TOP DOWN & BOTTOM UP

BSE Mcap: ₹466.5 tn I Composite PMI: 58.4 I GST Collection: ₹1.9 tn I Forex Reserves: $709.4 bn

Budget, Breakthroughs & Barriers

India's FY27 Budget est. nom. GDP growth at ~10% and sets gross borrowings at ₹17.2 tn (above mkt est.), alongside a higher divestment target of ₹800 bn (vs ₹340 bn LY) to support non-tax rev. This follows FY26 RE, where tax rev. was ~6% below BE, offset by non-tax rev. at ~114.5% of BE.
Other highlights include tax-law simplification, new initiatives for sunrise sectors, and measures to reduce speculation in capital markets

Particulars	FY26 RE (in tn)	FY27 BE (in tn)	Deviation (FY26RE vs FY26BE)	YoY (FY27BE vs 26RE)
A: Revenue Receipts	33.4	35.3	-2.3%	5.7%
i. Tax Revenue (Net to Centre)	26.7	28.7	-5.7%	7.2%
ii. Non-Tax Revenue	6.7	6.7	14.5%	-0.2%
B: Capital Receipts (*Borrowings)	16.2	18.1	-1.4%	11.8%
Total Receipts (A+B)	**49.6**	**53.4**	**-2.0%**	**7.7%**
C: On Revenue Account (int. pyt)	38.7	41.3	-1.9%	6.6%
D: On Capital Account	11.0	12.2	-2.3%	11.5%
Total Expenditure (C+ D)	**49.7**	**53.5**	**-2.0%**	**7.7%**
Revenue Deficit (A-C)	5.3	5.9	0.6%	12.4%
Fiscal Deficit	15.6	17.0	-0.7%	8.8%
% of GDP	-4.4	-4.3		*Majorly

Govt. Schemes

- Electronics components manufacturing scheme increased to ₹400 bn (vs ₹229 bn earlier)
- ₹100 bn fund for each SME Growth Fund, Biopharma Shakti (5 yrs) & container mfg. scheme
- ISM 2.0 for semicon & dedicated corridors for mining, R&D, & mfg. of Rare Earths
- 3 chemical parks on a cluster-based plug-and-play model
- 7 High-Speed Rail corridors between cities & 1 new Dedicated Freight Corridors
- Recycling of real estate assets of CPSEs through the setting up of dedicated REITs

Capital Expenditure

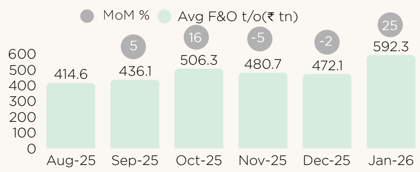
- Total Capital expenditure for FY27 BE is budgeted at ₹12.2 tn (+12% vs FY26RE; +9% vs FY26BE)
- High growth: Defence (+17%), Ministry of Communication (+95%), Steel (+23%), MNRE (+19%), Power (+18%)
- Low growth: Road (+8%), Railways (+11%), Ministry of Petroleum and Natural Gas (+2%), Housing & Urban Affairs (+7%)

Taxation

- MAT rate cut to 14% from 15% (no MAT credit in old regime)
- Tax holiday for GIFT City businesses to 20 years
- TCS rate on sale of overseas tour program package & education and for medical purposes under the LRS to 2%

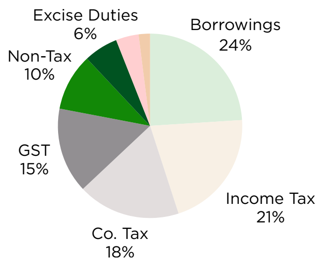
Capital Markets

- STT raised on futures to 0.05% from 0.02%, and on option premium to 0.15% from 0.10%; FY26E STT collection is ₹636 bn; ₹480 bn till Jan-26, with ~37% from F&O

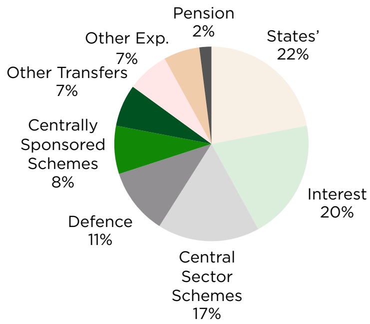


- Buyback taxation shifted to Capital Gains for all shareholders.
- Person Resident Outside India via PIS can invest in listed Indian cos. with individual limit raised to 10% & agg. to 24%

Rupee Comes from



Rupee Goes to



Venezuela: A Strategic Jackpot

Strategic Geography

- Located on northern coast of South America with proximity to Atlantic maritime routes
- Critical shipping lanes linking the Panama Canal (40% of U.S. container traffic and 5% of world trade) and Caribbean transit corridors

Resource Arsenal

- World's largest proven crude oil reserves - 17% of global proven oil reserves (303 bn barrels), Mostly concentrated in the Orinoco Belt, rich in heavy and extra-heavy crude (low API). China buys 50–89% of Venezuelan oil exports
- Venezuela's Ministry of Mining, in 2018 est. 644 MT of gold reserve
- 1+ bn carats of diamonds. Russia (the world's leading diamond country) has about 990 mn carats reserve

Did you know?
At $5000/t.oz gold price - the reserves total to $103.5 bn ~ 1.8x GDP for 2025

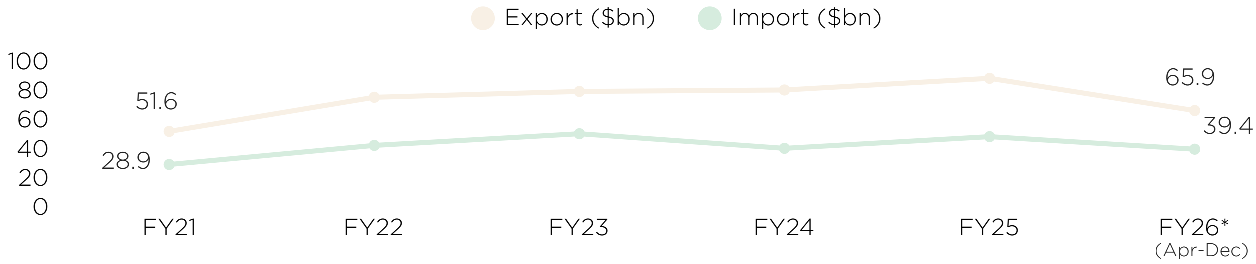
- Rich in coal (3bn MT), nickel (408K T), bauxite (99.4bn MT), & iron ore (3.6bn MT)

Recent Geopolitics

- On Jan 3, 2026, U.S. seized Venezuelan President Nicolás Maduro

US-India Trade Deal

- US is India's top export destination, comprising over 20% of total India exports and $131.8 bn bilateral trade in CY25



- US to reduce tariffs on India to 18% from 25% and remove 25% penal levy on Russian oil imports, with certain conditions
- India to buy $500 bn worth of US goods over 5yrs incl. existing pipeline of projects and new areas such as data centre & energy

India's Top Exports (FY25)

Item	Value ($bn)
Electrical machinery	15.9
Natural or cultured pearls	10.0
Pharmaceutical products	9.8
Nuclear reactors, boilers	6.7
Mineral fuels, oils	4.2

India's Key Imports (FY25)

Item	Value ($bn)
Mineral fuels, oils	14.3
Natural or cultured pearls	5.3
Nuclear reactors, boilers	4.4
Electrical machinery	3.4
Precision instruments	2.0

India Gains an Edge

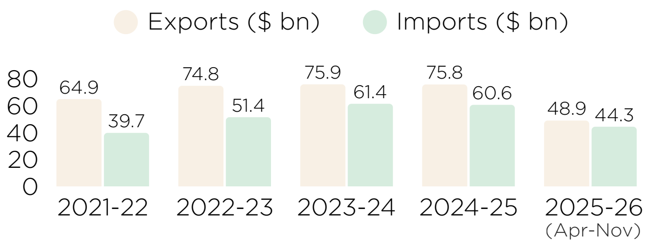
	India	Thailand	Bangladesh	Vietnam	China
US Tariff %	**18**	**19**	**20**	**20**	**~47.5**

Source: ET

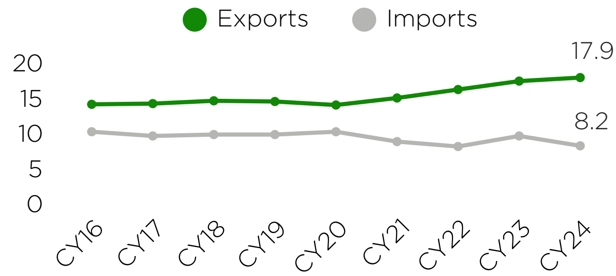
India EU FTA - Mother of all deals

- India is the EU's 9th-largest trading partner in goods in 2024, while the EU is India's largest trading partner in goods in 2024-25
- EU is India's 2nd largest goods export market: 17.9% ($75.9 bn) of CY24 exports (18% of the US); imports from the EU were $60.9 bn (8.2%)

India - EU Merchandise Trade



India's merchandise trade with the EU (%)



India secured EU access for 99% of its exports and offered tariff cuts covering ~97.5% of EU exports, while protecting sensitive sectors like dairy, cereals, poultry, soymeal, and select fruits and vegetables

India's Exports to EU

- Fresh boost for India's labour-intensive exports

Sector	Current tariff (Upto~)	Future tariff	Staging
Engineering goods	22%	0%	5-10 yrs
Apparel & Clothing	12%	0%	Immediate
Plastics	7%	0%	~7 yrs
Rubber, Gems & Jewellery, Leather/ Footwear	4%/17%	0%	Immediate
Chemicals	13%	0%	~EIFs^
Marine Product	26%	0%	Immediate +TRQs

^Enhanced Integrated framework

India's Imports from EU

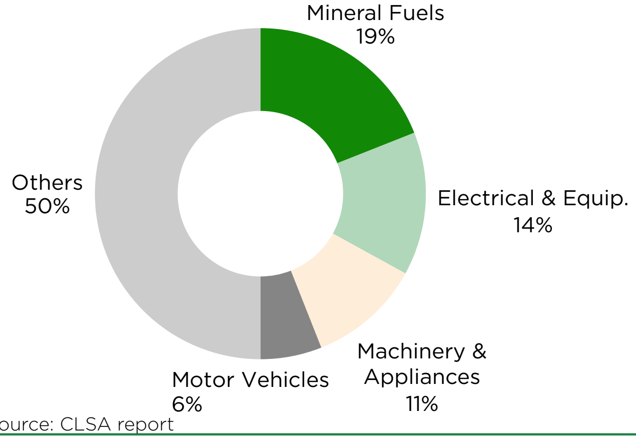
- High dependence on EU for capital-intensive goods

Sector	Current tariff	Future tariffs	Staging
Machinery & Electrical Eqpt.	44%	0%	5- 10 yrs
Aircraft	11%	0%	5- 10 yrs
Motor vehicles	110%	10% (quota of 250K)	*10%
Optical, Medical & Surgical Instr.	28%	0% (for 90% products)	EIF' 5-10 yrs
Plastics	17%	0%	7- 10 yrs
Chemicals	22%	0%	EIF,10 yrs

**Tariffs cut to 40% with caps on imm. basis (for car value over €15K) easing to 10% in 10yrs*

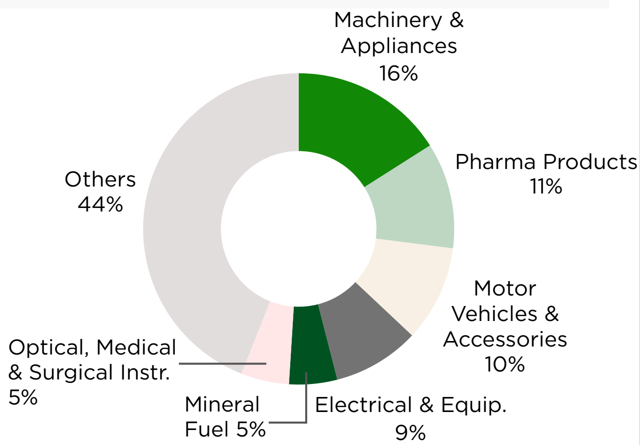
- EU's average tariff rate falls from 3.8% to 0.1%

Sector Contribution: by Commodities (CY24)



- Saving up to €4 bn per year in duties on European products to EU exporter

Sector Contribution: by Commodities (CY24)



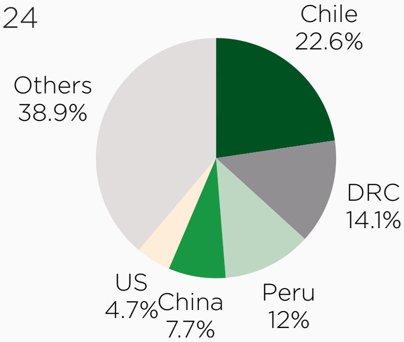
Source: CLSA report

Copper

LME Copper hit an intraday all-time high of $14,527/MT and is up 49% YoY

Supply

- Total Global copper production ~24 Mt in 2025 (excl. recycling)
- China is the top refiner. China's refiners produced 12 Mt of refined copper in 2024



Supply Hits

- Grasberg mudslide (~3% of global supply) likely disrupts output until **late 2027**
- Lundin trimmed copper guidance 3% due to slower underground rates at Candelaria
- **Codelco** (6% of global supply) expects **El Teniente** to run about **25% below capacity into 2026** after a fatal collapse

No Respite

- Bringing a new copper mine from discovery to production is a 10–20 years process

Demand

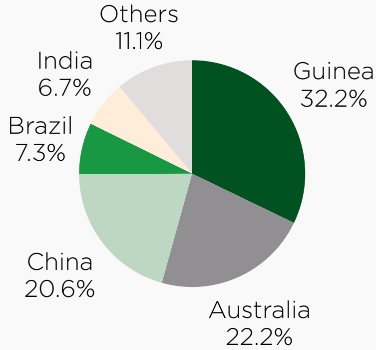
- In 2025, global copper consumption is expected to be ~23.3 Mt (excl recycling)
- Major demand across sectors: Electric Networks, Constn, Machinery, Appliances, Transportation, and consumer products

Aluminium

LME Aluminium up 20% YoY, 3 yr High

Supply

- Primary aluminium smelting is dominated by China~60% of world aluminium output
- 4–5 tn of bauxite yield ~2 tn of alumina, which in turn produces 1 tn of aluminium



Supply Hits

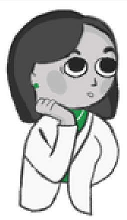
- China reached its 45 MMT annual production cap in 2025
- Post-COVID energy shocks shut down half of Europe's aluminium smelters
- Indonesia banned bauxite exports in 2023 & Mozal to Halt prodn from Mar'26 due to Energy Supply Deadlock
- U.S. sanctions on Russia have reduced supply to Western markets

No Respite

- A greenfield aluminium smelter typically requires **3–6 years** from construction start to full production

Demand

- In 2025, global aluminium consumption is expected to be ~75 Mt (excl recycling)
- Major demand across sectors: Transportation, Bldg & Construction, Packaging, Electronics, Industrial & Machinery



"We expect copper demand to grow 70% from now to 2050, but supply is becoming increasingly difficult to release. New mines are fewer, often relatively small, lower grade, and located in harsher regions, making rapid development challenging." - Mike Henry, CEO, BHP

- Upcoming EU CBAM and potential scrap export tariffs in 2026 are tightening scrap supply and driving price uncertainty

CAPEX UPDATE

IT & Artificial Intelligence

- AM Green to invest $25 bn for a 1 GW data centre in Greater Noida by 2030
- TCS to invest ₹3.3 bn to build a delivery centre in Brazil, with construction to be completed by 2027
- UPC Volt to invest ₹50 bn in 100 MW AI-ready data centre in Hyderabad
- Tata Group to invest $11 bn in developing an "Innovation City" near Navi Mumbai airport
- Reliance to invest ₹7 tn in clean energy, AI data centres, and infrastructure in Gujarat by 2030

Energy, Oil and Gas

- Adani Group to invest ₹1.5 tn to operationalise the 37 GW Khavda RE park by 2030
- HPCL plans ₹770 bn capex by FY28, with about ₹280 bn allocated to renewables, biofuels, EVs and net-zero projects
- RPSG Group to invest ₹105 bn for renewables and industry ecosystem over 3 years in Karnataka
- NTPC to invest ₹100 bn for coal-to-SNG plant in Chhattisgarh over 150 acres
  NTPC aims to produce SNG at a cost of ~$12 per MMBTU
- Tata Power to invest ₹66.8 bn to build India's largest 10 GW Ingot & wafer plant in Andhra Pradesh
- Websol Energy to invest ₹35.4 bn for 8 GW solar plant over 120 acres in Andhra Pradesh, with production starting from Jul'27

Metal

- Hindalco to invest ₹210 bn for smelter expansion of 0.4 MT in Odisha
- JSW Infrastructure to invest ₹165 bn in FY27-28
  Cargo capacity to rise from 123 to 175 MT by FY28

Real Estate

- Embassy Developments to invest ₹70 bn in Mumbai luxury housing
- L&T Realty to invest ₹4.5 bn for acquiring a land parcel of 1.3 acres in Lower Parel to build a 28-storey office

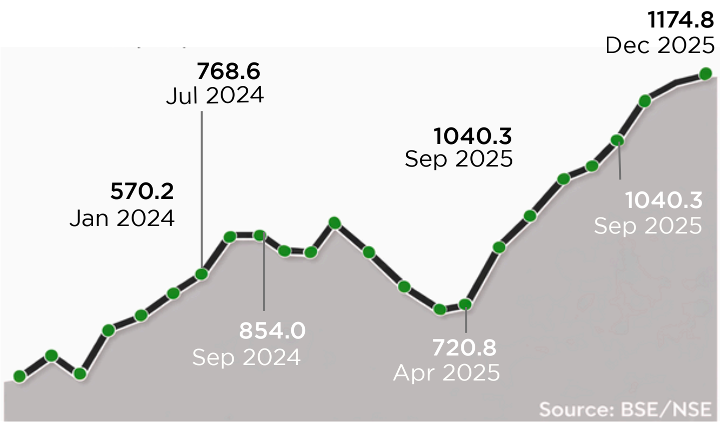
Others

- Madras Fertilizers to invest ₹103 bn for 1.3 MTPA ammonia-urea greenfield plant in Chennai
- Amber Enterprises and Ascent-K to invest ₹67.9 bn over 116 acres near Jewar Airport
- Welspun to invest ₹50 bn to expand its manufacturing and infrastructure presence in Gujarat
  Aims to be the world's largest pipe manufacturing by CY26
- Maruti Suzuki to invest ₹49.6 bn to expand the production capacity by 1 mn units in Gujarat
- Vi to invest ₹450 bn for 3 years expanding & strengthening the radio access network
- CEAT to invest ₹13.1 bn for adding 3.5 mn tyres capacity at Chennai by H1'28
  Current capacity of plant is ~9.5 mn tyres
- L'Oréal to invest ₹35 bn in Hyderabad by 2030 to set up first global tech hub

CAPITAL MARKET

- Margin Trading Facility volumes rose 44% YoY to ₹1.2 tn in Dec'25

MTF market (₹bn)



RBI Boosts Dividend Cap

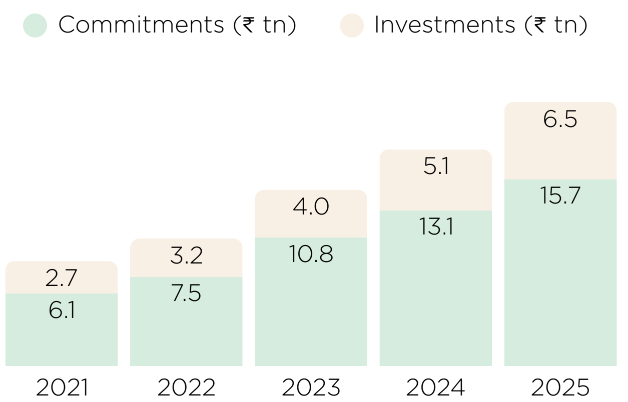
- RBI proposed raising banks' div payout cap to 75% from 40% of net profit from FY27
- Banks with over 20% CET1 may pay up to 100% of adj PAT sub. to a 75% payout cap
- Banks with CET1 < 8% or losses will not be allowed to declare dividends
- Foreign banks operating as branches in India may remit div or surplus without RBI approval

- Domestic gold ETF holdings surged 65% to 95 tonnes in 2025
  Gold and silver ETF AUM crossed ₹2 tn in Dec'25
- Passive fund inflows rose 22% YoY in 2025 to ₹1.6 tn
  Gold inflows more than tripled to ₹429.6 bn

PSU banks eligible to pay ₹480 bn (vs ₹350 bn FY25); private banks up to ₹1 tn (vs ₹293 bn)

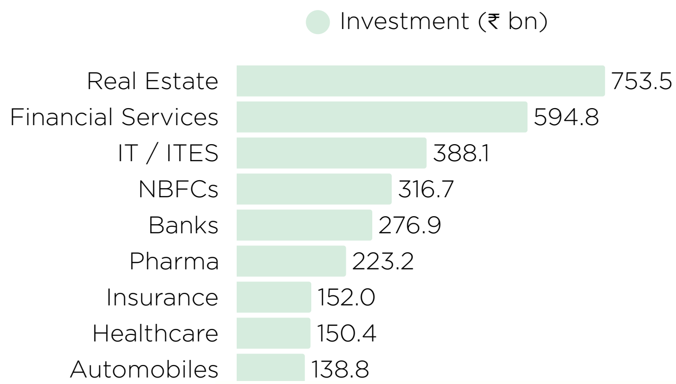
- Average IPO underwriting fees in India rose by 19 bps YoY to 1.86% in CY25
  Investment banks earned record $417 mn IPO fees amid listing surge in CY25
- India's MFs recorded ₹665.9 bn net outflows in Dec'25 driven by debt redemptions and a 6.2% drop in equity inflows
  Equity mutual fund inflows declined for the first time since 2020
- AIF commitments hit ₹16 tn (+20% YoY); investments reached ₹6.5 tn (+27%) as of Dec'25
  Real Est. & Fin. services being leading sectors by investments

AIFs Gain Momentum



Source: SEBI

Leading Sectors by AIF Investment (As of Dec'25)



Source: SEBI

- SEBI allows MFs to charge a performance-linked base expense ratio subject to regulatory conditions
  Effective Apr'26
- Indian firms raised $32.5 bn overseas via syndicated loans in 2025, led by corporates and financial institutions

COMPANY UPDATE

Energy, Oil and Gas

- INOXGFL Group signed ₹170 bn MoUs with UP, Assam and Kerala to invest in renewable energy space
- NTPC and MAHAGENCO to jointly acquire Sinnar Thermal Power in Maharashtra for ₹38 bn
- Waaree Renewable Technologies to acquire 55% of Associated Power Structures Ltd for ₹12.3 bn
  Marking Group's entry into grid and transmission infrastructure
- BPCL to buy 12 mn barrels from Petrobras for $780 mn
- Maruti Suzuki signed an MoU with Indian Oil to set up service facilities at select IOCL fuel stations
  Expands after-sales network to ~5.8K service touchpoints across 2.9K cities
- Adani Power to raise ₹75 bn via NCDs to refinance debt and corporate needs
- ONGC-MOL JVs sign contract with Samsung Heavy to build 2 VLECs

Others

- Bajaj Electricals to enter wires business under its 'Lighting Solutions' segment
- PVR-INOX exits gourmet popcorn for ₹2.3 bn, stake sold to Marico
  PVR had acquired stake at ₹50 mn in 2015
- Emirates NBD Bank gets CCI's nod to acquire majority stake in RBL Bank
- Shipping Corporation of India to acquire 8 new VLGCs, of which 6 vessels will be built in India
- Adani Group signed MoU with Embraer to set up regional aircraft assembly line in India
- Dr Reddy's to sell generic Ozempic post Mar 21st patent expiry
  Targeting 12 mn pens, potential pricing as low as $40 by 2026
- Torrent Electricals launches switchgear range, expands FMEG presence

Real Estate

- Runwal Enterprises won Mumbai (~4 acres) redevelopment rights worth ₹50 bn+
- Raymond Realty launched a luxury project in Wadala with ₹50 bn potential
- Sunteck Realty plans a ₹30 bn residential project in Mumbai, with Phase 1 GDV ₹12.5 bn over ~0.5 mn sq ft
- Kolte-Patil Developers signed a JD deal with GDV of ₹8.5 bn over 1.1 mn sq ft residential project in Pune
- Godrej bought 8.5 acres land at Pune to develop ~2.1 mn sq ft with GDV of ₹20 bn

Telecom

- Vi hikes select family postpaid plans by 7-9%, to support ARPU growth
- Airtel ties up with Adobe to offers 1 yr free Adobe Express Premium to 360 Mn users

Metal

- GMDC acquires indigenous rare-earth processing technology from BARC for Ambadungar project

Information Technology

- Three of India's top five IT firms' subcontracting expenses rose 20% YoY in Q3 FY26 due to US visa restrication

Vendor Expenses Accelerate Across IT Majors in Q3

Company	Q3 FY26 (₹ bn)	Q3 FY25 (₹ bn)	% Change
TCS	35.6	28.1	26.6
Infosys	40.9	33.0	23.9
Wipro	27.7	25.9	6.8
HCL Tech	47.8	38.7	23.3
Tech M	15.4	14.6	5.7

Source: Company Financials

INDIA UPDATE

Macros

- RBI to inject liquidity via ₹250 bn VRR (90 days), $10 bn USD/INR swap (3 yrs), and ₹1 tn G-sec buys
  Through ST & LT measures, RBI to infuse ₹2 tn

- Net direct tax collections rose 8.8% YoY, below the budgeted target of 12.7%

Refund Pullback Lifts Direct Tax Collections Nearly 9% YoY

Category	Gross (₹ bn)	Refunds (₹ bn)	Net (₹ bn)	YoY (%)
Corp Tax	10,465.7	1,835.4	8,630.4	12.4
NonCorp Tax	10,580.5	1,283.7	9,296.7	6.4
STT	448.7	0.0	448.7	0.7
Others	3.5	0.2	3.2	-88.6
Total	**21,498.3**	**3,119.3**	**18,379.0**	**8.8**

- Trade deficit rose 21.4% to $25.0 bn in Dec'25, with imports up 8.8% to $63.6 bn and exports up 1.9% to $38.5 bn

- Govt. plans to scrap 5-year-old restrictions on Chinese firms bidding for Indian govt. contracts

- Cargo traffic at India's 12 major ports rose 8% YoY to 672 Mt in Apr-Dec 2025

Port / Dock	Apr to Dec traffic (MT) 2025	Apr to Dec traffic (MT) 2024	YoY Change (%)
Kolkata	51.0	44.3	15.2
Paradip	115.3	109.5	5.2
Visakhapatnam	66.3	60.5	9.6
Mumbai	56.3	51.4	9.5
JNPA	75.4	68.4	10.3

- E-way bill generation up 23.6% to 138 mn in Dec'25

- India's crude oil import bill fell 8.5% to $9.7 bn for 20.8 MT in Dec'25 on lower prices

- Rupee-invoiced exports rose 4.7% YoY to ₹2 tn in Apr-Nov 2025, while imports jumped 24.5% to ₹2 tn

- Govt. approved ₹50 bn SIDBI equity infusion to expand MSME credit by FY28

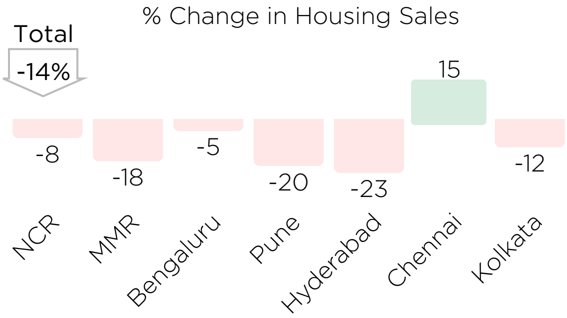
- Unlisted Indian companies' debt burden at 35-year low: CMIE data

Change in Borrowing, 2024-25

Unlisted Sector	Y-o-Y %
Manufacturing	11.0
Automobile	6.0
Electricity	-4.1
Services (ex-Fin.)	8.6
Mining	3.7
Constr. & Real Estate	7.5

Real Estate

- Housing sales in top 7 cities fell 14% YoY to 0.4 mn units while total transaction value rose 6% YoY to ₹6 tn in 2025



- Inst. real estate investments in India rose 29% to a record $8.5 bn in 2025 led by domestic inflows of $4.8 bn
  Bengaluru and Mumbai drew about half of 2025 inflows

- Net office leasing rose 25% to a record 61.4 mn sq ft in 2025 across the top 8 cities, led by Bengaluru

Agriculture

- Rice exports fell 5% to $8.7 bn in Apr–Dec 2025 and plunged 30% to $1 bn in Dec'25 amid US tariffs and Iran turmoil

- Tea production drops 8.8% to 5.2 mn kg during Jan-Nov'25

- India's cotton imports surged 158% to 3.1 mn bales in Q3'26 after allowing duty free imports

- India's sugar output rose 18.4% to 19.5 Mt till Jan'26 with 515 mills operational
  Led by Maharashtra

INDIA UPDATE

Metal

- India's steel exports grew 33% to 4.8 MT in Apr-Dec 2025
- Second price hike in hot rolled coil this month: steel mills raise prices by ₹500-₹750/tonne; trade level HRC up ₹6,000-₹52,000/tonne
  Imports decline by 13% to 9.6 MT in 2025 as a result of safeguard duty

Steel Prices Trough in 2025, Rebound Sharply Entering 2026

Month (2025)	Price (₹/tonne)	YoY Change (%)
Jan	47,044	-13
Feb	48,413	-10
Mar	50,343	-5
Apr	52,033	-1
May	52,033	-4
Jun	51,050	-5
Jul	49,422	-5
Aug	49,894	-1
Sep	49,144	2
Oct	47,900	-1
Nov	46,750	-3
Dec	47,100	0

- Upcoming EU CBAM and potential scrap export tariffs in 2026 are tightening scrap supply and driving price uncertainty

Others

- India's battery PLI lags on delivery, with just 2.8% capacity commissioned as of Oct'25
  PLI scheme, launched in Oct'21, targeted 50 GWh of battery cell manufacturing capacity by 2025
- Tamil Naidu to set up India's first sovereign AI park with an initial investment of ₹100 bn
  Aiming to generate 1,000 high-skilled, deep-tech jobs in the state
- Alcohol sector investments fell by 21% YoY in Q3'26 to ₹6.7 bn
- India's life insurers new business premiums up 39.5% to ₹421.5 bn in Dec'25 aided by GST rationalisation
  Life insurers policies rose by 35.4% to 2.8 mn in Dec'25
- EV retail sales rose by 16.4% YoY to 2.3 mn units in 2025, led by a 77% rise in electric passenger car sales
- India to purchase 114 jets for ₹3.3 tn with 30% indigenous components
- Rajasthan to develop 6 GWh BESS to ensure power system has sufficient electricity for future supply
- Government to invest ₹5.8 tn for 100 GW hydro PSPs by 2036
- Cargo traffic at India's 12 major ports rose 8% YoY to 672 mnT in Apr-Dec'25
- Government to invest ₹5.8 tn for 100 Gw hydro PSPs by 2036

Rajasthan continue to face severe power curtailment risk with more than 4GW commissioned capacity seeing near total shutdown during peak solar hours

GOVT. INITIATIVE

- Govt. approved wage and pension revisions for employees of PSGICs, NABARD, and RBI
  Benefiting over 0.9 mn employees and pensioners, outgo ₹110 bn
- MP awarded 4 GW thermal projects with ₹600 bn investment, with power supply starting 2030
- Govt. approved ₹260.7 bn for 1,720 MW Kamala hydro project in Arunachal
- EXIM Bank to raise $1 bn via 10Y & 30Y dual-tranche bonds at 85-95 bps over US T-bill
  First 30yr bond issued on record low global spreads
- CPI weights revised, with coverage expanded to 358 items across 12 markets, including online
- Govt. to allocate ₹59.3 bn for coal & lignite exploration over five years from FY27, covering ~1,845 sq km
- UP approved ₹30 bn semiconductor investments with special incentives across interest, tax, power and employment
- Draft NEP 2026 proposes automatic index-linked tariffs from FY27 if orders are delayed, to cut discom losses
  Discoms total debt over ₹7 tn
- Govt notifies coking coal as critical mineral to cut import dependence
- EFC approved ₹80 bn credit guarantee scheme for micro finance institutions, offering banks up to 75% default cover

CPI - Consumer Price Index (item-wise weights)

Group	Old	New
Food & Beverages	45.9	36.8
Housing, Water, Electricity, Gas	16.9	17.7
Transport	8.6	12.4
Clothing & Footwear	6.5	6.4
Health	5.9	6.1
Education Services	4.5	3.3
Personal Care	3.9	5.0

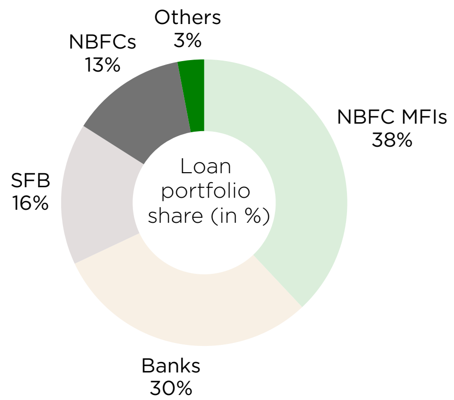
Microfinance Snapshot

Loan Portfolio (in ₹bn) **3419.5**

No. of Loan Accounts (in mn) **117.4**

Active Unique Borrowers (in mn) **73.8**

Average Balance per Loan Account (in ₹) **29,125**



ORDER BOOK INFLOW UPDATE

(Order in ₹bn)

Company	Order
Larsen & Toubro Limited	160
Bharat Heavy Electricals Limited	54
Sical Logistics Limited	40
Power Mech Projects Limited	31
Welspun Corp Limited	31
Ahluwalia Contracts (India) Ltd	31
LTI Mindtree Ltd	30
Kernex Microsystems (India) Limited	25
NCC Limited	25
Hindustan Aeronautics Limited	18
Bharat Electronics Limited	18
Solar Industries India Limited	14

INTERNATIONAL UPDATE

US - Taiwan

- Taiwan firms to invest $250 bn in US semiconductors, energy, and AI
- US cuts tariffs on most Taiwan goods to 15% (from 20%) and waives duties on select imports (eg: generic drugs)
- Aims to shift ~40% of Taiwan's semicon supply chain to US

China - Canada

- China to cut tariff on Canadian canola seed to ~15% from 84% by Mar' 26, $4 bn exports
- Canada will allow imports of up to 49K Chinese EVs at a 6.1% tariff rate, down from 100%
- Canada extends tariff remission on select Chinese steel and aluminium until 2026

Others

- China's economy grew 5% with a record $1.2 tn trade surplus in CY25
- US approved a 10% credit-card rate cap for 1 year

"My concern about capping rates at 10% is that doing so will inevitably cause mns of Americans to have their cards cancelled as credit card companies lose the ability to adequately price subprime credit risk"
- Bill Ackman, Founder of Pershing Square Capital Management

- Maersk resumes MECL Red Sea–Suez service in Jan'26
- Blackstone to invest €4 bn to develop a data centre in Germany
- EU low-value e-commerce parcels import rose 26% to 5.8 bn in 2025
  Plans to levy a €3 fee on low-value parcels from Jul'26
- Germany's average unemployment rose by 0.2 mn to 3 mn in 2025
  Highest figure since 2013
- China cut battery VAT export rebates to 6% from Apr'26 and 0% from Jan'27
- UK car output fell 8% to 0.7 mn units in 2025, lowest since 1956

Global Layoffs

- Six largest US banks cut 10,600 jobs in 2025 to 1.1 mn employees as of Dec'25
  Biggest reduction in nearly a decade
- UK firms cut 43K jobs in Dec'25, marking the largest decline since 2020

Company	Job Cuts in Jan	Company	Job Cuts in Jan
UPS	30,000	SOCIETE GENERALE	1,800
amazon	16,000	ERICSSON	1,600
Dow	4,500	BNP PARIBAS	1,200
AUMOVIO	4,000		

INTERNATIONAL UPDATE

- Globally, gold demand reached 5,002 tonnes in 2025, with 2,175 tonnes from investment, including 801 tonnes in ETFs
- Japan bankruptcies rose 2.9% to 10,300 in 2025
  Highest since 2013
- South Korea to launch 24 hrs FX trading & ease offshore rules to gain developed-market status from MSCI
- Britain, Germany, Denmark and other European countries to jointly develop 100 GW of offshore wind capacity in the North Sea
  Aim to build 300 GW offshore Wind by 2050

INDIA ECONOMIC DATA

Economic Indicator	Dec'25	Nov'25	Dec'24
WPI inflation (in%)	0.8	-0.3	2.6
CPI inflation (in%)	1.3	0.7	5.2
Core Sector Growth (in%)	3.7	2.1	5.1
Trade Deficit (in bn$)	25.0	24.5	20.6

Core growth was led by cement (+13.5%) and steel (+6.9%), electricity (5.3%), but dragged by crude oil (-5.6%), natural gas (-4.4%)

Economic Indicator	Jan'26	Dec'25	Jan'25	MoM	YoY
Composite PMI	58.4	57.8	57.7	1.0%	1.2%
GST Collection (in ₹tn)	1.9	1.7	1.8	10.8%	6.2%
AVG USD INR	90.7	90.0	86.2	0.8%	5.2%
Forex Reserves ($ bn)	709.4	696.6	630.6	1.8%	12.5%

**All the numbers are rounded to a single decimal place*

AEQUITAS: WHAT'S TRENDING

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Gold in 2025, A Strategic Decision?

The Drug That the World Is On?

The Fund Manager Brief @PMS Bazaar

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