

Weekly Newsletter

April 01, 2025

Indian Markets

- The major indices were positive over the week, with both Sensex and Nifty gaining 0.7% each. Over the same period, the broader markets were mixed, with the Next 50 gaining 0.3%, the Midcap losing 0.3%, and the Smallcap losing 0.9%.
- PSU Bank (2.16%), Financial Services (2.06%), and Private Bank (1.98%) were the top performers, while Auto (-2.12%), Pharma (-2.26%), and Media (-4.68%) were the major laggards.
- In Nifty 50, Bajaj Finserv (8.39%), Grasim Industries (5.51%), and Ultratech Cement (4.59%) were the major gainers while Mahindra & Mahindra (-4.86%), Cipla (-5.36%) and IndusInd Bank (-5.39%) were the major laggards.
- The 1-Year Forward PE is at 19.8, while VIX increased by 1.5%, implying a neutral outlook in the market.
- On an MTD basis, both FIIs and DIIs were net buyers. On a YTD basis, FIIs were net sellers while DIIs were net buyers.

Global Markets

- This week, global markets exhibited a mixed performance, with the Dow Jones (0.7%) being the best performer, while the DAX (-1.8%) was the worst.

Commodities, Currency, and Bond Yields

- This week, commodities showed a mixed move, with Silver (4.1%) being the best performer, while Aluminium (-3.6%) was the worst performer.
- The US Dollar gained 0.9% against the Japanese Yen over the week, while it lost 0.6% against the Indian Rupee.
- Over the week, the Indian G-Sec Yield remained relatively flat, while the US G-Sec Yield increased by 8.8bps.

Weekly Sectoral Top Performers

Sectors	Today CMP	Daily %	Weekly %
PSU Bank	6263	0.52%	2.16%
Financial Services	25075	0.25%	2.06%
Private Bank	25733	0.15%	1.98%

Weekly Sectoral Losers

Sectors	Today CMP	Daily %	Weekly %
Auto	21296	-1.03%	-2.12%
Pharma	21137	-0.65%	-2.26%
Media	1475	-2.29%	-4.68%

Weekly Nifty 50 Stock Gainers

Stocks	Today CMP	Daily %	Weekly %
Bajaj Finserv	2002	0.17%	8.39%
Grasim Industries	2808	0.50%	5.51%
Ultratech Cement	11481	1.02%	4.59%

Weekly Nifty 50 Stock Losers

Stocks	Today CMP	Daily %	Weekly %
Mahindra & Mahindra	2666	-2.46%	-4.86%
Cipla	1442	-2.74%	-5.36%
IndusInd Bank	650	-3.52%	-5.39%

Indices	Today	Daily %	Weekly %
SENSEX	77415	-0.25%	0.66%
Nifty 50	23519	-0.31%	0.72%
Nifty Next 50	63043	-0.63%	0.30%
NIFTY Midcap 100	51672	-0.32%	-0.34%
NIFTY Smallcap 250	15104	-0.05%	-0.91%
India VIX	12.77	-4.00%	1.53%

Period	NIFTY 50		
	1 Year Fwd PE	Dividend Yield	PB Ratio
Current	19.76	1.56%	3.47
Week Ago	19.55	1.57%	3.43
Month Ago	18.49	1.66%	3.25
Year Ago	22.46	1.46%	3.76

FII Inflow/Outflow in Cash Market

	Today	1 Month Flow	YTD Flow
FII	2457.9	11036.0	-171009.3
DII	25.2	270.7	2507.0

Figs. in ₹ Cr, data as of T-1

Global Indices	Today	Daily %	Weekly %
DOW JONES	42300	-0.37%	0.75%
NASDAQ	17804	-0.53%	0.11%
DAX	22480	-0.88%	-1.80%
FTSE 100	8651	-0.17%	0.05%
NIKKEI 225	37120	-1.80%	-1.48%
Shanghai Comp	3351	-0.67%	-0.40%
Hang Seng	23427	-0.65%	-1.11%

Source: Bloomberg; As on 3:30 pm IST
NASDAQ and DJI data for T-1 closing

Commodities	Today	Daily %	Weekly %
GOLD (\$/OZ)	3072	0.48%	1.65%
SILVER (\$/Oz)	34	-0.04%	4.13%
Steel (\$/Ton)	470	0.00%	0.00%
COPPER (\$/Ton)	9800	-0.84%	-0.14%
ALUMINIUM (\$/Ton)	2557	-1.65%	-3.58%
BRENT (\$/Bbl)	74	0.08%	2.67%

Forex Rate	Today	Daily %	Weekly %
USD INR	85.463	-0.38%	-0.59%
USD JPY	150.660	-0.26%	0.90%
USD CNY	7.263	0.01%	0.15%
USD GBP	0.773	0.03%	-0.19%

Source: Bloomberg; As on 4:30 pm IST

Bond yields	Today	Week Ago	Month Ago
India G-Sec 10 Yr	6.584%	6.625%	6.681%
US G-Sec 10 Yr	4.334%	4.246%	4.278%

- India BOP data showed improvement in CAD, but stress on financial flows from all quarters – leading to an increase in FX shorts (end Feb around USD 79 bn) and drawdown in FX reserves (latest numbers at USD 658 bn on valuation gains and swaps). Fiscal data showed slow spending, core sector IIP showed negative crude oil and natural gas amid otherwise decent internals, and PMI showed slowing inflation in services.
- US data showed stronger services PMI and pickup in core durable goods sales – feeding into GDP investment, though core orders were weaker. The trade deficit remained high with tariff front-loading, leading to a drop in growth nowcasts. Consumer confidence weakened on higher inflation expectations, while PCE inflation showed increased services. Fed speakers remained cautious around the outlook.
- Eurozone flash PMI were weak, with confidence hit by the services and retail sector. German retail sales were stronger, but other numbers were soft, with French and Spanish inflation weaker than expected – with markets pricing neutral back below 2%. UK fiscal and borrowing data indicated more limited supply, but yields could not fall helped by stronger retail sales and consumer credit, while the trade account improved.
- Chinese NBS PMI were stronger, with manufacturing orders and services confidence being boosted – the latter likely on government stimulus hopes. Japanese industrial production did well on capital goods, retail sales were stronger, and Tokyo inflation picked up – though markets watch for clues on the next BOJ move.

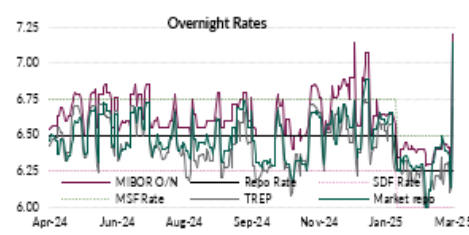
Trade Highlights

- DM yields were higher in the week with decent data, but fell sharply at weekend with softer French and Spanish inflation, as well as risk aversion despite higher PCE services.
- The broad USD was also higher midweek, but came off with moves down in yields – only to rise back on tariff positioning. USD/EMFX was also volatile, with CNY risks seen.
- Gold prices were steadily higher on tariff risk aversion, while silver and copper were volatile. Crude oil prices were supported on worries around US secondary tariffs.
- Spot INR was steady in the week, but saw strong supply at weekend. India rates were lower with stronger auction results and good demand ahead of year-end.

Week Ahead

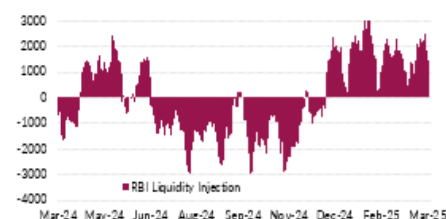
- India final PMI, and food price behaviour are watched.
- US 2 Apr reciprocal tariffs, conditions and negotiations are watched, along with JOLTs and payrolls data and final PMI.
- Eurozone flash inflation, unemployment, investor sentiment, retail sales, German factory orders and country-wise industrial production, and final PMI are watched.
- Chinese Caixin PMI, and moves on the CNY after US tariffs are watched, Japanese labour earnings and household spending are watched.

INR overnight rates



Source: Bloomberg, Axis Bank Research

RBI liquidity injection (INR bn)



Source: Bloomberg, Axis Bank Research

India certificates of deposit



Source: Bloomberg, Axis Bank Research

India cash conditions



Source: Bloomberg, Axis Bank Research

	28-Mar-25 Friday	25-Mar-25 1 Week Ago	28-Feb-25 1 Month Ago	3-Apr-24 1 Year Ago
Money Markets				
MIBOR O/N (%)	7.20	6.41	6.40	6.54
MIBOR 14 D (%)	7.07	6.96	6.73	6.98
1M T-Bill Yield (%)	6.38	6.60	6.28	6.72
3M T-Bill Yield (%)	6.34	6.45	6.47	6.84
6M T-Bill Yield (%)	6.49	6.55	6.55	7.00
12M T-Bill Yield (%)	6.44	6.46	6.53	7.02
1M CD Yield (%)	7.58	7.62	6.92	7.23
3M CD Yield (%)	7.31	7.36	7.49	7.60
6M CD Yield (%)	7.27	7.50	7.62	7.45
12M CD Yield (%)	7.25	7.36	7.61	7.47
3M CP Yield (%)	7.63	7.74	7.80	7.80
3M T-Bill-OIS Spread (%)	0.22	0.17	0.08	0.13
3M 3M CD-OIS Spread (%)	1.19	1.08	1.10	0.89
12M T-Bill-OIS Spread (%)	0.40	0.34	0.29	0.24
12M CD-OIS Spread (%)	1.21	1.24	1.37	0.69
3M CD-T-Bill Spread (%)	0.97	0.91	1.02	0.76
12M CD-T-Bill Spread (%)	0.81	0.90	1.08	0.45
3M CP-CD Spread (%)	0.32	0.38	0.31	0.20
7 Day Term Repo (%)	0.00	0.00	0.00	0.00
14 Day Term Repo (%)	6.49	6.49	6.49	6.49
Net India banking system liquidity (Rs. Bn)	(130)	(1,574)	(1,611)	1,577
Net overnight liquidity	1,913	1,674	792	1,119
Net VRR	(2,044)	(3,248)	(2,403)	528
Net LTRO/TLTRO	-	-	-	(71)
CRR imbalance	122	206	113	(202)
Fed Funds Rate Effective (%)	4.33	4.33	4.33	5.33
EONIA O/N (%)	2.42	2.42	2.66	3.91
SONIA O/N (%)	4.46	4.46	4.46	5.20
SHIBOR O/N (%)	1.73	1.78	1.87	1.69
USD 3M SOFR (%)	4.30	4.30	4.32	5.31
USD 6M SOFR (%)	4.22	4.22	4.26	5.24
3M US TED Spread (%)	0.62	0.62	0.61	0.27
3M US LIBOR-OIS Spread (%)	0.55	0.53	0.54	0.25
Fixed Income				
INR 1Y OIS Onshore (%)	6.04	6.12	6.24	6.78
INR 5Y OIS Onshore (%)	5.90	5.95	5.99	6.42
India 10 year Benchmark Yield (%)	6.58	6.64	6.73	7.10
AAA 5 Year Corporate Yield (%)	7.36	7.40	7.43	7.65
AAA 10 Year Corporate Yield (%)	7.25	7.32	7.31	7.57
10 year AAA-G-Sec Spread (%)	0.67	0.68	0.58	0.47
10 Year Benchmark US Treasury Yield (%)	4.25	4.31	4.21	4.35
10 Year Benchmark German Bund Yield (%)	2.73	2.80	2.41	2.39
10 Year Benchmark UK Gilt Yield (%)	4.69	4.75	4.48	4.05
MOVE Index	96.83	93.57	104.46	97.88
CDX Investment grade (NA 5Y)	16.48	18.56	9.50	38.58
Sovx Western Europe CDS	55.00	55.00	54.00	103.12
SBI CDS 5Y	301.23	295.00	278.19	204.11
ICICI CDS 5Y	316.30	299.96	310.78	242.26
US 5 year infl breakeven 5 years hence	2.18	2.18	2.19	2.28

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