

Weekly Newsletter

April 15, 2025

Indian Markets

- Indian benchmarks declined for the second consecutive week, impacted by volatility surrounding US tariff developments. Both Sensex and Nifty closed the week lower by 0.3%.
- Broader market performance was mixed, with Nifty Next 50 and Smallcap ending flat, while Midcap declined by 0.3%.
- Sectorally, FMCG (3.55%), Media (1.03%), and Commodities (0.32%) outperformed, whereas IT (-2.30%), Metal (-2.93%), and Realty (-4.00%) were the key laggards.
- Within the Nifty 50, Britannia Industries (6.51%), Hindustan Unilever (5.24%), and Titan Co (5.16%) led the gains, while Tata Motors (-3.06%), Larsen & Toubro (-4.42%), and Tata Steel (-4.96%) were the top losers.
- The 1-year forward PE multiple stands at 18.9, while VIX surged 46.2%, reflecting elevated risk aversion and a pessimistic sentiment.
- On an MTD basis, FIIs remained net sellers, while DIIs continued to be net buyers. The same trend persisted on a YTD basis.

Global Markets

- This week, the global markets exhibited a mixed move, with NASDAQ (5.1%) being the best performer and Hang Seng (-8.5%) being the worst performer.

Commodities, Currency, and Bond Yields

- This week, commodities showed a mixed move, with Silver (6.4%) being the best performer and Brent (-3.0%) being the worst performer.
- The US Dollar gained 1.0% against the Indian Rupee over the week, while it lost 2.9% against the Japanese Yen.
- Over the week, the Indian G-Sec Yield remained relatively flat, while the US G-Sec Yield increased by 39.7bps.

Weekly Sectoral Top Performers

Sectors	Today CMP	Daily %	Weekly %
FMCG	55741	0.86%	3.55%
Media	1504	1.66%	1.03%
Commodities	8177	2.99%	0.32%

Weekly Sectoral Losers

Sectors	Today CMP	Daily %	Weekly %
IT	32741	0.69%	-2.30%
Metal	8168	4.09%	-2.93%
Realty	790	1.26%	-4.00%

Weekly Nifty 50 Stock Gainers

Stocks	Today CMP	Daily %	Weekly %
Britannia Industries	5350	0.20%	6.51%
Hindustan Unilever	2362	0.51%	5.24%
Titan Co	3235	1.91%	5.16%

Weekly Nifty 50 Stock Losers

Stocks	Today CMP	Daily %	Weekly %
Tata Motors	595	2.08%	-3.06%
Larsen & Toubro	3116	2.02%	-4.42%
Tata Steel	133	4.91%	-4.96%

Indices	Today	Daily %	Weekly %
SENSEX	75157	1.77%	-0.28%
Nifty 50	22829	1.92%	-0.33%
Nifty Next 50	61474	1.33%	0.01%
NIFTY Midcap 100	50502	1.85%	-0.29%
NIFTY Smallcap 250	14786	3.07%	0.04%
India VIX	20.11	-6.17%	46.18%

Period	NIFTY 50		
	1 Year Fwd PE	Dividend Yield	PB Ratio
Current	18.90	1.58%	3.29
Week Ago	19.27	1.55%	3.37
Month Ago	18.93	1.62%	3.31
Year Ago	22.38	1.45%	3.77

FII Inflow/Outflow in Cash Market

	Today	1 Month Flow	YTD Flow
FII	-4673.9	-31574.9	-240512.4
DII	29.8	480.1	3051.1

Figs. in ₹ Cr, data as of T-1

Global Indices	Today	Daily %	Weekly %
DOW JONES	39594	-2.50%	3.34%
NASDAQ	16387	-4.31%	5.13%
DAX	20365	-0.96%	-1.34%
FTSE 100	7949	0.45%	-1.32%
NIKKEI 225	33586	-2.96%	-0.58%
Shanghai Comp	3238	0.45%	-3.11%
Hang Seng	20915	1.13%	-8.47%

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

Commodities	Today	Daily %	Weekly %
GOLD (\$/OZ)	3228	1.63%	6.24%
SILVER (\$/Oz)	31	0.82%	6.41%
Steel (\$/Ton)	470	0.00%	0.00%
COPPER (\$/Ton)	9004	5.04%	3.29%
ALUMINIUM (\$/Ton)	2344	2.56%	-0.51%
BRENT (\$/Bbl)	64	0.44%	-3.00%

Forex Rate	Today	Daily %	Weekly %
USD INR	86.054	-0.74%	0.96%
USD JPY	142.640	-1.25%	-2.92%
USD CNY	7.300	-0.23%	0.26%
USD GBP	0.764	-0.97%	-1.60%

Source: Bloomberg; As on 4:30 pm IST

Bond yields	Today	Week Ago	Month Ago
India G-Sec 10 Yr	6.438%	6.463%	6.637%
US G-Sec 10 Yr	4.392%	3.994%	4.237%

Source: Axis Securities, Bloomberg

- The India MPC cut rates 25 bps and changed its stance to accommodative, indicating more cuts to come, while lowering both growth and inflation projections. The RBI also indicated sufficient liquidity of around 1% of NDTL. IIP slowed largely in line with the high leap-year base, but showed good trends in export drivers like pharma, auto parts, machinery, electricals and electronics.
- FOMC minutes indicated doubts around the transience of tariff-driven inflation, pushing back on comments from Fed chair Powell to that effect, while Fed speakers continued to indicate a wait and watch approach. CPI and PPI inflation were weaker with hints of a slowdown in discretionary consumption, while University of Michigan consumer confidence fell further with even Republicans expressing economic concerns and with inflation expectations at fresh records. US tariffs on China settled at 145% (including those on Fentanyl cooperation), while Chinese tariffs on the US were at 125% - with the latter indicating it would ignore further increases. The US paused tariffs on all countries at 10% except China for 90 days, and removed electronics from reciprocal tariffs – indicating that these would come under sectoral tariffs later.
- Eurozone Sentix confidence was lower, though retail sales were supported. Activity numbers were weak, while falling services inflation tied in with doveish ECB comments. UK GDP growth was strong on tariff-related front-loading, though markets now expect more rate cuts at the ECB and BOE alike.
- Chinese inflation was weaker than expected with limited post-festival demand, while credit numbers showed continued government support. The PBOC indicated monetary easing ahead.

Trade Highlights

- DM yields were higher on tariff-driven risk aversion, and later pickup in US inflation expectations. However, EM yields were capped with expectations of easing.
- The broad USD was lower through the week on risk aversion, despite reduction of rate cut bets post-FOMC. USD/EMFX was supported with weakening CNY indications.
- Precious metals were boosted on risk aversion, while industrial metals rose on the US tariff rollbacks. Crude oil also rose on reversal of some tariff trades.
- Spot INR peaked with EMFX, but fell back on the tariff rollbacks. India rates rallied hard on the MPC stance change and durable liquidity announcements (indicating OMOs).

Week Ahead

- India CPI inflation is expected at 3.5% on lower food prices, but core and gold-driven inflation is watched – in addition to trade and WPI inflation data.
- US retail sales, industrial production, housing starts, building permits, and jobless claims are scheduled, but tariff comments, movements in yields and the USD are watched.
- The ECB is expected to cut rates, with German ZEW confidence, Eurozone final inflation, and UK labour markets and inflation data watched.
- China trade and activity data, tariff and retaliation steps 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

	11-Apr-25 Friday	8-Apr-25 1 Week Ago	14-Mar-25 1 Month Ago	17-Apr-24 1 Year Ago
Money Markets				
MIBOR O/N (%)	5.85	6.25	6.40	6.60
MIBOR 14 D (%)	6.25	6.49	6.70	6.90
1M T-Bill Yield (%)	5.76	5.96	6.47	6.60
3M T-Bill Yield (%)	5.95	6.06	6.46	6.85
6M T-Bill Yield (%)	6.04	6.15	6.56	6.97
12M T-Bill Yield (%)	6.04	6.17	6.52	7.03
1M CD Yield (%)	6.30	6.35	6.72	6.80
3M CD Yield (%)	6.51	6.50	7.59	7.27
6M CD Yield (%)	6.71	6.94	7.71	7.20
12M CD Yield (%)	6.92	7.01	7.64	7.41
3M CP Yield (%)	6.76	6.78	7.90	7.60
3M T-Bill-OIS Spread (%)	0.00	0.07	0.19	0.08
3M 3M CD-OIS Spread (%)	0.56	0.51	1.32	0.50
12M T-Bill-OIS Spread (%)	0.27	0.29	0.40	0.14
12M CD-OIS Spread (%)	1.15	1.13	1.52	0.52
3M CD-T-Bill Spread (%)	0.56	0.44	1.13	0.42
12M CD-T-Bill Spread (%)	0.88	0.84	1.12	0.38
3M CP-CD Spread (%)	0.25	0.28	0.31	0.33
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)	1,861	1,329	(2,221)	1,048
Net overnight liquidity	2,054	1,564	291	739
Net VRR	(193)	(235)	(2,512)	381
Net LTRO/TLTRO	-	-	-	(71)
CRR imbalance	(60)	114	78	(423)
Fed Funds Rate Effective (%)	4.33	4.33	4.33	5.33
EONIA O/N (%)	2.42	2.42	2.42	3.91
SONIA O/N (%)	4.46	4.46	4.45	5.20
SHIBOR O/N (%)	1.61	1.74	1.81	1.72
USD 3M SOFR (%)	4.26	4.21	4.30	5.33
USD 6M SOFR (%)	4.10	4.04	4.20	5.30
3M US TED Spread (%)	0.63	0.63	0.61	0.27
3M US LIBOR-OIS Spread (%)	0.60	0.71	0.54	0.25
Fixed Income				
INR 1Y OIS Onshore (%)	5.77	5.88	6.12	6.89
INR 5Y OIS Onshore (%)	5.71	5.77	5.97	6.60
India 10 year Benchmark Yield (%)	6.44	6.48	6.70	7.19
AAA 5 Year Corporate Yield (%)	7.11	7.21	7.44	7.69
AAA 10 Year Corporate Yield (%)	7.06	7.10	7.39	7.58
10 year AAA-G-Sec Spread (%)	0.62	0.63	0.70	0.40
10 Year Benchmark US Treasury Yield (%)	4.49	4.29	4.31	4.59
10 Year Benchmark German Bund Yield (%)	2.57	2.63	2.87	2.46
10 Year Benchmark UK Gilt Yield (%)	4.75	4.61	4.67	4.26
MOVE Index	137.26	139.88	101.01	113.29
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	2.15	2.14	2.16	2.29

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