








ATLAS

Monthly Market Review
May 2025



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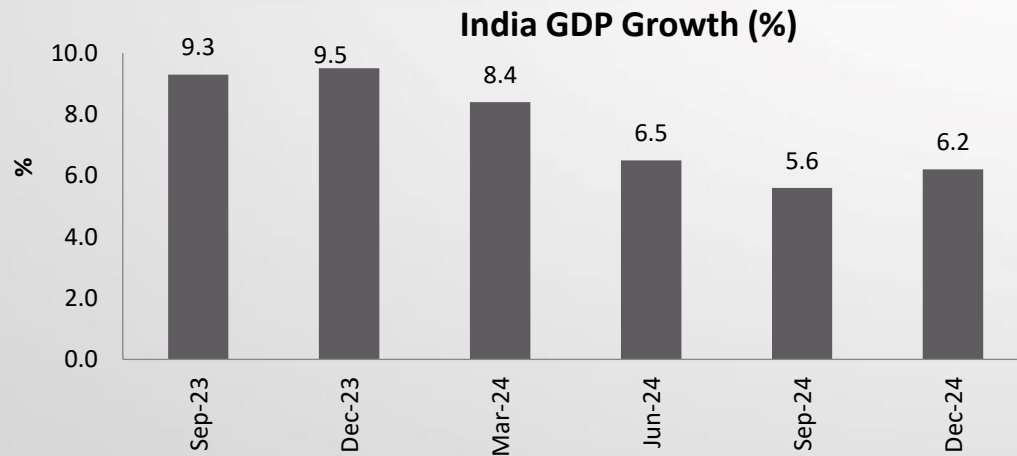
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MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend



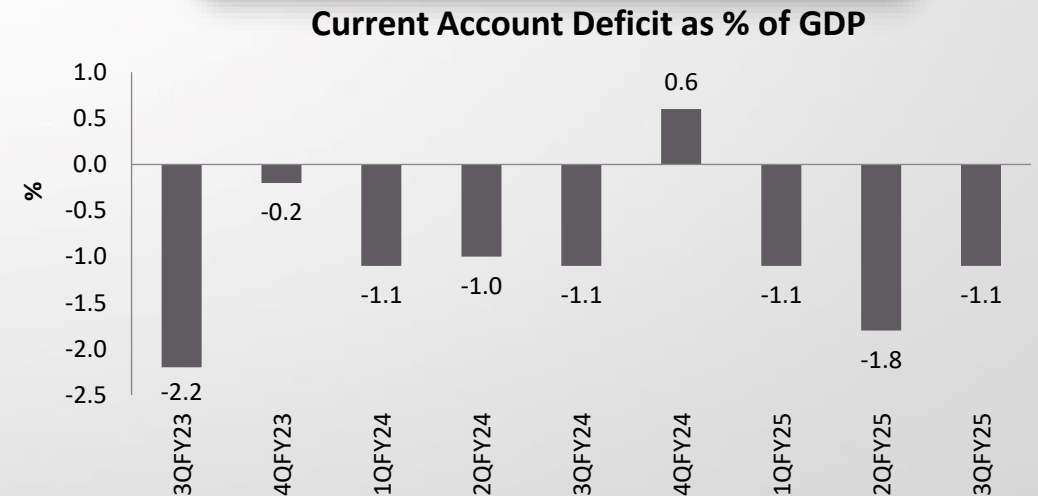
GDP grew by 6.2% YoY in 3QFY25



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 increased YoY in 3QFY25



Source: Refinitiv

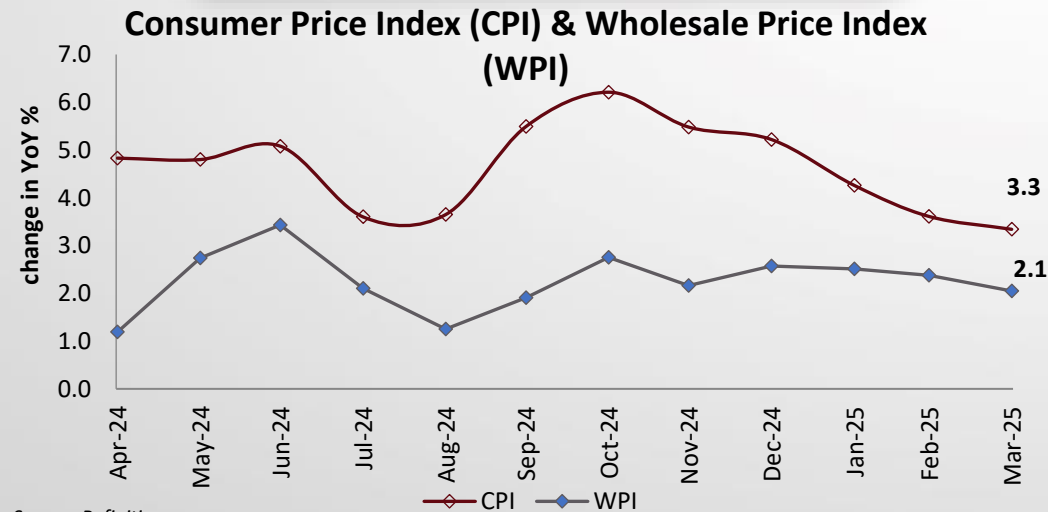
India's current account deficit (CAD) increased to US\$ 11.5 billion (1.1% of GDP) in Q3 FY25 from US\$ 10.4 billion (1.1% of GDP) in Q3 FY24 but moderated from US\$ 16.7 billion (1.8% of GDP) in Q2 FY25.

MACRO ECONOMIC INDICATORS

Inflation and Trade Data Trend

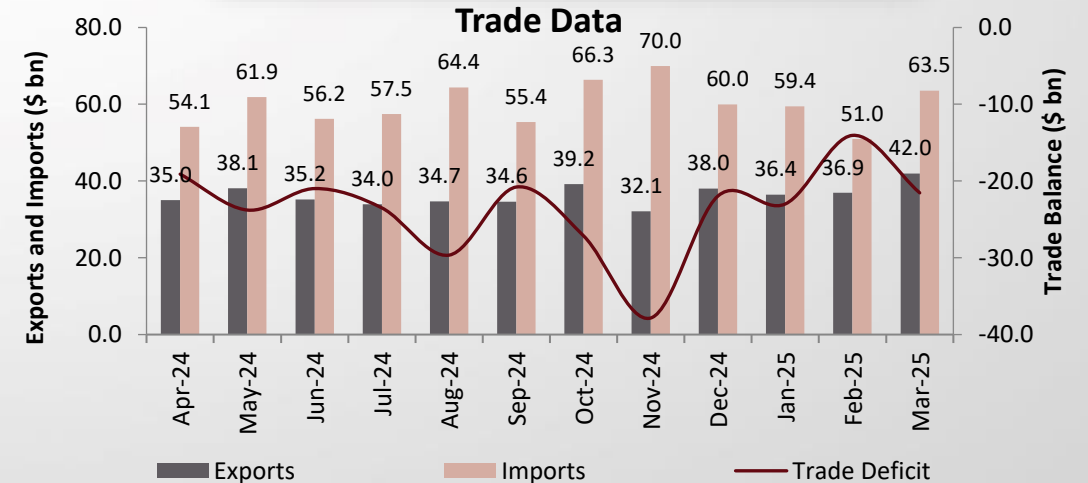


CPI inflation eased in Mar 2025



CPI-based inflation eased to 3.34% YoY in Mar 2025, driven by softening food prices. WPI-based inflation fell to 2.05% YoY in Mar 2025 as compared to 2.38% in Feb 2025.

Trade deficit widened YoY in Mar 2025



Merchandise trade deficit widened annually to \$21.54 billion in Mar 2025 compared to \$15.34 billion in Mar 2024. Exports rose by 0.67% YoY and imports increased 11.36% YoY in Mar 2025.

MACRO ECONOMIC INDICATORS

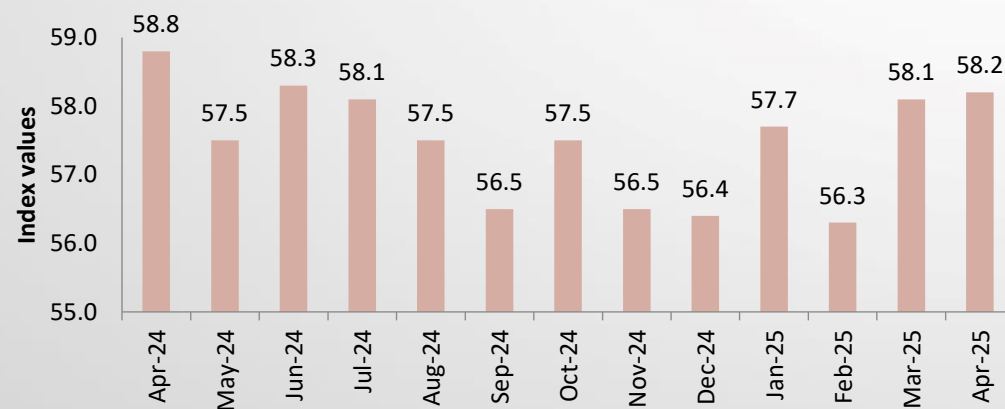
Manufacturing and Services PMI Trend



Manufacturing PMI rose marginally in Apr 2025

Services PMI rose slightly in Apr 2025

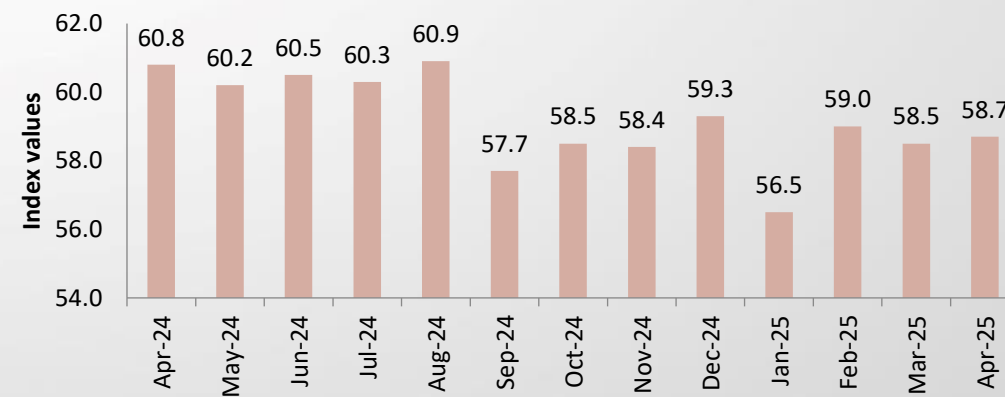
India Manufacturing PMI



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

Manufacturing PMI improved marginally to 58.2 in Apr 2025 compared to 58.1 in Mar 2025, supported by exports and accompanied by a notable improvement in employment.

India Service PMI



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

Services PMI rose to 58.7 in Apr 2025 from 58.5 in Mar 2025, driven by robust demand, with a sharp rise in new business volumes. The composite PMI rose to 59.7 in Apr 2025 from 59.5 in Mar 2025.

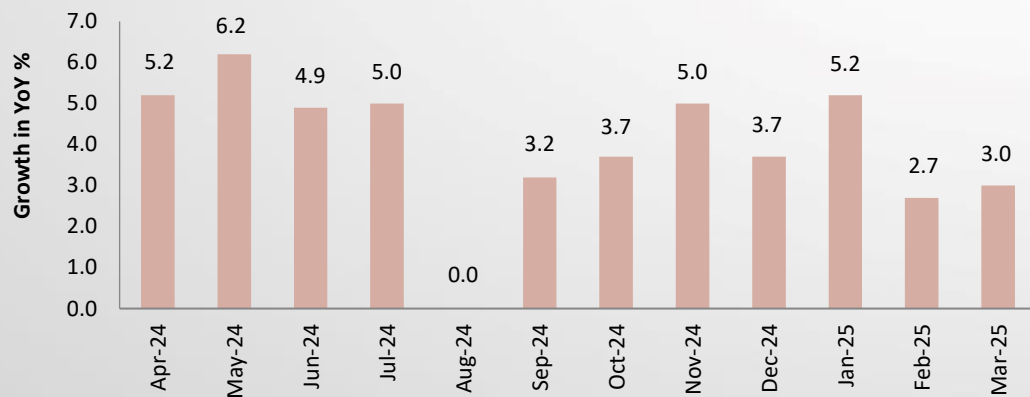
MACRO ECONOMIC INDICATORS

IIP and GST Trend



Industrial output rose YoY in Mar 2025

Index of Industrial production (IIP)

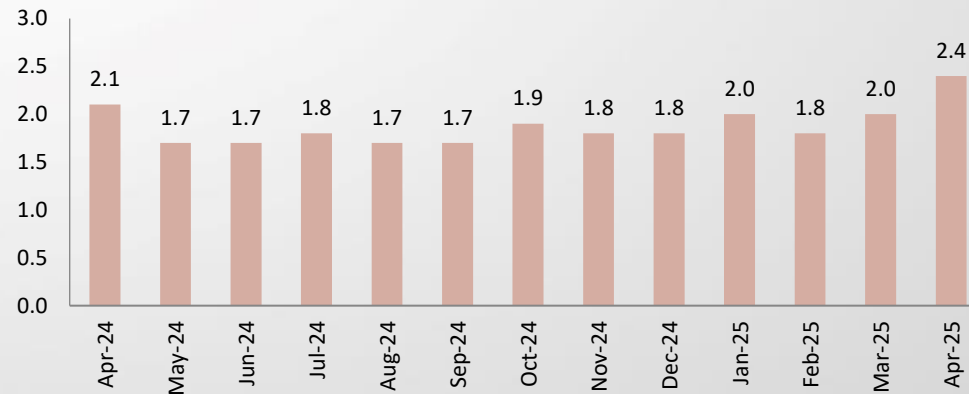


Source: Refinitiv

Index of Industrial Production rose 3.0% YoY in Mar 2025. Production in mining, manufacturing, and electricity witnessed growth of 0.4%, 3.0%, and 6.3%, respectively, in Mar 2025.

GST revenue reached new high in Apr 2025

GST Collections (Rs. Lakh Crore)



Source: PIB

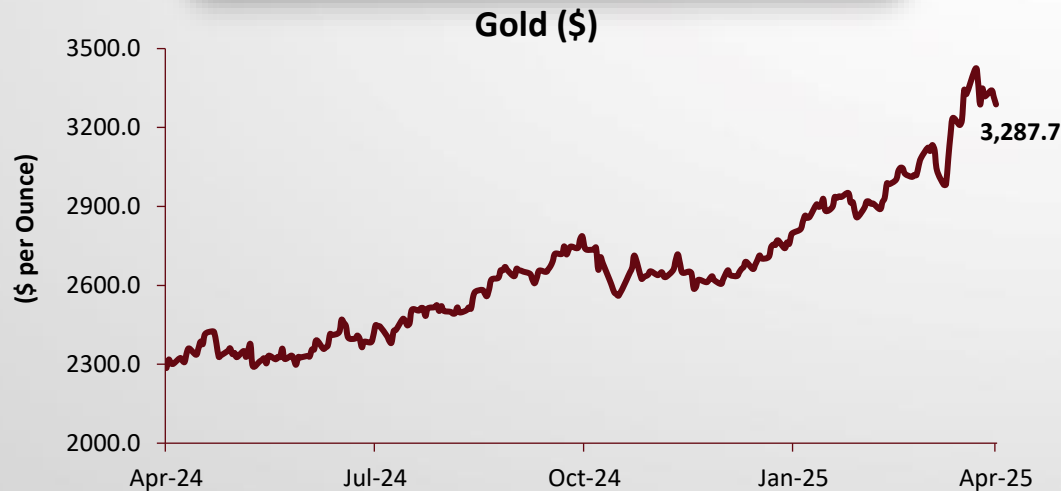
The total gross Goods and Services Tax (GST) revenue grew by 12.6% YoY, reaching a record high of Rs. 2.37 lakh crore in Apr 2025, compared to Rs. 2.10 lakh crore in Apr 2024.

MACRO ECONOMIC INDICATORS

International Gold and U.S. 10 Year Treasury Trend



Gold prices record a new high in Apr 2025



Gold prices rose as concerns around the U.S. President's tariff plans and potential economic fallout, combined with geopolitical worries, drove a fresh wave of investments into the safe-haven asset.

U.S. Treasury yields fell MoM in Apr 2025



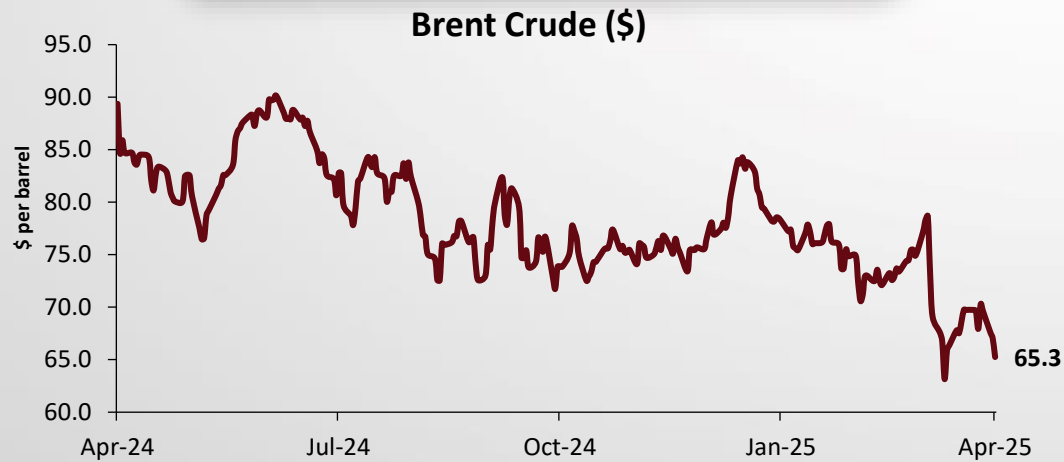
U.S. Treasury prices rose after China countered the U.S. President's extensive import tariffs plan. Gains were extended on possibility of an interest rate cut by the U.S. Fed in Jun 2025.

MACRO ECONOMIC INDICATORS

Crude and USD/INR Currency Trend



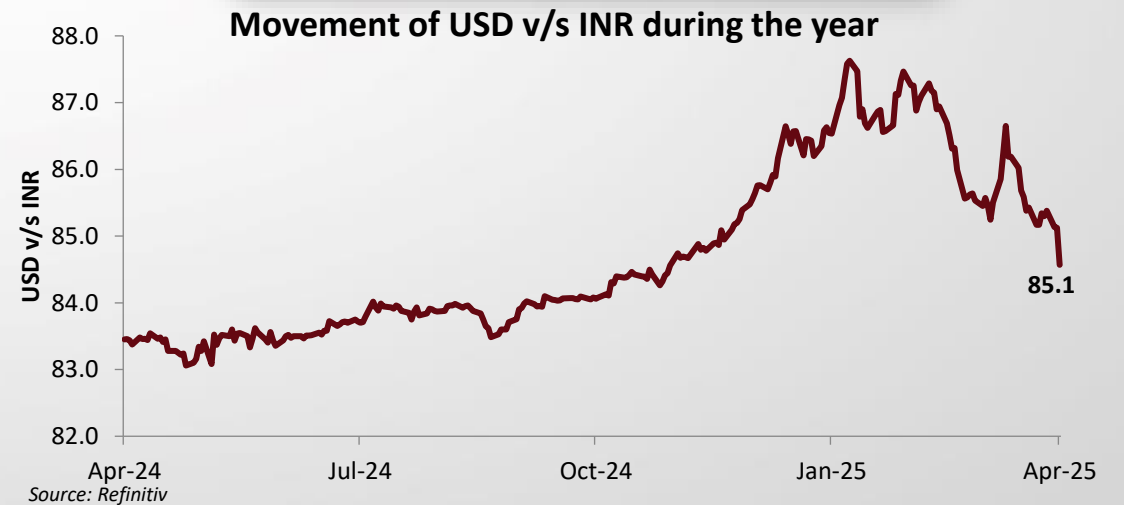
Crude oil prices fell MoM in Apr 2025



Source: Refinitiv

Brent crude oil prices dropped due to worries about a global trade war affecting fuel demand and fears that global tariffs could lead to a recession.

Rupee rose against U.S. dollar on MoM in Apr 2025



Source: Refinitiv

The rupee rose against the U.S. dollar due to positive trends in domestic equity markets, optimism about a potential India-U.S. trade deal, and inflows into Indian equities.

EVENT UPDATE

RBI MPC reduced key policy repo rate by 25 bps to 6.0%

MACRO

Key Highlights

- MPC reduced key policy repo rate by 25 bps to 6.0% with immediate effect
- Standing deposit facility (SDF) rate reduced to 5.75%
- The MPC decided to change the stance from “neutral” to “accommodative”
- For FY26, retail inflation is projected at 4.0%
- For FY26, real GDP growth is projected at 6.5%

Policy Rates / Reserve Ratio	07-Feb-25	09-Apr-25	Status
CRR	4.00%	4.00%	↔
SLR	18.00%	18.00%	↔
SDF	6.00%	5.75%	↓
Repo Rate	6.25%	6.00%	↓
MSF	6.50%	6.25%	↓
Bank rate	6.50%	6.25%	↓
Fixed Reverse Repo Rate	3.35%	3.35%	↔

Growth Outlook

- Moving ahead, growth is expected to be driven by sustained rural demand, a revival in urban consumption, recovery in fixed capital formation bolstered by increased government capital expenditure, higher capacity utilization, and strong corporate and bank balance sheets.
- However, merchandise exports may be hindered by the uncertain global economic environment, while services exports are likely to remain resilient. Global trade disruptions continue to present downward risks.

Inflation Outlook

- The outlook for food inflation is now decidedly positive, with uncertainties around rabi crops largely resolved. Second advance estimates indicate record wheat production and increased output of key pulses compared to last year.
- Additionally, declining crude oil prices support a favorable inflation outlook. However, ongoing global market uncertainties and potential adverse weather-related supply disruptions present upside risks to the inflation trajectory.

EVENT UPDATE

The U.S. Federal Reserve kept interest rates unchanged in May 2025

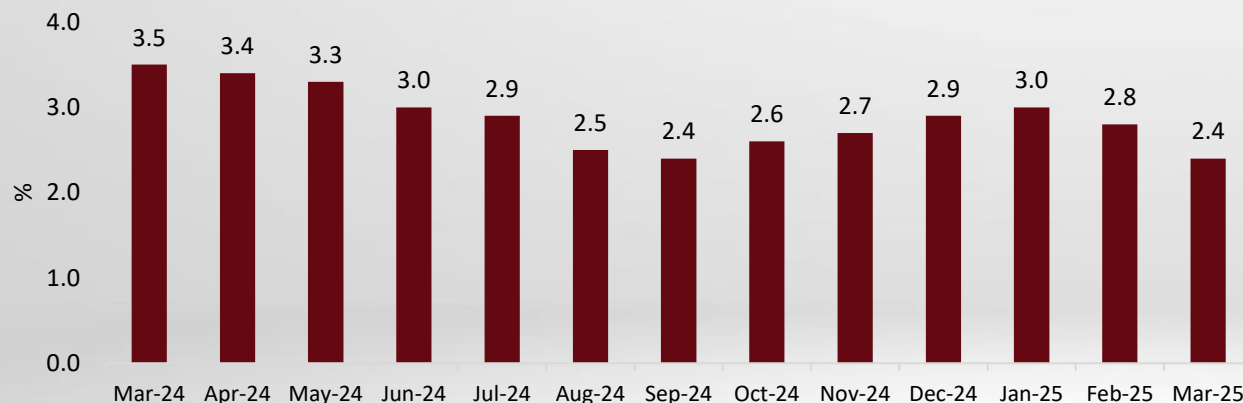


MACRO

Key Highlights

- The U.S. Federal Reserve has revealed its decision to **keep interest rates unchanged** on 07th May 2025, following its third monetary policy meeting of 2025.
- The U.S. central bank has decided to **maintain the target range for the federal funds rate at 4.25% to 4.50% in support of its dual goals of maximum employment and inflation at the rate of 2% over the longer run.**

U.S. Inflation(%)



Source: Refinitiv

U.S inflation Peaking

- According to the Labor Department, the **U.S. consumer price index edged down by 0.1% in Mar 2025** after rising by 0.2% in Feb 2025.
- The Labor Department also said the **annual rate of consumer price growth slowed to 2.4% in Mar 2025** from 2.8% in Feb 2025.
- The annual rate of core consumer price growth also fell to **2.8% in Mar 2025** from 3.1% in Feb 2025.

To Conclude

- Recent data shows **steady economic growth with low unemployment, but high inflation persists.** The Federal Open Market Committee (FOMC) aims for maximum employment and 2% inflation. **Economic uncertainty has increased, raising risks of higher unemployment and inflation.**
- **The FOMC will monitor new information and adjust policies as needed,** considering labor market conditions, inflation, and financial trends.

DOMESTIC & GLOBAL

Equity Market Update

INDIAN EQUITY MARKET DASHBOARD

April 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	3.67	3.67	1.28	9.06	13.43	20.34	12.90
Nifty 50	3.48	3.65	0.84	9.01	13.78	21.16	12.88
Nifty 100	3.29	3.43	-0.55	7.22	13.69	21.23	13.01
Nifty 500	3.25	2.21	-2.64	5.95	15.33	23.63	13.80
Nifty Midcap 150	3.96	0.22	-4.63	5.73	21.80	31.96	17.90
Nifty Smallcap 250	1.69	-3.03	-13.33	-2.42	18.21	34.54	14.75
Nifty Microcap 250	1.30	-7.77	-15.60	0.36	25.95	46.58	20.19
Sectoral Indices							
Nifty Bank	6.83	11.09	7.02	12.51	16.09	21.35	12.31
Nifty Oil & Gas	5.97	6.00	-0.87	-4.53	11.92	22.22	17.02
Nifty FMCG	5.35	0.15	-3.83	6.07	15.86	16.60	13.02
Nifty Auto	4.76	-2.40	-5.06	-0.02	27.26	31.56	11.64
Nifty PSU Bank	4.45	3.56	-2.72	-13.36	34.97	38.71	7.24
Nifty Realty	4.06	-3.85	-11.35	-8.73	26.27	36.83	16.31
Nifty Infrastructure	3.88	5.38	-0.14	3.28	20.62	27.56	12.31
Nifty Pharma	3.00	1.74	-4.01	15.53	18.24	19.28	6.79
Nifty Healthcare	2.72	2.09	-2.40	18.03	19.44	21.12	8.95
Nifty Energy	2.00	1.40	-12.20	-14.00	7.48	23.40	17.50
Nifty IT	-2.84	-15.99	-10.79	10.37	6.37	22.82	14.78
Nifty Metal	-5.62	2.17	-7.72	-5.81	11.84	37.67	15.90

- Domestic equity markets initially fell due to U.S. tariffs on over 180 countries, sparking global trade war fears. The trend reversed after the U.S. President announced a 90-day suspension on an additional 26% tariff in India, keeping a base tariff of 10%. Gains were driven by a strong domestic economic outlook, a promising monsoon, and returning foreign investors but were limited by rising India-Pakistan tensions.

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 3.2
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 2.9
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 1.7
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 -1.3
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 -5.9
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 -13.4

- On CYTD basis, Nifty 50 witnessed the highest gain, while Nifty Smallcap 250 and Nifty Midcap 150 fell the most
- Out of nine full calendar years, the Nifty Smallcap 250 has been the top performer in five years.

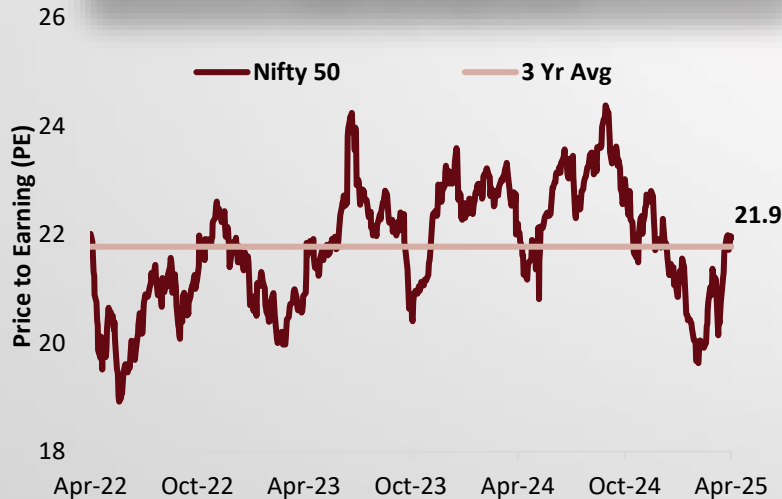
RELATIVE TRAILING VALUATIONS (P/E)

Large Cap vs Mid Cap vs Small Cap

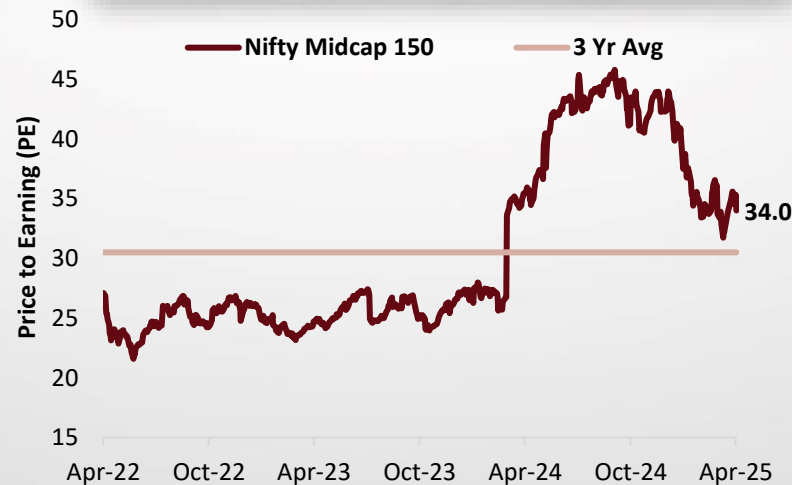


DOMESTIC

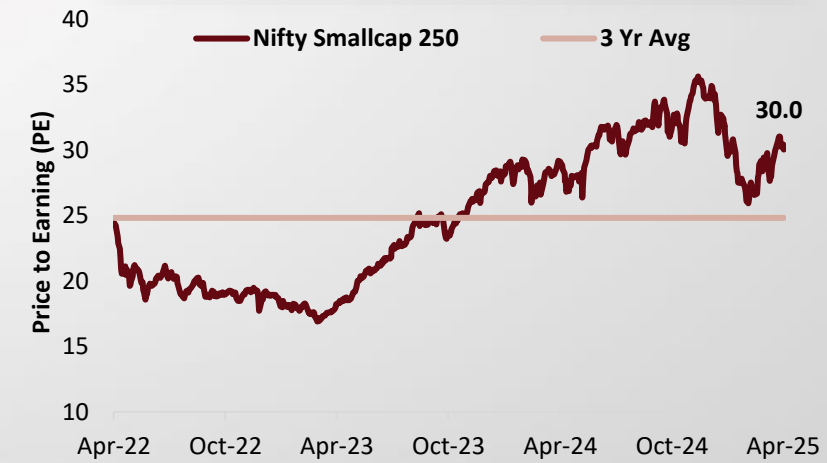
Nifty 50 trailing PE remained above the 3-year average mark



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



- All indices are currently trading above their 3-year average valuations.
- Midcap and smallcap valuations are relatively more expensive compared to largecaps.

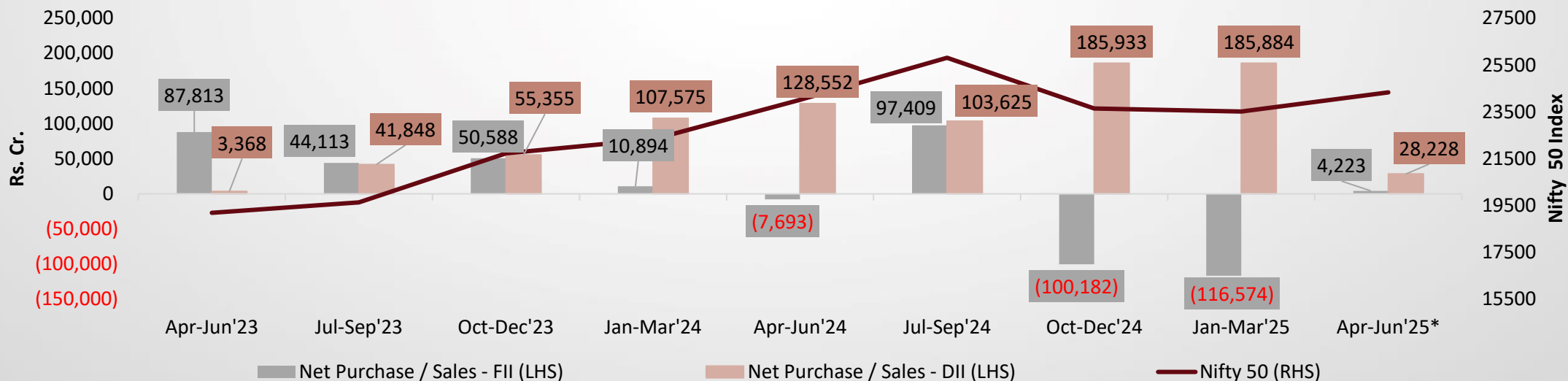
EQUITY FLOWS

Quarterly FII & DII Flows



DOMESTIC

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



- FIIs turned net buyers in equity segment in April 2025 after remaining net sellers in the previous three months.
- Mutual funds have been net buyers in equity segment in the last 50 months till April 2025, except April 2023 and August 2022.

GLOBAL EQUITY MARKET DASHBOARD

April 2025



GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
Indonesia	Jakarta Composite	3.93	-4.82	-4.42	-10.66	-6.46	-1.08	-2.17	7.48
Brazil	Brazil Ibovespa	3.69	7.08	12.29	4.13	7.26	13.67	7.77	10.90
India	Nifty 50	3.46	3.51	2.92	0.53	7.65	15.99	12.45	19.79
South Korea	Kospi	3.04	1.56	6.55	0.02	-5.03	1.09	-1.74	5.59
China	Shanghai Composite	-1.70	0.87	-2.17	-0.02	5.61	-0.67	2.47	2.77
Taiwan	Taiwan TAIEX	-2.23	-13.99	-12.16	-11.33	-0.79	13.91	6.83	12.97
Developed Markets									
US	Russell 3000	1.70	-10.41	-8.61	-2.13	13.34	21.15	14.14	15.77
Germany	DAX	1.50	3.52	13.00	17.92	25.46	18.78	16.82	15.67
Japan	Nikkei 225	1.20	-8.91	-9.65	-7.77	-4.93	11.71	10.29	12.28
UK	FTSE 100	-1.02	-2.06	3.94	4.74	4.31	3.87	4.03	7.55
Europe	Euro Stoxx 50 Pr	-1.68	-2.40	5.40	6.89	4.86	8.76	10.69	11.99
France	CAC 40	-2.53	-4.48	2.89	3.31	-4.90	0.68	5.13	10.67

- U.S. equity markets rose after the U.S. President backed down from threats to dismiss the U.S. Federal Reserve Chair and signaled that the 145% tariffs on Chinese imports will "come down substantially."
- Japanese market rose as exporters benefited from a weaker Japanese yen, following the Bank of Japan's decision to lower its growth and inflation projections.

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	Germany 13.0
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	Hong Kong 10.3
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. 3.9
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	India 2.9
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	China -2.2
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	U.S. -8.6
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 -9.7

- On a CYTD basis, Japanese markets witnessed the steepest decline, followed by the U.S. 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



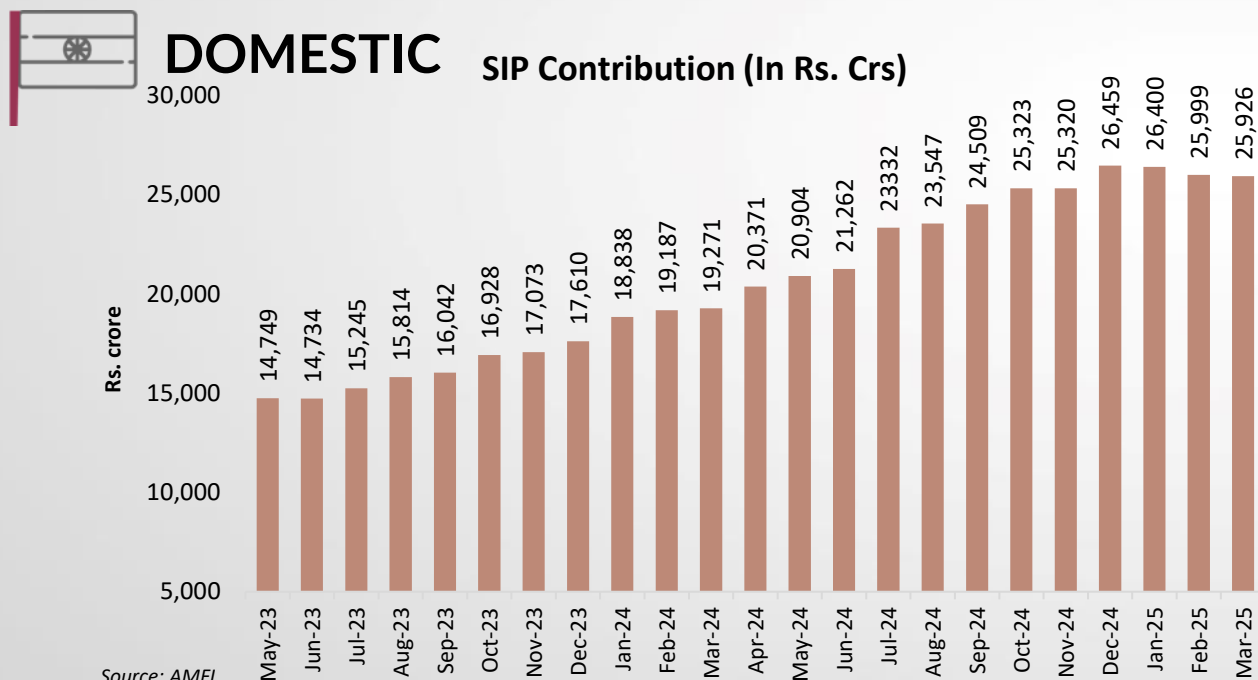
ASSET CLASS

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 23.7
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	G-Sec 5.0
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	Bonds 4.4
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	Real Estate 3.1
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	Cash 2.4
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	Indian Equity -1.3
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	Intl -8.6

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

MUTUAL FUNDS

SIP Flows and SIP Returns Data



- According to AMFI, monthly SIP contribution stood at Rs. 25,926 crore in Mar 2025. SIP AUM increased to Rs. 13.35 lakh crore in Mar 2025 compared to Rs. 12.38 lakh crore in Feb 2025, with 1,005.39 lakh outstanding SIP accounts

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	14.6	15.6	13.6
Large & Mid cap	17.2	18.8	16.0
Flexi cap	15.1	16.8	15.2
Multi cap	17.5	19.7	16.9
Mid cap	18.9	21.4	17.8
Small cap	15.6	22.2	18.5
Focused	15.1	15.9	14.6
Value	17.8	20.2	16.8

- 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 30th Apr 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	2.91	3.70	-1.78	6.58	14.52	20.21	11.93
Large & Mid Cap	2.68	2.50	-4.21	6.85	17.11	24.53	14.08
Flexi Cap	2.71	1.92	-4.79	5.27	15.15	22.21	13.31
Multi Cap	2.38	1.40	-5.45	4.98	18.10	25.94	14.56
Mid Cap	2.65	1.14	-6.68	6.42	19.13	28.50	15.54
Small Cap	1.58	-2.02	-11.07	1.36	17.52	32.71	16.33
Focused	2.75	2.64	-4.02	6.10	15.16	21.39	13.01
Value	2.65	1.73	-5.71	4.11	18.62	26.44	14.44
Index:							
Nifty 100	3.29	3.43	-0.55	7.22	13.69	21.23	13.01
Nifty 500	3.25	2.21	-2.64	5.95	15.33	23.63	13.80
Nifty Midcap 150	3.96	0.22	-4.63	5.73	21.80	31.96	17.90
Nifty Smallcap 250	1.69	-3.03	-13.33	-2.42	18.21	34.54	14.75

- In the last one-month, Large Cap category followed by Focused and Flexi Cap categories rose the most.
- It is to be worth noted that all the equity categories witnessed positive returns for 1 year and above periods.

EQUITY MARKET ROUNDUP

Key Takeaways & Outlook



DOMESTIC

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

- Domestic equity markets fell initially triggered by the U.S. President's imposition of tariffs on over 180 countries, which heightened concerns about a potential global trade war that could impede worldwide economic growth.
- However, the trend reversed on back of the U.S. President's announcement of a 90-day suspension on an additional 26% tariff in India, while keeping a base tariff of 10%. Markets rose further on hopes of renewed trade negotiations on certain products sparked hopes for possible negotiations that might ease the strain on global trade.
- Gains were extended buoyed by expectations of a robust domestic economic outlook, a promising monsoon season and the return of foreign portfolio investors. However, gains were restricted amid the escalating tensions between India and Pakistan, raising fears of potential armed conflict.

Outlook:

- Moving ahead, geopolitical tensions, tariff negotiations, and global economic conditions will continue to significantly influence the Indian equity market. Corporate earnings of Q4FY25, particularly from financial and consumer goods sectors, will be crucial in shaping market dynamics. The stability of the rupee could attract foreign fund inflows, providing additional market support. Key events such as the India-Pakistan relationship and the U.S. trade tariff policy could impact markets in the near term.
- **Despite the noise, fundamental drivers of Indian markets remain intact. We believe global equity markets, including Indian markets may stay volatile in the near term. Investors may look at Large Cap oriented funds along with Multi Asset Allocation Funds and Balanced Advantage Funds.**

DOMESTIC & GLOBAL

Debt Market Update

DEBT MARKET

Indian Government Bond and Policy Rate Trend



INDIAN DEBT

10-year benchmark G-sec yield fell by 22 bps MoM in Apr 2025

10-Yr Benchmark Bond

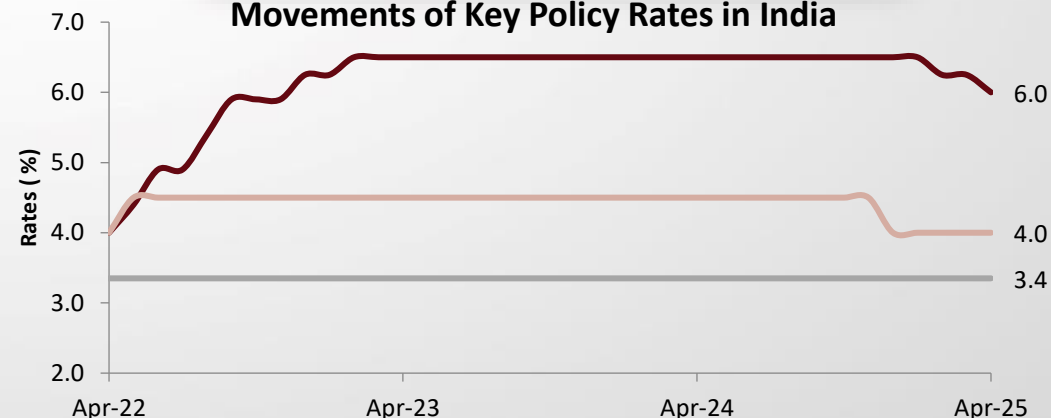


Source: Refinitiv

Bond yields fell after the RBI's liquidity measures and further declined when the RBI cut its key repo rate by 25 bps in Apr 2025, shifting its stance from "neutral" to "accommodative."

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

Movements of Key Policy Rates in India



Source: RBI

The Monetary Policy Committee (MPC) in its first bi-monthly monetary policy review of FY26 reduced key policy repo rate by 25 bps to 6% with immediate effect.

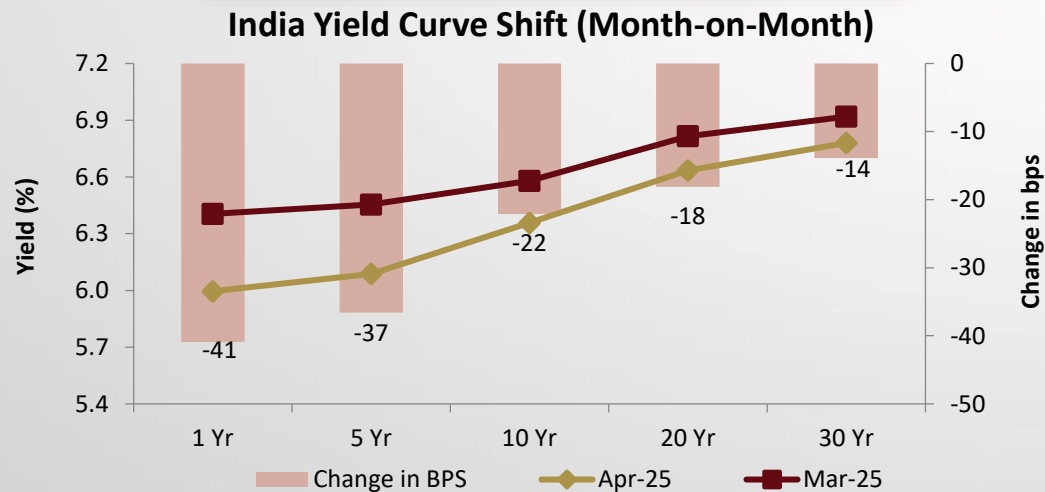
DEBT MARKET

Government Bond & Corporate Bond Yield Trend



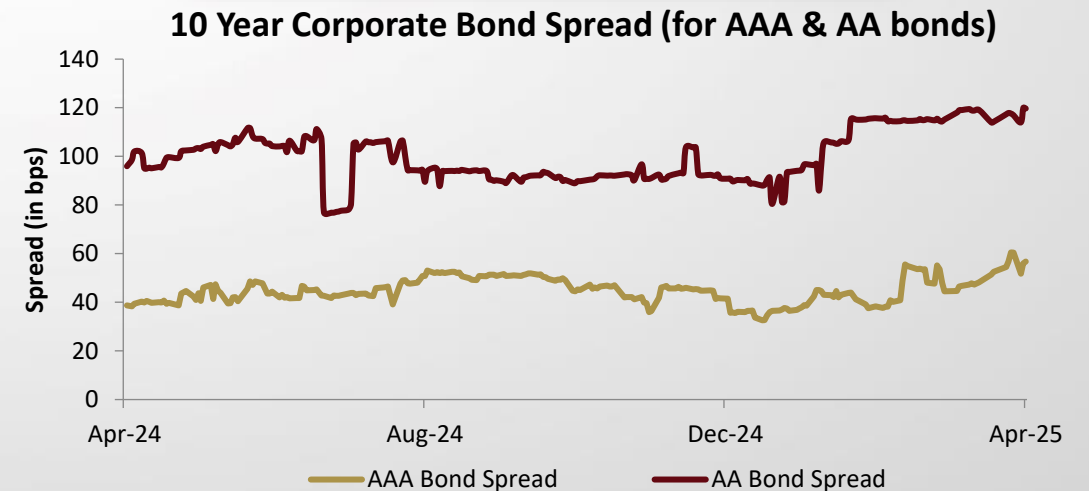
INDIAN DEBT

G-sec yields fell during the month



Yield on gilt securities fell between 14 to 41 bps across the maturities.

Corporate bond yields mostly fell during the month



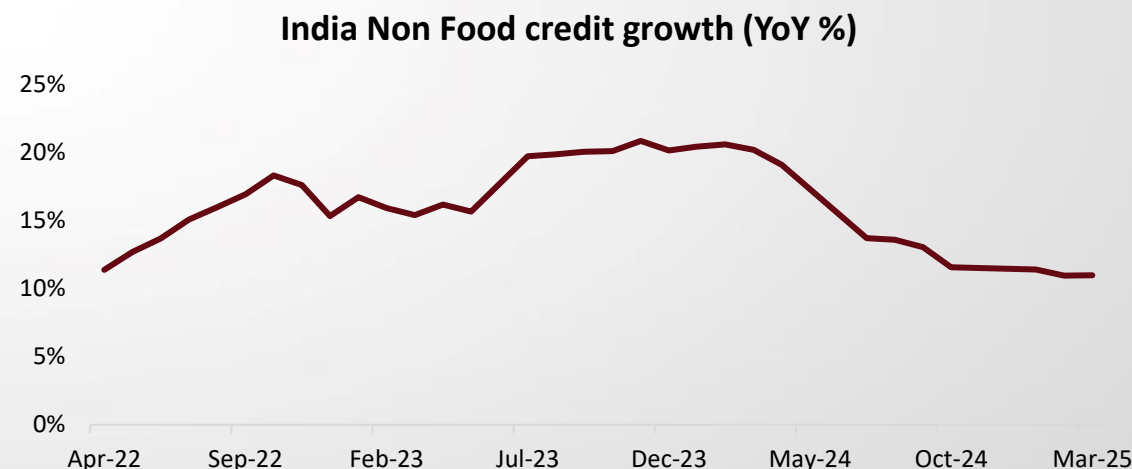
Yield on corporate bonds fell between 11 to 41 bps across the curve, barring 15 year paper that increased by 4 bps.

DEBT MARKET

System Liquidity



INDIAN DEBT



- The banking system's liquidity remained in surplus mode during the month, driven by the RBI's fund infusion and increased government spending. In a significant relief for the banking system, the RBI has permitted banks to maintain a lower stock of liquid assets against deposits raised through digital channels, in case of a potential bank run.
- According to the final guidelines on the liquidity coverage ratio (LCR), the RBI stated that banks need to apply a run-off factor of only 7.5% on these retail deposits, instead of the 10% proposed in the draft guidelines.

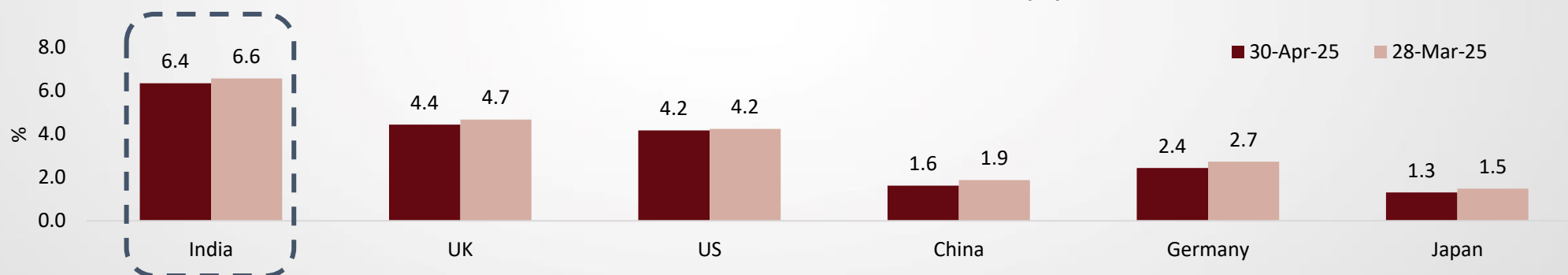
DEBT MARKET

Global



GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



Current Yield (%)	6.4	4.4	4.2	1.6	2.4	1.3
Inflation (%)	3.3	2.6	2.4	-0.1	2.2	3.5
Real Yields (%): 30-Apr-25	3.0	1.8	1.8	1.7	0.2	-2.2

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

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	0.50	1.50	3.14	6.47	6.26	4.99
Liquid Fund	0.60	1.79	3.56	7.20	6.73	5.36
Ultra Short Term Fund	0.76	2.00	3.67	7.24	6.47	5.51
Low Duration Fund	1.01	2.36	4.02	7.87	6.70	6.30
Money Market Fund	0.89	2.25	4.00	7.72	6.87	5.79
Arbitrage Fund	0.64	1.81	3.53	7.08	6.50	5.23
ICRA Liquid Index	0.58	1.82	3.67	7.53	7.14	5.76
Short Term Bond Fund	1.41	2.93	4.75	9.16	6.92	6.57
Medium Duration Fund	1.52	3.27	5.06	10.00	7.51	7.36
Banking and PSU Fund	1.46	3.05	4.74	9.25	6.99	6.49
Corporate Bond Fund	1.58	3.19	4.92	9.59	7.04	6.64
Credit Risk Fund	2.03	4.87	6.57	11.27	8.09	9.51
Nifty Short Duration Debt Index	1.24	2.70	4.49	8.75	6.98	6.67
Dynamic Bond Fund	1.94	3.75	5.30	10.94	7.58	6.42
Medium to Long Duration Fund	1.79	3.55	5.21	10.53	7.45	6.18
ICRA Composite Bond Fund Index	1.84	3.69	5.66	11.44	8.07	7.27
Gilt Fund	2.12	4.15	5.65	11.63	7.87	6.16
ICRA Composite Gilt Index	2.07	4.08	6.20	12.56	8.80	6.97

- Gilt Funds, Credit Risk Funds and Dynamic Bond Funds are the top performing categories over the past year, generating between 11 to 12% return.

DEBT MARKET

Sensitivity Analysis



INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
				Decreases			Increases		
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	6.34	0.00 Years	0.01 Years	6.34%	6.34%	6.35%	6.33%	6.33%	6.33%
Liquid Fund	6.65	0.05 Years	0.14 Years	6.68%	6.72%	6.79%	6.61%	6.58%	6.51%
Ultra Short Term Fund	7.02	0.28 Years	0.46 Years	7.14%	7.25%	7.48%	6.91%	6.79%	6.56%
Money Market Fund	6.88	0.29 Years	0.74 Years	7.06%	7.25%	7.62%	6.69%	6.51%	6.14%
Low Duration Fund	7.10	0.77 Years	0.93 Years	7.33%	7.57%	8.03%	6.87%	6.64%	6.17%
Short Term Bond Fund	7.01	3.59 Years	2.73 Years	7.69%	8.38%	9.74%	6.33%	5.65%	4.28%
Corporate Bond Fund	7.02	5.04 Years	3.58 Years	7.91%	8.81%	10.60%	6.12%	5.23%	3.44%
Banking and PSU Fund	6.94	4.89 Years	3.44 Years	7.80%	8.66%	10.38%	6.08%	5.22%	3.50%
Credit Risk Funds	7.80	3.13 Years	2.27 Years	8.37%	8.94%	10.07%	7.24%	6.67%	5.53%
Medium Duration Fund	7.37	5.20 Years	3.62 Years	8.28%	9.18%	10.99%	6.47%	5.56%	3.75%
Dynamic Bond Fund	6.86	16.06 Years	7.47 Years	8.72%	10.59%	14.33%	4.99%	3.12%	-0.61%
Medium to Long Duration Fund	6.86	12.29 Years	6.50 Years	8.48%	10.11%	13.36%	5.23%	3.61%	0.36%
Gilt Fund	6.48	21.73 Years	9.37 Years	8.82%	11.17%	15.85%	4.14%	1.80%	-2.89%

- Credit Risk funds, Medium Duration funds and Low Duration funds offer higher YTM's.

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 declined after the RBI announced a plan to buy Rs. 80,000 crore worth of bonds in Apr 2025, spread over four tranches of Rs. 20,000 crore each. Gains were extended as extensive tariffs imposed by the U.S. heightened anticipations of monetary easing by global central banks, driven by fears of an impending recession.
- Yields fell after the RBI reduced its key repo rate in Apr 2025 monetary policy meeting and it shifted its monetary policy stance from "neutral" to "accommodative". An ease in the domestic retail inflation rate in Mar 2025 further extended the gains. However, gains were limited due to escalating geopolitical tensions following the attack in Kashmir.

Outlook:

- Going forward, geo-political escalations will continue to influence market movements, but potential recession signs might prompt the U.S. Federal Reserve to implement further rate cuts, impacting global markets. In contrast, the RBI's announcement of a Rs. 1.25 lakh crore liquidity infusion in May 2025 paints a more positive outlook for the Indian debt market. Indian macro-economic factors remain robust, with strong yet moderating growth and inflation around 4%. Although the ongoing India-Pakistan tensions may cause short-term market volatility in the near term.
- **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, AAA oriented 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 cuts announced by the RBI in its Feb and April 2025 policy meet.**

ECONOMIC CALENDAR

Upcoming Key Events for the Month



DOMESTIC

Events for May 2025	
Event	Date
CPI Inflation Rate YoY Apr 2025	12-May-25
WPI Inflation YoY Apr 2025	14-May-25
Balance of Trade Apr 2025	15-May-25
Passenger Vehicles Sales YoY Apr 2025	15-May-25
Industrial Production YoY Apr 2025	28-May-25
Manufacturing Production YoY Apr 2025	28-May-25
GDP estimates for 4QFY25	30-May-25
Government Budget Value Apr 2025	30-May-25
Infrastructure Output YoY Apr 2025	30-May-25



GLOBAL

Events for May 2025	
Event	Date
U.S. CPI YoY, NSA Apr 2025	13-May-25
Germany HICP Final YoY Apr 2025	14-May-25
U.S. Industrial Production MoM Apr 2025	15-May-25
Euro Zone HICP Final YoY Apr 2025	19-May-25
China Loan Prime Rate 1Y May 2025	20-May-25
U.K. CPI YoY Apr 2025	21-May-25
Japan CPI, Overall Nationwide Apr 2025	22-May-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	6.58	14.52	20.21	11.93
Large & Mid Cap	6.85	17.11	24.53	14.08
Multi Cap	4.98	18.10	25.94	14.56
Flexi Cap	5.27	15.15	22.21	13.31
Mid Cap	6.42	19.13	28.50	15.54
Small Cap	1.36	17.52	32.71	16.33
Focused	6.10	15.16	21.39	13.01
Value	4.11	18.62	26.44	14.44
Hybrid Category:				
Conservative Hybrid	9.10	8.98	10.28	7.74
Balanced Hybrid	9.19	--	--	--
Balanced Advantage	5.98	11.58	13.67	9.63
Multi Asset Allocation	8.05	13.84	19.86	12.16
Aggressive Hybrid	7.32	13.81	19.20	11.32

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.50	3.14	6.47	6.26
Liquid	1.79	3.56	7.20	6.73
Ultra Short Duration	2.00	3.67	7.24	6.47
Low Duration	2.36	4.02	7.87	6.70
Money Market	2.25	4.00	7.72	6.87
Accrual:				
Short Duration	2.93	4.75	9.16	6.92
Medium Duration	3.27	5.06	10.00	7.51
Banking & PSU Debt	3.05	4.74	9.25	6.99
Corporate Bond	3.19	4.92	9.59	7.04
Floating Rate	2.92	4.62	9.21	7.36
Credit Risk	4.87	6.57	11.27	8.09
Duration:				
Medium to Long Duration	3.55	5.21	10.53	7.45
Long Duration	4.41	5.68	12.86	8.80
Dynamic Bond	3.75	5.30	10.94	7.58
Gilt	4.15	5.65	11.63	7.87
Gilt Fund with 10 year constant duration	4.07	6.34	12.32	8.38

Note: <1 year return are absolute and ≥ 1 year returns are CAGR
Performance is of regular plan growth option. MF Category average performance as on 30th Apr 2025.
Source: MFI 360 Explorer <http://www.icraanalytics.com/legal/standard-disclaimer.html>

Glossary

- **Gross Domestic Product (GDP)**- Total value of goods & services produced within a country during a specified period.
- **Manufacturing PMI**- An indicator that tracks the activity level of the manufacturing sector. A reading above 50 indicated expansion, while below 50 suggest a contraction.
- **Services PMI**- An indicator that tracks the activity level of the services sector. A reading above 50 indicated expansion, while below 50 suggest a contraction.
- **Trade Deficit** - A trade deficit occurs when a country's imports exceeds its exports.
- **Goods & Service Tax (GST)** - A tax levied on goods and services sold for domestic consumption.
- **Consumer Price Index (CPI)** - Measures changes in the prices of basket of consumer goods and services.
- **Wholesale Price Index (WPI)** - Represents price of goods at a wholesale stage, i.e., goods sold in bulk and traded between organizations instead of consumers.
- **Index of Industrial Production (IIP)** - Measures the growth of a country's industrial sector by comparing production of industrial goods in current period to a base year.
- **Reserve Bank of India (RBI)** - The RBI is the central bank of India, playing a crucial role in managing the country's monetary policy and financial system
- **Repo Rate** - It is the rate at which the RBI loans money to commercial banks.
- **Bond Yield** - Return that an investor expects to receive over the bond term to maturity.
- **Government Securities (G-sec)**- Debt instruments issued by Central government to meet fiscal needs.
- **U.S. Federal Reserve** - The Federal Reserve System (often shortened to the Federal Reserve, or the Fed) is the central banking system of the United States.
- **Price to Earning ratio (PE)** - PE Ratio or Price to Earnings Multiple is the ratio of share price of a stock to its earnings per share (EPS).
- **Systematic Investment Plan (SIP)**- Fixed amount of money contributed at regular intervals in mutual funds.
- **Foreign Institutional Investors (FII)**- Large entities investing in other countries outside their home base, diversifying assets across international markets.
- **Domestic Institutional Investors (DII)**- Entities investing money within own country in various financial assets.

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