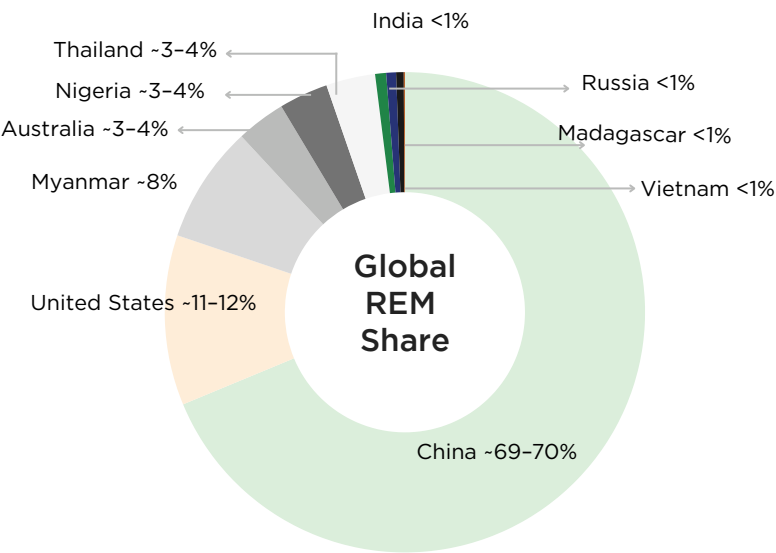


TOP DOWN & BOTTOM UP

BSE Mcap: ₹461.4 tn | Composite PMI: 61.0 | GST Collection: ₹1.9 tn | Forex Reserves: \$702.8 bn

Critical Minerals, Critical Moment: The Global Rush to Redraw REM Dependencies

China holds ~37% of global reserves & controls ~69-70% of global production



- China has introduced a fast-track licensing process for select European companies for REM imports
China has also started issuing licenses to EU firms
- China pledged to approve export applications for rare earths to the U.S.
China granted temporary licenses to the top 3 US automakers
- None of the Indian companies have yet received REM import licences from China
52 Indian firms depend on these REM supplies

▲ China's rare earth export curbs hit Indian electronics, Defence, ICE & EV automobile companies
India imported 870 tonnes of REMs worth ₹3.1 bn in FY25

▲ Brazil to unveil shortlist of strategic mineral projects eligible for financing support
Brazil has second highest reserves of rare earth

▲ REM importers plan to invoke force majeure to escape penalties for disrupted supplies to auto OEMs

▲ India to launch ₹35- ₹50 bn scheme to boost domestic REM manufacturing
It targets 1,500-tonne annual rare earth magnet production capacity

▲ Indian e2W firms start testing light rare earth magnets as alternative amid REM supply issues

▲ Indian battery recyclers to expand capacity of rare earth extraction from e-waste

▲ Top Indian automakers plan REM-free EVs by FY27 to safeguard sector from global rare earth disruptions

▲ India in talks with Japan & Vietnam to import rare earths amid restrictions

▲ IREL has begun domestic rare earth magnet production
It is scaling up neodymium output to 450 t by FY26 and doubling by FY30



REM supply is 'hand-to-mouth'; factory shutdowns due to shortages



No immediate production disruption reported



REM stockpile sufficient for around one year



Cuts e-Vitara target to one third; REM stock to last till July



Sufficient REM stock; exploring new sources










Suppliers impacted by REM export restrictions

Defence Spending Finds New Firepower

India

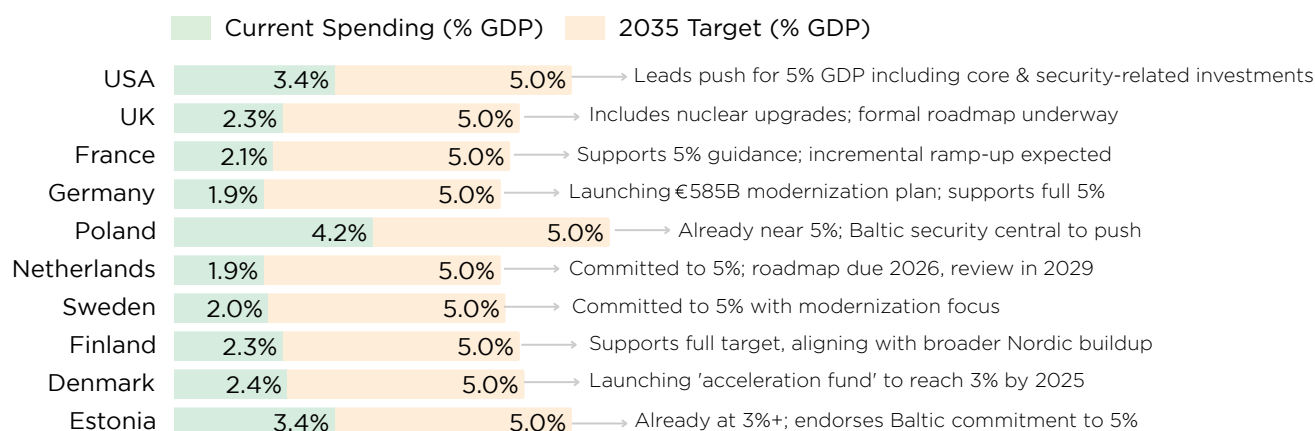
- ▲ Defence Ministry reviews procurement procedures aiming to reduce timelines from 2-3 years to under 6 months
- ▲ Defense Acquisition Council to place order worth ₹235 tn in FY27
This would include submarines, corvettes, frigates & smaller vessels
- ▲ DAC to procure three Kalvari-class submarines from Mazagon Docks for ₹360 bn
- ▲ Defence Ministry to propose a ₹300 bn acquisition of three QRSAM air-defense systems for the Indian Army
Developed by DRDO
- ▲ Indian Navy plans ₹1.06 tn bids for 5 corvettes and 4 P-17B frigates
- ▲ Tata Advanced Systems signs deal with Dassault Aviation to manufacture Rafale fighter jet fuselages
Will set up manufacturing facility at Hyderabad with capacity of 24 fuselage annually
- ▲ Dassault partners with Reliance Aerostructures to manufacture Falcon 2000 business jets in India
Dassault will also transfer front section assembly of Falcon 8X & 6X to JV
- ▲ Safran will setup engine MRO facility for Rafale jets in Hyderabad
- ▲ Mahindra Aerostructures signs \$300 mn deal with Aernnova to make components for Airbus & Embraer aircraft
- ▲ Reliance Defence ties up with Diehl Defence to make next-gen terminally guided munitions in India
- ▲ Reliance Defence secures ₹6 bn order from Germany's Rheinmetall to supply ammunition
- ▲ Reliance Defence & Coastal Mechanics partner to tap ₹200 bn defence MRO market
- ▲ Brazil keen to procure Akash air defence system and Garuda artillery gun from India: MEA
- ▲ Mazagon Dock to acquire controlling stake in Colombo Dockyard for \$53 mn
- ▲ HAL to acquire SSLV technology from ISRO after emerging as the highest bidder at ₹5.1 bn

Indian Company 	International Company 	Purpose of MoU 
Garden Reach Shipbuilders 	Carsten Rehder (Germany)	Construction of four 7,500 DWT multipurpose vessels
	Aries Marine (Dubai)	Identifying and developing offshore platforms and designs
	Berg Propulsion (Sweden)	Collaboration agreement for marine propulsion systems
	SunStone (Denmark)	Explore future collaboration on expedition cruise vessels
L&T 	DNV (Norway)	Collaboration in shipbuilding, port infra, ESG, digital, risk solutions
	Ulstein Group (Norway)	Joint ship design & ship building capabilities
NIBE 	DRDO (India)	Tech transfer for Modular Bridging System
Bharat Forge 	Turgis Gaillard (France)	Joint offering of AAROK UAV to Indian Defence Ministry

International

▲ NATO agrees to allocate 5% of GDP to defense by 2035

This encompasses 3.5% for core military, 1.5% for broader security investments



▲ EU launched *EU Industrial Defence program* worth \$173 bn to fund defence investments

▲ UK announces major defence boost: £15B for nuclear warheads, 12 F-35A jets, upto 12 AUKUS subs

▲ Lockheed Martin and Boeing vie for major share of \$175 bn Golden Dome missile defense system contract

▲ OpenAI wins \$200 mn Pentagon contract to develop AI tools to tackle US national security challenges

SIGNS OF SLOWDOWN

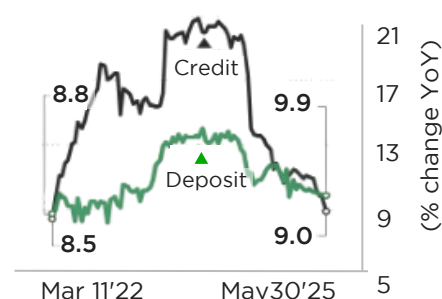
BFSI



▲ Gross microfinance loan portfolio shrinks 13.9% YoY by end of FY25

▲ RBI reported a slowdown in bank credit to industry, growing at 4.9% in fortnight ending 30-May-25, vs 8.9% the previous year. Non-food bank credit also decelerated to 9.8% from 16.2%

Credit to the services sector moderated to 9.4% y-o-y vs 20.7% in previous year



▲ Credit growth stood at 9.6% YoY vs 19.2% last year. Deposits grew at 10.4% YoY vs 12.6% last year (fortnight ending 13-Jun-25)

▲ Cred's recent fundraise values the company at \$3.5 bn, down from \$6.4 bn in 2022 *Fintech sector has raised \$4.5 bn YTD compared to \$6.4 bn during same period last year*

Automobiles



▲ PV retail sales declined 3.1% to 3,02,214 units in May: FADA *Car dealerships hold record unsold inventory worth ~₹520 bn*

SIGNS OF SLOWDOWN

Capital Markets



- Promoter Stake Sale surges 7-fold in Q1 QoQ
- ▲ FII holding in Nifty stocks drops to 40.9% in Q4 FY25
Lowest level in nearly 15 years



- ▲ June 2025 ADTO: NSE cash up 4.5% YoY, F&O down 24.5%; BSE cash up 1.9%, F&O down 12.2%

Consumption

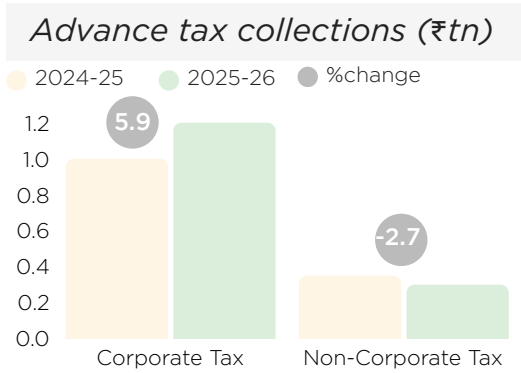


- ▲ India's natural gas consumption declined 10% YoY in May
15% drop in LNG imports during the month
- ▲ Diesel sales dropped 5.7% MoM & petrol sales fell 6.9% MoM
- ▲ NMDC flags weak export demand; iron ore prices likely to stay low, hurting miners' margins
- ▲ Private sector capital expenditure announcements fall 81% to ₹4.1 tn in Q1 FY25 vs ₹21.7 tn QoQ

Macro



- ▲ Net direct tax collection dipped 1.3% YoY as corporate tax fell 4.9%



Net direct tax collection (₹tn)			
Category	2024-25 (₹ tn)	2025-26 (₹ tn)	Change (in%)
Corporate tax	1.8	1.7	-4.9
Non-corporate tax	2.7	2.7	0.7
STT	0.1	0.1	8.3
Others	0.0	0.0	0.0
Total	4.7	4.6	-1.3

Source: Income Tax Department, As on June 19,2025

- ▲ Industrial growth slowed to 1.2% in May; mining fell 0.1%, power output dropped 5.8%
- ▲ Growth of eight core sectors slowed to 0.7% in May
Crude Oil, Natural Gas, Fertiliser & Electricity recorded negative growth in May
- ▲ India's coal offtake fell 7.4% YoY to 60.4 mn tonnes in June 2025
- ▲ Renewable Energy tendering in Q1FY25 dropped 49% QoQ and 88% YoY
Backlog of over 40 GW unsigned power sale agreements
- ▲ Unemployment climbs to 5.6% in May; labour force participation rate declines
- ▲ IEX prices dip in June: DAM ₹3.90/kWh (-28% YoY), RTM ₹3.73/kWh (-26%)

BANKING UPDATE

- ▲ RBI to raise the LTV ratio, wef 01-04-26, to 85% from existing 75% for gold loans of up to ₹250k per borrower
For ₹250-500k loan, LTV is 80% & for loans above ₹500k, LTV is 75%
- ▲ RBI relaxes the priority sector lending norms for Small Finance Banks from 75% to 60%
This is expected to free up approximately ₹400 bn (CareEdge)
- ▲ RBI project finance guidelines easier than draft; will come wef 01-Oct-25

Provision on standard assets	Construction Phase (%)			Operation Phase (%)		
	Current	Draft	Final	Current	Draft	Final
Commercial Real Estate (CRE)	1	5	1.25	1	1-2.5	1
CRE- Residential Housing	0.75	5	1	0.75	1-2.5	0.75
All other project finance exposures	0.4	5	1	0.4	1-2.5	0.4

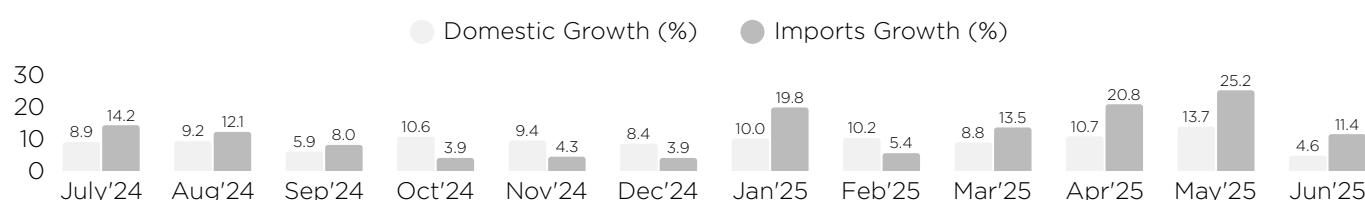
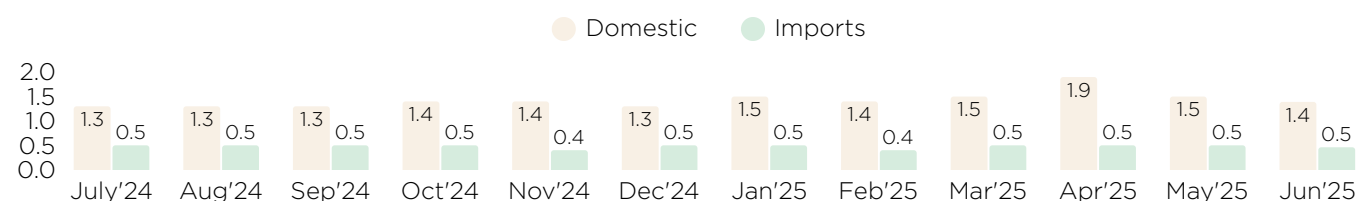
^ Delay beyond DCCO : 0.375%/0.5625% per quarter for each quarter of delay for Infra/Non-Infra

- ▲ RBI relaxed qualifying asset requirement for NBFC- MFIs to 60% of total assets from 75% earlier
- ▲ RBI allows STRIPS mechanism for state bonds, allowing interest and principal to be traded separately
Earlier only allowed for Central G-Secs
- ▲ On June 27, RBI drains ₹849.8 bn liquidity surplus via VRRR; to anchor ST rates with repo rate
Surplus reached ₹3.6 tn on 13th Jun'25, highest in 3 years
- ▲ NHB tightens refinancing norms for under-construction home loans; refinance allowed only if less than 50% construction is complete at first disbursement
- ▲ RBI looking to change co-lending model of NBFCs where banks & NBFC will jointly originate & disburse loans
In current model NBFCs originate loans & assign part of the loan to the bank

INDIA UPDATE

- ▲ GST collections rise 6.2% YoY to ₹1.85 tn in June

Gross GST Collection



INDIA UPDATE

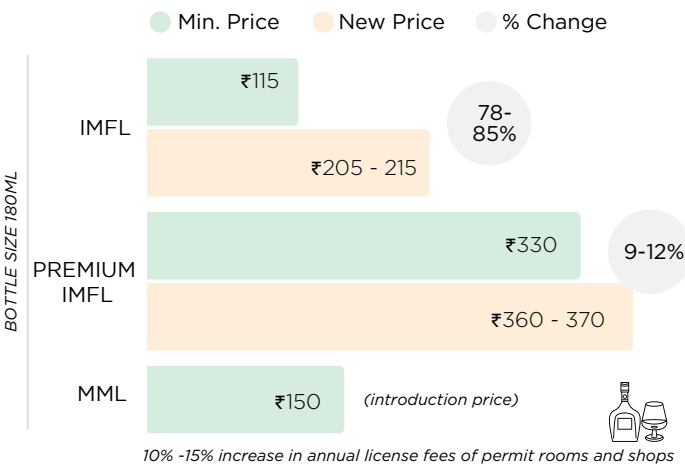
Anti-Dumping Measures
Imposed by India

Product	Origin	Details
Vit-A Palmiate	China, Switzerland, EU	\$0.9 to \$20.9 per kg
Insoluble Sulphur	China, Japan	\$259 to \$358 per tonne
Aluminum foil	China	\$479 to \$721 per tonne
Pretilachlor	China	\$1,247 to \$2,018 per tonne
Acetonitrile	China, Taiwan, Russia	\$202 to \$481 per tonne
PEDA	China	\$1,306 to \$2,018 per tonne
Plastic Processing Machinery	China, Taiwan	27% - 63%

- ▲ Total area sown for Kharif crops as of 20 June'25 shows a 10.4% increase vs last year
Rice & Paddy acreage surged sharply YoY
- ▲ Whirlpool Corp looking to sell 31% stake in Whirlpool of India
In Feb 2024, Whirlpool sold 24.7% stake in Indian arm through block deals worth ₹40 bn
- ▲ Tata Sons to infuse ₹300 bn into Tata Digital, Air India, electronics, defence, and battery ventures
- ▲ IndiGo orders 30 more A350-900s, doubling its initial firm order to 60 aircraft
Company has option of 40 more A350-900
- ▲ Novo Nordisk launches obesity drug Wegovy in India
Semaglutide patent expires in Mar-26 in India, potentially unlocking a huge GLP-1 drugs market in India

- ▲ MH government raises IMFL excise from 3x to 4.5x production value
Will result in ₹140 bn revenue annually

Maha Liquor Prices Soar Up to 85% as Grain-Based Spirits Get Green Light



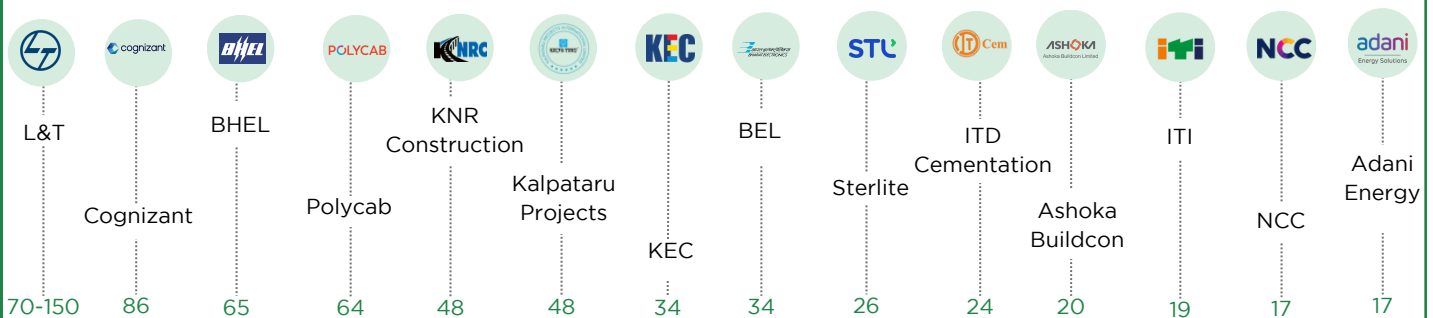
- ▲ FPIs sell G-Secs worth ₹255 bn in Q1FY26 via Fully accessible route
US Treasury & G-Sec 10-year yield spread shrinking from 400-500 bps to 180 bps in two years
- ▲ Prices of APIs used in drug production fall significantly by 10-30% YoY
- ▲ Applied Materials to invest \$400 mn in Bengaluru R&D centre for chip equipment manufacturing
- ▲ Lam Research announces ₹159 bn investment in India for R&D lab and semiconductor manufacturing facilities
- ▲ Blackstone acquired South City Mall in Kolkata for ₹32 bn
- ▲ India's exports rose 3.1% YoY in April-May, led by electronics, chemicals, pharma, and marine goods
- ▲ Credit card spending rose 14.5% YoY in May 2025; total cards in circulation up 7.6%

GOVT. INITIATIVE

- ▲ Centre cuts import duty on crude edible oil from 20% to 10%; effective duty reduced to 16.5% from 27.5%
- ▲ Anti-lock Braking System will become mandatory for all two-wheelers sold in the country from January 1
- ▲ Maharashtra to reduce electricity tariffs for five years; cumulative cut of 26% over the period
- ▲ Centre to roll out ₹54 bn viability gap funding for 30 GWh battery energy storage capacity
25 GWh to be allocated to 15 states, remainder to NTPC
- ▲ Centre draws up reform-linked conditions for states to access portion of ₹1.5 tn interest-free capex loan
60% of fund will be unconditional or linked to infrastructure spending & rest are reforms linked
- ▲ Centre reduces min. land requirement for semiconductor & electronics SEZs from 50 hectares to 10 hectares
- ▲ Govt clears ₹1 tn RDI corpus to catalyze private R&D in strategic, future-focused sectors
- ▲ Chhattisgarh announces ₹490 bn Bodhghat Dam & Indravati-Mahanadi river-linking irrigation projects
- ▲ Gujarat unveils policy to attract ₹350 bn investment for setting up upstream industries in semiconductor ecosystem
- ▲ Govt. will manufacture new 100 expanded mainline electric multiple units & 50 Namo Bharat Trains
- ▲ Cabinet approved two major railway projects with estimated cost of ₹64.1 bn
- ▲ Cabinet approves ₹36.3 bn for Pune Metro Line 2 extension
- ▲ Cabinet approves ₹59.4 bn revised Jharia Master Plan for rehabilitation and fire control
- ▲ Annual toll pass for non-commercial private vehicles for national highways at ₹3,000 introduced
Valid for up to 200 trips
- ▲ Centre to replace Toll-Operate-Transfer model with InvIT structure for monetizing national highways
- ▲ Govt launches ₹994.5 bn ELI scheme to drive job creation and social security in key sectors
Aims to create over 35 mn jobs over 2 years

ORDERBOOK UPDATE

(Order in ₹bn)



COMPANY UPDATE

Auto

- Maruti Suzuki opens India's largest rail dispatch facility at Manesar with 450,000-unit annual capacity
- Mercedes-Benz India to hike prices by 1.5% in September citing adverse EUR/INR fluctuations
- Hyundai starts engine output at Talegaon, Pune; vehicle production to follow in Q3 FY26

Electronics

- Tata Group to handle after-sales repairs for iPhones and MacBooks in India from Karnataka
- Optiplus receives order from OnePlus to manufacture premium IoT earbuds and neckbands in India

Energy, Power & Utilities

- L&T secures land in Kandla, Gujarat for green hydrogen and green ammonia project development
- Adani Power's ₹40 bn acquisition of Vidarbha Industries Power gets NCLT nod
It operates 600 MW thermal power plant
- IndiGrid Trust to acquire transmission asset worth ₹7.3 bn and solar asset worth ₹13.8 bn
- Coal India subsidiary to commission two new coal mines in FY26 with combined capacity of 10-12 MTPA
- Tata Power seeks license to distribute electricity in Mumbai, Pune, Sambhaji Nagar, and Nashik
- JSW's Energizent inks 25-year deal with NHPC for 300MW hybrid power at ₹3.49/kWh
- NTPC REL signs PPA for 1,000MW solar project at ₹2.56/kWh

Industrials

- Hindalco to acquire US-based specialty alumina firm AluChem for \$125 mn
- JSW Paints to acquire 74.8% stake in Akzo Nobel India for ₹90 bn
Becoming India's fourth-largest paint company with 9.2% market share

Pharmaceuticals

- Wockhardt completes pre-ANDA meeting with USFDA for antibiotic Zaynich; targets \$9 bn market across US, Europe, and India
Potential launch in FY27

Real Estate

- CCI clears Blackstone's 40% stake acquisition in Kolte-Patil Developers; may rise to 66% post open offer
- Godrej Properties acquires ~87 acres across Pune, Bengaluru, and Panipat
Projects have combined development potential of ~6 mn sq. ft. and GDV of ₹100 bn
- DLF announces ₹55 bn investment for 18-acre luxury residential project in Gurugram
DLF had fully sold two township projects last year, generating ₹128 bn in sales
- Arkade Developers acquires 6.3-acre land parcel in Thane for ₹1.7 bn; to develop project with ₹20 bn GDV
- Signature Global will invest ₹22 bn to develop new housing project in Gurugram
- Mahindra Lifespace to redevelop Mulund society with GDV of ₹12.5 bn
Company also buys 9-acre land in Bangalore with GDV of ₹11 bn
- Keystone Realtors selected for ₹45.2 bn redevelopment project in Sion

CAPEX UPDATE

- ▲ Jindal Saw announces 3 lakh tonne seamless pipe plant in Abu Dhabi and two Saudi JVs for HSAW and ductile iron pipes
\$118 mn capex across projects in Middle East
- ▲ Hindustan Zinc announces ₹120 bn investment to add 250 KTPA refined metal capacity; to be completed in 36 months
- ▲ Sun Pharma to invest \$100 mn in FY26 to commercialize innovative products
Major investments in launch of two products: Unloxcyt and Leqselvi
- ▲ Reliance to invest ₹80 bn in expanding soft drinks capacity over the next 12-15 months
- ▲ Skoda Auto Volkswagen India to invest ₹100 bn to expand operations, focus on premium SUVs and EVs
- ▲ Indian Oil finalizes cost for 10,000 TPA green hydrogen plant at Panipat Refinery; COD expected by Dec 2027
- ▲ GMR Hyderabad Airport plans ₹140 bn capex by FY31 to expand terminals and build second runway
- ▲ Apollo Hospitals to invest ₹76 bn to add over 4,300 beds across India
Includes a 700 bed hospital in Bengaluru
- ▲ Amazon to invest \$233 mn in India to expand infrastructure and enhance fulfillment network technology
- ▲ Foxconn to invest \$2.2 bn in India & US as it shifts from China

CAPITAL MARKET UPDATE

- ▲ Equity mutual fund inflows fell to a 13-month low of ₹190 bn in May, despite gross SIP inflows rising to ₹267 bn
Inflow decline driven by 16% MoM increase in redemption last month at ₹376 bn
- ▲ Net foreign investment in Indian corporate bonds hit a 10-year high of ₹210 bn in May
- ▲ 8 out of 26 mainboard IPOs and 45 out of 86 SME IPOs launched this year are trading below their issue price

Mainboard IPO

	● % Loss YTD
Indo Farm Equipment	-33%
Stallion India Fluorochemicals	-28%
Quadrant Future Tek	-21%
Laxmi Dentals	-16%
Standard Glass	-11%

SME IPO

	● % Loss YTD
Swasth Foodtech	-64%
Super Iron Foundry	-62%
NAPS Global India	-55%
Ken Enterprises	-50%
Divine Hira Jewellers	-35%

- ▲ MCX has received SEBI approval for launch of electricity derivatives
Contracts to offer power generators, discoms & customers a hedging platform
- ▲ SEBI board allows listed company founders to retain ESOPs granted one year prior to DRHP filing.
Earlier they were classified as promoter and weren't allowed to hold ESOPs

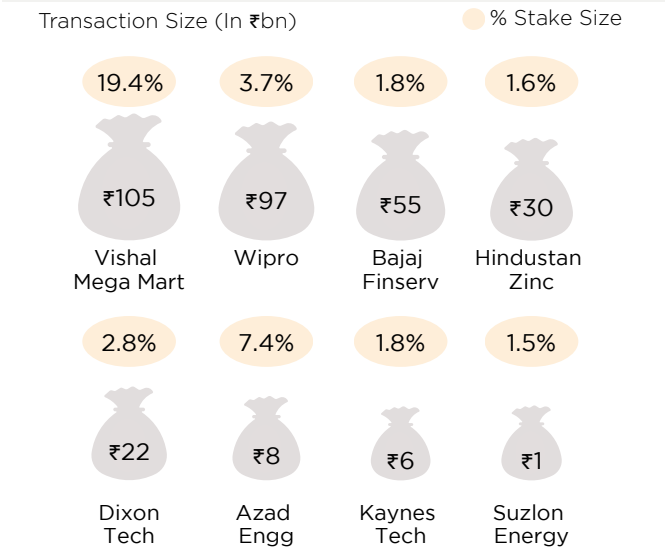
CAPITAL MARKET UPDATE

Wall Street's quant trader, Jane Street, raked in massive profits of over ₹430 bn from Indian options market
SEBI has frozen the U.S. trader for "pump-and-dump" tactics on Bank Nifty expiry days



- ▲ Coal India subsidiary Bharat Coking Coal files DRHP; IPO to be a 10% stake offer via OFS
- ▲ ~₹1 tn selloff tsunami threatens Nifty rally as promoters, strategic investors exit

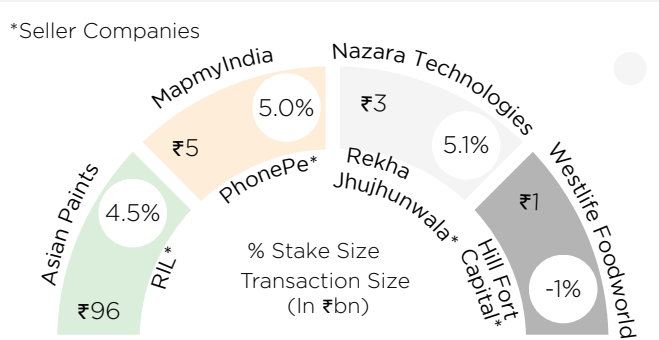
Promoter stake sale



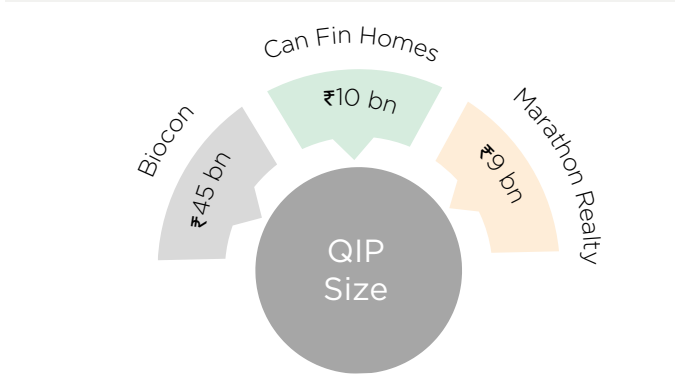
PE stake sale

Company	PE	Stake Size	Transaction Size (In ₹bn)
Premier Energies	GEF Capital Partners	5.6%	₹26
Aptus Value Housing	Westbridge	12.4%	₹19
Sai Life Sciences	TPG	10.0%	₹15
Zydus Wellness	True North	7.3%	₹9
Marksan Pharma	Orbimed	2.3%	₹3

Block deals



QIP



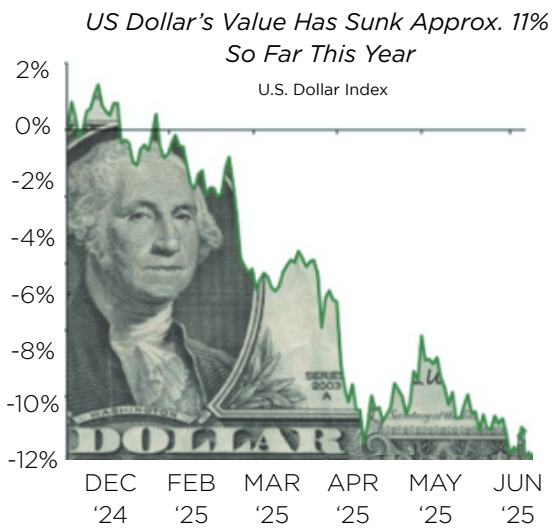
INTERNATIONAL UPDATE

US Congress has passed Donald Trump's One Big Beautiful Bill

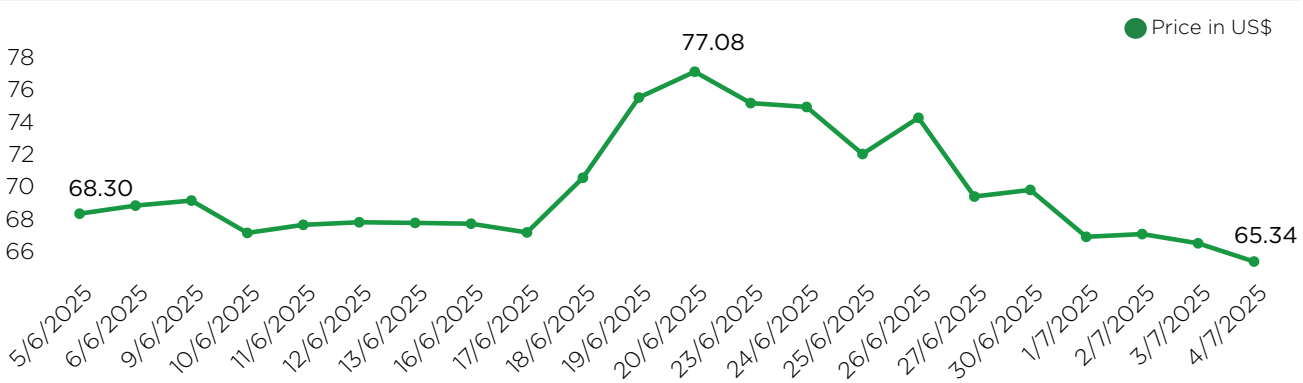
- Trump-era tax cuts made permanent: 37% top rate, \$27,700 standard deduction, and \$2,000 child tax credit
Tax plan projected to raise U.S. debt by \$3.9-4.0 tn through 2034
- Tax on foreign remittances reduced from originally proposed 3.5% to 1%
- Nearly 11 mn Americans to lose Medicaid coverage by 2034
- Increase in defense & border security by \$300 bn over 10 year
- Debt Ceiling raised by \$5 tn

INTERNATIONAL UPDATE

- ▲ Post-Trump inaguration, MAG-7 pledge \$1 tn+ in U.S. investments under White House push
- ▲ Gold surpasses Euro to become the world's second-largest FX reserve currency
- ▲ UK to invest \$19 bn in new nuclear power station to cut fossil fuel use; project to power 6 million homes
- ▲ Nippon Steel's \$14.9 bn bid to acquire U.S. Steel approved by President Trump
- ▲ Sanofi to acquire Blueprint Medicines for \$9.1 bn, boosting rare immunology portfolio and early-stage pipeline
- ▲ Blackstone plans to invest \$500 bn in Europe over the next decade
- ▲ Warner Bros. Discovery to split into two public companies, carving out cable operations from its streaming business
- ▲ OPEC+ added 411,000 bpd in June; cumulative 3-month production increase now totals 1.2 million bpd



Crude Chaos: Prices Surge 15% Amid Iran-Israel Conflict, Then Tumble on Ceasefire Talks



INDIA ECONOMIC DATA

Economic Indicator	May'25	Apr'25	May'24
WPI inflation	154.1	154.2	153.3
CPI inflation	193	192.6	187.7
Core Sector Growth (in%)	0.7	1.0	6.9
Trade Deficit (in bn\$)	21.9	26.4	22.1

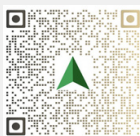


CPI falls to 75-month low of 2.82% in May; food inflation drops to 0.99% on softer fruits, pulses, cereals

Economic Indicator	Jun'25	May'25	Jun'24	MoM	YoY
Composite PMI	61	59.3	60.9	2.87%	0.16%
GST Collection (in ₹tn)	1.9	2.0	1.7	-8.0%	6.3%
AVG USD INR	85.9	85.2	83.5	0.9%	2.9%
Forex Reserves (US\$ bn)	702.8	691.5	652.0	1.6%	7.8%

*All the numbers are rounded to a single decimal place

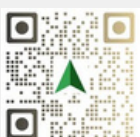
AEQUITAS: WHAT'S TRENDING



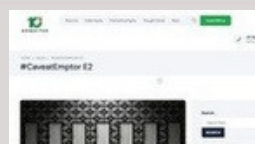
[Are we sleepwalking into another Recession?](#)



[Gold in 2025, A Strategic Decision?](#)



[Siddhartha: Why is the Indian Market Falling?](#)



[Indian companies vs Global peers.
An eye opener!](#)

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