

Market Pulse – April 2025

Executive Summary

In Apr'25, the Indian equity markets demonstrated resilience and steady gains amid supportive domestic policies and mixed global cues. The Nifty 50 has hovered around the 24,000+ mark with incremental growth, while the BSE Sensex has crossed 79,000 points. Key sectors such as Realty, FMCG, Auto, Banking, Energy, and Pharma have led the charge, while the IT sector faced a 5.7% decline on a MoM basis amid global IT selloffs. The market exhibits bullish technical trends, but with some caution warranted due to approaching overbought conditions in major indices.

Recently, the RBI, in its MPC meeting, brought the repo rate down by 25 bps to 6.00 while changing its stance to accommodative. Global trade tensions remained a dominant theme in April, as U.S. tariff policies under President Donald Trump caused tensions with its major trade partners. Commodity markets exhibited mixed behaviour. Crude oil prices remained relatively range-bound while gold prices surged to record highs, driven by safe-haven demand as investors sought refuge from global market volatility and trade uncertainties. The Indian rupee strengthened against the U.S. dollar, supported by a weakening dollar and continued foreign capital inflows.

Indian Market Update

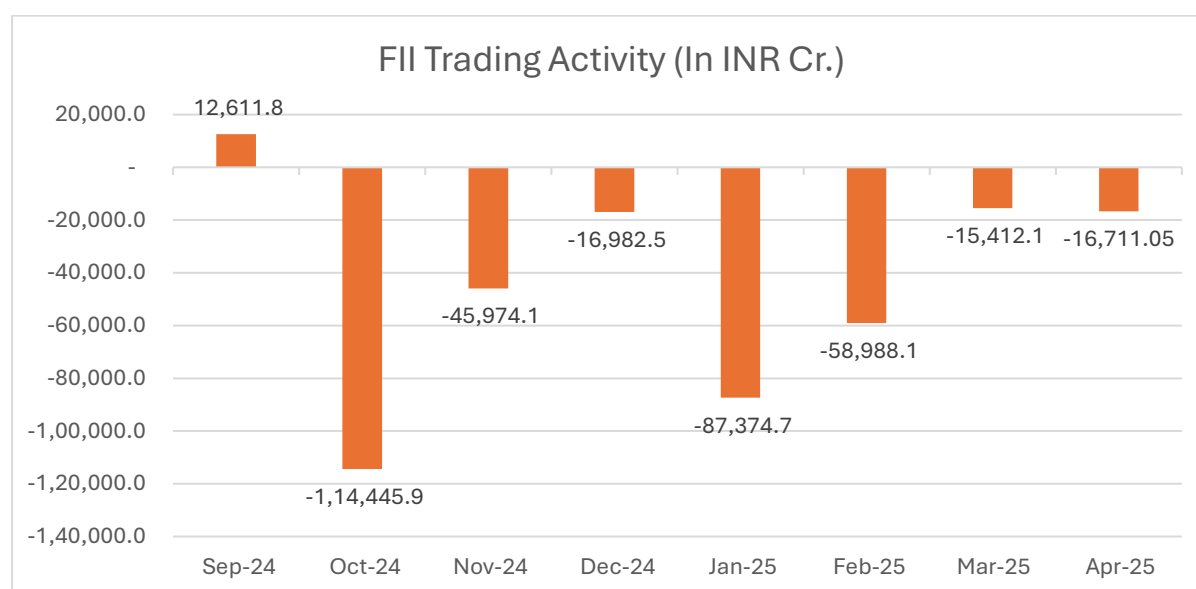
Indices Performance	Spot	1M % Change	% YTD
Sensex	79,595.6	4.7%	1.4%
Nifty 50	24,167.3	4.3%	1.8%
Nifty Bank	55,647.2	9.5%	9.0%
India VIX	15.2	10.5%	5.0%
NSE Midcap 100	54,397.2	6.2%	-5.3%
Nifty 500	22,085.2	4.8%	-1.8%

Source: NSE and BSE

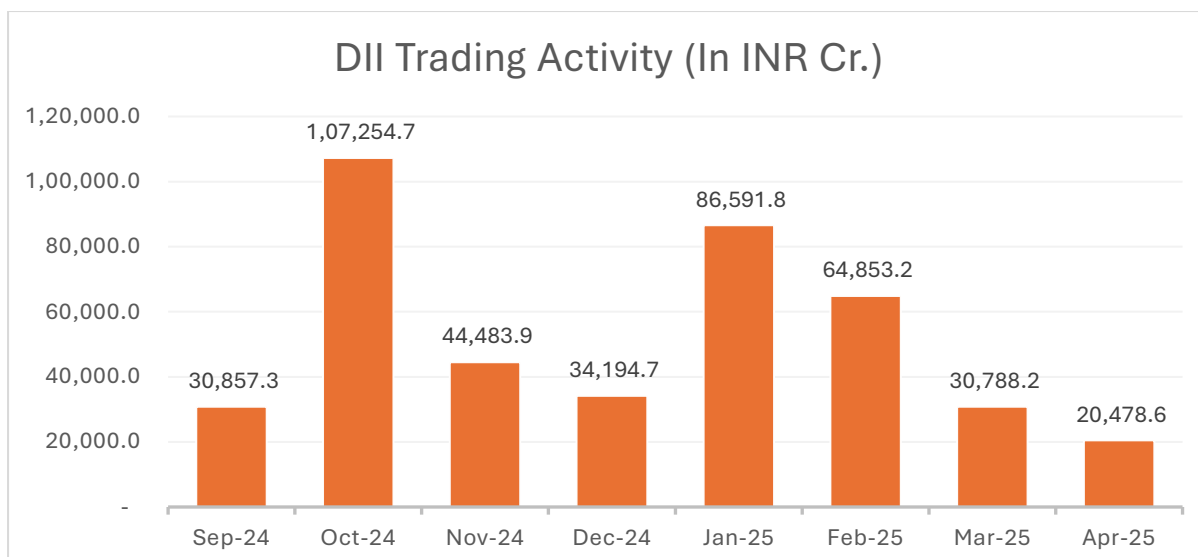
Market Performance Overview:

- After a turbulent start to the year, Indian equity markets staged a better recovery in Apr'25, almost reversing the losses seen from January 2025 to March 2025.
- The Nifty 50 Index rose by 4.3%, while the BSE Sensex gained 4.7%, buoyed by renewed investor confidence, easing inflationary pressures and dovish signals from the U.S. Federal Reserve.
- The broader market outperformed significantly, with Nifty Bank rallying by 9.5% and NSE Midcap 100 surging 6.2%, supported by robust retail participation and a pick-up in domestic liquidity.

FII & DII Performance



Source: Money-control



Source: NSDL, Money-control

In Apr'25, Foreign Portfolio Investors (FPIs) continued their trend of offloading shares, particularly in the first half of the month. From April 1 to April 11, FPIs sold a total of INR 34,640 Cr worth of shares, according to NSDL data. This selling spree was driven by global market turbulence, which led to a cautious approach by FPIs. However, a notable shift occurred starting April 12, as FPIs renewed buying activity. This change was partly due to the postponement of US tariffs by 90 days, which contributed to a market rally. Additionally, the RBI's recent rate cut, and accommodative stance have added momentum to the equity markets, making them more attractive to FIIs.

On the other hand, DIIs have also displayed a more supportive stance, with a net buying activity of INR 20,478.6 Cr. from April 1 to April 22.

Market Volatility Indicator (India VIX)

India VIX, which measures market volatility expectations, experienced fluctuations, ultimately closing at 15.2 after a notable increase of 10.5% in Apr'25. The index spiked sharply in early April, climbing above 21 amid steep corrections in domestic benchmarks and global markets reacting to the escalating U.S.-China trade war and retaliatory tariffs, which shook investor confidence and amplified fears of a U.S.-led global economic slowdown, with market consensus placing the probability of a recession at 60%. The VIX moderated somewhat in the latter half of the month but remained elevated around the 15–16 range.

Sectoral Impact

Sectoral Performance	Spot	1M % Change	% YTD
IT	33,941.1	-5.7%	-21.7%
Realty	885.0	7.3%	-15.0%
Energy	34,516.4	3.7%	-2.6%
FMCG	57,193.8	7.7%	0.3%
Oil & Gas	10,941.5	3.6%	1.6%
Pharma	21,438.1	3.2%	-8.6%
PSU Bank	6,734.3	7.7%	2.9%
Auto	21,903.7	3.1%	-5.3%
Media	1,598.7	6.0%	-12.8%
Metal	8,669.5	-3.9%	0.3%
Consumer Durables	38,172.4	9.8%	-9.4%

Source: NSE

In Apr'25, the Indian stock market displayed a diverse sectoral performance and varying investor sentiment. Domestic consumption-oriented sectors led the rally, while export and globally sensitive sectors faced headwinds. This was particularly evident amid the ongoing tariff break for the next three months, although the standard 10% tariff remains in place. Alongside the steel, aluminium, and auto tariffs introduced in Mar'25, they will stay intact, which is reflected by the negative trend in metal (ferrous) stocks.

- Market gains were led by Consumer Durables (9.8%), FMCG (7.7%), PSU Banks (7.7%), and Realty (7.3%), driven by strong investor confidence, resilient domestic demand, and supportive economic conditions.
- FMCG stocks surged on the back of rural demand recovery and premiumization trends. Meanwhile, Consumer Durables outperformed due to increased urban discretionary spending, which was expected by the government to push in the budget and rate cut by RBI. Additionally, seasonal factors also contributed to the strong performance of these sectors (specifically white goods).
- Realty, Energy (3.7%), and Pharma (3.2%) also recorded gains, supported by policy incentives, a focus on renewables, and export-led growth.

- The auto sector (3.1%) and media (6.0%) advanced, driven by the adoption of electric vehicle (EV) and higher advertising spending (specifically from digital media), respectively.
- Further, Oil & Gas (3.6%) and PSU Banks (7.7%) performed well, buoyed by improved economic outlooks and increased lending activities.
- In contrast, the IT sector declined by 5.7%, impacted by global uncertainties and profit-booking after previous highs, while Metals also saw a negative trend.

Commodity Performance

Commodity	Spot	1M % Change	% YTD
Gold (US\$/OZ)	3,346.1	6.4%	25.4%
Silver (US\$/OZ)	32.5	-5.4%	8.6%
Brent (US\$/Bbl)	67.4	-9.5%	-11.1%
WTI (US\$/Bbl)	64.2	-9.8%	-11.4%
Copper (US\$/Lbs)	4.9	-3.0%	22.2%

Source: Investing.com, Money-control

Gold: Gold prices soared in Apr'25, up 6.4% for the month and 25.4% YTD, hitting record highs as recession fears and US-China tensions drove a flight to safety. Additionally, a weakening US dollar and sustained buying by central banks and investors acted as key drivers, reinforcing the upward momentum in gold prices.

Silver: In contrast, silver prices saw a monthly dip of 5.4% in Apr'25. Despite this short-term decline, silver maintained a solid gain of 8.6% on YTD basis, reflecting strong underlying industrial demand and continued investor confidence in the metal's long-term prospects.

Energy sector saw a sharp decline in April, weighed down by rising trade tensions, increased OPEC+ output, and weakening global demand, as Brent and WTI crude prices tumbled, underscoring the sector's sensitivity to geopolitical and macroeconomic shifts.

Copper prices also declined in Apr'25, primarily due to the negative impact of trade tariffs on manufacturing and industrial demand, especially from China, the world's largest consumer of copper. Broader market uncertainty further weighed on copper, contributing to the downward trend in prices for the month.

Indian Bond and US Bond Market

Indian Bonds	Apr-24	Apr-25	YoY (%)	Jan-25	YTD (%)
India 10Y	7.20	6.34	-11.9%	6.81	-6.9%
India 2Y	7.15	6.01	-15.9%	6.78	-11.4%
US Bonds	Apr-24	Apr-25	YoY (%)	Jan-25	YTD (%)
US 10Y Treasury Bond	4.97	4.30	-13.5%	4.76	-9.7%
US 2Y Treasury Bond	5.00	3.82	-23.6%	4.24	-9.9%

Source: Investing.com, Trading-economics

The decline in Indian bond yields from April 2024 to April 2025, reflects a broader trend in the Indian bond market. The 10-year bond yield fell from 7.20% to 6.34%, and the 2-year bond yield dropped from 7.15% to 6.01%. This significant drop can be attributed to several factors. Firstly, RBI monetary policy stance has been a key driver. The RBI has maintained a stable interest rate environment, which has led to a predictable and relatively lower yield landscape. Additionally, the inclusion of Indian bonds in global indices such as the JPMorgan Global Bond Index and the upcoming inclusion in the FTSE Russell index have increased foreign investment, contributing to lower yields.

The US bond market also experienced a notable decline in yields during the same period. The 10-year Treasury bond yield decreased from 4.97% to 4.30%, and the 2-year Treasury bond yield fell from 5.00% to 3.82%. This trend is indicative of changing economic expectations and policy adjustments. The Federal Reserve's interest rate decisions have a significant impact on bond yields. Recent adjustments and forward guidance from the Fed have influenced investor sentiment, leading to a shift in yield levels. Additionally, global economic conditions and the search for safe-haven assets have driven increased demand for US Treasuries, resulting in lower yields.

Global Market Update

Index	Spot	1M % Change	% YTD
Dow Jones	39,186.98	-6.7%	-7.6%
S&P 500	5,412.5	-4.6%	-7.8%
Nasdaq	18,276.4	-6.0%	-5.2%
CAC 40	7,326.5	-7.0%	-0.9%
DAX	21,293.5	-5.5%	6.3%
FTSE 100	8,328.6	-3.5%	0.8%
Nikkei 225	35,250.0	-1.1%	-10.3%
Hang Seng	21,562.3	-7.1%	9.9%
Shanghai	3,299.8	-1.5%	1.1%

Source: Investing.com, Trading-economics

In April 2025, major global stock indices faced substantial declines, reflecting a confluence of geopolitical tensions, market uncertainty, and economic concerns. The Dow Jones Industrial Average fell 6.7% to 39,186.98, the S&P 500 dropped 4.6% to 5,412.5, and the Nasdaq saw a 6.0% decrease to 18,276.4, mirroring similar declines in European and Asian markets. The CAC 40 and DAX in Europe dropped 7.0% and 5.5%, respectively, while the FTSE 100 in the UK fell by 3.5%. In Asia, the Nikkei 225 dipped 1.1%, and the Hang Seng Index plummeted 7.1%. The Shanghai Composite Index in China declined by 1.5%. This broad-based sell-off is primarily attributed to the escalation of the US-China trade war, now at a critical juncture with a trade probability of 245%. While the 90-day delay in US tariffs provided short-term relief, the ongoing uncertainty surrounding potential trade disruptions has fueled investor caution, triggering a "risk-off" sentiment.

Company specific developments/news:

- BEML Ltd. has been awarded INR 405 Cr. contract by Bangalore Metro Rail Corporation Limited (BMRCL) to supply seven additional metro trainsets (42 cars) for Phase 2 of the Bangalore Metro Rail Project. The new trainsets will feature advanced technology, enhanced safety features, and improved passenger comfort, aiming to boost the efficiency and reliability of Bangalore's expanding metro network.
- Rail Vikas Nigam Limited (RVNL) has been awarded INR 554.64 Cr. contract by the National Highways Authority of India (NHAI) to construct a six-lane, access-controlled road connecting Sabbavaram bypass to Sheelanagar junction on

NH-516C in Andhra Pradesh. The 12.66 km project, featuring a 1.596 km elevated section, aims to enhance connectivity to Visakhapatnam Port, facilitating efficient freight movement and reducing travel time. Awarded under the Hybrid Annuity Mode (HAM), the project is slated for completion within two years, followed by a 15-year operation and maintenance period.

- Tata Power Renewable Energy signed a power purchase agreement with NTPC to develop a 200 MW renewable energy project worth INR 4,500 crore, boosting its renewable utility capacity to 10.9 GW. The project will help meet rising power demand during peak hours and is expected to offset over one million tonnes of CO₂ annually, reinforcing Tata Power's leadership in sustainable energy and supporting its growth in the rapidly expanding renewables market.
- PhonePe's transition to a public limited company is a crucial step toward its anticipated IPO, which could value the company at US\$ 15 Bn. This move enhances transparency and regulatory compliance, making PhonePe more attractive to investors.
- Adani Ports' acquisition of 100% stake in Abbot Point Port Holdings (North Queensland Export Terminal) adds 50 MTPA of cargo capacity, significantly boosting its international operations and helping it move toward its 150 MT global target by 2030. This deal strengthens Adani's presence in the east-west trade corridor, provides stable earnings visibility, and supports long-term growth in global logistics.

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