

TOP DOWN & BOTTOM UP

In these tense times, we stand with India's unwavering resolve against terrorism

BSE Mcap: ₹416.4 tn / Composite PMI: 59.7 / GST Collection: ₹2.4 tn / Forex Reserves: \$686.1 bn

TARIFFS & TENSIONS

- ▲ 2nd Apr: Trump signs aggressive tariff plan: 10% base, up to 46% on nations
- ▲ 9th Apr: Administration suspended new tariffs for 90 days for all countries except China
- ▲ 11th Apr: China struck back with a 125% tariff on a broad basket of U.S. exports
- ▲ 5th May: India accelerated trade talks with the U.S, proposing zero-for-zero duty deals on key sectors (steel, pharma, auto parts)
India publicly named by U.S. Treasury as the first nation likely to secure a bilateral agreement

Current Status of US Tariffs (As of 5th May)	
All nations	10%
Canada & Mexico	25%
China	145%
Steel & Aluminium	25%
Automobiles	25%
Pharma	0%/ Under discussion
Shipping	Specific duties for Chinese owned and operated ships
International Films	100%

Implications



Shipping & Ports: U.S. import tariffs led to a ~35% drop in Chinese cargo volumes at key ports



Automotive: The 25% auto tariff is inflating vehicle prices and squeezing margins for both foreign brands and U.S. automakers

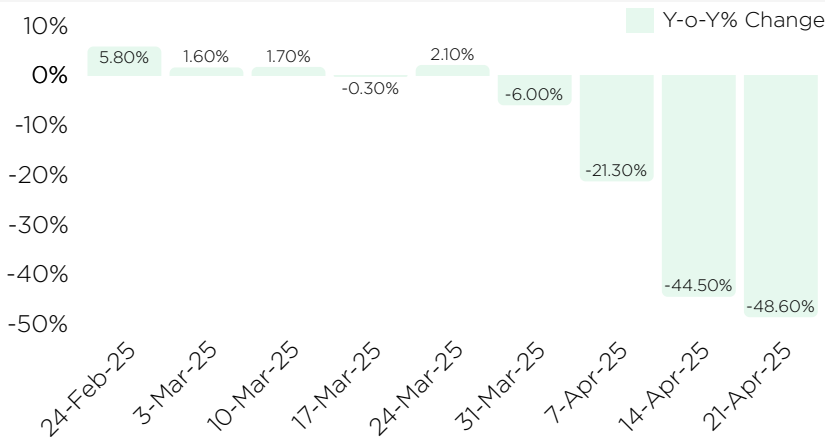


Inventory Build-up: Pre-tariff import rush led to excess inventory in electronics, apparel, and toys, triggering markdowns and restocking delays



India Trade Opportunity: India stands to gain from tariff-led supply chain shifts, with a fast-tracked U.S. deal set to boost pharma, auto parts, and textile exports

Container Bookings from China to the U.S. Are Falling Sharply



Source: Vision, U.S. Global Investors

"The capacity that there was in China is not available or readily available elsewhere to support the US Market"

"Very uncertain what the deal between the US and Houthis means, we expect the Red Sea will remain closed to shipping throughout 2025"

Vincent Clerc, CEO - Maersk



US-China Trade War



U.S. Impositions on China

- The U.S. scrapped the de minimis rule for China and Hong Kong, slapping 145% tariffs or \$100-\$200 flat fees on sub-\$800 parcels
- Shein and Temu face investigations and possible U.S. sanctions over alleged IP theft, customs evasion, and forced labor links
- Planned U.S. curbs on outbound investment aim to restrict capital flows into Chinese AI, quantum, and semiconductor sectors (pending final rollout)

China's Impositions on the U.S.

- China imposed export controls on rare earths and magnets, requiring licenses and restricting U.S. access to key inputs
- China imposed 10-15% tariffs on key U.S. farm goods like soybeans, beef, and corn, hitting American agricultural exports
- China halted Boeing jet purchases, signaling political retaliation amid escalating trade tensions with the U.S

India-Pakistan Tensions Escalate After Pahalgam Attack

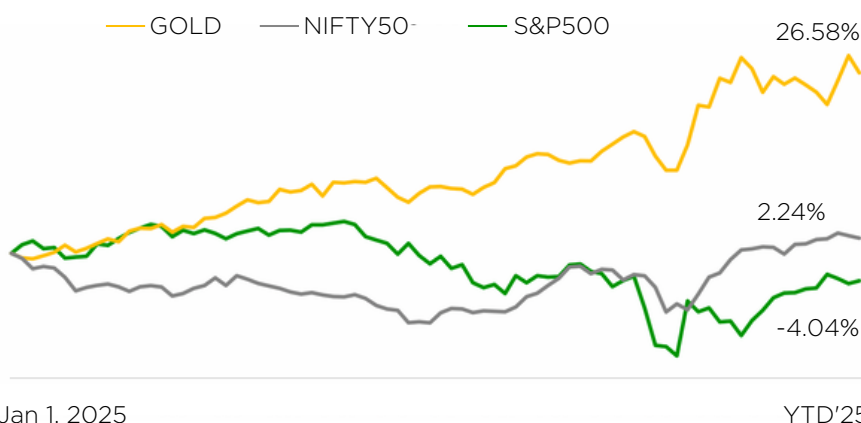


- ▲ A militant attack in Pahalgam on Apr 22 killed 26 civilians; Lashkar-e-Taiba-linked group claimed responsibility
- ▲ India suspended Indus Waters Treaty, revoked Pakistani visas, expelled diplomats, conducted missile tests, and reinforced the LoC; Pakistan closed airspace, expelled Indian diplomats, and violated ceasefire
- ▲ India launched precision strikes on terror launchpads in PoK using stand-off weapons and drones
- ▲ Pakistan responded with a missile strike, intercepted by Indian defences; India retaliated with targeted strikes on Pakistani military assets along the LoC
- ▲ U.S., Iran, and others urged de-escalation; India arrested over 1,500 individuals in Kashmir linked to separatist networks

TURBULENT TIMES, TIMELESS ASSET: GOLD OUTPERFORMS

Gold has served as a store of value for over 5,000 years, retaining purchasing power even during wars, financial crises, and currency collapses

Gold vs Nifty 50 vs S&P500



During the 2008 global financial crisis, while equity markets plunged, gold prices rose over 25% from late 2008 to end-2009, highlighting its role in turbulent times.

[Click to Read our Detailed Analysis: Should I Invest in Gold?](#)



THE SIGNS OF SLOWDOWN

Capital Markets



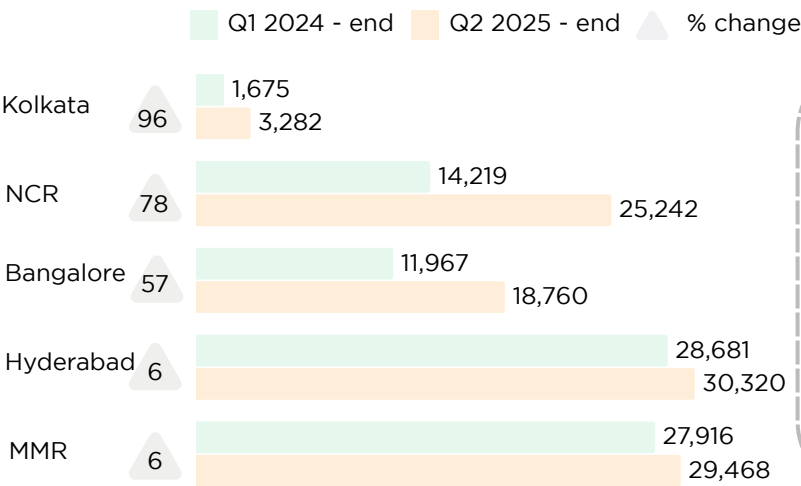
- ▲ Ather Energy trims IPO to ₹26.3 bn from ₹31 bn offloading 11.1 mn shares
- ▲ LG Electronics delays \$15 bn IPO through public issue
- ▲ Hero FinCorp plans to raise \$200 mn loan as the planned ₹36.7 bn IPO faces delay in approval
- ▲ Urban Company files ₹19 bn IPO, slashing fresh issue by over 80% to ₹4.29 bn.
- ▲ Equity mutual fund inflows in India declined by 3.24% to ₹242.7 bn, marking an 12-month low in April 25

Real Estate

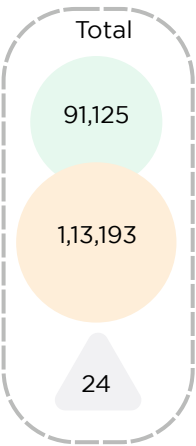


- ▲ Luxury housing inventory rose 24% YoY across top 7 cities, while affordable housing plunged by 19%

Unsold luxury stocks across top 7 cities (> 15 mn)



Source: Anarock Research



NCR and Bangalore lead the surge, while Kolkata doubles its stock. Demand isn't keeping up- are prices overshooting buyer appetite?



Consumption



- ▲ Dabur India reported an 8% YoY decline in net profit for Q4 FY25, impacted by a continued challenging demand environment with high food inflation and surge in cost of living
- ▲ India's Direct to Consumer start up funding fell 18% YoY to \$757 mn in CY2024 amid economic slowdown, brand saturation, and high customer acquisition cost
- ▲ Maruti Q4 small car sales down 9%, flags weak outlook despite possible tax breaks
RC Bhargava, Chairman of Maruti Suzuki, expects FY26 growth to slow to 1-2%, down from 3%, citing stagnant or slightly declining domestic demand
- ▲ April AC sales fell 20%, fridges 10%, & beverages 10-15%, due to milder weather and rains
Pradeep Bakshi, MD of Voltas, noted AC sales fell due to 8-10 days of cooler weather in April across most regions
- ▲ HUL's Q4 FY25 EBITDA margin drop to 23.1% led to a cut in future margin prospects to 22-23%, amid slow growth and low price hikes

Consumption (contd...)



- ▲ E-bus market penetration dropped 4.7% in FY25 due to DVA certification delays as of March 16, 2025

Weak Sales

Year	Electric bus sales	Total buses sold	Penetration (in %)
2020-21	369	8,272	4.5
2021-22	1,187	12,704	9.3
2022-23	2,006	34,344	5.8
2023-24	3,516	57,917	6.1
2024-25	3,124	66,308	4.7

Data for 2024-25 is valid till 16 March 2025, Source: Vahan

BFSI & IT



- ▲ IT, banking face hiring slowdown amid uncertainty and tech shifts

Company	Sector	Net Addition in FY24-25	Total Headcount as on 31 Mar'25
TCS	IT	6,433	6,07,979
Infosys	IT	6,338	3,23,578
Tech Mahindra	IT	3,276	1,48,731
HDFC BANK	Bank	994	2,14,521
Wipro	IT	732	2,33,346
HCLTech	IT	-4,061	2,23,430
ICICI Bank	Bank	-6,723	1,29,177

Source: ET Moneycontrol

- ▲ Retail credit growth halved in FY25 as banks tighten lending
Pace of bank retail lending in India deployment declined sharply to 11.6% YoY in FY25 from 27.6% in FY24

Global

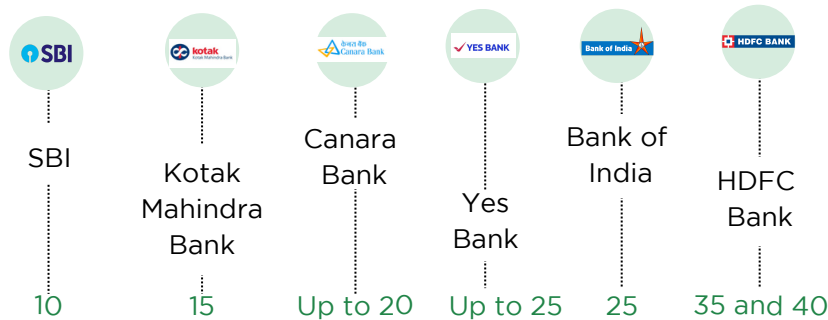


- ▲ Bank of America has reduced its digital ad spending forecast by \$21 bn, anticipating a 15–20% drop in brand ad spending due to tariff pressures and declining small business optimism
- ▲ iPhone revenue declined by 0.8% YoY to \$69.14 bn in Q1'25, with Greater China sales dropping 11.1% to \$18.51 bn
- ▲ Consumer Sentiment: April consumer confidence fell 32%, hitting its lowest level since 1990, driven by concerns over inflation and economic instability
- ▲ Manufacturing: U.S. manufacturing contracted in April; the New Export Orders Index dropped to 43.1 from 49.6, reflecting weaker global demand and tariff-related supply pressures
- ▲ In April 2025, the IMF revised global economic growth forecasts downward to 2.8% from 3.3%, citing intensified trade tensions, notably due to recent U.S. tariffs

BANKING UPDATE

▲ Banks reduces deposit rates following rate cut by RBI

Deposit Rate Cut (in bps)



C S Setty, Chairman OF SBI, anticipates repo rate cuts impacting net interest margin



▲ RBI announces OMO of ₹1.25 tn in the month of May 2025 in 4 tranches of ₹0.5 tn, ₹0.25 tn, ₹0.25k tn, and ₹0.25k tn respectively

RBI has completed OMO of ₹ 800 bn in the month of April 2025 in 4 tranches of 200 bn each

▲ RBI allows minors above 10 years to open bank accounts independently

▲ RBI sets 2.5% extra run-off factor on digital retail deposits and 40% on Non-financial entity funding from 100%

RBI aims to boost banks' liquidity without disrupting credit flows

▲ Banks' average SDF rises to ₹2.13 tn in Mar'25, from ₹1.12 tn in Feb'25

▲ Canara HSBC Life targets ₹165 bn IPO valuation; Canara Bank may raise ₹5 bn via 13% stake sale in Robeco AMC

Will help in boosting its capital adequacy and loan book

▲ India's microfinance sector faces stress as gross NPAs surge to ₹610 bn by FY25, with delinquency rates doubling to 16%

Lender Type	Gross Loan Portfolio (₹ bn)	Gross NPA (%)
Banks	1244	17.5
NBFC-MFIs	1484	12.3
NBFCs	450	12.8
SFBs	598	22.1
Others	35	58.9
Industry	3812	16

Source: Credit Bureau Estimates

Microfinance is feeling the heat - NPAs now at ₹610 bn with industry delinquency hitting 16%. SFBs and banks lead the stress, but the 'Others' are in deep red with 59% NPAs. Time for sharper risk filters?



RBI policy

- Repo rate cut by 25 bps to 6%, MSF remains at 6.25%
- Policy stance has shifted from "neutral" to "accommodative"
- Regulator proposed to allow lenders to securitise stressed assets, in addition to the existing ARC route
- Regulator to broaden co-lending rules to encompass all registered entities and loan categories, expanding beyond banks and NBFCs for priority sector financing
- Regulator to standardize gold-backed loan rules for all entities, ensuring consistency
- Revised guidelines for non-fund facilities unify guarantees, letters of credit, and boost infrastructure financing

INDIA UPDATE

- ▲ GST collections for FY25 total ₹22.1 tn, reflecting a ~10% YoY growth
- ▲ NHAH exceeded its FY25 targets—construction by 9% (5,614 km) and expenditure by 4.16% to ₹2.5 tn
NHAH missed its monetisation target of ₹390 bn, raising only ₹287 bn during 2014-25
- ▲ Bond yields fell to a 3-year low of 6.48% after the RBI's cash push, as of 2nd April 2025
Marking a 10 bps drop, the largest since 6th Oct 2022
- ▲ India's oil demand is expected to grow at 3-4% despite global growth remain muted
Global oil faces oversupply, with 9 mn barrels a day (mbd) spare capacity amid weak demand, says ONGC chief Arun Singh
- ▲ SEBI exempts the government from the open offer in Vodafone Idea
- ▲ Government raised excise duty on petrol and diesel by ₹2/litre, absorbing the cost, and hiked LPG cylinder prices by ₹50
- ▲ MMRDA secured \$47.4 bn in non-binding credit lines from HUDCO, REC, PFC, IRFC, and NaBFID
Designed to offer long-term financial support for various infrastructure projects
- ▲ Indian companies raised over \$50 bn in ECBs till February 2025, including \$2.8 bn in February alone
- ▲ Merchandise export rose 0.7% to \$41.97 bn whereas import grew by 11.3 to \$63.2 bn in March 2025
- ▲ India's gems and jewellery exports fell 11.7% to \$28.5 bn in FY25 driven by weak demand in China and US
- ▲ India Trade deficit with China rose 16.6% to \$99.2 bn while it posted a surplus of \$41.2 bn with US in FY25

- ▲ CDSO recalls 35 FDCs for safety and directs review of approval processes
- ▲ India's auto exports up 19% to 530+ mn units in FY25, led by PVs (+15%), 2Ws (+21%), and CVs (+23%)
- ▲ Veggies and fruits fuel FY25 food inflation, contributing 43.7% and 8.3% to 19.4% and 8.7% respectively
- ▲ Air India to acquire 41 jets from Boeing planes rejected by Chinese carriers
- ▲ India's top PV and 2Ws markers saw distribution of market share to rivals

SIP Investment (₹bn)

Dec-23	176.1
Jan-24	188.4
Feb-24	191.9
Mar-24	192.7
Apr-24	203.7
May-24	209.0
Jun-24	212.7
Jul-24	233.3
Aug-24	235.5
Sep-24	245.1
Oct-24	253.2
Nov-24	253.2
Dec-24	264.6
Jan-25	264.0
Feb-25	260.0
Mar-25	259.3

- ▲ India and France sign ₹630 bn deal for 26 Rafale Marine jets for the Indian Navy
- ▲ IIP growth edged up to 3% in March'25 from 2.7% in Feb'25, but FY25 industrial output hit a four-year low of 4%
- ▲ Zepto seeks ₹15 bn loan from Edelweiss, others to buy out foreign investors shares, offering 16% interest

INDIA UPDATE

Delhi EV 2.0 Policy:

- **Phase-Out of Fossil Fuel Vehicles:** Registration of new fossil fuel-powered auto-rickshaws will be banned from August 2025, and for two-wheelers from August 2026; existing auto-rickshaws must switch to electric upon permit renewal
- **EV Mandates for Households and Government:** Delhi households can only register a third vehicle if it is electric, and all government departments must fully transition their fleets to electric vehicles (EVs)

Maharashtra EV Policy 2025

- Maharashtra's ₹1,995 crore EV Policy 2025 targets 30% EVs by 2030 with wider incentives & toll-free highways
- **Subsidies & Toll Waivers:** Up to 15% subsidy on EV purchases and full toll exemption on major expressways (e.g. Mumbai-Pune, Atal Setu), with 50% toll reduction on other highways
- **Charging Infrastructure & Targets:** EV charging stations every 25 km along highways; aims for 30% of all new vehicle registrations to be EVs by 2030

GOVT. INITIATIVE

- ▲ Third phase of PLI scheme aims to boost specialty steel production with two-year rollout plan
- ▲ Parliament clears aviation bill for lessors; Cabinet set to approve ₹250 bn fund for shipping, port infrastructure boost
- ▲ Govt to implement 'One State, One (Regional Rural bank) RRB' policy from May 1, 2025
- ▲ Government raised the ethanol blending target from 20% to 30% by 2030, achieving 19.6% in Feb 2025
- ▲ Cabinet approved a ₹229 bn electronics manufacturing scheme with incentives for employment, capital, and production
Over 400 component manufacturing units are now operational in India
- ▲ Govt imposes 12% safeguard duty on steel flats for 200 days, excluding developing countries other than China, Vietnam
- ▲ 1% TCS will apply on luxury goods over ₹ 10 Lakhs

COMPANY UPDATE

Healthcare, Pharma & Chemical

- Lupin and Zydus lose US patent case on Myrbetriq, risking \$35 mn in quarterly revenue to Astellas
- Lupin secures USFDA exclusive right for Tolvaptan tablet with annual sale of \$1.5 bn in US in 2024
- Pondy Oxide has started production at its Tamil Nadu facility, with 36K of 72K MTPA capacity

Real Estate

- Birla Estate, a WOS of Birla Corporation, recorded ₹80 bn in highest bookings for FY25
- Macrotech Developers to invest over ₹80 bn crore to acquire land for housing, aiming for a revenue potential of ₹250 bn
- Godrej Properties will develop land in Versova, Mumbai, with a ₹13.5 bn GDV and 4.4 lakh sq. ft. potential

COMPANY UPDATE

Auto

- Hero MotoCorp led FY25 2W sales with 29% share and 5.4 mn units, followed by Honda and TVS
- JLR pauses US shipments in April due to auto tariffs, while Stellantis halts production in Canada and Mexico

FMCG & Consumer Durables

- ITC acquires Aditya Birla Real Estate's pulp and paper unit for ₹ 35 bn, adding 4.8 lakh MTPA capacity
- IHC and Alpha Wave acquired a 6% stake in Haldiram Snacks Food at \$10 bn valuation
Haldiram's Delhi and Nagpur units merge to form Haldiram Snacks Food Pvt Ltd, post FMCG demerger
- Havells India will invest ₹6 bn for a 9.2% stake in Goldi Solar for a stable supply
- Godrej has invested ₹5 bn in Nashik pet care segment, with a 30 KT capacity and an expected ₹5 bn revenue over 5 years
- Samsung to invest ₹10 bn in Sriperumbudur factory, creating 100 jobs
- Korean component makers invest ₹12 bn in LG's India plant to boost domestic and export production

IT, Logistic & Telecom

- Cyient launches semiconductor unit through a wholly-owned subsidiary
Semiconductor market, currently valued at \$600 bn, is projected to reach \$2 tn by 2032
- TCS will invest ₹13.7 bn in Vizag, with 21.2 acres allotted for ₹0.99 by AP government, creating 12,000+ jobs
- Delhivery will acquire a 99.4% stake in Econ Express for ₹14 bn in cash
- MTNL defaults on ₹83.5 bn loan, led by Union Bank, IOB, and BOI

Mining, Oil & Gas

- Coal India Board approved a ₹10/ton price hike for both non-coking and coking coal
- Coal India's April off-take was flat at 63.4 MT, with a FY25 total of 764 MT, up 1%, but below the 838 MT target
- GAIL cut APM gas by 20%, raising prices hike per Kg by ₹0.57 for IGL, ₹0.56 for MGL, and ₹0.63 for Gujarat
- ONGC secured 11 blocks independently, 3 with Oil India, and 2 with RIL and BP; Vedanta won 7 blocks in the latest bids
- Coal India and DVC ink deal for 1.6 KMW thermal plant in Jharkhand, ₹165 bn investment
- Hindustan Zinc plans potash mining in Rajasthan, eyeing lithium reserves to reduce import reliance

Power

- NTPC to buy power at ₹2.8/unit from 15 GW of untendered renewable project
- CERC clears Adani Green's transfer of Azure shares in 2.3 GW solar project, ruling substitution outside purview
Adani Green's 2021 solar project to supply 7 GW free power to rural and agricultural sectors
- Tata Power Renewable Energy signed a PPA with NTPC to develop a 200 MW firm renewable project, with an investment of ₹45 bn
- Inox Wind signs 1.5 GW deal with CESC Ltd, with 990 MW to be commissioned by FY26
- NHPC to develop 1.2 KMW solar parks in UP and Bundelkhand for ₹8 bn and ₹2.4 bn respectively
- KPI Green Energy has cancelled 66.2 MW captive hybrid power project with Sai Bandhan Infinium Pvt Ltd

CAPEX UPDATE

FMCG & Consumer Durables

- EPACK Durables to invest ₹500 mn to enhance capacity for its newly launched washing machine
- AGI Greenpac to build ₹7 bn, 500 TPD glass plant in Madhya Pradesh in 2 years
To boost glass container production capacity by 25%

Healthcare, Pharma & Chemical

- Deepak Chemical Tech, a subsidiary of Deepak Nitrite, proposes ~₹35 bn greenfield capex via a mix of debt and equity
Backward integration in polycarbonate resin; forward integration in acetone
- Max Healthcare plans to invest ₹60 bn over three years aiming to expand to 25 hospitals by 2025
- Laurus Labs will invest ₹500 bn in an AP plant, creating 7,500 jobs

Power

- RIL to invest ₹1.5 tn in new energy and petrochemicals, focusing on solar modules and LFP battery tech
- Adani Energy to ramp up capex to ₹180 bn, with major outlay on transmission, smart meters, and distribution

Infrastructure

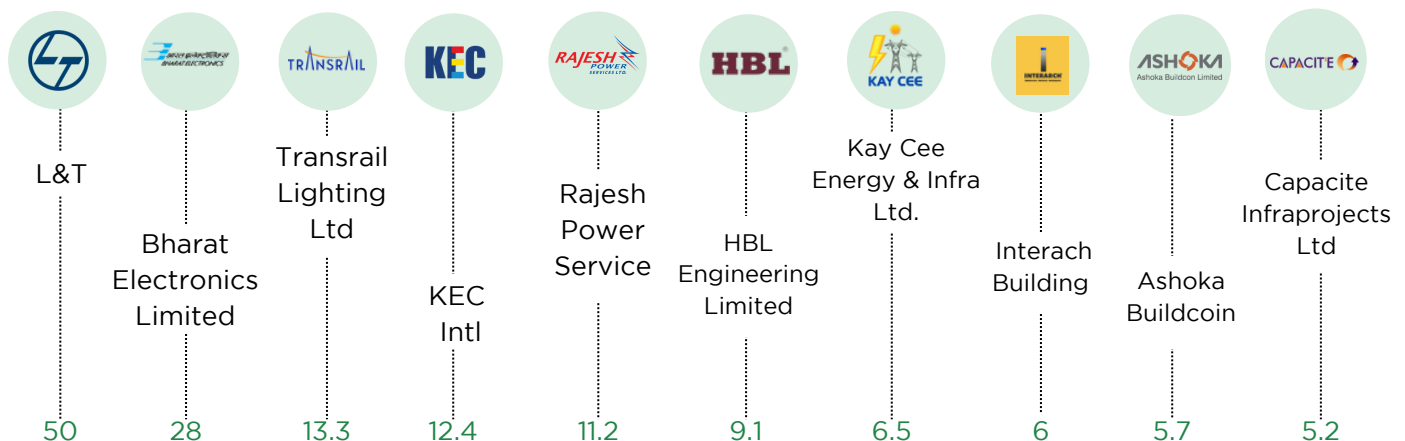
- JSW Steel to invest ₹ 600 bn in a 1.10 MT green steel plant over 4 years
- Gallant Ispat to invest ₹ 10 bn brownfield expansion of its plant and a captive solar power plant
- AM/NS India to invest ₹600 bn, boosting capacity to 15 MT and 70% green production by FY27
- NHAI will build a 121 km ring road in Guwahati for ₹57.3 bn, with the state covering 50% of the ₹12.7 bn land cost
- Centre released ₹42.8 bn for Amaravati Phase I after receiving first disbursement of \$205 mn from the World Bank

Mining, Oil & Gas

- RIL to invest ₹650 bn in AP, starting with ₹13.9 bn for 500 CBG plants producing 4 MTPA biogas and 1.1 MMT fertilisers
0.5 mn acres of wasteland to be repurposed for project
- IOC to invest ₹610 bn in Odisha and ₹240 bn in Vadodara refinery to diversify into petrochemicals, with two units launching in 2025
Project will save over ₹300 bn annually in forex, boosting economic resilience

ORDER BOOK INFLOW UPDATE

(Order in ₹ bn)



CAPITAL MARKET UPDATE

- ▲ NSE raises SME-to-mainboard criteria: ₹1 bn revenue in previous FY and positive operating profit in 2 of 3 FYs
- ▲ Outward remittances under RBI's LRS fall 8.2% to \$27 bn in April-February'25
- ▲ Net inflow through ECB rises to \$20.3 bn from April'24 to Feb'25, up from \$8.8 bn
ECB cost drops 35 bps due to lower global benchmarks

Corporate Governance Fallout

From loan diversion to inventory fraud, cracks are widening across startups and listed players



- ▲ ED raided EaseMyTrip co-founder Nishant Pitti's premises among 55 locations in Mahadev betting app money laundering case
- ▲ Ramkrishna Forgings disclosed post-verification inventory discrepancies that may cut net worth by 4-5%
- ▲ Gensol diverted ₹2.6 bn from IREDA and PFC loans meant for BluSmart Evs , submitted forged documents to hide defaults
- ▲ BluSmart Mobility faces potential default on ₹ 850 mn NCDs , with delayed payments raising concerns of further defaults
- ▲ Bizongo is under investigation for financial irregularities related to suspicious vendor relationships and missing PO's

INTERNATIONAL UPDATE

- ▲ IEA reduced its oil demand forecast by 300,000 BPD to 7.3 mn BPD, citing the trade war
- ▲ U.S. companies filed for bankruptcy at the highest rate in 15 years, with 188 filings recorded in CY Q1 2025
- ▲ Mercedes-Benz to raise prices by 3% for the third time in four months
- ▲ U.S. GDP shrinks by 0.3% in Q1 2025; imports surge by 41.3%
The pre-tariff US imports rose 41.3 per cent in the first three months
- ▲ Volkswagen profits down 40%; EV costs & trade tensions will pressure future profits
- ▲ German economy grows 0.2% in Q1 2025; driven by consumption & investment
- ▲ Volvo Cars to cut costs by \$1.9 bn through layoffs & reduced investment, as earnings drop 60% YoY
- ▲ Japanese bonds & stocks draw record inflow of \$68 bn in April
Foreign inflows surged, with two-thirds directed into bonds at an all-time high, while local equity purchases hit a two-year peak
- ▲ Trump administration considering international reference pricing to lower drug costs
- ▲ South Korea unveils \$2 bn auto aid package; low-cost financing to rise 15%

INDIA ECONOMIC DATA

Economic Indicator	Mar'25	Feb'25	Mar'24
WPI inflation	154.5	154.8	151.8
CPI inflation	192	192.5	185.8
Core Sector Growth (in%)	3.8	3.4	6.3
Trade Deficit (in bn\$)	21.5	14.1	15.3
Air Passenger Traffic (mn)	14.5	14	13.3

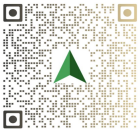


Core sector growth nearly halved YOY to 3.8% - a sign that industrial momentum is fading. Meanwhile, the sharp jump in trade deficit to \$21.5 bn hints at weakening export competitiveness

Economic Indicator	Apr'25	Mar'25	Apr'24	MoM	YoY
Composite PMI	59.7	59.5	61.5	0.3%	-2.9%
GST Collection (in ₹tn)	2.4	2.0	2.1	20.9%	12.9%
AVG USD INR	85.6	86.5	83.4	-1.1%	2.6%
Forex Reserves (US\$ bn)	686.1	665.4	641.6	3.1%	6.9%

*All the numbers are rounded to a single decimal place

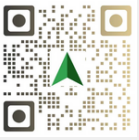
AEQUITAS: WHAT'S TRENDING



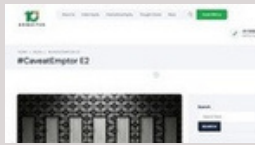
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