




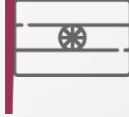



ATLAS

Monthly Market Review
March 2025



KGV	Div.	Umsatz 29.10.2010	Stück	Tsd. Euro	Stück (€)
2010	2011 Rend.s	936060	43869	935077	
17	17	936060	157881	1739312	
		936060	170072	3213370	

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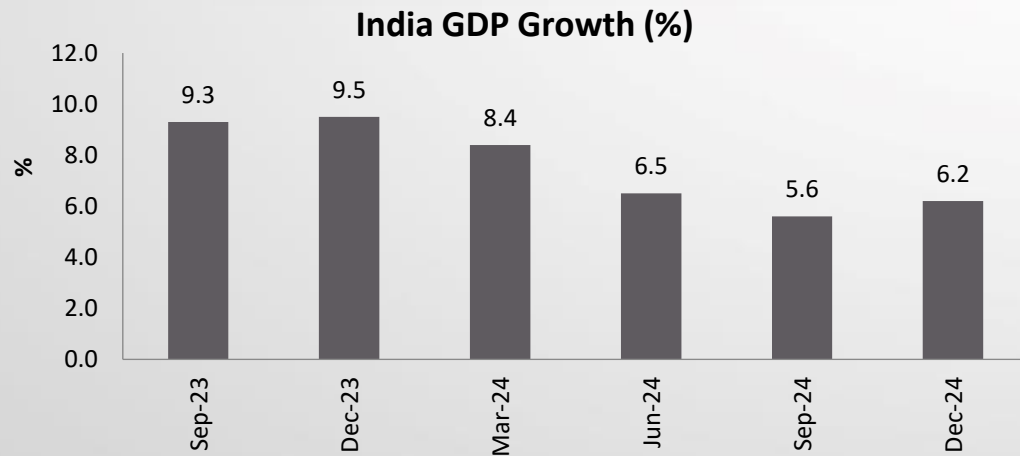
MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend



MACRO

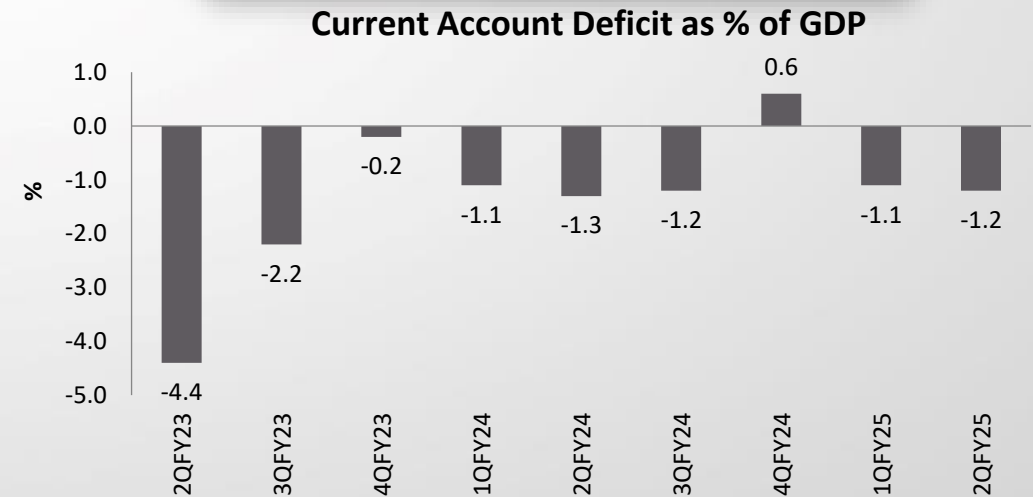
GDP grew by 6.2% YoY in 3QFY25



Source: Refinitiv

Government data showed that Gross Domestic Product (GDP) of the Indian economy at constant (2011-12) prices witnessed a growth of 6.2% YoY in the third quarter of FY25.

Current a/c deficit moderated marginally in 2QFY25



Source: Refinitiv

Current account deficit moderated marginally to US\$ 11.2 billion (1.2% of GDP) in 2Q FY25 from US\$ 11.3 billion (1.3% of GDP) in 2Q FY24.

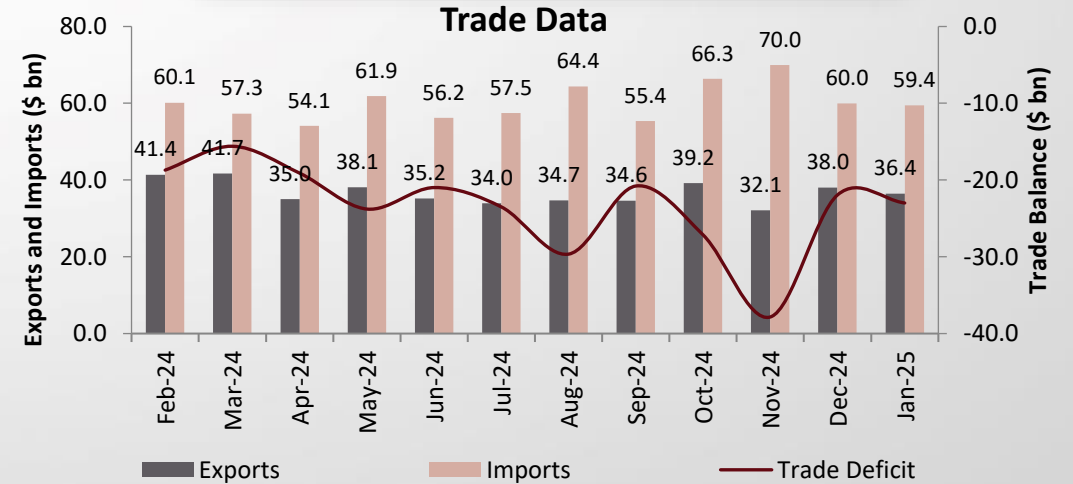
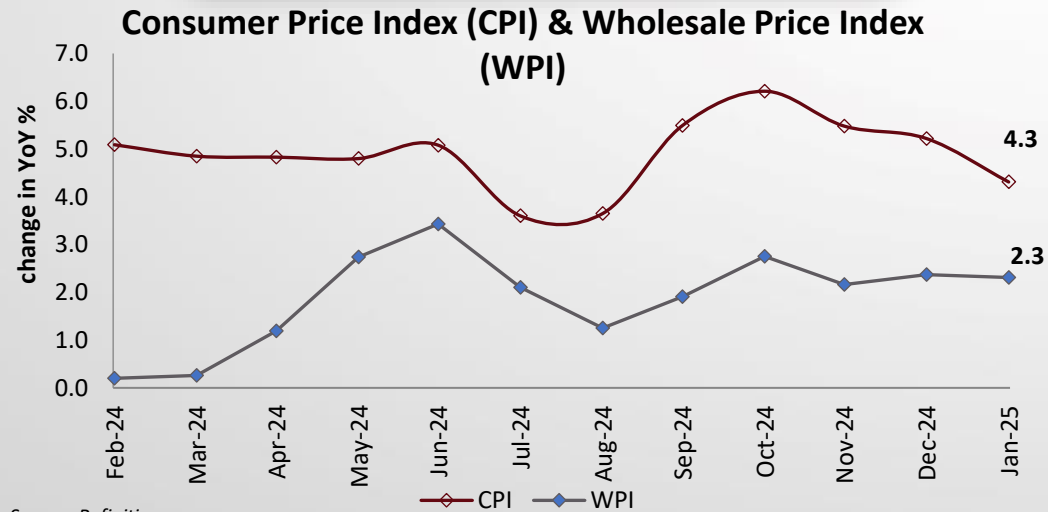
MACRO ECONOMIC INDICATORS

Inflation and Trade Data Trend

MACRO

CPI inflation eased in Jan 2025

Trade deficit widened YoY in Jan 2025



CPI-based inflation eased to 4.31% YoY in Jan 2025 compared to 5.22% in Dec 2024 driven mainly by declining food costs. WPI-based inflation eased to 2.31% YoY in Jan 2025.

Merchandise trade deficit widened annually to \$22.99 billion in Jan 2025 compared to \$16.56 billion in Jan 2024. Exports fell by 2.38% YoY and imports increased 10.28% YoY during the same period.

MACRO ECONOMIC INDICATORS

Manufacturing and Services PMI Trend



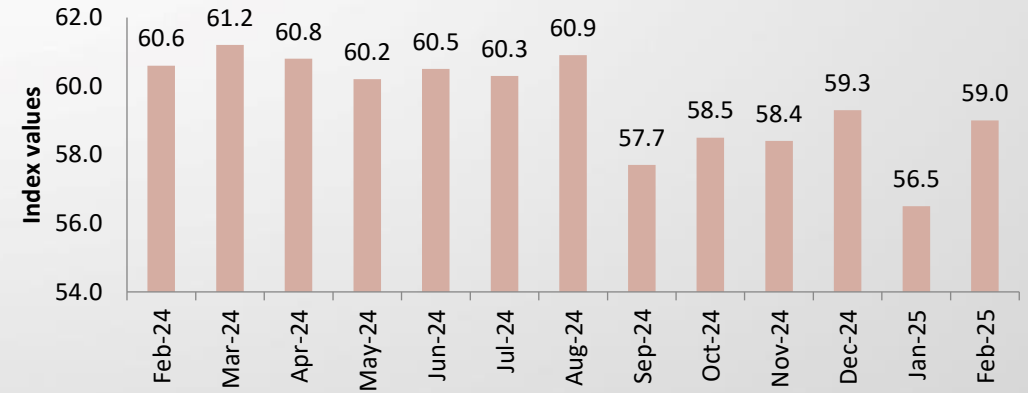
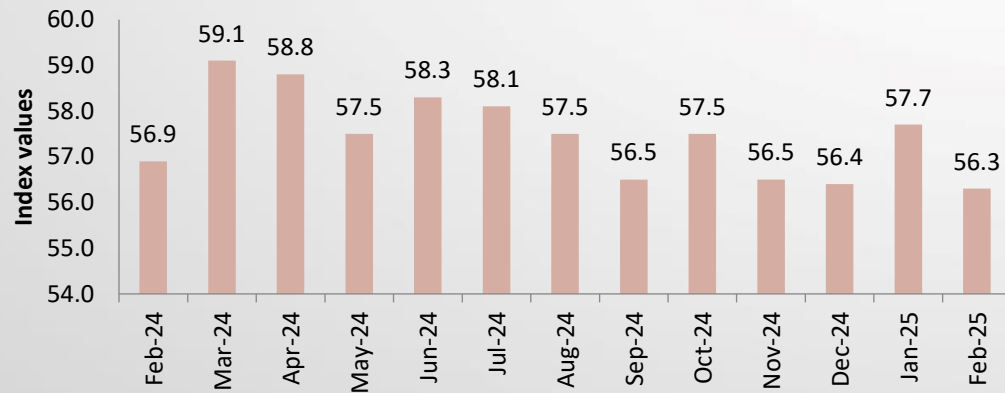
MACRO

Manufacturing PMI fell in Feb 2025

Services PMI fell in Feb 2025

India Manufacturing PMI

India Service PMI



Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

Manufacturing PMI fell to 56.3 in Feb 2025 compared to 57.7 in Jan 2025. While marking the slowest expansion since Dec 2023, the reading still indicated strong operating conditions.

Services PMI surged to 59.0 in Feb 2025 from 56.5 in Jan 2025, fueled by strong demand. The composite PMI rose to 58.8 in Feb 2025 from 57.7 in Jan 2025.

MACRO ECONOMIC INDICATORS

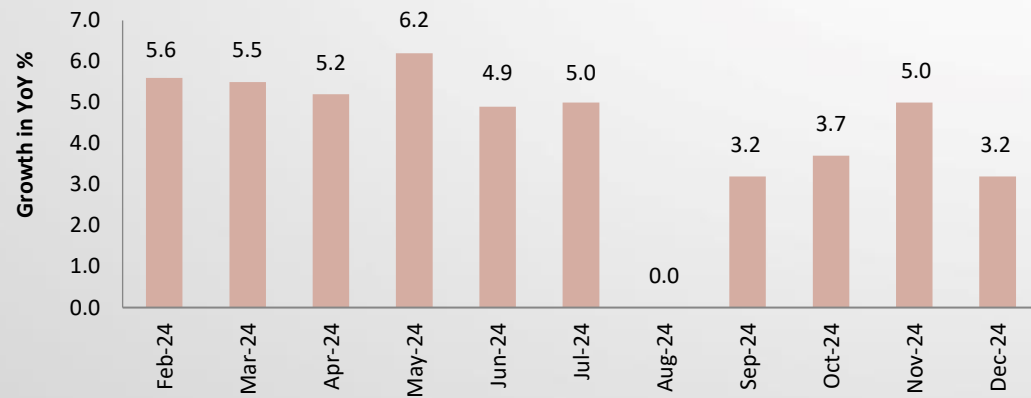
IIP and GST Trend



MACRO

Industrial output rose YoY in Dec 2024

Index of Industrial production (IIP)

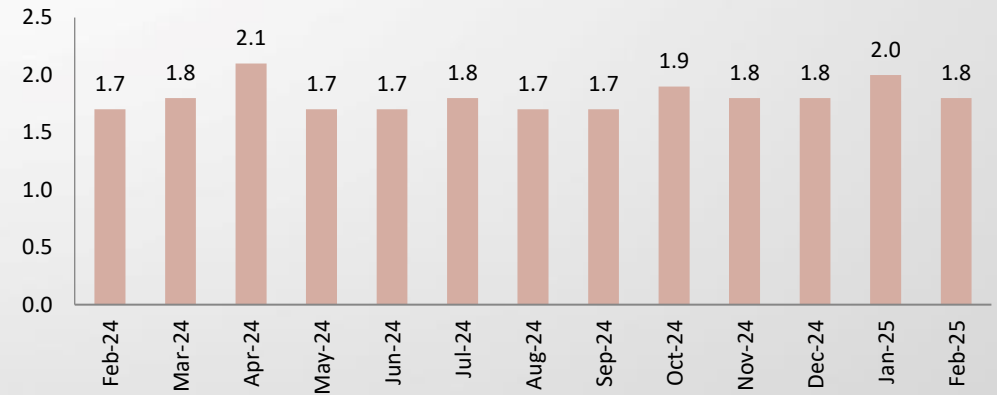


Source: Refinitiv

Index of Industrial production (IIP) rose 3.2% YoY in Dec 2024. Production in mining, manufacturing and electricity witnessed a growth of 2.6%, 3.0% and 6.2%, respectively, in Dec 2024.

GST collections fell MoM in Feb 2025

GST Collections (Rs. Lakh Crore)



Source: PIB

The total gross goods and services tax (GST) revenue grew 9.1% YoY to Rs. 1.84 lakh crore in Feb 2025 as compared to Rs. 1.68 lakh crore in Feb 2024.

MACRO ECONOMIC INDICATORS

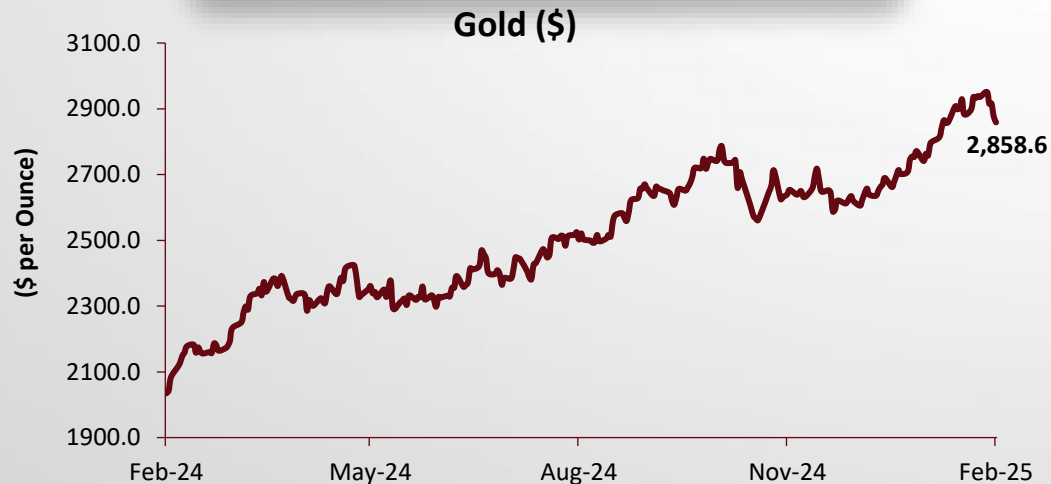
International Gold and U.S. 10 Year Treasury Trend



MACRO

Gold prices rose MoM in Feb 2025

U.S. Treasury yields fell MoM in Feb 2025



Source: Refinitiv

Source: Refinitiv

Gold prices rose amid safe-haven buying due to concerns over China-U.S. tensions, and potential new tariffs on imports from Canada, Mexico and the European Union.

U.S. Treasury prices increased following a significant decline in the U.S. retail sales data in Jan 2025. The Fed's January minutes hinted that proposed tariffs could raise prices, possibly delaying rate cuts.

Gold data as on 28th Feb 2025; U.S. 10 Year Treasury Yield data as on 28th Feb 2025

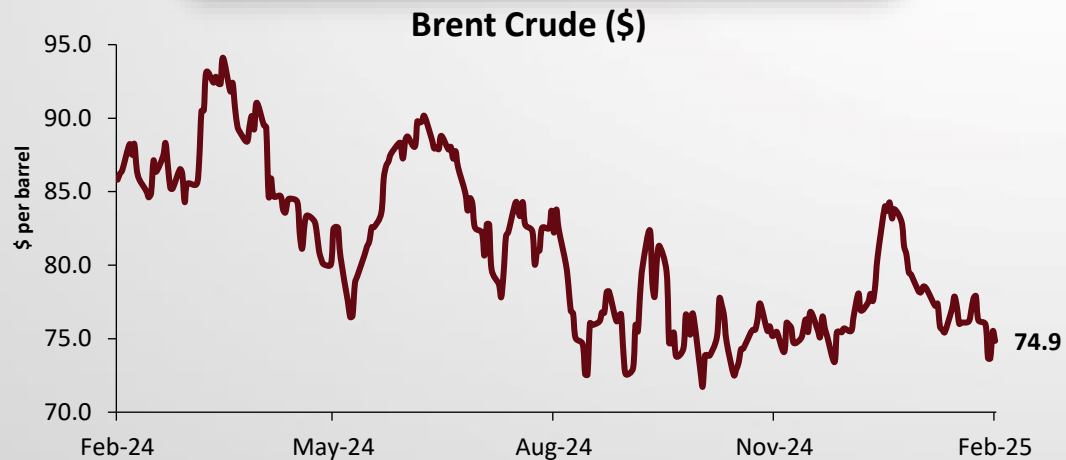
MACRO ECONOMIC INDICATORS

Crude and USD/INR Currency Trend



MACRO

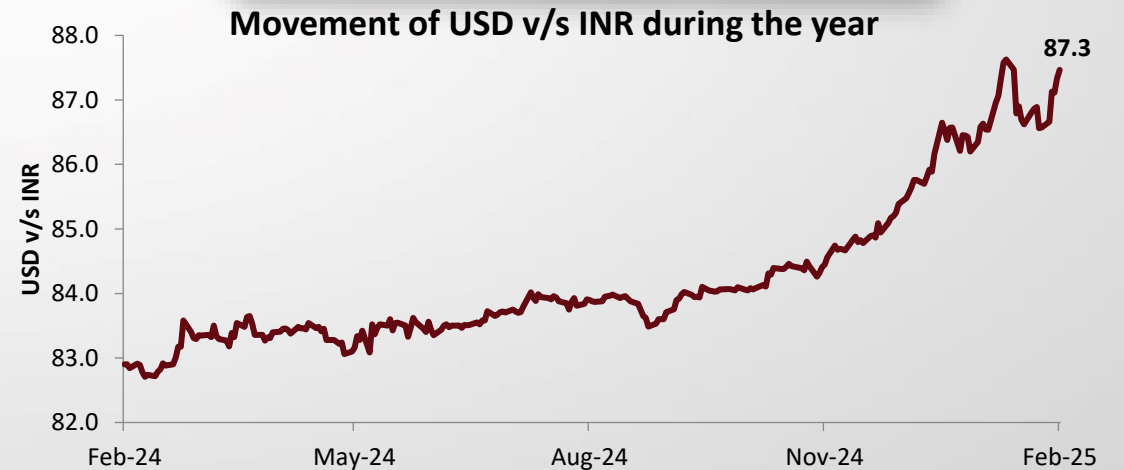
Crude oil prices fell MoM in Feb 2025



Source: Refinitiv

Brent crude oil prices fell due to worries about global economic growth and uncertainty about the outlook for oil demand weighing on the commodity's prices.

Rupee fell against U.S. dollar on MoM in Feb 2025



Source: Refinitiv

Rupee fell against the U.S. dollar against the U.S. dollar due to a negative equities trend and tariff uncertainty. Further, prices fell as foreign investors continued selling from domestic equity markets.

EVENT UPDATE

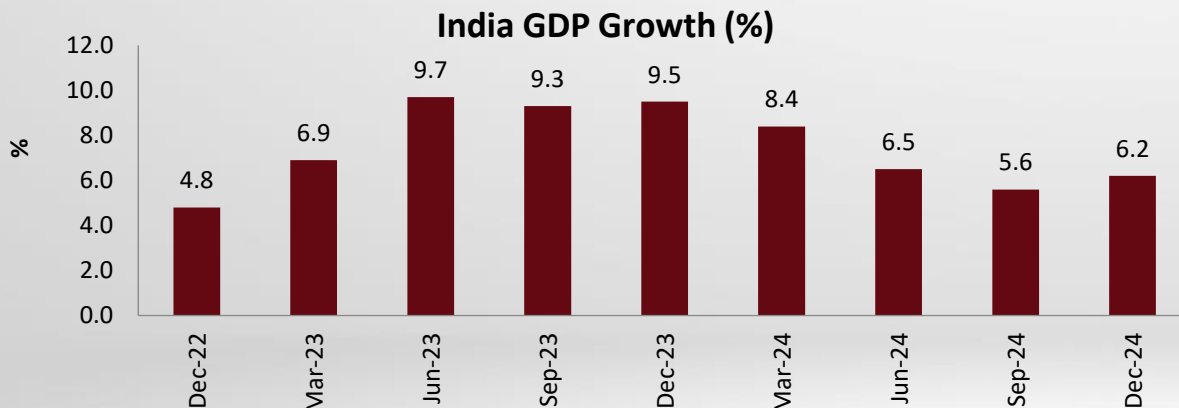
India's GDP grew 6.2% in Q3FY25



MACRO

Key Highlights

- GDP of the Indian economy at constant (2011-12) prices witnessed a growth of 6.2% YoY in the third quarter of FY25.
- Growth was driven by improved rural consumption due to favorable monsoon and an increased government expenditure.



Source: Refinitiv

Gross Value Added (GVA)

- Gross Value Added (GVA) in Q3FY25 was 6.2% compared to 8.0% growth in the same quarter of the preceding year with manufacturing rose by 3.5% in Dec 2024 quarter, against of 14.0% a year ago.

Gross Fixed Capital Formation (GFCF) & Private Final Consumption Expenditure (PFCE)

- GFCF indicates how much of the new value added is invested rather than consumed, decreased its share to 27.6% YoY from 28.7%. PFCE, a marker to gauge how households have spent on buying goods and services, increased to 64.8% from 63.2%.

Year- on- Year % Change

- Growth of Agriculture, Livestock, Forestry & Fishing increased to 5.6% in Q3 of FY25 compared to 1.5% growth in Q3 of FY24.

EVENT UPDATE

RBI MPC reduced key policy repo rate by 25 bps to 6.25%



MACRO

Key Highlights

- MPC reduced key policy repo rate by 25 bps to 6.25% with immediate effect
- Standing deposit facility (SDF) rate reduced to 6.00%
- The MPC decided to continue with the neutral monetary policy stance
- For FY25, retail inflation is projected at 4.8%
- For FY26, real GDP growth is projected at 6.7%

Policy Rates / Reserve Ratio	06-Dec-24	07-Feb-25	Status
CRR	4.00%	4.00%	↔
SLR (Statutory Liquidity Ratio)	18.00%	18.00%	↔
SDF (Standing Deposit Facility Rate)	6.25%	6.00%	↓
Repo Rate	6.50%	6.25%	↓
MSF (Marginal Standing Facility Rate)	6.75%	6.50%	↓
Bank rate	6.75%	6.50%	↓
Fixed Reverse Repo Rate	3.35%	3.35%	↔

Growth Outlook

- Looking ahead, healthy rabi prospects and an expected recovery in industrial activity are likely to support economic growth in FY26. Among the key drivers on the demand side, **household consumption is expected to remain robust aided by the tax relief in the Union Budget 2025-26.**
- On the other hand, the outlook remains vulnerable to negative risks due to **geopolitical tensions, protectionist trade policies, fluctuations in global commodity prices, and uncertainties in the financial markets.**

Inflation Outlook

- Going forward, **food inflation pressures should significantly soften with good kharif production, winter-easing vegetable prices, and favorable rabi crop prospects** barring any supply-side shock. Core inflation is expected to rise but remain moderate.
- The inflation trajectory is at **risk from rising energy prices, unfavorable weather, and ongoing uncertainty in the world's financial markets.**

↑ increased compared to previous policy ↓ decreased compared to previous policy ↔ No change

DOMESTIC & GLOBAL

Equity Market Update

INDIAN EQUITY MARKET DASHBOARD

February 2025



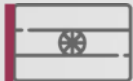
DOMESTIC

Index Name (Broader Market Indices)	Absolute (%)				CAGR(%)		
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BSE Sensex	-5.45	-8.15	-10.85	2.19	10.56	15.22	10.95
Nifty 50	-5.79	-8.10	-11.98	1.89	10.92	15.94	10.89
Nifty 100	-6.44	-10.07	-14.12	0.91	10.94	15.99	11.07
Nifty 500	-7.79	-12.20	-15.96	-0.08	12.70	17.78	11.87
Nifty Midcap 150	-10.51	-15.01	-18.87	0.07	19.43	24.05	16.00
Nifty Smallcap 250	-12.60	-21.78	-23.62	-6.94	16.77	24.46	13.23
Nifty Microcap 250	-14.27	-22.39	-22.29	-3.25	27.50	37.91	19.25
Sectoral Indices							
Nifty Metal	-2.14	-8.80	-12.27	4.50	13.04	31.54	14.65
Nifty Bank	-2.51	-7.13	-5.85	5.76	11.04	11.28	10.07
Nifty Pharma	-7.41	-10.72	-14.46	4.96	16.16	22.05	6.02
Nifty Healthcare	-7.84	-10.03	-12.37	6.75	16.90	22.30	8.03
Nifty Infrastructure	-8.06	-12.06	-18.41	-4.44	17.91	22.10	10.34
Nifty Oil & Gas	-9.06	-13.15	-28.25	-15.42	10.77	18.45	14.86
Nifty FMCG	-10.08	-12.02	-18.92	-4.33	14.56	13.63	10.93
Nifty Auto	-10.35	-12.27	-21.65	1.16	24.72	25.52	9.74
Nifty PSU Bank	-10.53	-17.05	-19.09	-17.85	30.03	24.76	4.62
Nifty Energy	-11.11	-19.44	-30.81	-21.64	8.78	19.65	15.56
Nifty IT	-12.53	-13.01	-11.79	1.16	5.48	22.04	13.64
Nifty Realty	-13.40	-21.78	-24.23	-12.13	22.66	23.62	13.32

- Domestic equity markets fell amid heightened global trade tensions after the U.S. President announced his intention to impose 25% tariffs on autos, pharmaceuticals, and chips, aiming to boost U.S. manufacturing and competitiveness. A 25-bps rate cut by the RBI in its Feb 2025 monetary policy meeting failed to lift market sentiment due to the lack of additional liquidity-easing measures.

BROADER MARKET INDICES PERFORMANCE

Calendar Year wise



DOMESTIC

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
Nifty Midcap 150 6.5	Nifty Smallcap 250 58.5	BSE Sensex 7.2	BSE Sensex 15.7	Nifty Smallcap 250 26.5	Nifty Smallcap 250 63.3	BSE Sensex 5.8	Nifty Smallcap 250 49.1	Nifty Smallcap 250 27.2	Nifty 50 -6.2
Nifty 500 5.1	Nifty Midcap 150 55.7	Nifty 50 4.6	Nifty 50 13.5	Nifty Midcap 150 25.6	Nifty Midcap 150 48.2	Nifty 50 5.7	Nifty Midcap 150 44.6	Nifty Midcap 150 24.5	BSE Sensex -6.2
Nifty 100 5.0	Nifty 500 37.7	Nifty 100 2.6	Nifty 100 11.8	Nifty 500 17.9	Nifty 500 31.6	Nifty 100 4.9	Nifty 500 26.9	Nifty 500 16.2	Nifty 100 -8.0
Nifty 50 4.4	Nifty 100 32.9	Nifty 500 -2.1	Nifty 500 9.0	BSE Sensex 17.2	Nifty 100 26.4	Nifty 500 4.2	Nifty 50 21.3	Nifty 100 13.0	Nifty 500 -11.0
BSE Sensex 3.5	Nifty 50 30.3	Nifty Midcap 150 -12.6	Nifty Midcap 150 0.6	Nifty 50 16.1	Nifty 50 25.6	Nifty Midcap 150 3.9	Nifty 100 21.2	Nifty 50 10.1	Nifty Midcap 150 -16.0
Nifty Smallcap 250 1.4	BSE Sensex 29.6	Nifty Smallcap 250 -26.1	Nifty Smallcap 250 -7.3	Nifty 100 16.1	BSE Sensex 23.2	Nifty Smallcap 250 -2.6	BSE Sensex 20.3	BSE Sensex 9.5	Nifty Smallcap 250 -21.9

- On CYTD basis, Large Caps witnessed lesser fall than Mid and Small Caps.
- Out of nine full calendar years, the Nifty Smallcap 250 has been the top performer in five years.

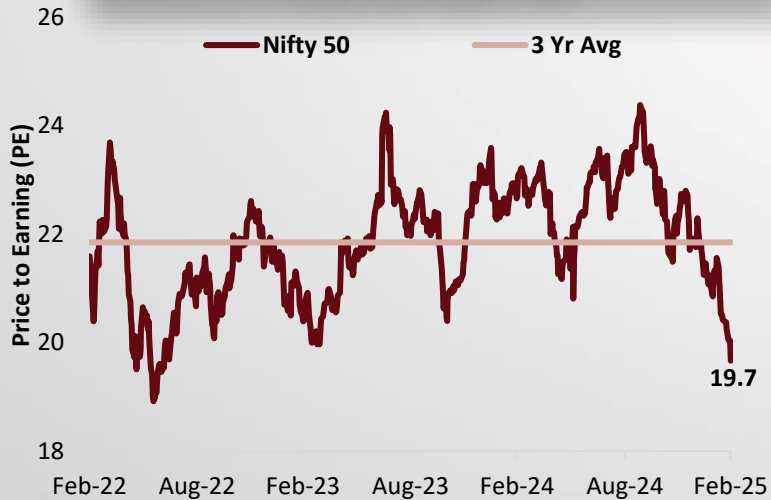
RELATIVE TRAILING VALUATIONS (P/E)

Large Cap vs Mid Cap vs Small Cap

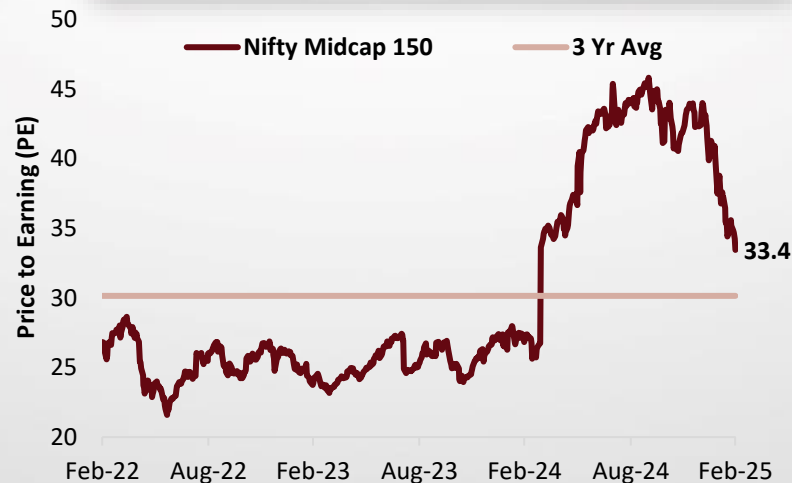


DOMESTIC

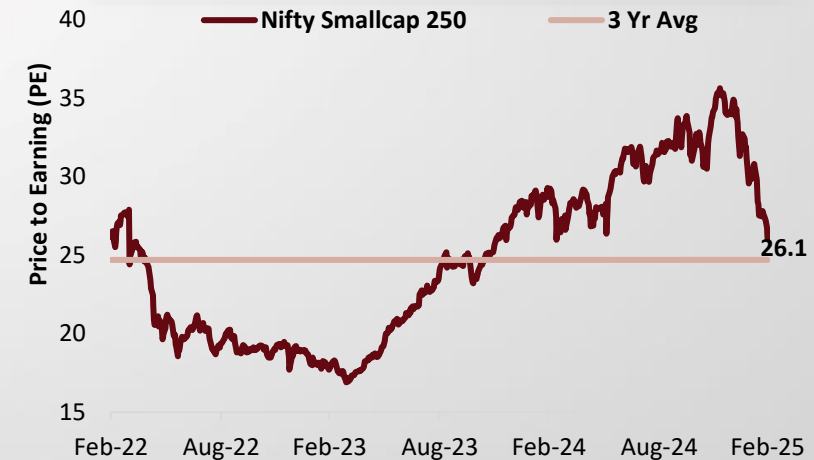
Nifty 50 trailing PE remained below the 3-year average mark



Nifty Midcap 150 trailing PE continued to remain above 3-year average level



Nifty Smallcap 250 trailing PE continued to remain above 3-year average level



- Large caps are now trading at par with their historical averages, while Mid and Small caps are still trading above their historical valuation multiples.

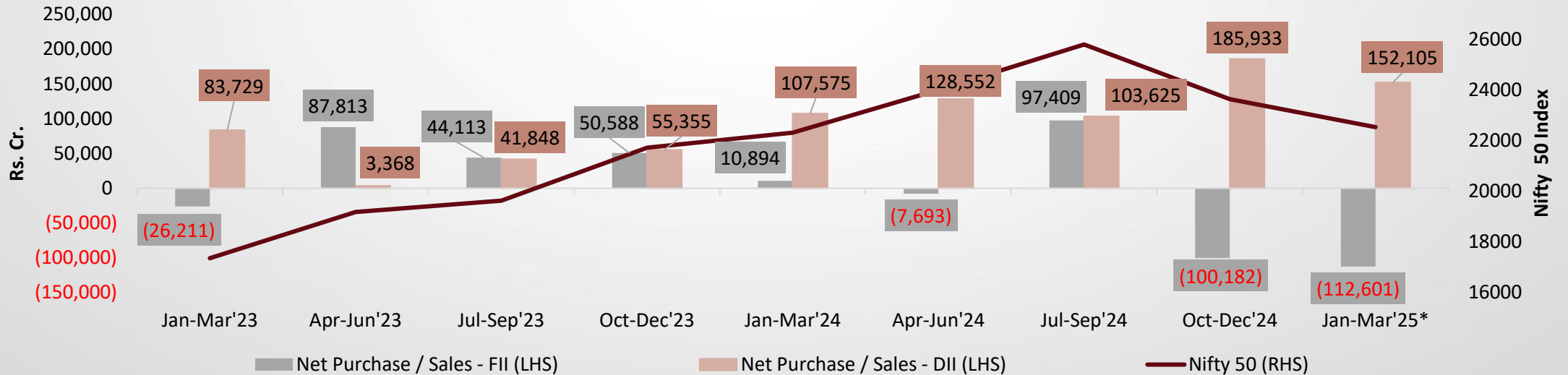
EQUITY FLOWS

Quarterly FII & DII Flows



DOMESTIC

Quarterly Net FII & DII Flow (Cash) in Rs. Cr. V/S Nifty 50



- FIIs were net sellers in equity segment for the second consecutive month in February 2025.
- Mutual funds have been net buyers in equity segment in the last 48 months till February 2025, except April 2023 and August 2022.

GLOBAL EQUITY MARKET DASHBOARD

February 2025



GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
China	Shanghai Composite	2.16	-0.17	-0.92	16.84	10.14	0.63	-1.38	2.88
South Korea	Kospi	0.61	3.13	5.55	-5.29	-4.15	2.45	-2.10	4.97
Taiwan	Taiwan TAIEX	-2.01	3.55	0.08	3.53	21.61	21.81	9.28	15.32
Brazil	Brazil Ibovespa	-2.64	-2.28	2.09	-9.71	-4.82	8.17	2.76	3.34
India	Nifty 50	-5.89	-8.31	-6.43	-12.33	0.65	13.06	9.62	14.57
Indonesia	Jakarta Composite	-11.80	-11.86	-11.43	-18.25	-14.29	-4.27	-3.07	2.83
Developed Markets									
Germany	DAX	3.77	14.90	13.27	19.28	27.57	21.12	15.95	13.64
Europe	Euro Stoxx 50 Pr	3.34	13.72	11.59	10.20	12.01	13.52	11.65	10.40
France	CAC 40	2.03	12.11	9.90	6.30	2.32	5.64	6.79	8.83
UK	FTSE 100	1.57	6.30	7.79	5.17	15.46	5.75	5.70	6.00
US	Russell 3000	-3.79	-1.48	-1.87	7.50	18.34	29.92	13.30	18.04
Japan	Nikkei 225	-6.11	-2.75	-6.87	-3.86	-5.13	16.33	11.88	11.92

- European equity markets mostly rose as investors responded to quarterly earnings reports and the European Central Bank's decision to lower interest rates.
- The Chinese market rose as mixed inflation data from China of Jan 2025 heightened expectations that Beijing may implement additional stimulus measures, including interest rate reductions or increased infrastructure spending, to stimulate economic growth.

GLOBAL MARKET INDICES PERFORMANCE

Calendar Year wise



GLOBAL

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
U.K. 14.4	Hong Kong 36.0	India 3.2	U.S. 34.2	U.S. 36.9	U.S. 25.0	India 4.3	U.S. 40.0	U.S. 31.6	Hong Kong 14.4
Germany 6.9	India 28.7	U.S. -3.3	Germany 25.5	Japan 16.0	India 24.1	U.K. 0.9	Japan 28.2	Japan 19.2	Germany 13.3
U.S. 5.7	U.S. 27.8	Japan -12.1	China 22.3	India 14.9	Germany 15.8	Japan -9.4	Germany 20.3	Germany 18.9	U.K. 7.8
India 3.0	Japan 19.1	U.K. -12.5	Japan 18.2	China 13.9	U.K. 14.3	Germany -12.4	India 20.0	Hong Kong 17.7	China -0.9
Japan 0.4	Germany 12.5	Hong Kong -13.6	U.K. 12.1	Germany 3.6	Japan 4.9	China -15.1	U.K. 3.8	China 12.7	U.S. -1.9
Hong Kong 0.4	U.K. 7.6	Germany -18.3	India 12.0	Hong Kong -3.4	China 4.8	Hong Kong -15.5	China -3.7	India 8.8	India -6.4
China -12.3	China 6.6	China -24.6	Hong Kong 9.1	U.K. -14.3	Hong Kong -14.1	U.S. -29.6	Hong Kong -13.8	U.K. 5.7	Japan -6.9

- On a CYTD basis, Japan witnessed the steepest decline, followed by Indian markets.
- Out of the nine full calendar years, the U.S. markets have been the top performer in five.

ASSET CLASS PERFORMANCE

Calendar Year wise



ASSET CLASS

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
G-Sec 14.3	Indian Equity 37.7	G-Sec 8.0	Intl 34.2	Intl 36.9	Indian Equity 31.6	Gold 13.9	Intl 40.0	Intl 31.6	Gold 11.7
Bonds 13.1	Intl 27.8	Gold 7.9	Gold 23.8	Gold 28.0	Intl 25.0	Cash 5.2	Indian Equity 26.9	Gold 20.6	Real Estate 3.1
Gold 11.3	Real Estate 7.2	Cash 7.3	Bonds 12.2	Indian Equity 17.9	Bonds 4.2	Indian Equity 4.2	Gold 15.4	Indian Equity 16.2	Cash 1.2
Real Estate 8.3	Cash 6.6	Bonds 6.0	G-Sec 11.3	Bonds 13.5	Cash 3.6	Real Estate 2.8	G-Sec 7.7	G-Sec 10.1	G-Sec 1.0
Cash 7.5	Bonds 5.5	Real Estate 5.1	Indian Equity 9.0	G-Sec 13.2	G-Sec 3.1	Bonds 2.7	Cash 7.3	Bonds 9.6	Bonds 0.9
Intl 5.7	Gold 5.1	Indian Equity -2.1	Cash 6.7	Cash 4.4	Real Estate 3.1	G-Sec 2.3	Bonds 7.2	Cash 7.7	Intl -1.9
Indian Equity 5.1	G-Sec 3.5	Intl -3.3	Real Estate 3.0	Real Estate 2.2	Gold -4.2	Intl -29.6	Real Estate 3.8	Real Estate 3.1	Indian Equity -11.0

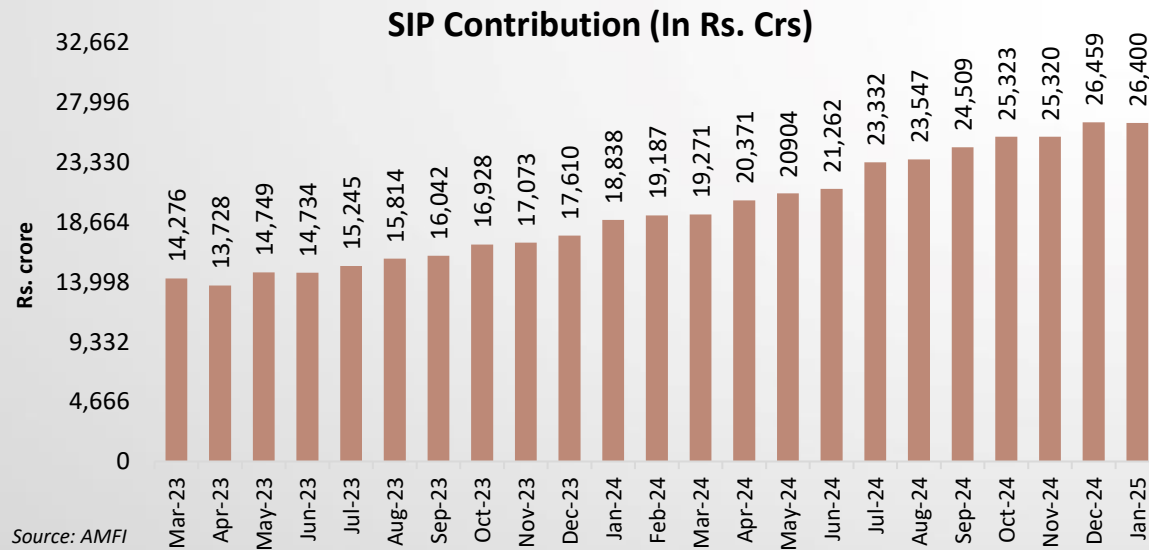
- On CYTD basis, gold remained at the top followed by real estate and cash.
- Till 2024, Indian equities has been among the top three gainers for the past five calendar years, while gold remained in the the top two performing asset classes for five times in last seven years.

MUTUAL FUNDS

SIP Flows and SIP Returns Data



DOMESTIC



- According to AMFI, monthly SIP contribution remained above the Rs. 26,000 crore mark for the second consecutive month in Jan 2025 and stood at Rs. 26,400 crore.
- SIP AUM decreased to Rs. 13.20 lakh crore in Jan 2025, with 1,027 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	9.3	13.2	12.1
Large & Mid cap	11.9	16.6	14.5
Flexi cap	10.1	14.8	13.8
Multi cap	12.4	17.7	15.5
Mid cap	13.7	19.5	16.3
Small cap	11.2	21.1	17.2
Focused	10.4	14.0	13.3
Value	13.4	18.5	15.4

- Small cap category remained top performer in 5- & 10- year periods, while Mid cap category remained top performer in 3- year period.
- Large cap category has been the bottom performer across periods.

Performance is of regular plan growth option for SIP returns.
SIP performance as on 28th Feb 2025. Source: AMFI India, MFI 360 Explorer
<http://www.icraanalytics.com/legal/standard-disclaimer.html>

CATEGORY PERFORMANCE

Equity Mutual Funds



CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)			
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Large Cap	-4.15	-9.96	-13.55	1.65	11.31	14.89	10.26
Large & Mid Cap	-5.05	-13.05	-15.70	2.90	14.39	18.16	12.51
Flexi Cap	-4.96	-12.77	-15.37	1.20	12.30	16.69	11.85
Multi Cap	-5.45	-14.01	-16.46	1.12	15.72	19.68	12.96
Mid Cap	-6.24	-15.56	-18.06	3.23	16.89	21.28	14.09
Small Cap	-7.54	-19.34	-20.40	-1.65	16.05	24.65	15.11
Focused	-4.30	-11.76	-14.63	2.68	12.35	15.99	11.62
Value	-4.97	-12.73	-16.47	0.31	16.42	20.33	12.92
Index:							
Nifty 100	-6.44	-10.07	-14.12	0.91	10.94	15.99	11.07
Nifty 500	-7.79	-12.20	-15.96	-0.08	12.70	17.78	11.87
Nifty Midcap 150	-10.51	-15.01	-18.87	0.07	19.43	24.05	16.00
Nifty Smallcap 250	-12.60	-21.78	-23.62	-6.94	16.77	24.46	13.23

- In the last one-month, Small Cap category followed by Mid Cap & Multi Cap categories fell the most.
- It is to be worth noted that all the equity categories witnessed positive returns for above 1 year periods.

EQUITY MARKET ROUNDUP

Key Takeaways & Outlook



DOMESTIC

Domestic & Global factors that played out for the Indian markets:

- Domestic equity markets fell amid heightened trade tensions around the globe after the U.S. President said that he intended to impose 25% tariffs on autos, pharmaceuticals, and chips, aiming to boost the U.S. manufacturing and competitiveness. Sentiment was dampened by the U.S. Fed's statement that it is "not in a hurry to lower interest rates" and intends to "pause rate cuts to assess further progress in inflation".
- A rate cut of 25 bps by the RBI in its monetary policy meeting of Feb 2025 failed to lift market mood as the central bank's monetary policy lacked additional liquidity-easing measures. Persistent sell-off by the foreign institutional investors in domestic equity markets, further widened the losses.

Outlook:

- On the global front, markets will track policy changes in the US – both fiscal and monetary including tariff related measures which could impact global growth dynamics.
- On the domestic front, apart from the policy related measures, the key factor to monitor will be corporate earnings in the upcoming quarter.
- **Given market volatility, one may consider staggered lump-sum investments or SIPs instead of deploying all investible surplus at once. As large caps currently appear attractive on valuations side - diversified categories such as Large-cap oriented and Flexicap funds may be considered.**
- **Conservative investors may consider - Hybrid funds, given their flexibility in asset allocation can be made part of core portfolio - Balanced Advantage, Multi Asset Allocation, Balanced Hybrid and Equity Savings Funds.**

DOMESTIC & GLOBAL

Debt Market Update

DEBT MARKET

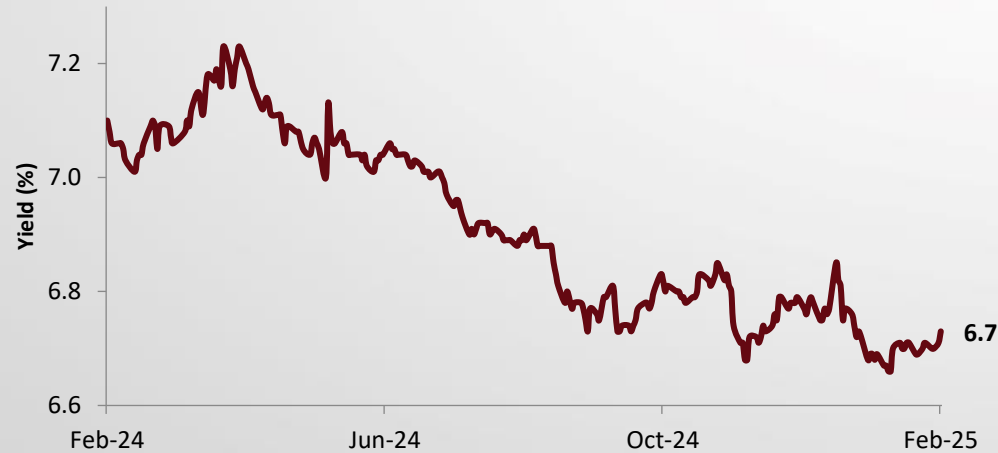
Indian Government Bond and Policy Rate Trend



INDIAN DEBT

10-year benchmark G-sec yield rose by 3 bps MoM in Feb 2025

10-Yr Benchmark Bond

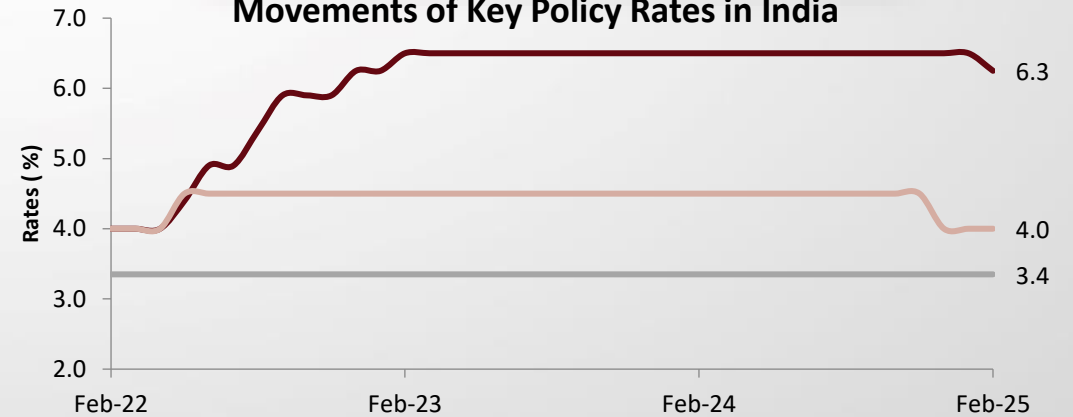


Source: Refinitiv

Bond yields rose as market participants were disappointed that the RBI's first rate cut in nearly five years by 25 bps was not accompanied with any additional steps to boost banking liquidity.

RBI reduced repo rate by 25 bps in Feb 2025 monetary policy meeting

Movements of Key Policy Rates in India



Source: RBI

The Monetary Policy Committee (MPC) in its sixth bi-monthly monetary policy review of FY25 reduced key policy repo rate by 25 bps to 6.25% with immediate effect.

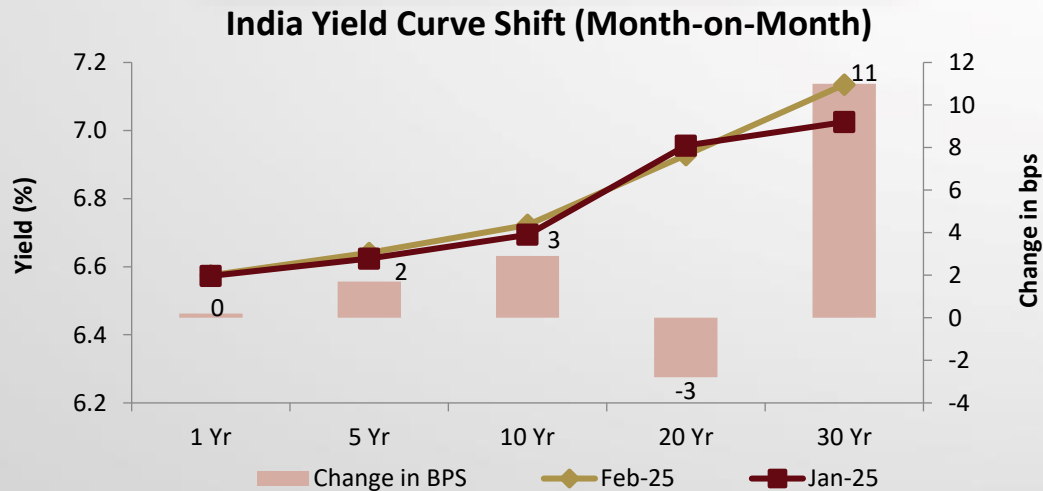
DEBT MARKET

Government Bond & Corporate Bond Yield Trend



INDIAN DEBT

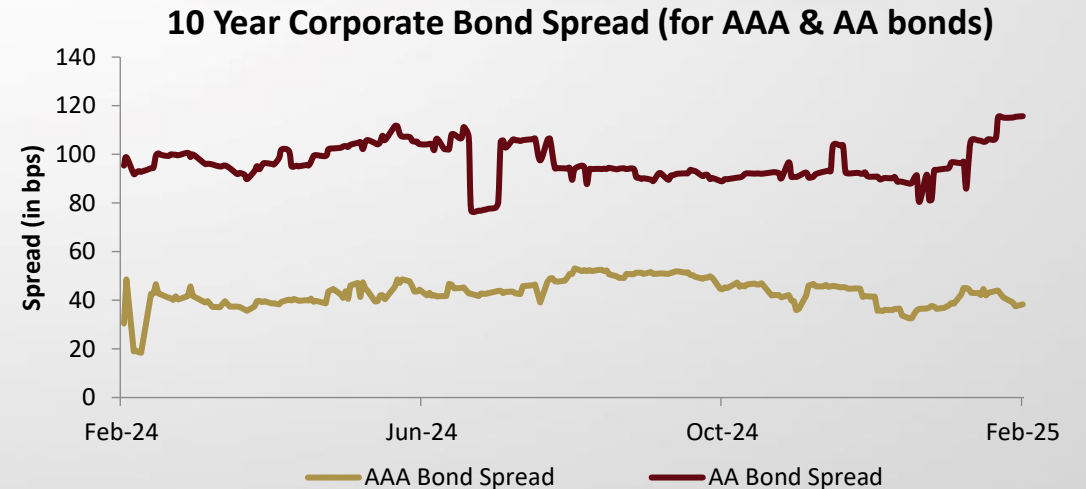
G-sec yields mostly rose during the month



Source: Refinitiv

Yield on gilt securities rose up to 11 bps across the maturities, barring 2, 3 & 19 year papers that fell by 4, 2 & 3 bps, respectively, while 1 & 4 year papers were unchanged.

Corporate bond yields increased during the month



Source: Refinitiv; Spread= 10 year Corporate bond yield minus 10-year Gsec yield

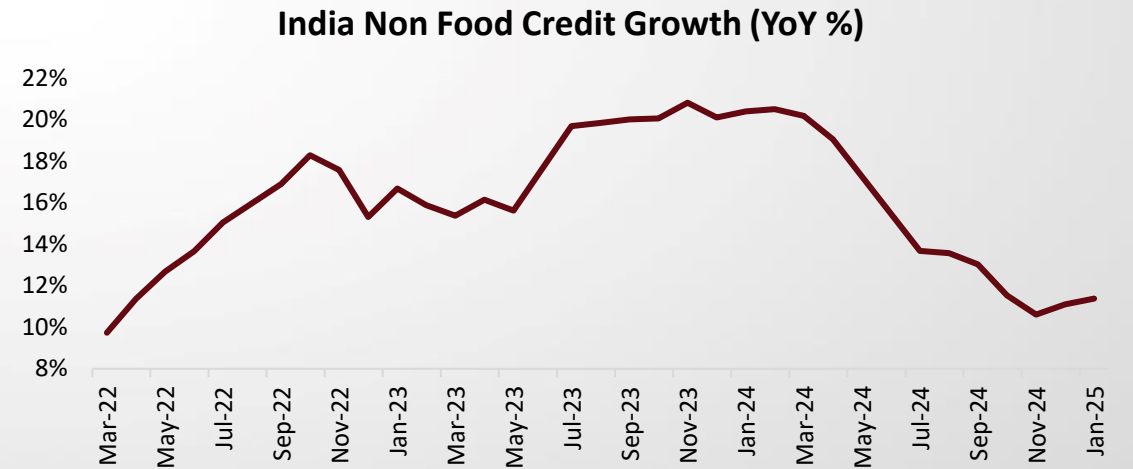
Yield on corporate bonds increased between 2 to 10 bps across the curve.

DEBT MARKET

System Liquidity



INDIAN DEBT



- Banking system's liquidity remained in the deficit mode during the month under review. According to the Governor's statement in Feb 2025 monetary policy meeting, the RBI found that some banks are reluctant to extend loans in the uncollateralized call money market; instead, they passively park money at the RBI. The central bank urged the banks to actively trade among themselves in the uncollateralized call money market to make it deeper and vibrant for better signal extraction from the weighted average call money rate.
- The RBI's \$10 billion U.S. dollar-rupee buy-sell swap auction for three years received bids worth \$16.23 billion on Feb 28, 2025, reflecting robust demand amid persistent liquidity deficit in the banking system.

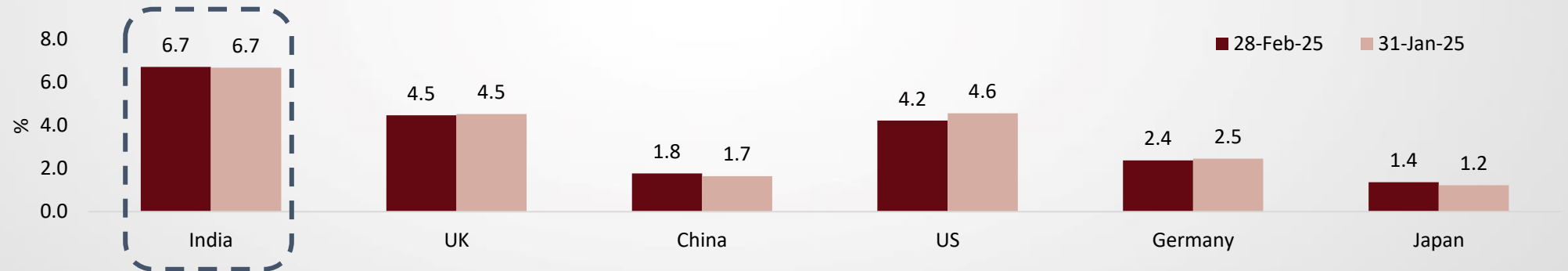
DEBT MARKET

Global



GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



Current Yield (%)	6.7	4.5	1.8	4.2	2.4	1.4
Inflation (%)	4.3	3.0	0.5	3.0	2.3	2.9
Real Yields (%):						
28-Feb-25	2.4	1.5	1.3	1.2	0.1	-1.5

- Globally, 10-year Sovereign yields remained mixed during the month. All above economies witnessed positive inflation adjusted returns/yields except Japan with India being the highest followed by U.K. and China.

CATEGORY PERFORMANCE

Debt Mutual Funds



CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)		
	1 month	3 months	6 months	1 year	3 years	5 years
Overnight Fund	0.52	1.61	3.23	6.56	6.10	4.89
Liquid Fund	0.59	1.74	3.52	7.21	6.51	5.29
Ultra Short Term Fund	0.58	1.66	3.41	7.02	6.18	5.38
Low Duration Fund	0.58	1.68	3.50	7.29	6.27	5.97
Money Market Fund	0.60	1.72	3.54	7.31	6.50	5.69
Arbitrage Fund	0.54	1.71	3.27	6.87	6.18	5.10
ICRA Liquid Index	0.56	1.80	3.65	7.59	6.93	5.70
Short Term Bond Fund	0.47	1.71	3.57	7.49	6.35	6.02
Medium Duration Fund	0.57	1.88	3.83	7.92	6.48	5.91
Banking and PSU Fund	0.36	1.57	3.36	7.34	6.05	6.04
Corporate Bond Fund	0.41	1.64	3.50	7.62	6.09	6.15
Credit Risk Fund	1.15	2.30	4.33	8.37	9.29	6.85
Nifty Short Duration Debt Index	0.53	1.77	3.64	7.58	6.30	6.42
Dynamic Bond Fund	-0.17	1.24	2.75	7.04	6.14	5.86
Medium to Long Duration Fund	0.01	1.39	2.87	7.08	5.98	5.72
ICRA Composite Bond Fund Index	0.18	1.53	3.60	8.59	6.66	6.91
Gilt Fund	-0.50	1.03	2.38	6.87	6.13	5.77
ICRA Composite Gilt Index	0.12	1.53	3.55	8.61	6.94	6.75

- Credit Risk Funds, Corporate Bond Funds and Medium Duration Funds are the top performing categories over the past year, generating around 8% return.

DEBT MARKET

Sensitivity Analysis



INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenarios					
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	Decreases			Increases		
				0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	6.39	0.00 Years	0.01 Years	6.39%	6.39%	6.40%	6.38%	6.38%	6.38%
Liquid Funds	7.16	0.04 Years	0.10 Years	7.18%	7.21%	7.26%	7.13%	7.11%	7.06%
Ultra Short Term Fund	7.51	0.24 Years	0.42 Years	7.61%	7.72%	7.93%	7.40%	7.30%	7.09%
Money Market Fund	7.40	0.18 Years	0.53 Years	7.53%	7.67%	7.93%	7.27%	7.14%	6.87%
Low Duration Fund	7.30	0.69 Years	0.85 Years	7.51%	7.73%	8.15%	7.09%	6.88%	6.45%
Short Term Bond Fund	7.45	3.46 Years	2.56 Years	8.09%	8.73%	10.01%	6.81%	6.17%	4.89%
Corporate Bond Fund	7.42	4.78 Years	3.35 Years	8.26%	9.10%	10.77%	6.59%	5.75%	4.07%
Banking and PSU Fund	7.36	4.40 Years	3.17 Years	8.15%	8.95%	10.53%	6.57%	5.78%	4.19%
Credit Risk Funds	8.25	3.01 Years	2.19 Years	8.80%	9.35%	10.44%	7.70%	7.16%	6.06%
Medium Duration Fund	7.63	4.69 Years	3.56 Years	8.52%	9.41%	11.19%	6.74%	5.85%	4.07%
Dynamic Bond Fund	7.17	15.76 Years	7.10 Years	8.95%	10.72%	14.27%	5.40%	3.62%	0.07%
Medium to Long Duration Fund	7.19	10.88 Years	6.06 Years	8.71%	10.22%	13.25%	5.68%	4.16%	1.13%
Gilt Fund	7.05	20.81 Years	9.05 Years	9.31%	11.57%	16.10%	4.79%	2.52%	-2.00%

- Credit Risk funds, Medium Duration funds and Ultra Short Term funds offer higher YTM.

Note: Modified Duration indicates the sensitivity of a fund/bond with a change in interest rate scenario. It helps help investors predict how the bond's price will be affected by the fluctuations in interest rates.

For eg: If a fund with a modified duration of 8 years and YTM of 8% sees a 50-bps interest rate fall in a year, then the estimated return will be 12% [Average YTM - (Modified Duration x Change in Interest Rate)].

DEBT MARKET ROUNDUP

Key Takeaways & Outlook



INDIAN DEBT

Domestic & Global factors that played out for the Indian markets:

- Bond yields fell initially amid expectations of an interest rate cut at the RBI's Feb 2025 monetary policy meeting. However, yields rose later as market participants were disappointed that the RBI's first rate cut in nearly five years by 25 bps was not accompanied with any additional steps to boost banking system liquidity. Losses were extended after data showed that the U.S. consumer price index gained both on a monthly and yearly basis in Jan 2025.
- However, losses were restricted following the domestic retail inflation print of Jan 2025 which was marginally below estimates. A decline in U.S. Treasury yields after data showed that U.S. retail sales tumbled in Jan 2025, further limited the losses.

Outlook:

- The RBI's recent rate cut and the government's efforts to reduce the fiscal deficit in the Budget FY26 have positively impacted the market. However, concerns about the U.S. tariffs, the depreciating Indian Rupee, and the U.S. Fed's cautious stance on further rate cuts remain. The RBI has been and is expected to continue infusing liquidity through OMO (open market operations), forex swap in essence of the monetary policy stance. Overall, the outlook is cautiously optimistic, with potential volatility due to global economic conditions.
- **For Core portfolio (60-70% of the entire debt portfolio), investors may consider Short Duration funds, Banking PSU, Corporate Bond and Target Maturity funds (matching with the average maturity of the funds and investment horizon). Along with MFs, good quality Corporate FDs and Bonds can be looked at allocation in the debt portfolio.**
- **For Satellite portfolio (30-40% of the entire debt portfolio), investors may consider MF categories such Medium to Long duration, Gilt and Dynamic Bond Funds as these categories have started to benefit from the recent rate cut announced by the RBI in its Feb 2025 policy meet.**

ECONOMIC CALENDAR

Upcoming Key Events for the Month



DOMESTIC

Events for March 2025	
Event	Date
Industrial Production YoY Jan 2025	12-Mar-25
CPI Inflation Rate YoY Feb 2025	12-Mar-25
Passenger Vehicles Sales YoY Feb 2025	12-Mar-25
Balance of Trade Feb 2025	14-Mar-25
WPI Inflation YoY Feb 2025	17-Mar-25
Government Budget Value Feb 2025	31-Mar-25
Infrastructure Output YoY Feb 2025	31-Mar-25
Current Account 3QFY25	31-Mar-25



GLOBAL

Events for March 2025	
Event	Date
U.S. CPI YoY, NSA Feb 2025	12-Mar-25
U.K. GDP Estimate YoY Jan 2025	14-Mar-25
Germany HICP Final YoY Feb 2025	14-Mar-25
Euro Zone HICP Final YoY Feb 2025	19-Mar-25
U.S. Fed Funds Target Rate 19 Mar	19-Mar-25
U.K. BOE Bank Rate Mar 2025	20-Mar-25
China Loan Prime Rate 1Y Mar 2025	20-Mar-25
U.K. CPI YoY Feb 2025	26-Mar-25

MUTUAL FUND DASHBOARD

Category Performance

MUTUAL FUND DASHBOARD

Category Performance



CATEGORY PERFORMANCE

Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	1.65	11.31	14.89	10.26
Large & Mid Cap	2.90	14.39	18.16	12.51
Multi Cap	1.12	15.72	19.68	12.96
Flexi Cap	1.20	12.30	16.69	11.85
Mid Cap	3.23	16.89	21.28	14.09
Small Cap	-1.65	16.05	24.65	15.11
Focused	2.68	12.35	15.99	11.62
Value	0.31	16.42	20.33	12.92
Hybrid Category:				
Conservative Hybrid	6.27	7.94	8.48	7.24
Balanced Hybrid	7.09	--	--	--
Balanced Advantage	2.61	9.74	10.91	8.64
Multi Asset Allocation	6.71	12.28	16.76	11.23
Aggressive Hybrid	3.39	11.39	14.63	10.07

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.61	3.23	6.56	6.10
Liquid	1.74	3.52	7.21	6.51
Ultra Short Duration	1.66	3.41	7.02	6.18
Low Duration	1.68	3.50	7.29	6.27
Money Market	1.72	3.54	7.31	6.50
Accrual:				
Short Duration	1.71	3.57	7.49	6.35
Medium Duration	1.88	3.83	7.92	6.48
Banking & PSU Debt	1.57	3.36	7.34	6.05
Corporate Bond	1.64	3.50	7.62	6.09
Floating Rate	1.66	3.54	7.94	6.72
Credit Risk	2.30	4.33	8.37	9.29
Duration:				
Medium to Long Duration	1.39	2.87	7.08	5.98
Long Duration	0.81	2.05	7.12	6.55
Dynamic Bond	1.24	2.75	7.04	6.14
Gilt	1.03	2.38	6.87	6.13
Gilt Fund with 10 year constant duration	1.91	3.65	8.33	6.44

Note: <1 year return are absolute and ≥ 1 year returns are CAGR
MF Category average performance as on 28th Feb 2025. Source: MFI 360 Explorer

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