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Weekly Market Overview

09.06.2025

Global Market Overview

- Positive Momentum Globally: Major indices like the S&P **500 (+1.09%)** and NASDAQ **(+~1.5%)** advanced, with NASDAQ turning positive for the year. European markets were up **~1%** last week.

- Asian Markets in Sync: Hang Seng posted a **~2%** gain, aligning with the global recovery trend.

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Market Performance

NIFTY	~1.00% ↑
S&P 500	~1.09% ↑
NASDAQ	~1.50% ↑
Hang Seng Index	~2.00% ↑

Domestic Equities Update

» Nifty Supported by Monetary Policy: Indian equities ended the week **~1%** higher, aided by RBI's policy decisions.

» Market Cap Performance:
• **Nifty: +5.7% YTD**
• **Mid Cap Index: +3% YTD**
• **Small Cap Index: ~-1% YTD**, having recovered most of its prior underperformance

» Quarterly Earnings: Nifty EPS rose **~4%** in Q4, beating low expectations. However, earnings misses were more frequent in the mid-cap and small-cap segments.

Commodities & Currencies

Gold shines, Oil stabilizes, Rupee holds firm

- **Gold:** Holding steady around $**1,327/oz**; up **~25–26% YTD.**

- **Crude Oil (Brent):** Brent crude rose to **$66.5/barrel** (up from $60–61), but still down **11%** YTD. OPEC+ to boost supply by **411,000 barrels/day** from July.

- **Currency (USD/INR):** The rupee continues to trade in the **₹85–86/$** range.

Government Spending & Liquidity Trends

Capex hits record highs as liquidity remains ample

» **Capex Push:** Government capex has reached a record **₹7.5 lakh crore** on a rolling basis, the highest ever — largely due to post-election momentum and early FY26 allocations.

» **Sustained System Liquidity:** Currently at **₹8–9 lakh crore**, with CRR changes expected to further ease liquidity conditions.

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Macroeconomic & Monetary Developments

The RBI cuts rates and boosts liquidity

- **RBI Rate Action:** Announced a 50 bps cut, front-loading the total projected 100 bps reduction. Repo rate now at 5.50%.
- **CRR Reduction Roadmap:** 100 bps CRR cut to be implemented in four tranches by December, expected to inject approx. ₹2.5 lakh crore into the system.
- **Policy Stance Shift:** Change from accommodative to neutral limits room for further easing.

Debt Market Perspective

Yields steady; real rates near RBI's lower bound

- **Bond Yields Reaction:** 10-year G-sec yields fell briefly post-policy but reverted to **6.23%**, reflecting a cautious outlook.
- **Real Rate Analysis:** With CPI projected at **4.4%**, real rates hover around 110 bps — near the lower threshold of RBI's comfort zone (100–150 bps).

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