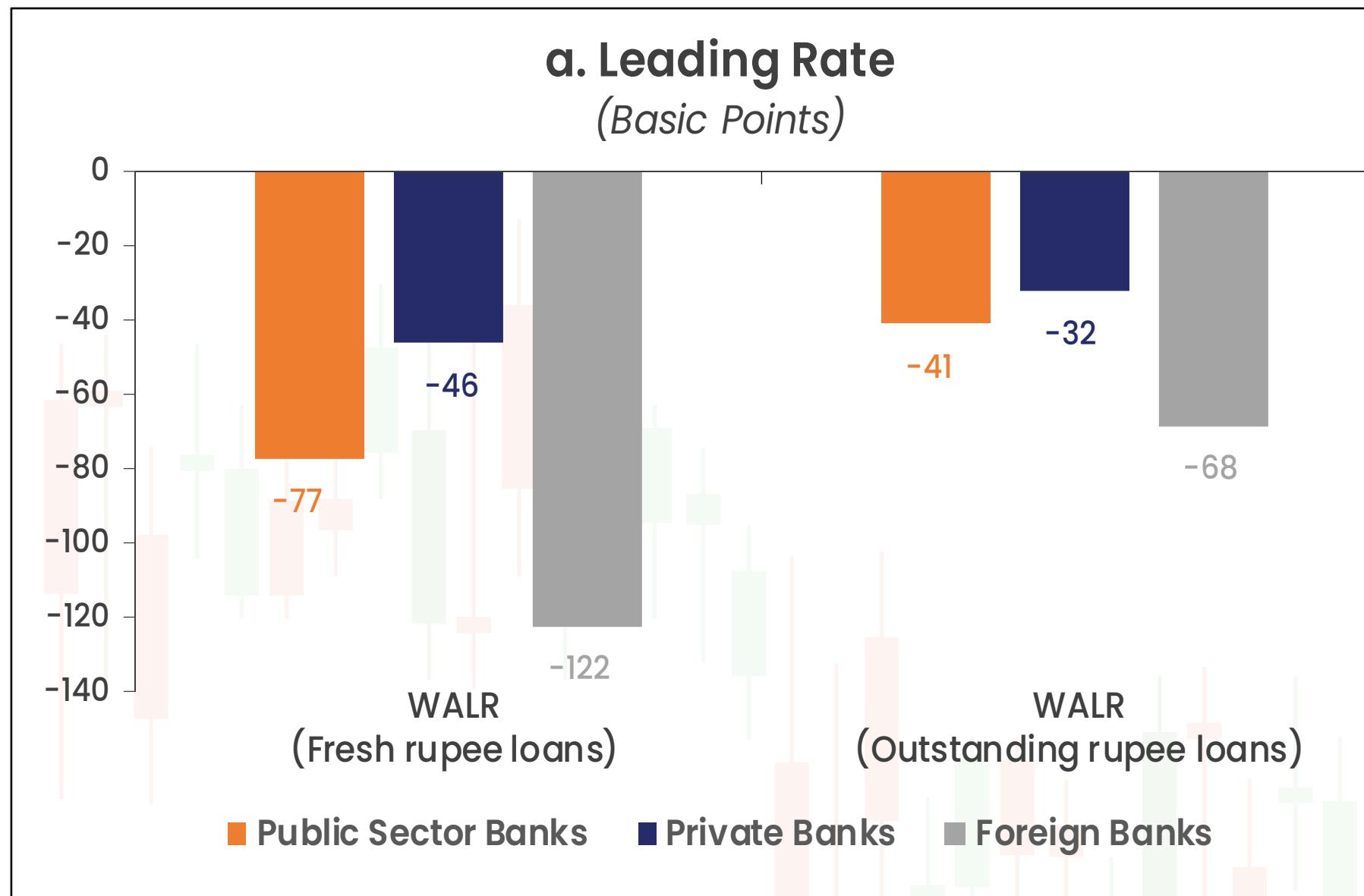


Note: *Capacity as of July 2025.

Source: Central Electricity Authority (CEA).



Transmission across Bank Groups (February 2025 – June 2025)



Note: Transmission during February to June 2025 is calculated by subtracting the weighted average lending and deposit rates of January 2025 from those of June 2025.

Source: RBI.

- Cheaper loans: Lower lending rates reduce borrowing costs for households and businesses, encouraging spending on durable goods, homes, vehicles and business investments.
- Lower savings returns: With deposit rates declining, people may save less and spend more, boosting consumption.
- Economic growth: Higher consumption and investment increase overall demand, which supports production, job creation and GDP growth.



High Frequency Indicators-Industry

- **Manufacturing Activity:** Expanded in July.
 - PMI surged to a 16-month high.
- **Automobile Production:** Recorded fastest growth in a year.
 - Driven by strong output of **three- wheelers and two-wheelers.**
- **Electricity Generation:**
 - **Conventional power:** Subdued for the fourth consecutive month due to early rains and softer industrial output.
 - **Renewable energy:** Maintained steady growth.
- **Capital Goods Imports:** Rebounded in July.
- **Supply Chain Pressures:** Increased slightly but remained below historical averages.
- **Global Standing:** India has emerged as the **third-largest manufacturing hub.**

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
IIP headline	5.0	0.0	3.2	3.7	5.0	3.7	5.2	2.7	3.9	2.6	1.9	1.5	
IIP manufacturing	4.7	1.2	4.0	4.4	5.5	3.7	5.8	2.8	4.0	3.1	3.2	3.9	
IIP capital goods	11.7	0.0	3.5	2.9	8.9	10.5	10.2	8.2	3.6	14.0	13.3	3.5	
PMI manufacturing	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4	59.1
PMI export orders	57.2	54.4	52.9	53.6	54.6	54.7	58.6	56.3	54.9	57.6	56.9	60.6	57.3
PMI manufacturing: future output	64.1	62.1	61.6	62.1	65.5	62.5	65.1	64.9	64.4	64.6	63.1	62.2	57.6
Index of eight core industries	6.3	-1.5	2.4	3.8	5.8	5.1	5.1	3.4	4.5	1.0	1.2	2.2	2.0
Electricity generation: conventional	6.8	-3.8	-1.3	0.5	2.7	4.5	-1.3	2.4	4.8	-1.8	-8.2	-6.1	-0.9
Electricity generation: renewable	14.2	-3.7	12.5	14.9	19.0	17.9	31.9	12.2	25.2	28.0	18.2	28.7	
Automobile production	16.8	4.4	10.1	10.0	8.0	1.3	9.4	2.3	6.5	-1.7	5.2	1.2	10.7
Passenger vehicle production	1.2	0.7	-3.4	-4.0	6.5	9.2	3.7	4.5	11.2	10.8	5.4	-1.8	0.1
Tractor production	8.1	-1.0	2.7	0.4	24.7	20.9	23.7	-7.8	18.5	20.5	9.1	9.8	11.5
Two-wheelers production	21.1	4.9	12.9	13.3	8.8	-0.6	10.3	1.6	5.6	-4.1	4.7	1.4	12.3
Three-wheelers production	6.0	9.0	3.9	-6.7	-5.5	7.6	16.2	6.5	6.0	4.1	16.9	8.6	24.0
Crude steel production	6.8	2.6	0.3	4.2	4.5	8.3	7.4	6.0	8.5	9.3	11.0	12.6	14.0
Finished steel production	6.9	2.7	0.7	4.0	2.8	5.3	6.7	6.7	10.0	6.6	7.0	10.9	13.8
Import of capital goods	11.6	12.3	10.9	7.0	4.7	6.1	15.5	-0.5	8.6	21.5	14.3	2.6	12.2

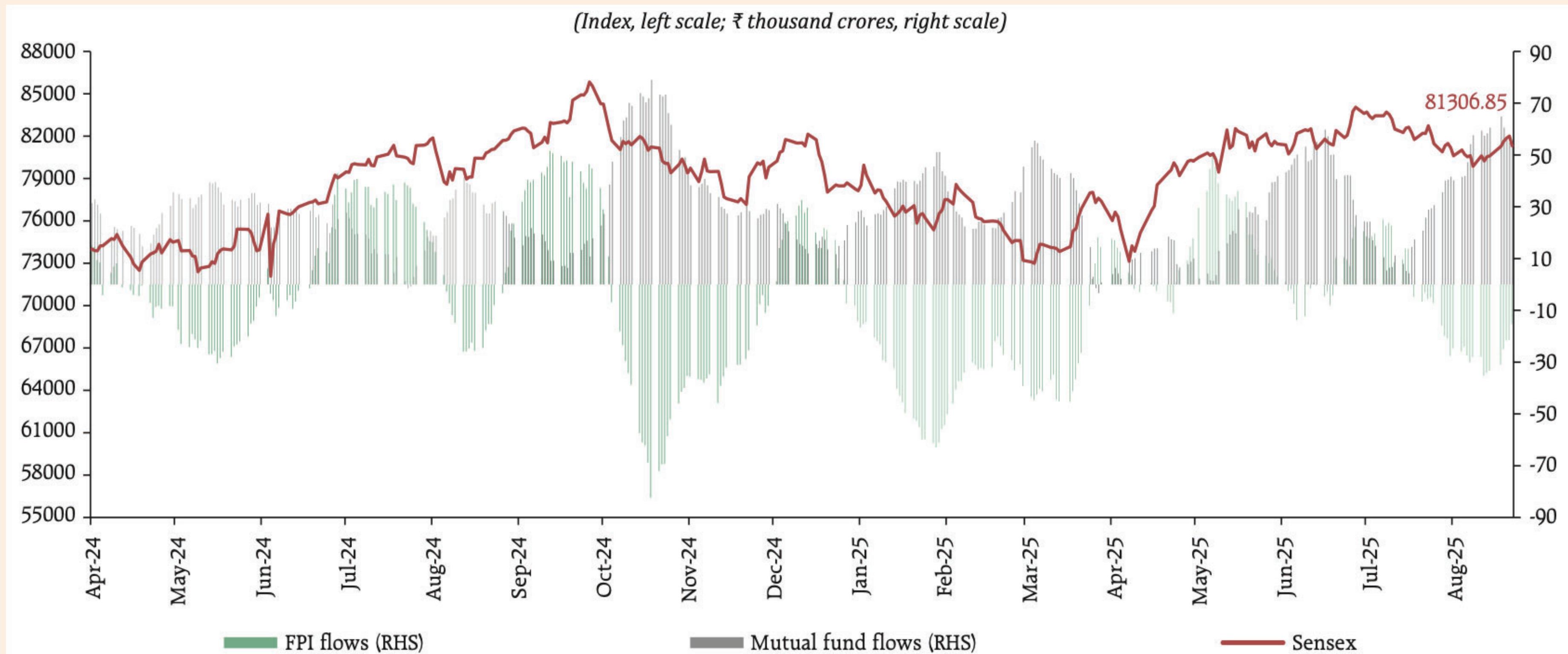
<<Contraction ----- Expansion>>

The y-o-y growth (in per cent) has been calculated for all indicators (except for PMI).

Source - RBI



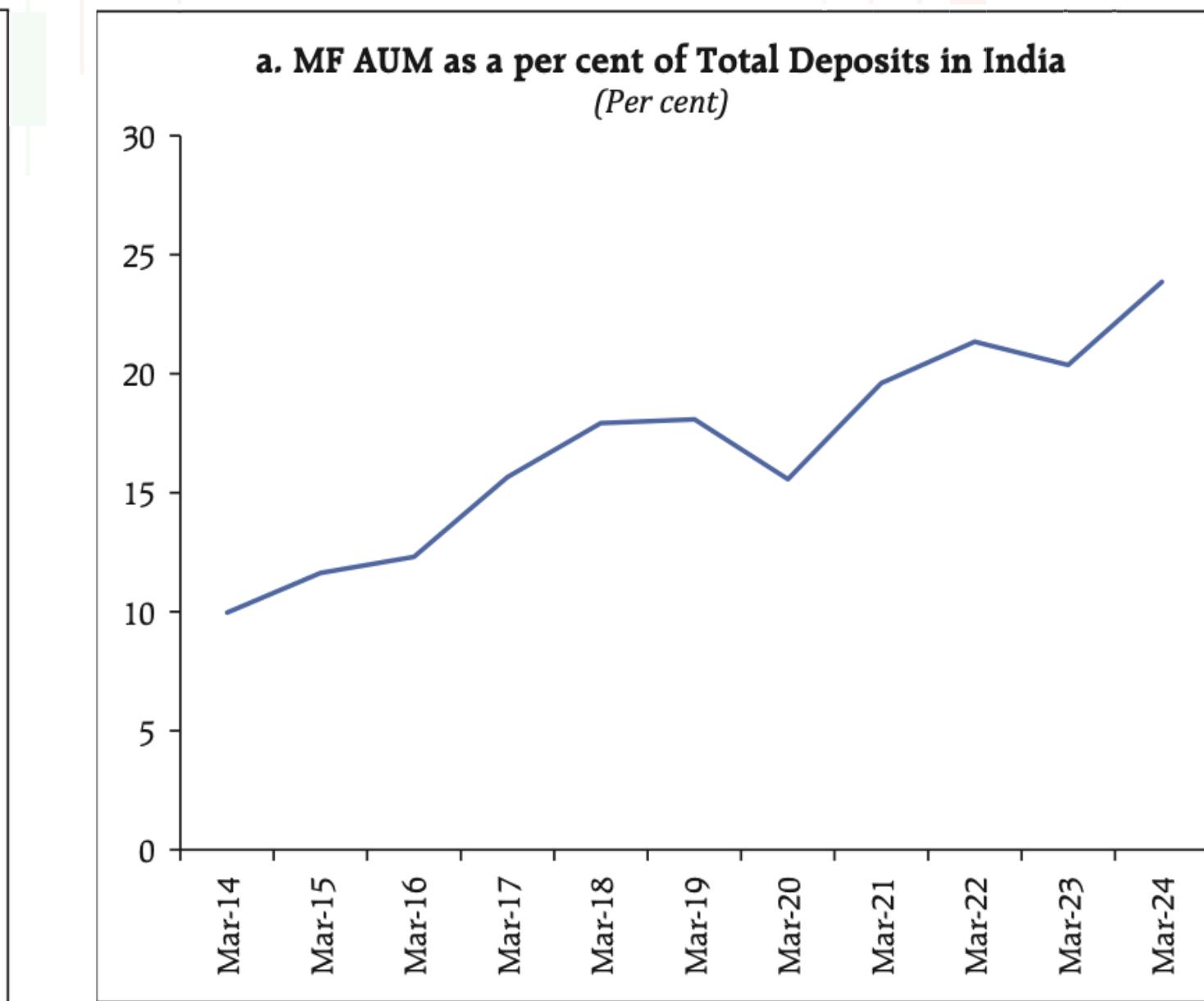
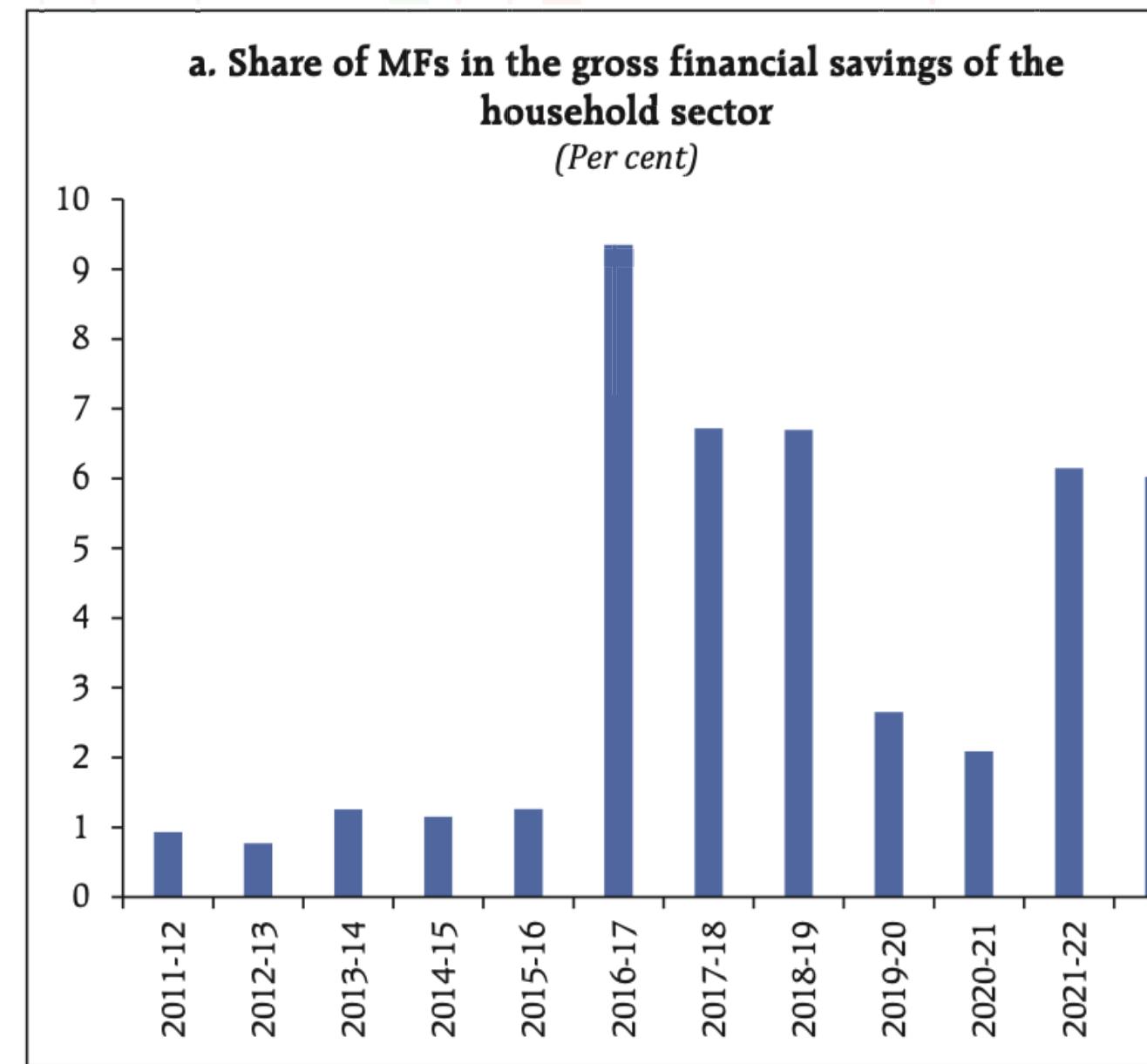
New Atmanirbhar Bharat



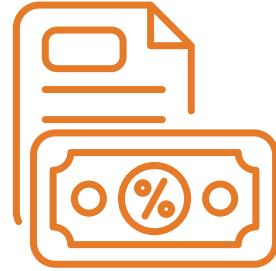


Empowering Every Indian to Save, Grow and Dream Big

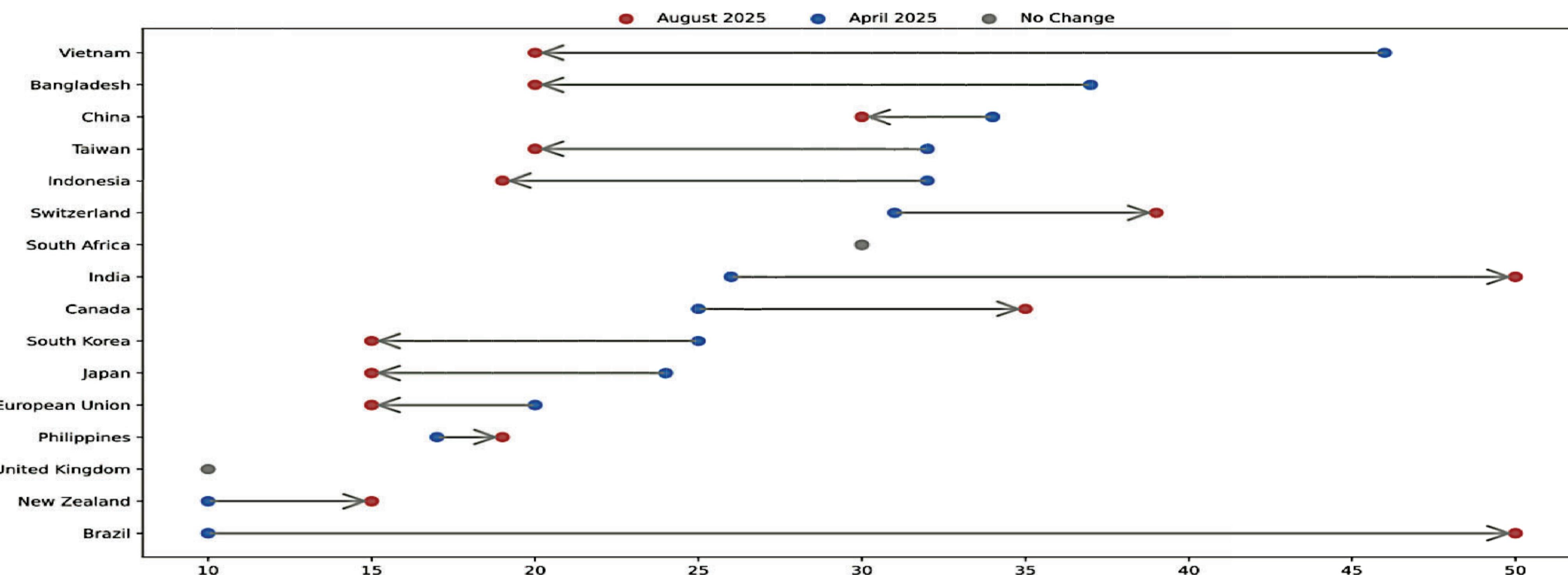
- The share of MFs in the household sector's gross financial savings increased from 0.9 per cent in 2011-12 to 6 per cent in 2022- 23. MFs have emerged as the preferred vehicle for household investors to invest in equity Markets.
- MFs are emerging as a potential investment avenue, especially among the aspirational middle class in India. The ratio of AUM of the MF industry to total deposits has more than doubled from around 10 per cent at end March 2014 to 23.8 per cent at end-March 2024.

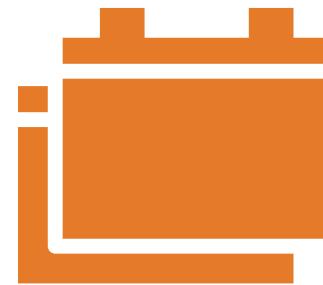






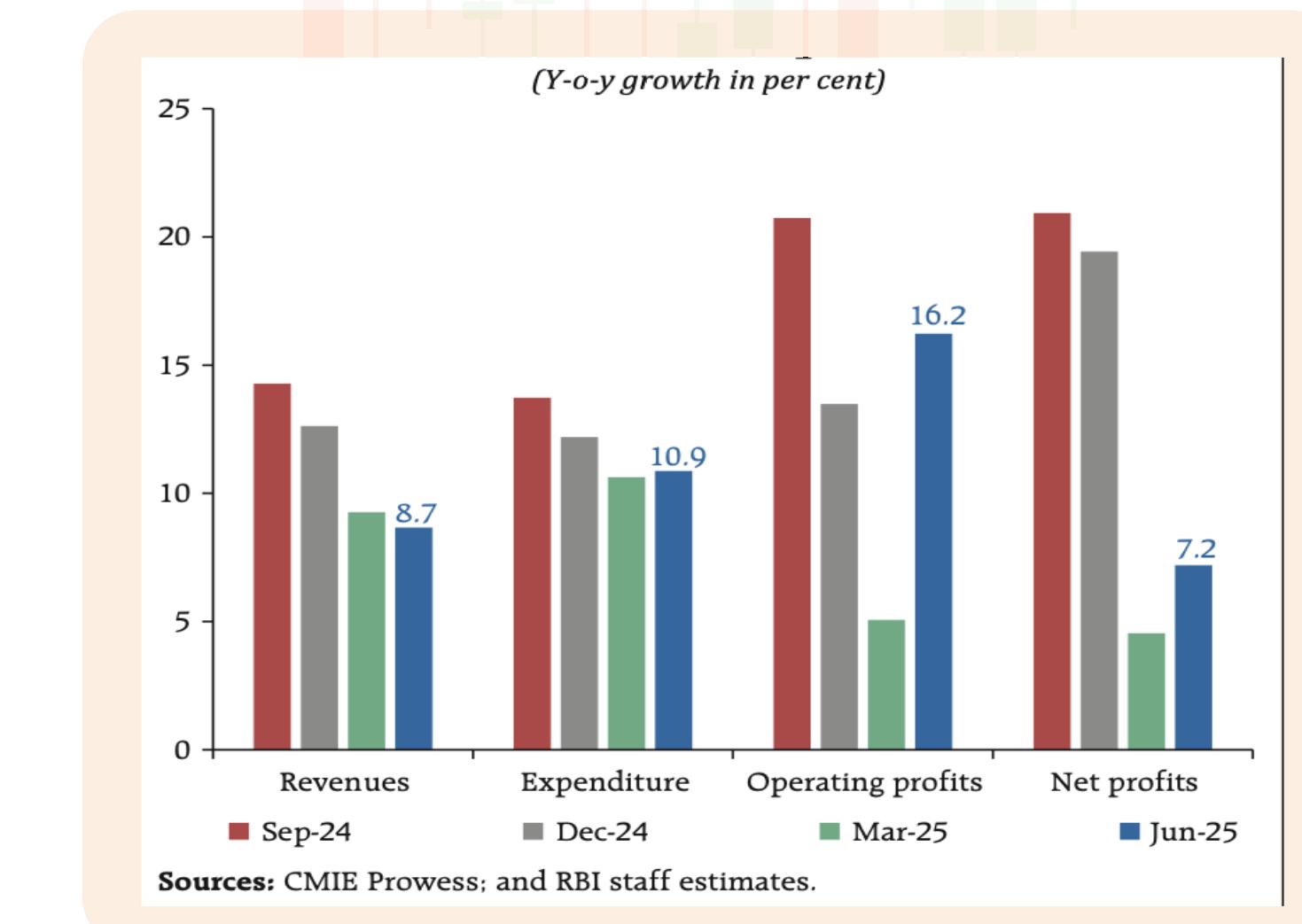
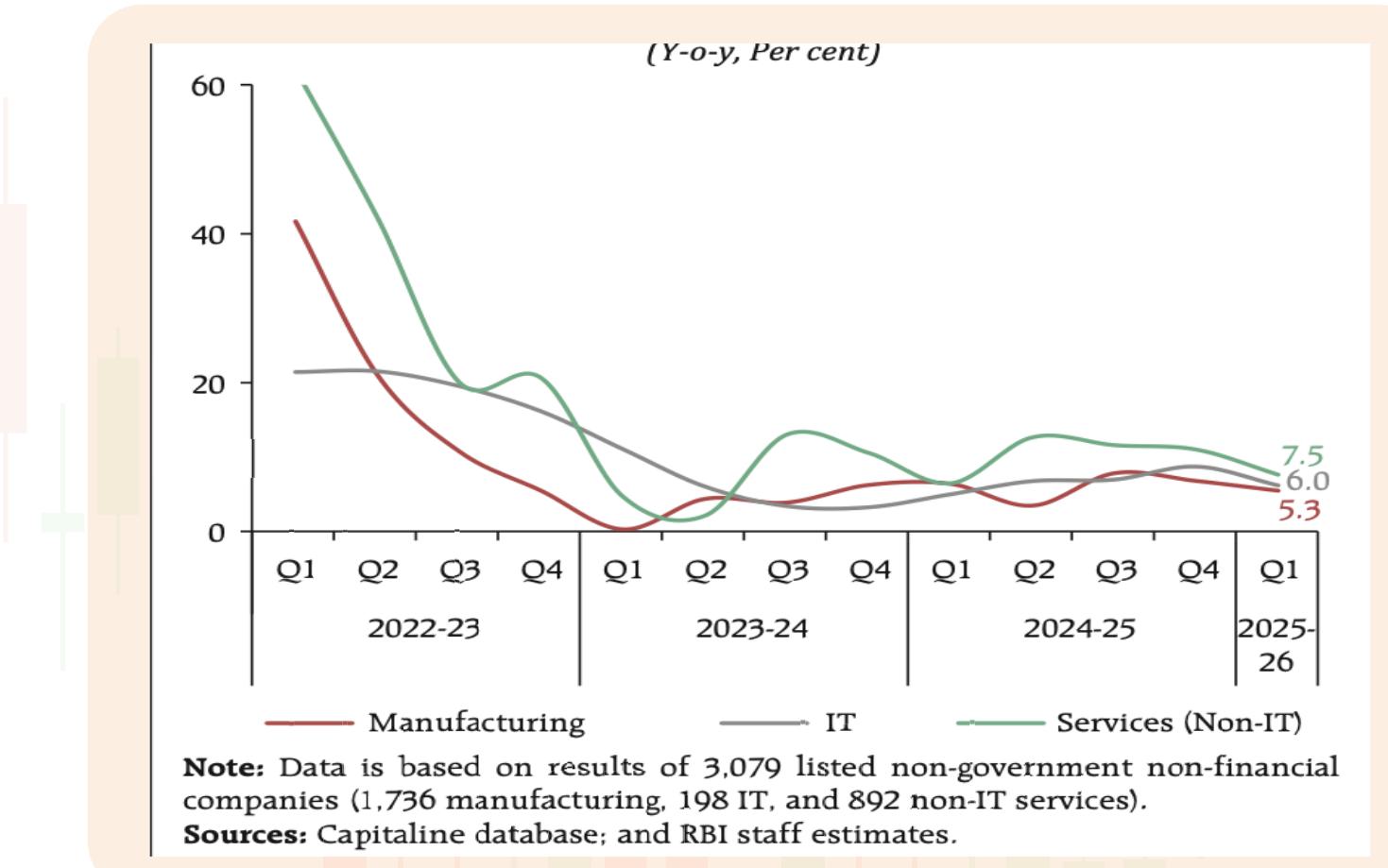
New Tariffs Announced by the US





Q1:2025-26 Results for Listed Companies

- **1. Private Manufacturing Companies**
Sales Growth: Moderated further
 - Key sectors affected: Petroleum, Automobiles, Electrical Machinery, Food Products**Profitability:** Operating profits and margins stable due to slower expense growth
- **2. IT Companies**
Sales Growth: Declined after a period of steady improvement.
Cause: Impact of global headwinds
Profitability: Margins stable despite lower sales growth
- **3. Non-IT Services Companies**
Sales Growth: Moderated
Profitability: Operating margins remained stable
- **4. Banking & Financial Sector Companies**
Revenue & Net Profit Growth: Both moderated during Q1:2025-26.





High Frequency Indicators—Rural and Urban Demand

		Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Urban demand	Domestic air passenger traffic	7.6	6.7	7.4	9.6	13.8	10.8	14.1	12.1	9.9	9.7	2.6	3.7	-2.1
	Retail passenger vehicle sales	14.0	-4.5	-18.8	32.4	-13.7	-2.0	15.5	-10.3	6.3	1.6	-3.1	2.5	-0.8
Rural demand	Retail tractor sales	-12.0	-11.4	14.7	3.1	29.9	25.8	5.2	-14.5	-5.7	7.6	2.8	8.7	11.0
	MGNREGA work demand	-19.5	-16.0	-13.4	-7.6	3.9	8.2	14.4	2.8	2.2	-6.5	4.4	4.4	-12.3
	Retail two-wheeler sales	17.7	6.3	-8.5	36.3	15.8	-17.6	4.2	-6.3	-1.8	2.3	7.3	4.7	-6.5

Legend: <<Contraction ----- Expansion>>

The y-o-y growth (in per cent) has been calculated for all indicators.

- **Urban Demand:** Moderated in July.
 - Domestic air passenger traffic declined due to seasonal factors and runway maintenance.
 - Retail sales of passenger vehicles decreased.
- **Rural Demand:** Remained resilient.
 - Supported by an increase in real wages.
 - Retail tractor sales grew strongly, aided by a favourable monsoon.
- **Two Wheeler Sales:** Declined because of kharif sowing operations and heavy rains.
 - Expected to recover during the upcoming festive season.
- **MGNREGS Employment:** Household demand under the scheme declined in July as kharif sowing activity increased.



Performance (total returns) across global asset classes

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025TD
Bitcoin 34.2	Bitcoin 122.7	Bitcoin 1,394.5	Nifty 50 4.6	Bitcoin 94.1	Bitcoin 304.5	Bitcoin 59.4	WTI Crude 6.7	Bitcoin 153.5	Bitcoin 121.9	Gold 29.2
STOXX 600 10.2	WTI Crude 45.0	MSCI EM \$ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	Nifty 50 5.7	Nasdaq 100 55.1	Gold 27.1	Bitcoin 25.0
Nasdaq 100 9.8	FTSE100 19.1	Nifty 500 37.7	Gold -1.7	WTI Crude 35.3	Gold 24.8	Nifty 500 31.6	FTSE100 4.7	Nifty 500 26.9	Nasdaq 100 25.9	MSCI EM \$ 19.0
SSE Comp 9.4	DJIA 16.5	Nasdaq 100 33.0	Nifty 500 -2.1	S&P500 31.5	Russell 1000 21.0	S&P500 28.7	Nifty 500 4.3	Russell 1000 26.5	S&P500 25.0	FTSE100 14.0
S&P500 1.4	Russell 1000 12.1	Nifty 50 30.3	DJIA -3.5	Russell 1000 31.4	MSCI EM \$ 18.7	Nasdaq 100 27.5	Gold -0.4	S&P500 26.3	Russell 1000 24.5	Nasdaq 100 12.9
Russell 1000 0.9	S&P500 12.0	DJIA 28.1	S&P500 -4.4	MSCI World 28.4	S&P500 18.4	Russell 1000 26.5	DJIA -6.9	MSCI World 24.4	MSCI World 19.2	MSCI World 12.6
Nifty 500 0.2	MSCI EM \$ 11.6	MSCI World 23.1	Russell 1000 -4.8	STOXX 600 27.6	Nifty 500 17.9	Nifty 50 25.6	STOXX 600 -10.1	Nifty 50 21.3	Nifty 500 16.2	STOXX 600 10.7
DJIA 0.2	Gold 9.0	S&P500 21.8	MSCI World -8.2	DJIA 25.3	MSCI World 16.5	STOXX 600 25.5	SSE Comp -15.1	STOXX 600 16.5	DJIA 15.0	S&P500 9.5
MSCI World -0.3	MSCI World 8.2	Russell 1000 21.7	FTSE100 -8.7	SSE Comp 22.3	Nifty 50 16.1	MSCI World 22.4	MSCI World -17.7	DJIA 16.2	SSE Comp 12.7	Russell 1000 9.2
FTSE100 -1.3	Nasdaq 100 7.3	Gold 12.6	STOXX 600 -10.2	MSCI EM \$ 18.9	SSE Comp 13.9	DJIA 21.0	S&P500 -18.1	Gold 13.8	Nifty 50 10.1	SSE Comp 8.5
Nifty 50 -3.0	Nifty 500 5.1	WTI Crude 12.5	MSCI EM \$ -14.2	Gold 18.7	DJIA 9.7	FTSE100 18.4	Russell 1000 -19.1	MSCI EM \$ 10.3	FTSE100 9.7	DJIA 4.9
Gold -10.5	Nifty 50 4.4	FTSE100 12.0	SSE Comp -24.6	FTSE100 17.3	STOXX 600 -1.5	SSE Comp 4.8	MSCI EM \$ -19.7	FTSE100 7.9	STOXX 600 9.5	Nifty 50 4.0
MSCI EM \$ -14.6	STOXX 600 2.4	STOXX 600 11.2	WTI Crude -25.3	Nifty 50 13.5	FTSE100 -11.6	MSCI EM \$ -2.2	Nasdaq 100 -32.4	SSE Comp -3.7	MSCI EM \$ 8.1	Nifty 500 1.1
WTI Crude -30.5	SSE Comp -12.3	SSE Comp 6.6	Bitcoin -74.2	Nifty 500 9.0	WTI Crude -21.0	Gold -4.0	Bitcoin -64.1	WTI Crude -10.4	WTI Crude 0.8	WTI Crude -10.4

(As on August 8th, 2025)



Indices Performance

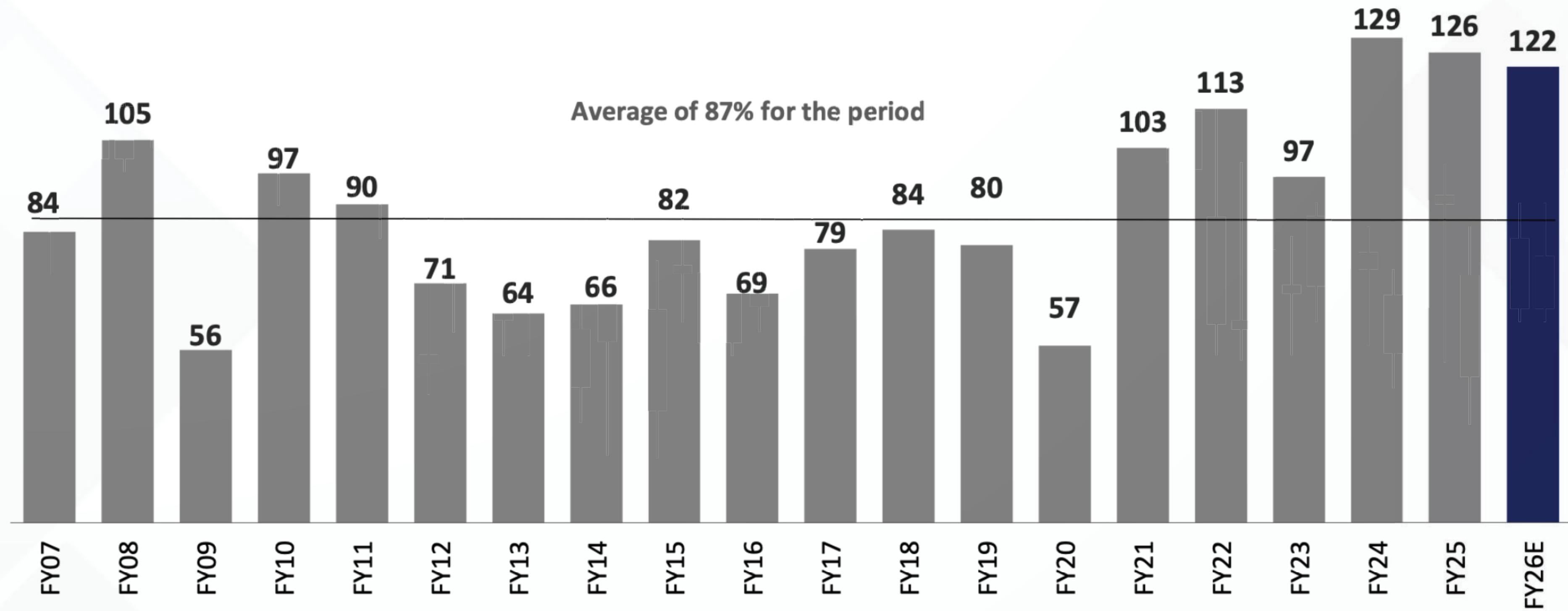
Index Name	1M	3M	1Yr	3Yr	5Yr
Nifty 50	-1.21	-0.71	-2.01	12.49	17.91
Nifty 100	-1.31	-0.77	-3.72	12.54	18.15
Nifty 200	-1.57	-1.10	-4.02	13.82	19.47
Nifty Smallcap 250	-3.58	-1.65	-8.62	21.93	28.84
Nifty Midcap 100	-2.83	-2.70	-5.49	21.70	28.27

Index Name	1M	3M	1Yr	3Yr	5Yr
Nifty Auto	5.86	7.86	-3.74	24.61	27.25
Nifty Bank	-3.91	-3.15	5.32	11.65	18.57
Nifty Consumer Durables	0.88	3.56	-6.27	12.45	21.81
Nifty FMCG	0.75	1.98	-9.17	10.51	15.10
Nifty Healthcare Index	-3.53	3.71	-0.49	22.23	18.02
Nifty IT	-0.34	-5.24	-15.93	9.56	16.72
Nifty Metal	-1.21	0.07	-1.81	16.21	32.29
Nifty Pharma	-4.20	2.16	-5.42	20.64	15.35
Nifty Realty	-4.49	-8.04	-17.08	23.82	31.78

Source: NSE. Returns for the period upto one year are absolute returns. Returns for period greater than one year are CAGR returns.



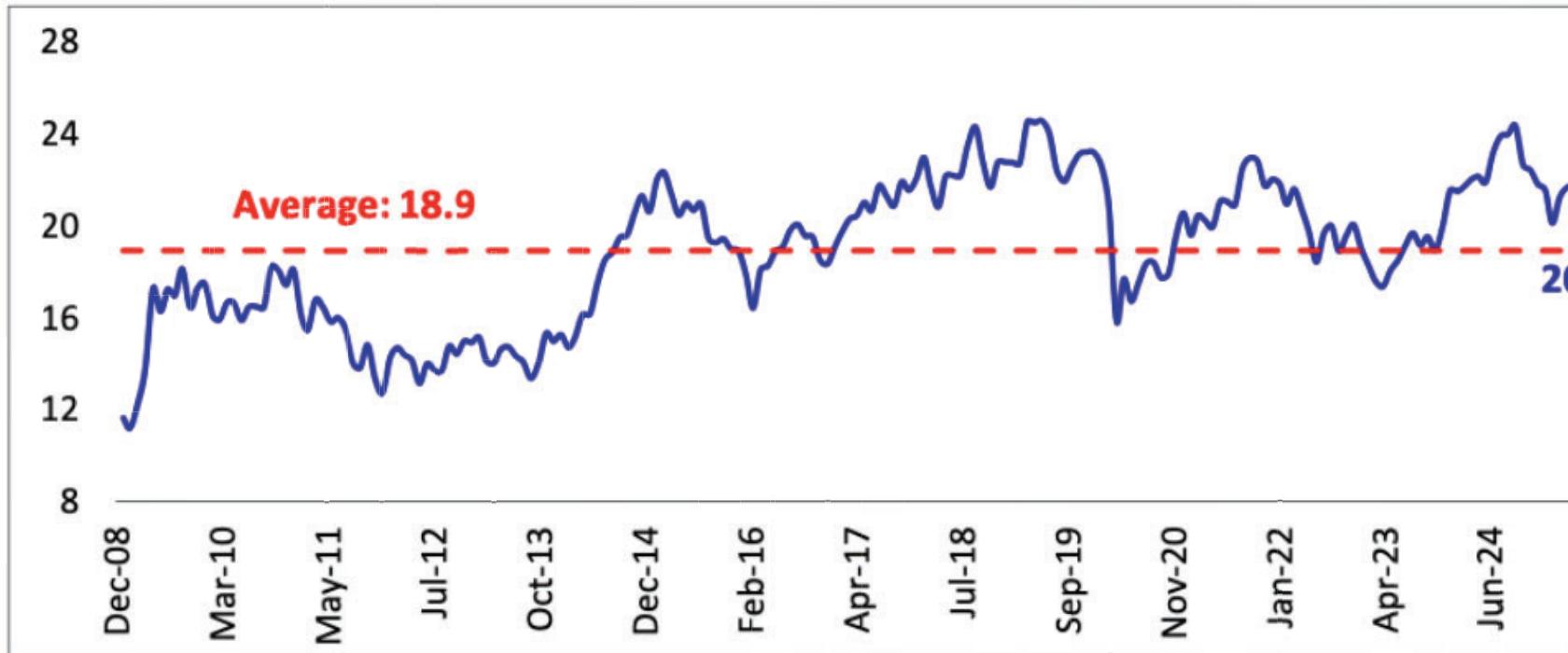
M-Cap To GDP



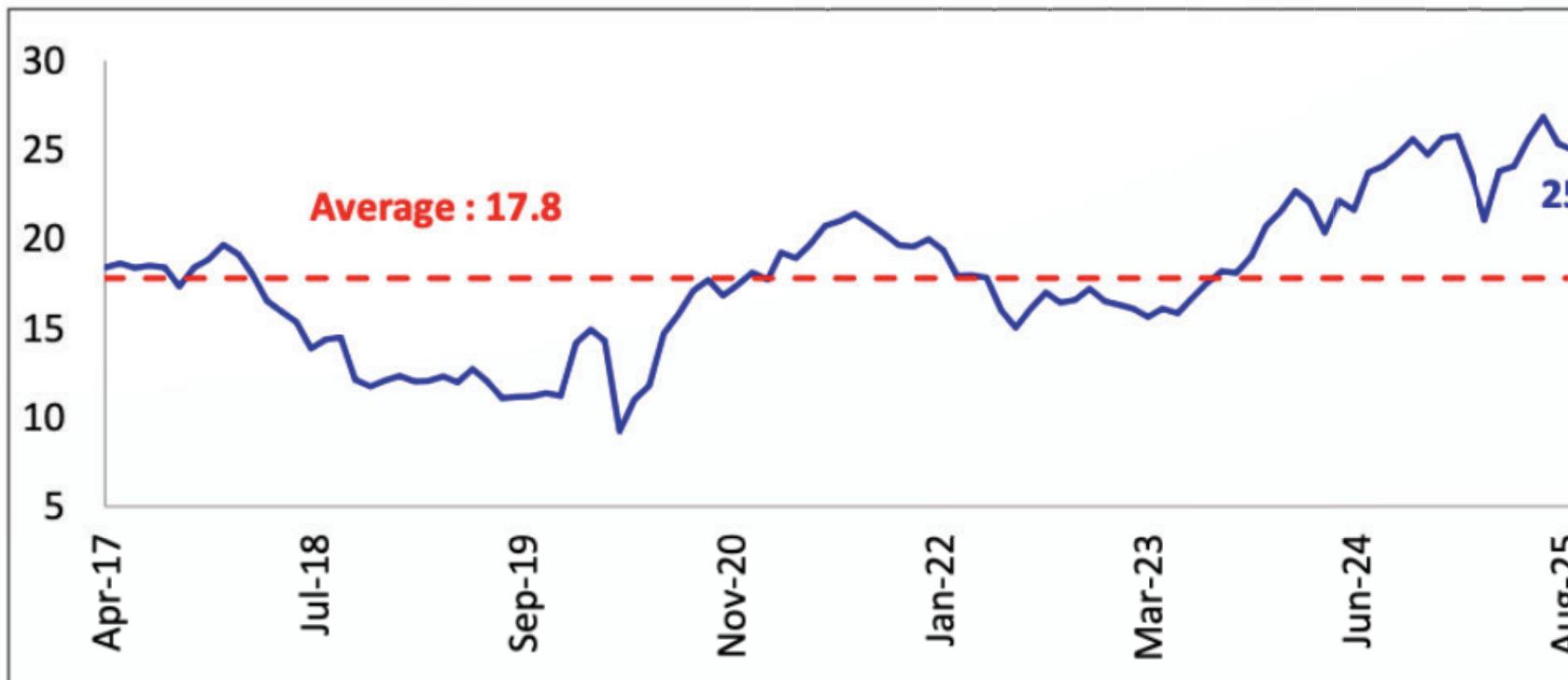


PE Ratio

NIFTY 50 Index P/E (x) - 1 Year Forward



NIFTY Smallcap 250 Index P/E (x) - 1 Year Forward



NIFTY Midcap 150 Index P/E (x) - 1 Year Forward



Valuation*

Largecap	9% Premium to historical average
Midcap	10% premium to historical average
Smallcap	40% premium to historical average



**DON'T MISS
.....THIS TIME**



US FED – Policy Rate

➤ Probability of Rate Cut in 2025:

- For September 17, 2025, the highest probability is a rate of 400-425, with 91.6% probability. This indicates that the market expects rates to remain high at this point.
- In October 2025, there's also a 67.1% chance of rates being in the 350-375 range, but there's a 27% chance of 375-400.
- December 2025 shows a probability of 59.3% for rates being in the 300-325 range.

MEETING DATE	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
17-09-2025						0.0%	0.0%	0.0%	8.4%	91.6%
29-10-2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	67.1%	27.0%
10-12-2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	59.3%	32.1%	3.4%
28-01-2026	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	31.6%	46.0%	18.1%	1.8%
18-03-2026	0.0%	0.0%	0.0%	0.0%	1.4%	19.0%	39.8%	30.1%	8.8%	0.8%
29-04-2026	0.0%	0.0%	0.0%	0.5%	7.3%	25.9%	36.6%	23.1%	6.1%	0.5%
17-06-2026	0.0%	0.0%	0.3%	4.8%	19.2%	32.7%	28.0%	12.3%	2.5%	0.2%
29-07-2026	0.0%	0.1%	1.8%	9.4%	23.5%	31.2%	22.9%	9.1%	1.8%	0.1%
16-09-2026	0.0%	0.7%	4.8%	15.0%	26.6%	27.9%	17.5%	6.2%	1.1%	0.1%
28-10-2026	0.2%	1.4%	6.5%	16.9%	26.8%	26.2%	15.6%	5.4%	1.0%	0.1%
09-12-2026	0.4%	2.3%	8.2%	18.6%	26.7%	24.4%	13.9%	4.6%	0.8%	0.1%

Rate cuts in 2026 will boost market sentiment and global growth.



Narendra Modi ✅
@narendramodi

Deeply appreciate and fully reciprocate President Trump's sentiments and positive assessment of our ties.

India and the US have a very positive and forward-looking Comprehensive and Global Strategic Partnership.

[@realDonaldTrump](#)

[@POTUS](#)



Donald J. Trump ✅  
@realDonaldTrump

I am pleased to announce that India, and the United States of America, are continuing negotiations to address the Trade Barriers between our two Nations. I look forward to speaking with my very good friend, Prime Minister Modi, in the upcoming weeks. I feel certain that there will be no difficulty in coming to a successful conclusion for both of our Great Countries!



Narendra Modi ✅ @narendramodi · 2h

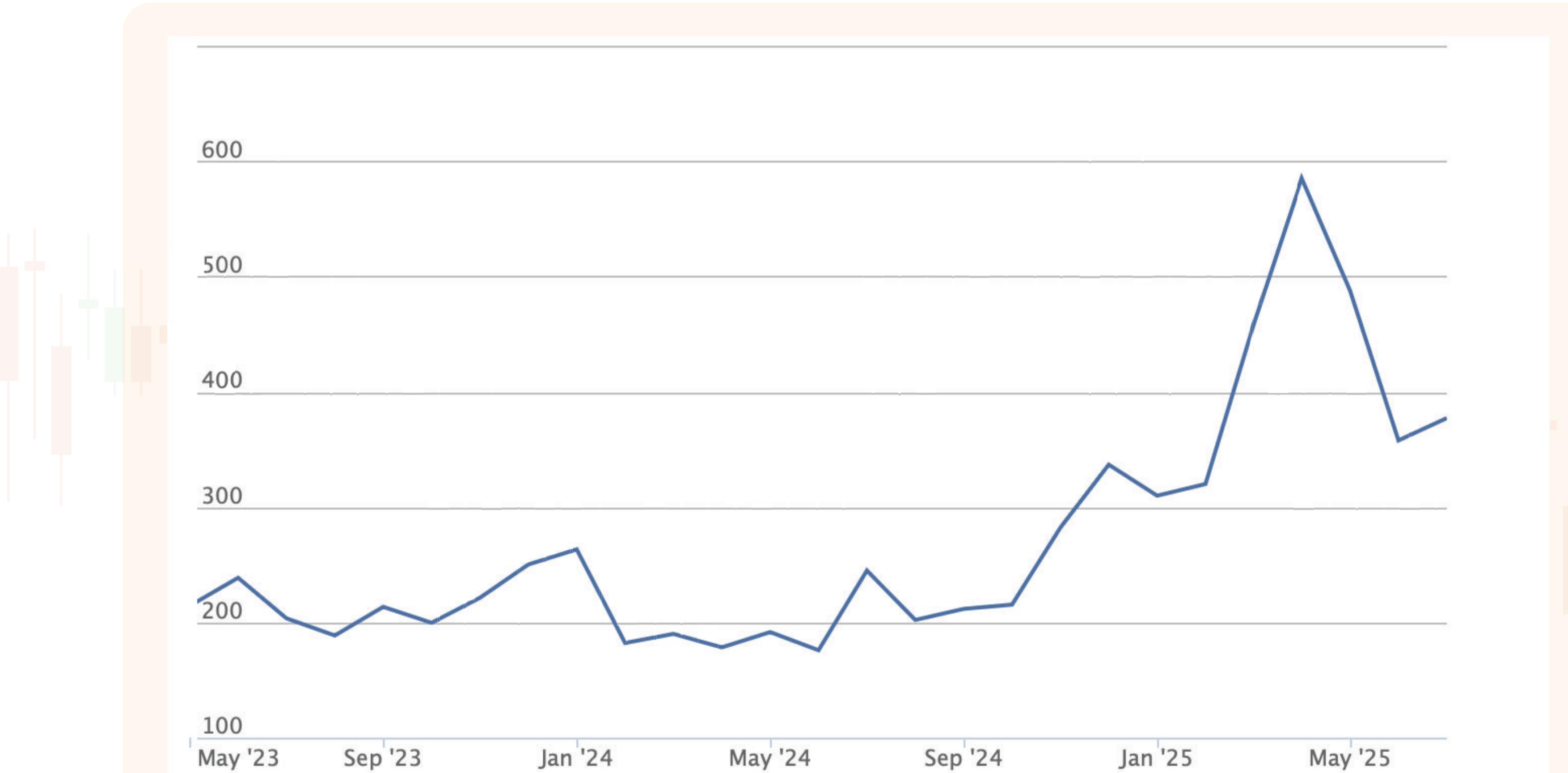
India and the US are close friends and natural partners. I am confident that our trade negotiations will pave the way for unlocking the limitless potential of the India-US partnership. Our teams are working to conclude these discussions at the earliest. I am also looking forward to speaking with President Trump. We will work together to secure a brighter, more prosperous future for both our people.

[@realDonaldTrump](#)

[@POTUS](#)



Monthly Global Economic Policy Uncertainty Index



Uncertainty is easing from its peak



Nifty vs Gold

Looking at the chart you shared, which shows the Gold/Nifty ratio from January 2015 to 2025:

➤ **Current Level:** The ratio is around 2.8–2.9, which is near the **higher end of its historical range** over the past 10 years.

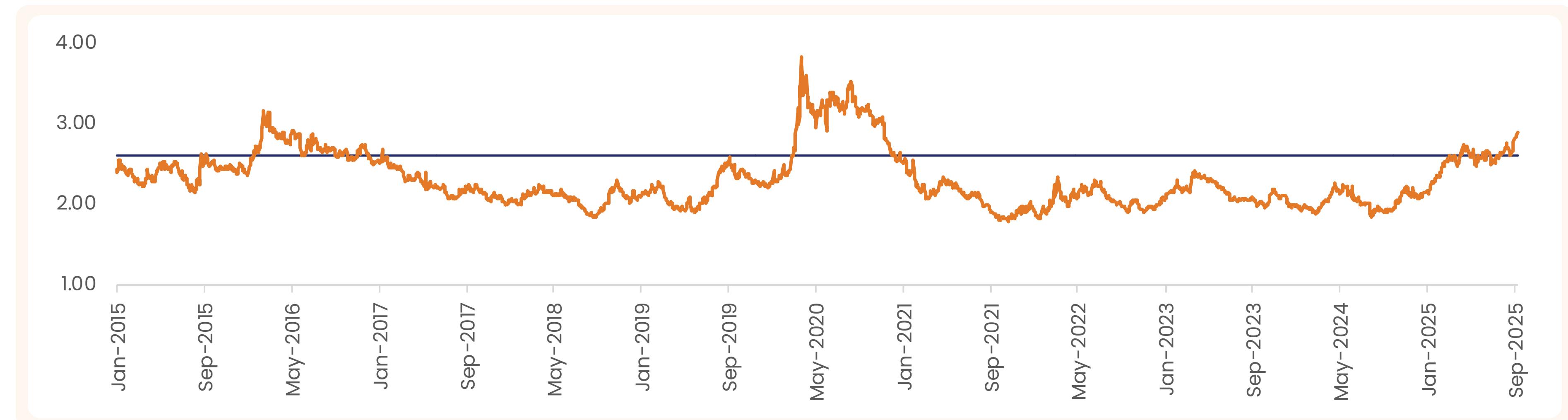
➤ **Historical Context:**

1. Peaks in the ratio occurred around early 2016 (~3.1) and mid-2020 (~3.8).
2. Lows were around 1.8–1.9 (2018–2019 and early 2022).

➤ **Analysis:**

1. While it is not at the **all-time peak**, it is **significantly above the long-term average** (roughly 2.2–2.3).
2. This suggests that **gold is relatively expensive compared to Nifty** or that **equity (Nifty) is relatively cheap compared to gold**.

Conclusion: Gold/Nifty is approaching the higher end of its historical range, indicating a relatively high valuation for gold compared to equity. It's not at the absolute extreme yet, but it's entering a "caution zone" for investors.



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**"Opportunities come infrequently.
When it rains gold, put out the bucket,
not the thimble."**

~Warren Buffett

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Thank you