MySIPonline
SIMPLIFYING INVESTMENTS

MONTHLY NEWSLETTER

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March' 2025

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Introduction

March 2025 Newsletter

March 2025 brought a welcome break in the persistent weakness across Indian equity markets, with the **Nifty 50 and broader sectoral indices finally posting positive returns** after months of underperformance. The rebound was driven by encouraging signals from the macroeconomic front—**GDP growth improved**, **consumer spending picked up**, and **the balance of trade narrowed** significantly.

Despite these gains, challenges remain. Rising commodity prices, a widening current account deficit, and global uncertainties—particularly the impact of renewed Trump-era tariffs—continue to pose risks to sustained recovery. While **FII inflows turned positive** and **earnings from core sectors showed strength**, signs of underlying stress are evident in **cyclical sectors**, **slowing mutual fund inflows**, and **a decline in household savings**.

This edition dives into the key trends across banking, industry, consumption, trade, and debt markets, along with sectoral earnings, fixed income performance, and the shifting investor sentiment. We also analyse the **gold rally**, the impact of **reciprocal tariffs**, and emerging **capex trends** that may shape India's medium-term growth story.

As we explore whether this is the beginning of a sustained recovery or a short-lived bounce, our focus remains on **data-backed insights** and **long-term perspective**, helping investors navigate with clarity and confidence.

Happy Investing!
MySIPOnline Research Desk

Economy

Statistical Appendix		
Indicators	**Latest**	**Previous**
USD/INR	85.42	87.47
Sensex	77414.92	74612.43
GDP Growth Quarterly	1.60% Q4 2024	1.40% Q3 2024
Inflation Rate	3.61%	4.31%
Balance of Trade (USD Bil.)	-14.05	-22.99
Current Account (USD Mil.)	-11457	-9700
Manufacturing PMI	58.10	57.10
Services PMI	57.70	61.10
Consumer Spending (INR Bil.)	28107	24823
Global Commodities Monthly		
Brent USD Bbl.	74.519	72.810
Crude Oil USD/Bbl.	71.223	69.760
Natural Gas USD/MMBtu.	3.951	3.834
Coal USD/T	102.65	100.100
Gold USD/t.oz	3115.80	2856.910
Silver USD/t.oz	33.797	31.131

(TradingEconomics)

Insights from Indicators

- March broke the trend of equity market declines, with positive returns in Nifty 50, Sensex, and sectoral indices.
- Market improvement reflected in currency indicators, GDP growth, balance of trade, manufacturing PMI, and consumer spending.
- Headwinds remain with rising commodity prices and declines in current account and services PMI.
- Trump Tariffs pose global economic risks — details and methodology covered later in the newsletter.

Macro Dashboard: Key Takeaways

- **Banking**: Currency circulation slowed (end-2024 to Jan '25); credit outpaced deposits, raising credit-deposit ratio; bank ratios remain healthy.
- **Industry**: Housing & construction slowdown hit cement; IIP drop affected steel, cement, mining, electricity; PMI dipped, rebounded Jan '25.
- **Consumer**: Vehicle sales fell; air traffic & petrol usage stayed strong; Budget Feb '25 expected to revive consumption.
- **Freight & Trade**: Port traffic declined; imports surged Nov '24; steady e-way bill growth signals domestic resilience.

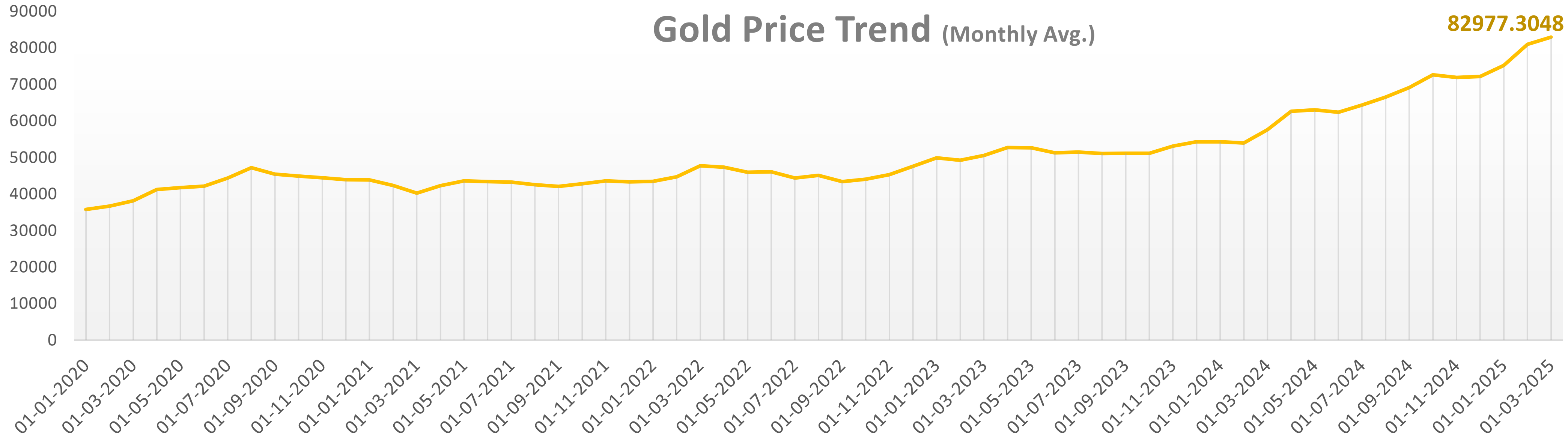
All the factors combined explain the decline in the markets over the past few months. Slowing economic activity and earnings, coupled with global uncertainty, were major reasons behind the outflow of liquidity from FIIs and the market slowdown.

MACRO ECONOMIC DASHBOARD

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Banking													
Currency in Circulation (% YoY)	3.9	3.7	4.1	3.2	3.7	6	6.4	5.5	5.9	7	5.7	5.9	5.3
Deposit Growth (% YoY)	12.5	12.5	12.9	11.7	12.2	10.6	11	11.3	12.2	12.2	11.1	10.2	10.6
Credit to Deposit Ratio (%)	77.7	78	78.1	77.3	77.5	77.3	77.3	77.5	77	77.2	77.7	78.7	79
Weighted Avg. Deposit Rate of Banks (%)	6.84	6.86	6.88	6.91	6.93	6.91	6.92	6.93	6.95	6.96	6.95	7	
Weighted Avg. Lending Rate of Banks (%)	9.85	9.83	9.85	9.83	9.83	9.91	9.91	9.91	9.9	9.9	9.89	9.87	
Industry													
Cement Production (%YoY)	5.7	9.1	10.6	-0.8	-1.7	2.4	5.5	-3	7.2	3.1	13	4	
Steel Production (%YoY)	9.2	9.4	7.5	9.8	8.9	6.3	6.4	3.9	1.6	5.2	4.8	5.1	
IIP (%YoY)	3.8	5.6	5.4	5	6.2	4.7	4.7	-0.1	3.1	3.5	5	3.2	
Mining (%YoY)	5.9	8.1	1.3	6.8	6.6	10.3	3.8	-4.3	0.2	0.9	1.9	2.6	
Manufacturing (%YoY)	3.2	4.9	5.8	3.9	5	3.2	4.4	1	3.9	4.1	5.5	3	
Electricity (%YoY)	5.6	7.5	8.6	10.2	13.7	8.6	7.9	-3.7	0.5	2	4.4	6.2	
Capital Goods Production (%YoY)	4.1	1	6.6	2.7	2.9	3.8	11.8	0.5	2.8	3.1	8.8	10.3	
Consumer Durable Production (%YoY)	11.9	12.3	9.5	10	12.6	8.7	8.3	5.3	6.5	5.9	14.1	8.3	
PMI Manufacturing Index	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7
PMI Services Index	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5
Consumer													
Rural Wage (%YoY)	6.8	6.7	6.7	6.6	6.2	6	5.6	6.3	6.7	6.6		6.4	8.4
Motor vehicle sales (%YoY)	26	31.2	22	24.6	8.9	16.9	8.4	6.5	11.8	11.4	-0.2	-4.7	1.6
Passenger Vehicle (%YoY)	31.9	27	26	1.3	4	3.1	-2.5	-1.8	-1.4	0.9	4	10	2.4
Commercial Vehicle (%YoY)	0.3	-0.1	8	13.6	7.9	0.2	-10.2	-11	-12.5	-3.4	1.3	4.7	2.1
Two Wheelers (%YoY)	26.2	34.6	15.3	30.8	10.1	21.3	12.5	9.3	15.8	14.2	-1.1	-8.8	11.4
Tractor Sales (%YoY)	-15.3	-30.6	-23.1	-3	0	3.6	1.6	-5.8	3.7	22.4	-1.3	14	6.7
Petrol Consumption (%YoY)	9.6	8.9	6.9	14.1	2.4	4.6	10.5	8.6	3	8.7	9.6	11.1	4.2
Diesel Consumption (%YoY)	3.5	6.2	3.1	1.4	1.8	1	4.5	-2.5	-1.9	0.1	8.5	6	
Air Traffic (%YoY)	4.6	4.8	3.7	2.4	4.4	5.8	7.3	5.7	6.4	8.1	11.9		
Foreign Tourist Arrivals (%YoY)	10.4	15.8	8	7.7	0.3	9	-1.3	-4.2	0.4	-1.4			
Freight													
Major Port Traffic (%YoY)	3.2	2.4	3.6	1.3	3.7	6.8	6	6.7	5.9	-3.4	-5	3.4	6.2
Rail Freight Traffic (%YoY)	6.4	10.1	8.6	1.4	3.7	10.1	4.5	0		1.5			
E-way Bills Generated (%YoY)	16.4	18.9	13.9	14.5	17	16.3	19.2	12.9	18.5	16.9	16.3	17.6	
Foreign Trade													
Export Growth (%YoY)	3.1	11.8	-0.7	1.1	9.1	2.6	-1.5	-9.3	0.5	17.3	-4.9	-1	
Import Growth (%YoY)	1	12.2	-6	10.3	7.7	5	7.5	3.3	1.6	3.9	27	4.9	
Non-Oil, Non-Gold Imports (%YoY)	-0.9	8.8	-2.7	0.5	1.1	5.9	6.1	5.4	5.7	1	6.3	2	
Capital Goods Import (%YoY)	-8.5	1.1	5.7	-1.5	0.7	12.9	3	9	19.4	8.1	12.9	12.8	

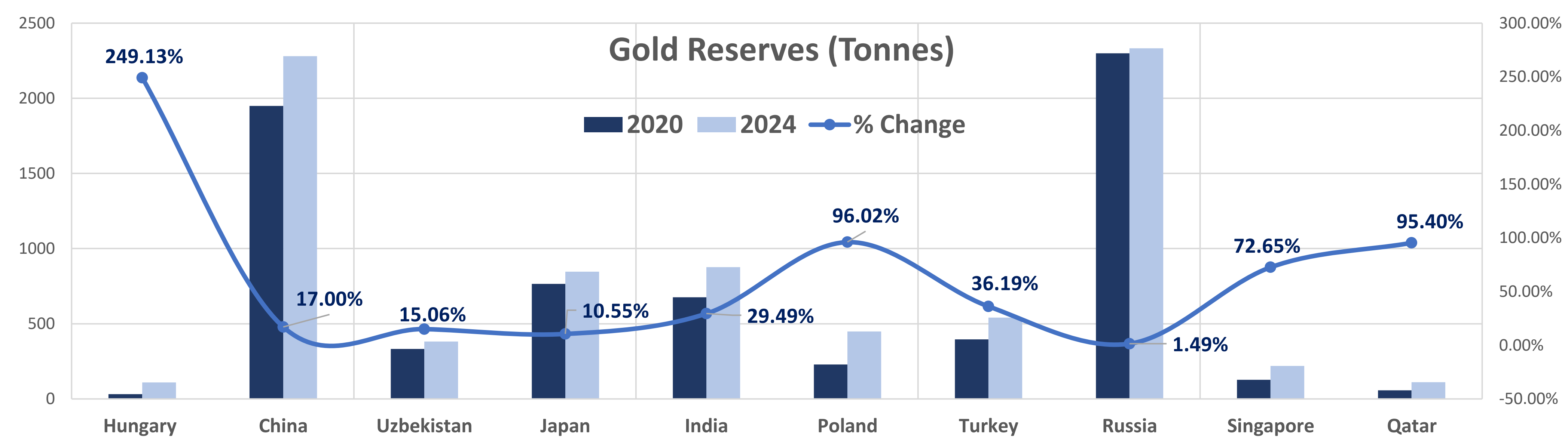
(Baroda BNP MF)

Gold Rush: What's Fuelling the Surge?

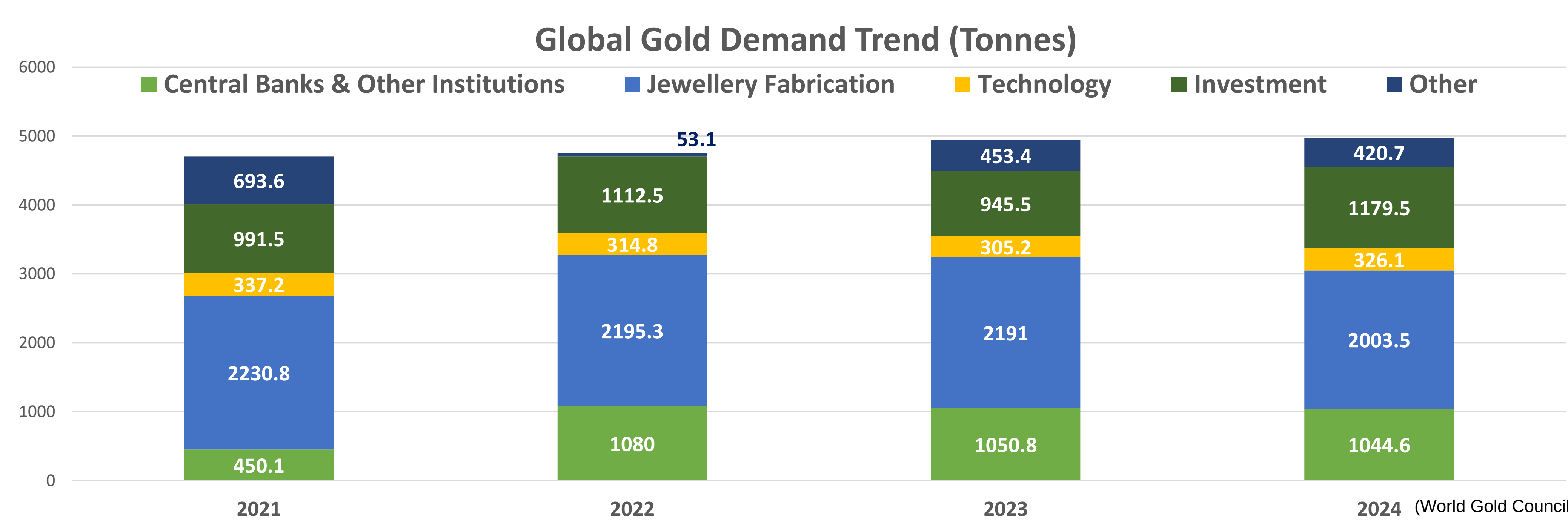


(World Gold Council)

- The price of gold has surged more than 50% since the start of January 2024.
- Goldman Sachs forecasts that the rally in gold will continue amid strong demand from central banks.
- Higher-than-expected demand from central banks—who have been increasing their reserves of the commodity since the freezing of the Russian Central Bank's assets in 2022, following Russia's invasion of Ukraine—has been a key driver.
- Declining interest rates make gold a more attractive investment.
- Net long positions in gold are currently very high, as concerns over sustained tariffs from the Trump administration drive investors towards safe-haven assets, including gold.
- Continuous global uncertainty—tariffs, geopolitical risks, and fears about high government borrowing—further supports gold's rise.
- Gold's diverse and fluid demand drivers mean it has appreciated during both rising and falling U.S. yields, positioning it well amid global uncertainty.
- Increased tariffs, stronger inflation, budget deficit expansion, and heightened risks to economic growth continue to fuel gold buying. Investors are looking to hedge inflation with real assets such as gold, which does not carry the same tariff risks linked to industrial commodities under intensified trade tensions.



(World Gold Council)



(World Gold Council)

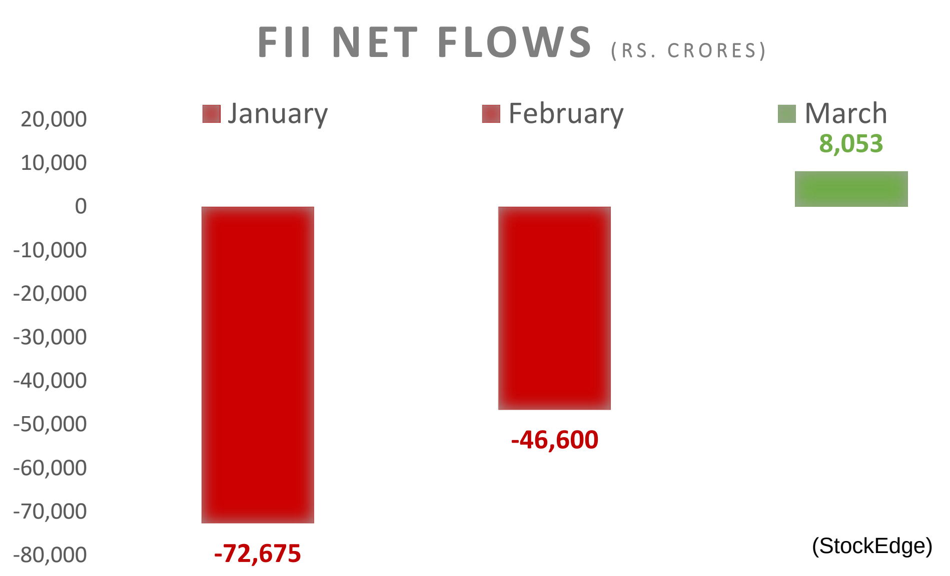
"Reciprocal Tariffs"

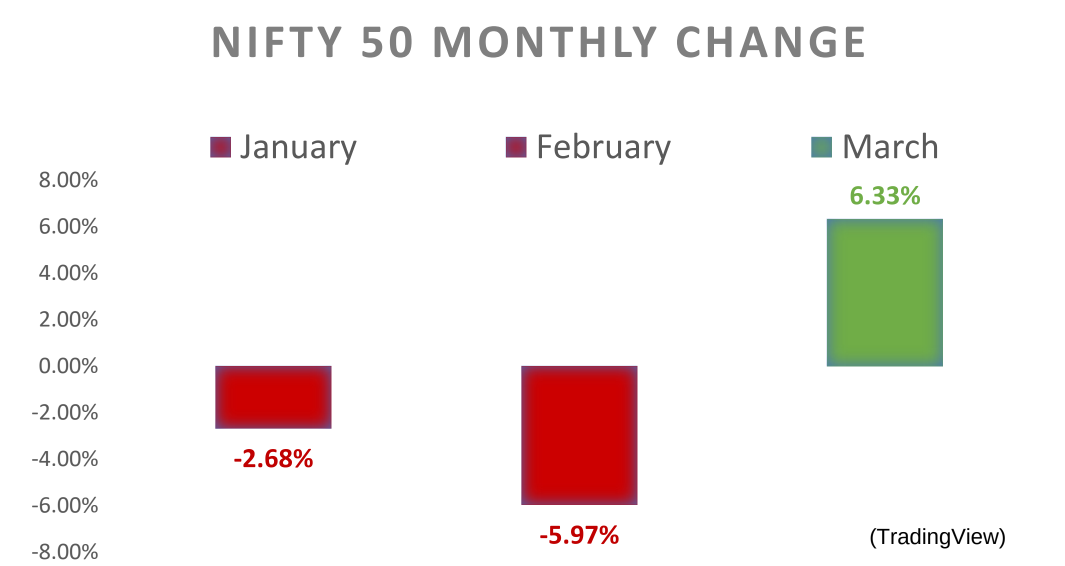
- The reciprocal tariffs applied do not actually account for the tariffs levied by the countries themselves but use a simplified formula: the country's trade deficit divided by its exports to the USA, then halved.
- For example, America's trade deficit with China was **$295.4 billion**, and the USA's imports from China were **$439.9 billion**.
- This means China's trade surplus with the US was approximately **67%** of the value of its exports—labelled as the "tariff charged to the USA."
- Half of that—equating to **34%**—is imposed as the tariff rate on imports from China.
- Therefore, the reciprocal tariffs do not actually reflect the tariffs charged by the opposite country but rather account for the **magnitude of the trade deficit**.
- This method communicates the **intent** of the tariffs, which is to **improve the trade deficit of the USA** with other nations.
- The objective is to **promote manufacturing within the USA**, reduce **reliance on foreign goods**, **create employment**, and **strengthen the dollar** by encouraging domestic production.
- Whether the trade war will be successful in achieving these goals is **too early to determine**, as it will depend on various factors—one of the major ones being the **response from other nations**.
- The tariffs have already caused **global markets to plummet**, with **US markets themselves experiencing significant declines**.
- It remains a matter of time to see **what unfolds in the future**.

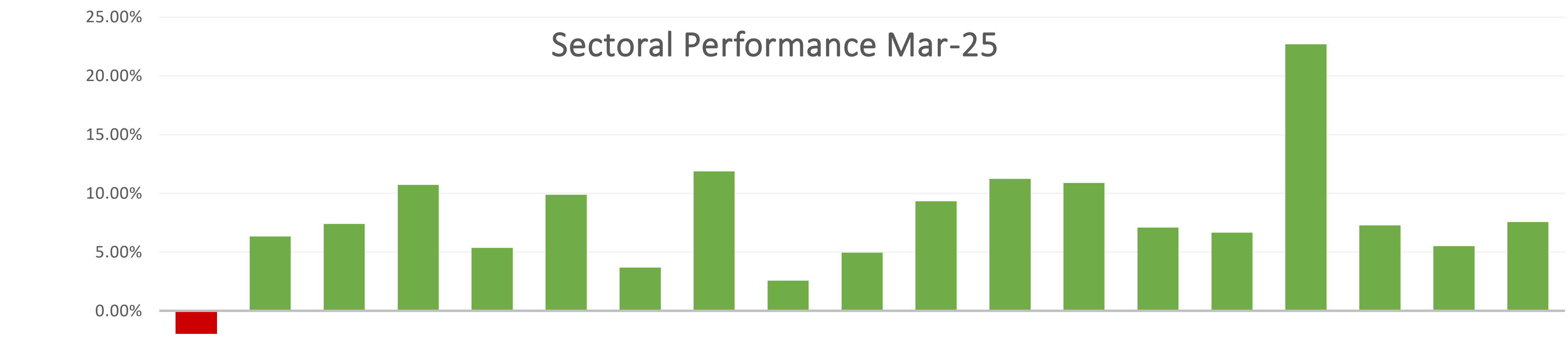
Hardest Hit Countries under Reciprocal tariffs

	Tariffs Imposed	2024 US Imports (USD Bil.)	Trade Deficit (USD Bil.)
European Union	20%	605.76	-235.57
China	34%	438.95	-295.40
Japan	24%	148.21	-68.47
Vietnam	46%	136.56	-123.46
South Korea	25%	131.55	-66.01
Taiwan	32%	116.26	-73.93
India	26%	87.42	-45.66
Switzerland	31%	63.43	-38.46
Thailand	36%	63.33	-45.61
Malaysia	24%	52.53	-24.83
Indonesia	32%	28.08	-17.88
Israel	17%	22.22	-7.40
South Africa	30%	14.66	-8.84
Philippines	17%	14.18	-4.88
Cambodia	49%	12.66	-12.34
Bangladesh	37%	8.37	-6.15
Iraq	39%	7.42	-5.76
Norway	15%	6.58	-1.99
Venezuela	15%	5.99	-1.76
Nigeria	14%	5.70	-1.52
Guyana	38%	5.38	-4.06
Pakistan	29%	5.12	-2.99
Nicaragua	18%	4.62	-1.68
Jordan	20%	3.36	-1.33
Sri Lanka	44%	3.02	-2.65
Algeria	30%	2.46	-1.45
Kazakhstan	27%	2.33	-0.25
Angola	32%	1.87	-1.19
Libya	31%	1.47	-0.90
Tunisia	28%	1.12	-0.62
Ivory Coast	21%	1.01	-0.42
Serbia	37%	0.81	-0.60
Laos	48%	0.80	-0.76
Madagascar	47%	0.73	-0.68
Myanmar	44%	0.66	-0.58
Botswana	37%	0.41	-0.30
DR Congo	11%	0.32	-0.07
Namibia	21%	0.28	-0.11
Fiji	32%	0.26	-0.16
Cameroon	11%	0.25	-0.06
Liechtenstein	37%	0.24	-0.18
Brunei	24%	0.24	-0.11
Lesotho	50%	0.24	-0.23
Mauritius	40%	0.23	-0.19
Mozambique	16%	0.22	-0.07
Bosnia and Herzegovina	35%	0.18	-0.13
North Macedonia	33%	0.17	-0.11
Zambia	17%	0.17	-0.06
Moldova	31%	0.14	-0.08
Equatorial Guinea	13%	0.13	-0.03
Chad	13%	0.08	-0.02
Zimbabwe	18%	0.07	-0.02

(CNN Business)







	Nifty IT	Nifty Pharma	Nifty Healthcare	Nifty Commodity	Nifty Realty	Nifty Infra	Nifty Auto	Nifty Energy	Nifty Consumer Durables	Nifty Cnsumption	Nifty Metal	Nifty PSU Banks	Nifty Oil & Gas	Nifty Bank	Nifty Private Bank	Defence	Nifty Manufacturing	Nifty FMCG	Nifty Media
Monthly Change	-1.94%	6.33%	7.40%	10.72%	5.37%	9.88%	3.69%	11.88%	2.57%	4.96%	9.33%	11.23%	10.89%	7.10%	6.66%	22.70%	7.28%	5.52%	7.56%

(TradingView)

Recovery or Mirage?

Tailwinds

- **FII flows** turned positive after months of consistent outflows, indicating renewed investor confidence.
- **Nifty 50 and sectoral indices** saw a broad-based rebound, with **defence** leading gains; **IT** remained a laggard.
- **Gold prices** also rose notably in March, reflecting a shift toward safe-haven assets.
- **NSE 500 earnings**, which had dipped into negative growth in Q2FY25, showed a strong recovery.
- When excluding **cyclical and volatile sectors**, the earnings decline appears less severe, suggesting core strength.
- **Top 6 sectors** reported robust earnings and revenue growth, along with healthy margin expansion.
- **Bottom 6 sectors** saw topline growth; though earnings remained negative, **Trading and Energy** showed margin improvement.
- Weakness in **energy, commodities, and chemicals** reflects their cyclical nature, while **textiles** are expected to rebound soon.

Headwinds

- **Earnings trend in bottom 6 sectors** remains weak; being cyclical, they reflect broader economic slowdown.
- **Sectors like electricity and energy** are key indicators of underlying economic activity, which remains subdued.
- **Macro indicators** show rising leverage and slowing activity, reducing headroom for credit-led growth.
- **Credit growth is outpacing deposit growth**, adding stress to the financial system.
- **Trump Tariffs** have triggered global market volatility, raising uncertainty and dampening investor sentiment.
- **FII outflows** reflect fears of a global slowdown in trade and business due to protectionist policies.
- **Global policy responses** are still unclear, further amplifying risk.
- **Mutual Funds section discusses signs of slowdown**, including falling MF inflows, declining household savings, and a dip in housing sales — all signalling potential pressure on market stability.

NSE 500 Adjusted Earnings	YoY Growth
Q3FY24	26.60%
Q4FY24	13.20%
Q1FY25	4.00%
Q2FY25	-1.30%
Q3FY25	8.50%

NSE 500 Adjusted Earnings Excluding Oil & Gas, Metal & Mining (The Volatile Sectors)	YoY Growth
Q3FY24	22.70%
Q4FY24	20.30%
Q1FY25	17.10%
Q2FY25	12.40%
Q3FY25	13.50%

(Alchemy Capital)

Sectoral Earnings Trend Q3FY25 Top 6 Sectors

	Revenue Growth YoY	EBITDA Growth YoY	Adjusted PAT Growth YoY	Whether EBITDA Margins Increased
Agro Chemicals	12.00%	114.00%	580.00%	Yes
Infrastructure	11.00%	17.00%	198.00%	Yes
Consumer Durables	61.00%	97.00%	150.00%	Yes
Exchange	21.00%	164.00%	109.00%	Yes
Cap. Goods	16.00%	27.00%	28.00%	Yes
New Age /E-comm.	20.00%	33.00%	24.00%	Yes

(Alchemy Capital)

Sectoral Earnings Trend Q3FY25 Bottom 6 Sectors

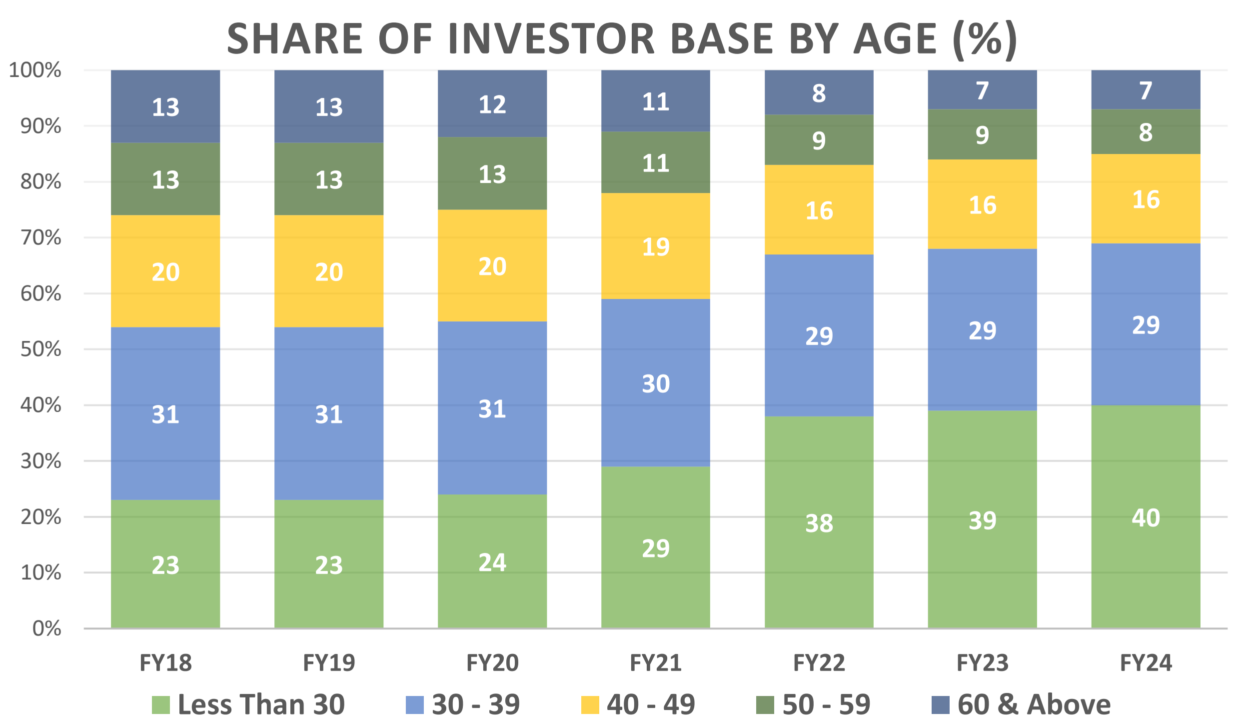
	Revenue Growth YoY	EBITDA Growth YoY	Adjusted PAT Growth YoY	Whether EBITDA Margins Increased
Trading	13.00%	18.00%	-9.00%	Yes
Textiles	4.00%	-60.00%	-9.00%	No
Chemicals	9.00%	7.00%	-9.00%	No
Plastic Prod	1.00%	-13.00%	-15.00%	No
Energy	-2.00%	-1.00%	-19.00%	Yes
Commodities	4.00%	3.00%	-29.00%	No

(Alchemy Capital)

FPI Sold Shares worth ₹1.31 Trillion in FY25 in India

Event	FPI Outflows (in USD Bil.)	Nifty Returns (%)	Start Date	End Date
Global Financial Crisis	-15	-57	Jan-08	Mar-09
Taper Tantrum	-4	-9	Jun-13	Sep-13
Election Correction	-1	-5	Sep-14	Oct-14
Banks Asset Clean Up	-8	-17	Apr-15	Feb-16
Fed Hikes/Demonitisation	-5	-3	Oct-16	Jan-17
Cyclical Slowdown	-4	2	Aug-17	Oct-17
NBFC Crisis	-9	-2	Feb-18	Nov-18
Slowdown	-5	-8	Jun-19	Sep-19
Onset of Covid	-9	-23	Feb-20	May-20
Post Covid De-Risking	-35	-10	Oct-21	Jul-22
Currrent	-27	-15	Sep-24	Mar-25

(Aequitas India)



(Aequitas India)

"Perhaps even more worrying trend is the number of young people in their 20s (not even from family business) giving up operating careers to trade - invest.

.... The asset with the highest ROI in your 20s is your TALENT and TIME not a financial instrument"

-Radhika Gupta, CEO – Edelweiss Mutual Fund

(Aequitas India)

Capex Update

- Hindalco to invest ₹450 bil. in aluminium, copper, and alumina expansion for EVs, renewables, and semiconductors.
- ACME Solar to invest ₹170 bil. by 2026 in hybrid and round-the-clock renewable projects.
- SAIL to expand Rourkela Steel Plant to 9 MTPA by 2030 with ₹300 bil. investment.
- Prologis re-enters India with a $500 mil. investment to develop warehousing parks across major cities.
- Maruti to invest ₹74 bil. in third Haryana plant, lifting capacity to 750,000 units by 2029.
- Dalmia Bharat invests ₹35.2 bil. in cement plants, targeting 75 MnTPA capacity by FY28.
- Amazon Web Services pledges $8.2 bil. investment in Maharashtra to enhance its infrastructure and deploy advance GPUs.
- Blue Star Ltd plans ₹4 bil. investment in FY'26 for manufacturing expansion across India. ₹2 bil. to increase room AC capacity, ₹1.5 bil. for commercial AC and ₹0.5 bil. for commercial freezer.
- Insurance Sector sees a surge in deals with 100% FDI opening up.
- Jio, Airtel partner with Musk's Starlink for satellite internet, increasing competition in 5G.
- Aditya Birla Estates debuts in Pune with luxury residential project, Birla Punya, revenue potential of over ₹27 bil.

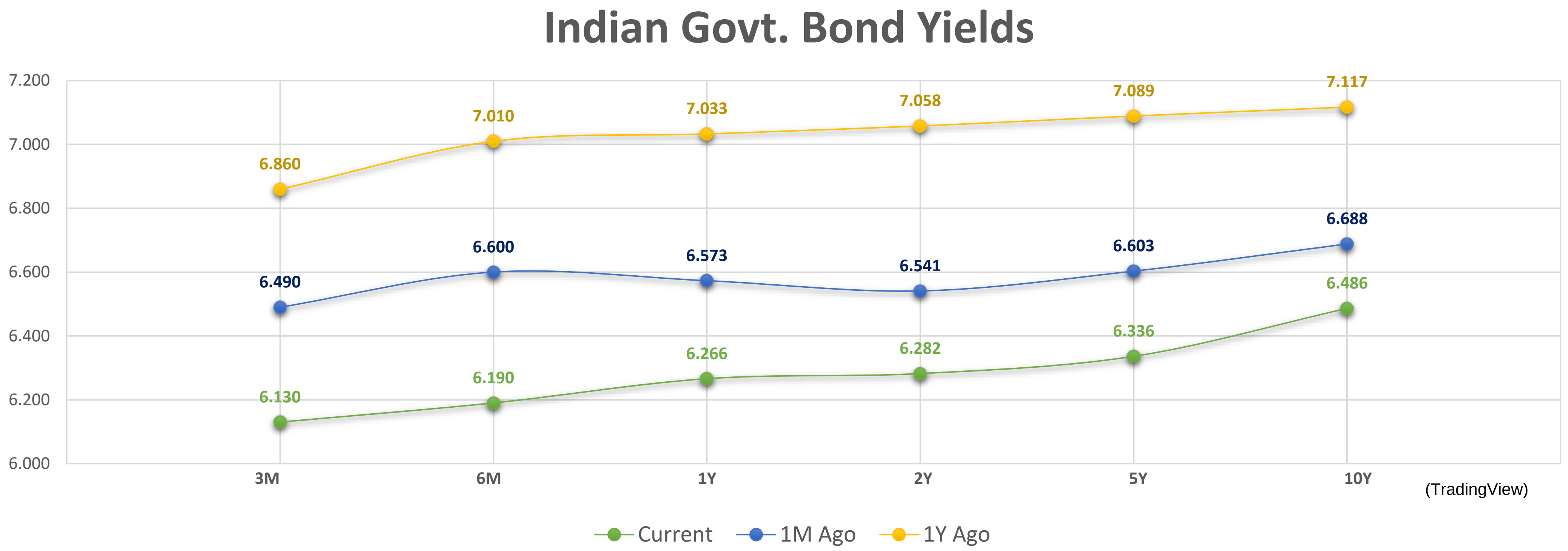
(Aequitas India)

Nifty Fixed Income Aggregate Indices

Statistics							(Returns as on Mar 31, 2025)		
Index Name	Avg. Macaulay Duration*	Avg. Modified Duration*	Avg. Maturity*	Avg. Yield %*	3 M	6 M	1 Yr.	3 Yr.	Since Inception
NIFTY Liquid Index	0.11	0.10	0.11	7.33	1.76	3.57	7.36	6.84	6.86
NIFTY Ultra Short Duration Debt Index	0.33	0.31	0.34	7.54	1.91	3.84	7.97	7.30	7.47
NIFTY Low Duration Debt Index	0.65	0.61	0.66	7.50	1.91	3.80	7.76	6.94	7.47
NIFTY Money Market Index	0.35	0.33	0.36	7.39	1.86	3.72	7.73	6.98	7.13
NIFTY Short Duration Debt Index	2.02	1.89	2.19	7.33	2.10	3.86	7.90	6.50	7.64
NIFTY Medium Duration Debt Index	3.36	3.17	3.86	7.08	2.35	3.77	8.22	6.30	7.72
NIFTY Medium to Long Duration Debt Index	5.69	5.41	7.39	7.09	2.54	3.86	8.78	6.80	7.81
NIFTY Long Duration Debt Index	9.24	8.83	19.51	7.13	2.50	3.56	9.06	7.54	7.87
NIFTY Composite Debt Index	5.49	5.23	9.30	7.15	2.48	3.83	8.63	6.87	7.79
NIFTY Corporate Bond Index	2.64	2.46	2.91	7.59	2.16	3.82	7.89	6.44	8.00
NIFTY Credit Risk Bond Index	2.05	1.92	2.27	8.93	2.26	4.15	8.45	8.02	8.82
NIFTY Banking & PSU Debt Index	2.75	2.56	3.26	7.35	2.22	3.93	8.18	6.37	7.61
NIFTY All Duration G-Sec Index	8.22	7.95	17.47	6.80	2.90	4.07	9.81	7.79	7.32

Note: Returns for periods longer than 1 year are annualized
**As on March 31, 2025*

(NSE India)



(TradingView)

Nifty Fixed Income Indices – Performance

- **Highest yielding index**: Nifty Credit Risk Bond Index at **8.93% avg. yield**, reflecting **higher risk premium** for credit risk exposure.
- **G-Sec Index** (Govt. securities) offers a lower yield at **6.80%**, but with **longest average duration** (8.22 years), making it more sensitive to interest rate movements.
- **Corporate Bond Index** and **Banking & PSU Debt Index** offer solid yields of **7.59% and 7.35%**, with moderate durations, ideal for medium-risk investors.
- **Short Duration Debt Index** has shown stable returns with **avg. yield of 7.33%** and good 1Y return of **7.90%**.
- **Medium to Long Duration Debt Index** outperformed on 1Y returns (**8.78%**) with manageable avg. yield (**7.09%**), indicating **duration plays have paid off**.
- **Credit Risk and Long Duration indices** are top performers over 1Y and 3Y horizons, reflecting the **risk-reward advantage during stable rate environments**.

Indian Govt. Bond Yield – Analysis

- **Bond yields across tenures** are lower than a year ago, indicating **easing rate expectations** and better demand for government securities.
- **Current yields** are flattish to slightly upward sloping, ranging from **6.13% (3M)** to **6.49% (10Y)**, suggesting a stable to mildly optimistic rate outlook.
- **1-Year Ago yields** were higher across all tenures (e.g., 7.117% on 10Y vs. 6.486% now), showing easing pressure in the interest rate environment.
- **Short-term yields** (3M to 2Y) have declined the most YoY, indicating improved liquidity and short-term confidence.
- **Longer-duration yields** have dropped less, showing that **long-term inflation or fiscal concerns may still persist**.

Mutual Fund Category Returns

Period: 1 Month **Data as on: 04-04-2025**

Category	Average Return (%)	Maximum Return (%)	Minimum Return (%)	Median Return (%)
Equity: Thematic-PSU	8.76	10.58	6.27	8.58
Equity: Sectoral-Banking and Financial Services	6.88	8.21	3.83	7.27
Equity: Thematic-Energy	6.39	9.31	2.82	6.79
Equity: Sectoral-Infrastructure	6.59	9.44	5.12	6.42
Equity: Sectoral-FMCG	5.03	5.03	5.03	5.03
Equity: Small Cap	4.98	7.91	2.76	4.86
Equity: Thematic-Consumption	4.58	5.81	2.81	4.63
Equity: Large and Mid-Cap	4.31	6.33	2.85	4.32
Equity: Sectoral-Pharma and Healthcare	3.94	5.58	-0.45	4.2
Equity: Thematic-Quantitative	4.13	7.03	2.06	4.16
Equity: Thematic-Others	4.78	17.42	-2.1	4.13
Equity: Dividend Yield	3.55	5	1.8	4.12
Equity: Multi Cap	3.91	5.8	1.03	4.1
Equity: ELSS	4.01	5.97	1.94	3.96
Equity: Large Cap	3.95	5.36	2.94	3.95
Equity: Focused	3.77	6.79	1.19	3.94
Equity: Mid Cap	4.03	7.1	0.09	3.92
Hybrid: Aggressive	3.65	5.04	1.32	3.87
Equity: Thematic-Manufacturing	4.13	6.28	3.05	3.85
Debt: Long Duration	3.67	4.09	2.45	3.84
Fund of Funds-Domestic-Equity	1.43	6.12	-21.01	3.82
Equity: Value	4.04	6.58	2.02	3.73
Equity: Flexi Cap	3.77	6.15	1.07	3.73
Children Fund	3.94	6.23	2.97	3.68
Equity: Contra	3.75	4.52	3.09	3.65
Fund of Funds-Domestic-Gold	3.64	5.03	2.66	3.54
Debt: Gilt	3.4	3.87	2.2	3.52
Index Fund	2.85	10.46	-16.62	3.19
Retirement Fund	3.08	4.69	1.37	2.99
Equity: Thematic-ESG	3.08	4.57	1.86	2.93
Hybrid: Dynamic Asset Allocation	2.71	4.38	-1.08	2.9
Fund of Funds-Domestic-Hybrid	2.64	4.42	-0.4	2.88
Debt: Dynamic Bond	2.81	3.89	1.19	2.87
Equity: Thematic-Multi-Sector	2.81	2.81	2.81	2.81
Hybrid: Multi Asset Allocation	2.56	3.92	1.11	2.67
Debt: Gilt Fund with 10 year constant duration	2.63	2.97	2.32	2.62
Debt: Medium to Long Duration	2.48	2.69	2.17	2.51
Hybrid: Conservative	2.37	3.12	1.28	2.38
Hybrid: Balanced	2.11	2.76	1.46	2.11
Equity: Thematic-Transportation	2	2.82	0.65	1.98
Fund of Funds-Domestic-Debt	2.11	6.09	0.39	1.92
Hybrid: Equity Savings	2.03	4.84	1.06	1.92
Debt: Corporate Bond	1.77	2.04	1.33	1.84
Debt: Banking and PSU	1.78	2.36	1.43	1.83
Equity: Thematic-MNC	1.72	2.57	0.88	1.79
Debt: Medium Duration	1.76	2.01	1.52	1.77
Debt: Short Duration	1.56	1.63	1.4	1.57
Debt: Credit Risk	2.15	9.03	1.1	1.42
Debt: Floater	1.5	3.15	1.06	1.27
Debt: Low Duration	1.06	1.18	0.98	1.06
Debt: Money Market	1.04	1.11	0.85	1.05
Debt: Ultra Short Duration	0.92	1.46	0.57	0.92
Fund of Funds-Domestic-Gold and Silver	0.82	1.39	0.26	0.82
Hybrid: Arbitrage	0.79	0.89	0.49	0.8
Debt: Liquid	0.72	0.89	0.6	0.73
Debt: Overnight	0.53	0.55	0.49	0.53
Fund of Funds-Domestic-Silver	-2.85	-2.6	-3.08	-2.82
Equity: Sectoral-Technology	-4.84	1.92	-8.52	-5.8
Equity: Thematic-International	-8.95	-1.31	-14.11	-9.46
Fund of Funds-Overseas	-8.44	4.65	-18.86	-9.58

(AdvisorKhoj)

Signs of Slowdown

- Equity MF inflows fell 26% MoM to ₹293 bil. in Feb; thematic funds led with ₹57 bil.
- Housing sales dip 28% in top 7 Indian cities.
- EV registrations fell 8% to 67,407 in 2024 YoY.
- Vehicle insurance premium growth slowed from 13.6% to 8.0% in FY25.
- IPO filings halve to 14 in February MoM from 29 in January 2025.
- Wind power generation clocks zero growth in 10 months FY25.
- E-way bill growth slows to 14.7% YoY in Feb'25.
- New 5G site additions fell sharply to 8,000-9,000/qtr. in Q2/Q3FY25 vs 111,000/qtr. in Q2FY24.
- Petroleum consumption in India dropped to a 12M low of 3.1mmt in Feb and diesel at 5M low.
- Reliance, DMart, and other top retailers' slow store expansions in 2024 amid weak discretionary demand.
- Indian retailers like Lifestyle, Shoppers Stop reduce online discounts as sales struggle to gain momentum despite persistent markdowns.
- SIP stoppage ratio hits record ATH of 122% in Feb 2025 vs 109% in Jan and a little under 83% in December.
- Household finance savings on a decline, Net household savings as a % of GDP was 7.9% in 2018-19 and now has fallen to 5.3%.
- The net FDI in India declined 88% to $1.4 billion during (Apr'24-Jan'25) from $11.5 billion a year ago, owing to higher repatriation and outward FDI from India. It is one of the steepest FDI declines in a decade.
- India's external debt grew 10.7% YoY, reaching $717.9 bil. by December 2024.

(Aequitas India)

Summary: Mutual Fund Performance vs. Broader Economic Signals

While mutual fund returns in March 2025 reflect a broad-based recovery across most equity categories—particularly in sectoral and thematic strategies—the underlying economic environment tells a more cautious story. Despite the rebound in market-linked instruments, multiple indicators point to a potential economic slowdown.

Equity inflows are weakening, and household savings are on the decline, suggesting growing financial stress at the consumer level. Corporate activity, infrastructure development, and discretionary spending are also showing signs of fatigue, as seen in muted retail expansion, subdued housing sales, and slowing investment activity. External pressures such as declining foreign investment and rising debt further complicate the macro picture.

Overall, while markets may be witnessing a short-term rebound, the disconnect with broader economic fundamentals suggests that this recovery could be fragile without a sustained improvement in core economic activity.

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