

Your Gateway To Financial Wellness

# **MONTHLY NEWSLETTER**

## **February 2025**

A wrap-up of important market and product updates of the month  
& upcoming events to watch out for



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INDEX	Monthly Change
NASDAQ	3.97%
S&P 500	1.42%
FTSE	1.57%
DOW JONES	1.58%
SHANGHAI COMPOSITE	2.16%



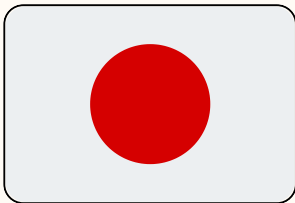
The Trump administration declared a 25% tariff on specific imports from Mexico and Canada, but its implementation was subsequently suspended for 30 days.



China announced its 2025 Action Plan for Stabilizing Foreign Investment, a decisive move to bolster investor confidence. Approved by the State Council, this plan prioritizes economic modernization and actively seeks to expand foreign participation in essential sectors such as biotechnology, telecommunications, education, and healthcare, according to China Briefing.



US President Donald Trump announced that the country would offer a "gold card" in place of the green card for affluent foreigners, allowing them the right to live and work in the United States, along with a pathway to citizenship, in return for a \$5 million fee.



Japan's annual GDP growth experienced a notable decline in 2024, falling to just 0.1%, a significant drop from the 1.5% growth recorded in 2023. Economic activity was adversely affected by a "megaquake" alert in August and a severe typhoon during the third quarter.



# INDIAN INDICES & MARKETS

Index	Points	Monthly Change
NIFTY 50	22,124.70	5.89%
SENSEX	73,198.10	5.55%

## FII & DII INFLOWS (Rs in Cr.)

CATEGORY	BUY AMT	SELL AMT	NET AMT
FII/FPI	259,256.89	318,244.97	58,988.08
DII	277,187.00	212,333.81	64,853.19

## SECTORAL PERFORMANCE

NIFTY IT	37,318.30	12.53%
NIFTY BANK	48,344.70	2.51%
NIFTY AUTO	20,498.60	10.36%
NIFTY MIDCAP 150	17,750.55	10.58%
NIFTY SMALLCAP 250	13,844.55	12.66%



The Reserve Bank of India reduced the key interest rate by 25 basis points to 6.25% in February. RBI had kept the repo rate (short-term lending rate) unchanged at 6.5% since February 2023. This is the first hike by the RBI in 5 years. This is a boost for borrowers and consumption. Interest rate cuts would spike the returns from debt funds.



Prime Minister much awaited visit to the US, was expected to deliver great positive outcomes on trade tariffs, though it turned out to be muted. Trump cited higher tariffs levied by India on certain goods and announced India will not be spared on reciprocal tariffs.

## India reviews Import Tariffs

India is reviewing average import tariffs with the U.S. before starting treaty negotiations, with a bilateral trade agreement in development. India's commerce and revenue departments are collaborating to address inconsistencies in the bilateral trade data reported by both nations, in light of U.S. President Donald Trump's claims of India being a tariff abuser.



India's GDP grew 6.2% in Q3 and the forecast for FY 25 is 6.5%, The growth is attributed to higher government and consumer spending, exports and farm output. Estimates say that the high economic activity due to the Maha Kumbh can push the GDP of Q4 to 7.6%

## New Income Tax Bill

The new income tax bill has been introduced to replace the nearly 60-year-old Income Tax Act of 1961. The proposed legislation aims to use clearer language for the benefit of taxpayers and seeks to reduce the number of sections by 25-30% in order to simplify tax rules and their clauses. Additionally, it has substituted the term "previous year" with "tax year" and eliminated the concept of "assessment year."

## India - Australia trade pact

Australia is strengthening its trade relationship with India by investing \$16 million, with a focus on enhancing growth in clean energy, education, agribusiness, and tourism while fostering closer economic connections. This will support Australian businesses in accessing India's rapidly expanding market and discovering new commercial opportunities.



The World Bank remains confident in India's economy, urging investment despite minor growth fluctuations. At the Advantage Assam 2.0 Summit, Country Director Auguste Tano Kouame said, "We remain bullish on India."



## SIF

The Securities and Exchange Board of India (SEBI) has released a framework for the new category of investment product, the Specialized Investment Fund (SIF) which will be effective from April 1, 2025. SIF allows equity, debt, and hybrid long-short strategies. With a ₹10 lakh minimum investment, SIF bridges the gap between Mutual Funds and PMS, offering sophisticated yet affordable investment options.

## Deposit Insurance limit

The government is "actively contemplating" increasing the deposit insurance limit beyond the existing Rs 5 lakh. After the recent New India Co-operative Bank scam was revealed, M Nagaraju, Secretary of the Department of Financial Services, stated that a proposal is being developed. In the wake of the PMC Bank scam, the DICGC raised the insured limit from Rs 1 lakh to Rs 5 lakh in 2020.





# QUARTERLY RESULTS

Company	Revenue	Net Profit
Indigo Paints	4%	5%
MTAR Tech	47%	45%
Pakka	7%	10%
SBI	10%	69%
ITC	9%	7%
Bharti Airtel	19%	566%
Trent	34%	37%
Britannia	7%	4%
REC	18%	23%
Hero Motocorp	4%	14%
BSE Limited	95%	121%
NMDC	21%	29%
Deepak Nitrite	5%	51%
Manappuram Fin	11%	51%
Hindustan Aeron	14%	14%



# MUTUAL FUND CATEGORY RETURN : EQUITY

CATEGORY	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Equity : LargeCap	8.8	6.89	10.75	0.23	11.59	15.88	10.34
Equity : Large & Midcap	14.4	8.99	15.39	1.88	13.89	18.05	12.35
Equity : Flexi Cap	12.76	7.94	13.61	0.89	12.26	15.95	11.41
Equity : Multicap	14.98	9.05	15.24	0.68	15.7	--	--
Equity : Midcap	16.88	10.24	16.15	1.01	17.08	21.55	13.98
Equity : Smallcap	20.69	12.04	20.81	3.62	15.87	24.55	14.81
Equity : Value Oriented	11.67	8.3	13.6	0.53	16.01	20.5	12.81
Equity : ELSS	12.48	7.68	13.13	0.61	13.23	17.16	11.72
Equity : Sectoral Banking	6.15	3.59	8.11	2.76	13.22	12.62	9.56
Equity : Sectoral Infrastructure	16.95	11.75	18.45	3.72	20.41	23.53	12.56
Equity : Sectoral Pharma	14.84	8.08	11.83	7.96	17.41	23.21	12.18
Equity : Sectoral Technology	14.52	11.53	13.66	1.26	7.25	24.8	15.29
Equity : Thematic Energy	11.58	8.7	14.09	2.45	11.62	22.61	15.54
Equity : Thematic PSU	13.75	11.99	18.41	9.25	27.46	25.17	11.87
Equity : International	4.12	0.01	4.23	20.68	10.54	10.86	7.64

Returns as on 28th February 2025. Returns less than 1 year are absolute and above 1 year are annualised



# MF CATEGORY RETURN : HYBRID & DEBT

CATEGORY	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Hybrid : Aggressive	9.09	5.93	9.45	3.39	11.38	14.24	10.19
Hybrid: Equity Savings	3.02	2.2	2.77	5.42	8.22	9.26	7.78
Hybrid: Arbitrage	1.07	0.44	1.67	7.04	6.19	5.12	5.77
Hybrid: Dynamic Asset	6.47	4.25	6.78	2.62	9.81	11.24	8.6
Hybrid: Multi Asset	4.25	3.35	5.07	6.85	12.11	14.24	8.87
Debt : Long duration	0.03	0.49	0.53	7.2	6.55	5.71	7.05
Debt : Medium duration	1.24	0.53	1.72	7.93	6.48	5.91	6.9
Debt : Short duration	1.07	0.43	1.59	7.44	6.26	5.99	6.65
Debt : Low duration	1.08	0.53	1.65	7.29	6.27	6.05	6.55
Debt : Ultra short	1.07	0.52	1.64	7.02	6.18	5.4	6.1
Debt : Liquid	1.08	0.51	1.66	7.04	6.44	5.23	6.17
Debt : Money Market	1.11	0.54	1.7	7.3	6.5	5.74	6.61
Debt : Overnight	1.02	0.47	1.58	6.55	6.1	4.89	5.54
Debt: Corporate Bond	0.99	0.37	1.51	7.62	6.08	6.15	6.97
Debt : Credit Risk	1.74	1.06	2.2	8.37	9.29	6.85	6.54
Debt : Banking & PSU	0.94	0.31	1.46	7.32	6.05	6.04	7.13
Debt : Gilt	0.64	0.02	1.1	7.42	6.19	5.75	6.87
Commodities : Gold	11.06	3.21	10.37	34.71	17.49	13.64	11.01

Returns as on 28th February 2025. Returns less than 1 year are absolute and above 1 year are annualised





# FIXED DEPOSITS

Company	Tenure in months	Cumulative	Monthly	Quarterly	Half Yearly	Annual	Sr Citizen
Mahindra Finance	12	7.50%	7.10%	7.20%	7.25%	7.50%	0.25% Addition
	24	7.80%	7.30%	7.40%	7.55%	7.80%	
	36	8.10%	7.55%	7.65%	7.85%	8.10%	
	48	8.05%	7.50%	7.60%	7.80%	8.05%	
	60	8.10%	7.55%	7.65%	7.85%	8.10%	
HDFC BANK	15	7.10%				7.10%	7.60%
	18	7.25%				7.25%	7.75%
	36	7.00%				7.00%	7.50%
	60	7.00%				7.00%	7.50%
Bajaj Finance	12-14	7.40%	7.16%	7.20%	7.27%	7.40%	0.25% Addition
	24 -35	7.80%	7.53%	7.58%	7.65%	7.80%	
	36-60	8.10%	7.81%	7.87%	7.94%	8.10%	
	42 - online	8.40%	8.09%	8.15%	8.23%	8.40%	
SHRIRAM FINANCE	12	7.85%	7.59%	7.63%	7.71%	7.85%	0.50% Addition
	24	8.15%	7.87%	7.92%	8.00%	8.15%	
	36	8.70%	8.38%	8.43%	8.52%	8.70%	
	60	8.80%	8.47%	8.52%	8.62%	8.80%	
	50 (JUBILEE)	8.80%	8.47%	8.52%	8.62%	8.80%	0.55% Addition
	0.10% additional for women depositors						
PNB HOUSING FINANCE LTD	12 - 23	7.45%	7.21%	7.25%	7.32%	7.45%	0.30% Addition
	24 - 35	7.25%	7.02%	7.06%	7.12%	7.25%	
	36 - 47	7.75%	7.49%	7.53%	7.61%	7.75%	
	48 - 59	7.40%	7.16%	7.20%	7.26%	7.40%	
	60	7.60%	7.35%	7.39%	7.46%	7.60%	
ICICI HOME FINANCE	12 - 23	7.25%	7.00%	7.05%	-	7.25%	0.25% Addition
	24 - 35	7.65%	7.40%	7.45%	-	7.65%	
	36 - 48	7.75%	7.50%	7.55%	-	7.75%	
	48 - 60	7.75%	7.50%	7.55%	-	7.65%	



# COMMODITIES & CURRENCY

PARTICULARS	31ST JANUARY 25	28TH FEBRUARY 25	% CHANGE
10 YEAR G-SEC	6.694%	6.732%	0.96%
GOLD (10GM)	84,810	87,640	3.33%
BRENT CRUDE	6,551.50	6,368.69	2.79%
USD/INR	86.58	87.47	1.20%

## IPOs LISTED IN FEBRUARY

NAME	ISSUE SIZE	ISSUE PRICE	LISTING PRICE	LISTING GAIN/LOSS %	CMP
Dr. Agarwal's Health Care Ltd	₹3,027.26 Cr	₹402	₹396.90	1.2%	₹ 401
Ajax Engineering Ltd	₹1,269.35 Cr	₹629	₹576	8.4%	₹ 594.80
Hexaware Technologies Ltd	₹8,750.00 Cr	₹708	₹745.5	5.3%	₹ 801.20
Quality Power Ltd	₹858.70 Cr	₹425	₹432.05	1.6%	₹ 374.55

CMP as on 28th February 2025

Of 44 companies which have got SEBI's nod for IPO, most have deferred plans to the next quarter fearing the current bear phase of the market and lower valuations. IPOs in the pipeline include the likes of Zepto, Phonepe, HDB Financial Services, TATA Capital, NSDL, Ather Energy, Boat, LG Electronics etc and the long evading IPO of NSE.



# EVENTS IN MARCH

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Date	Scheduled Events
6th March	European Central Bank Monetary Policy Meeting
13th March	US unemployment data
19th March	Bank of Japan Monetary Policy Meeting
20th March	US Monetary Policy Meeting

## To watch out for in March

- India's market cap to GDP has slipped to 111% compared to the peak level of 150%, earlier with valuations getting reasonable to attractive in most segments, with just a few pockets largely in the smallcap space which are yet to be favourable.
- This valuation comfort seems to satisfy the FIIs to some extent if the decline in net sales numbers of the FIIs on a daily basis this month is anything to go by. On the 3rd of March the net sales number was Rs.4788 Crs which has been dropping every day since then and was just Rs. 485 Crs on 10th March. This is hinting that we are in a oversold zone and its time to start buying Indian equities at these valuations, though with a largecap bias. The FIIs net sales number in the coming days need to be watched out for.
- In the US, the markets are on a decline and have give up almost the entire gains generated after Trump's election and the key stocks like Tesla, Nvidia, Meta, Alphabet and Netflix are down 54%,28%,19%,19% and 18% respectively from their peaks. Also the US bond yield which was at 5% earlier has dropped to 4.2%. These factors may make US less attractive for FIIs than earlier and this may turn positive for FII inflows for Emerging Markets like India.



# CURRENT TAXATION OF ASSET CLASSES

Asset Class	Period Of Holding (for LTCG)	Short Term Capital Gain Tax	Long Term Capital Gain Tax
Equity Shares / Equity Mutual Funds/Hybrid Funds (with >65% in Indian Equity)	>12 Months	20%	12.5% (If gains exceeds 1.25 Lakhs)
Hybrid Funds (>35% and < 65% Indian equity) & FOF with <65% Debt Sold from 23rd July 2024 and onwards	>24 Months	Slab Rate	12.5%
Debt Funds^	NA	Slab Rate	Slab Rate
Sale of listed Bonds / Debentures/Gold & Silver ETFs	>12 Months	Slab Rate	12.5%
OFS Equity Shares	>24 Months	20%	12.5%
Real Estate	>24 Months	Slab Rate	<b>For Properties Bought Before July 23, 2024:</b> 12.5 (without indexation) or 20% (with indexation). <b>For Properties Bought After July 23, 2024:</b> Flat 12.5% LTCG tax (without indexation).
Gold, Silver, all foreign assets including global funds	>24 Months	Slab Rate	12.5%
REITs/Invits	>12 Months	20%	12.5%

^—Capital Gains upto 12 lacs in a year from Debt Mutual Funds can be utilized to claim a rebate under section 87A, but this applies only to investments made after April 2023.

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