



Rise. With Confidence.

Weekly Market Overview

08.09.2025



Market Overview & Market Trends

- » Global markets opened positively, supported by strong performances in China and Japan, while Indian markets showed mixed trends with large caps outperforming mid and small caps.
- » Key global indices like the S&P 500 and Nikkei saw gains; crude oil prices stabilized around **\$65-\$68 per barrel**.
- » Precious metals, particularly silver and gold, have shown strong performance over the past year, with silver rallying significantly.

Market Performance

NIFTY

~0.29%



S&P 500

~0.32%



NASDAQ

~0.03%



Hang Seng Index

~0.35%



Indian Market Highlights

- » Nifty index trading around **24,800** with slight gains; small cap and mid cap indices showed moderate performance.
- » Sectors such as Auto and FMCG ended positively, while Oil & Gas, Real Estate, and Telecom faced challenges.
- » Large cap stocks have outperformed mid and small caps by approximately **7-10%**.

Macroeconomic Indicators

- » Indian GDP grew by **7.8% in Q1**, exceeding market expectations, supported by government expenditure and exports.
- » Non-food credit growth has moderated but remains positive; manufacturing PMI stable at around 59, indicating expansion.
- » GST collections remain healthy, showing year-on-year growth despite recent rate rationalizations.

Government Policy and Fiscal Measures

- » GST rate rationalization to take effect from 22nd September, expected to reduce tax burden on certain goods, supporting consumption and corporate earnings in the medium term.
- » Central bank policies remain cautious with limited scope for further rate cuts in major economies; India to benefit from stable interest rates and liquidity measures.

Investment Flows and Valuations

Domestic Flows Support; Valuations High

- » Domestic institutional investors continue to invest strongly in Indian equities, offsetting foreign institutional outflows.
- » Market valuations remain elevated, with forward P/E ratios at historic highs, causing cautious investor sentiment.
- » Large cap bias recommended due to relatively better performance and stability; selective small and mid cap investments advised through specialized funds.



Earnings Outlook

Earnings Rebound, Consumer Demand Boost

- » Corporate earnings expected to improve from Q3 onwards, driven by GST reforms, fiscal stimulus, and potential interest rate reductions.
- » FY26 earnings growth projected at **8-10%**, with acceleration in FY27 anticipated.
- » Consumer discretionary sector likely to benefit significantly from improved demand and consumption.



Fixed Income and Bond Market Outlook

Mild Yield Curve, Focused Bond Picks

- » Yield curve remains mildly upward sloping; shorter-term rates have declined due to policy easing.
- » Limited upside expected in long-duration bonds; moderate allocation recommended with preference for dynamic bond funds, high-yield bonds, and accrual corporate bonds.
- » Arbitrage fund returns may decline; income plus and equity savings strategies recommended for balanced risk exposure.
- » Structured bonds and corporate bonds with good coupons offer attractive risk-adjusted returns.



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