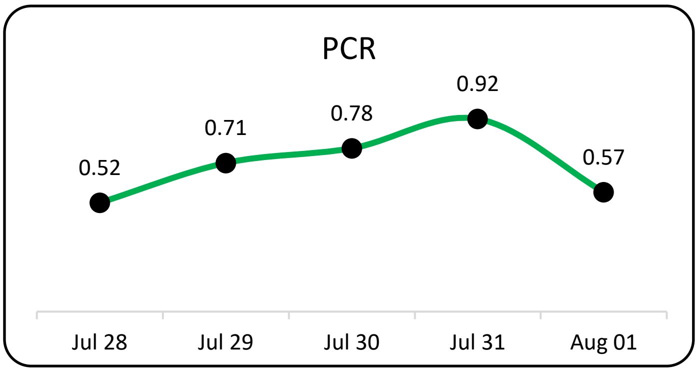
Weekly Market Update

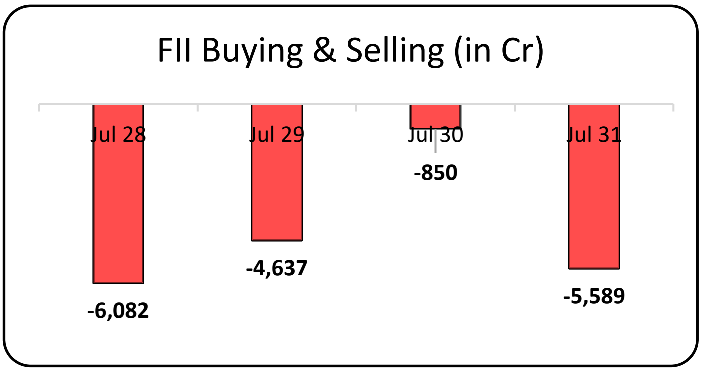
August 1st, 2025

Executive Summary

Between July 28 and August 1, the Indian stock market extended its decline for the fifth straight week — the longest losing streak in two years. The fall was driven by global concerns like fresh U.S. tariffs on Indian exports, strong foreign investor selling (₹27,000 crore outflow), weak Q1 results from sectors like pharma and IT, and a weakening rupee. Mid and small-cap stocks underperformed large caps. Most sectors ended in the red, with FMCG being the only gainer.

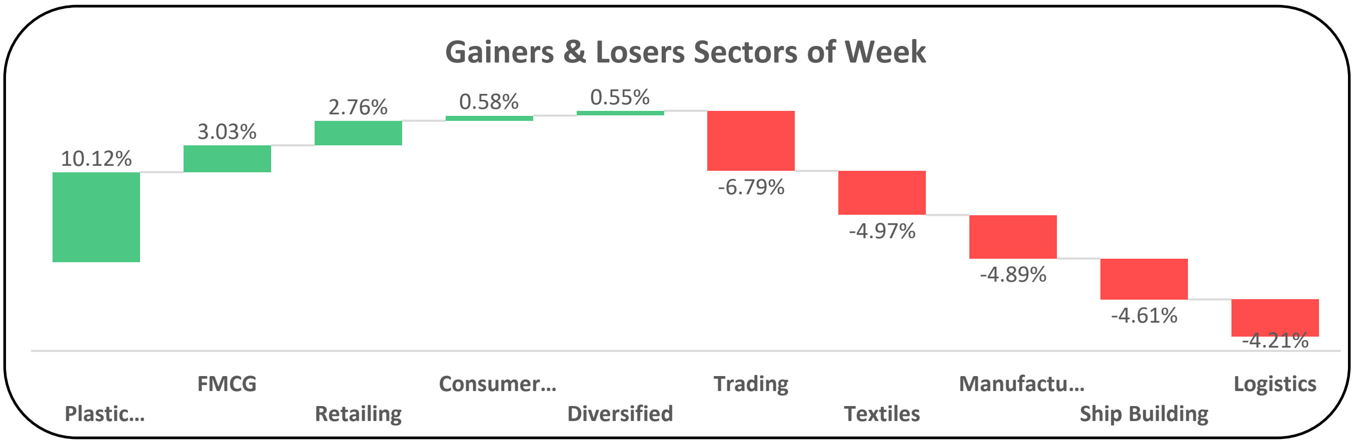
Market Performance Overview



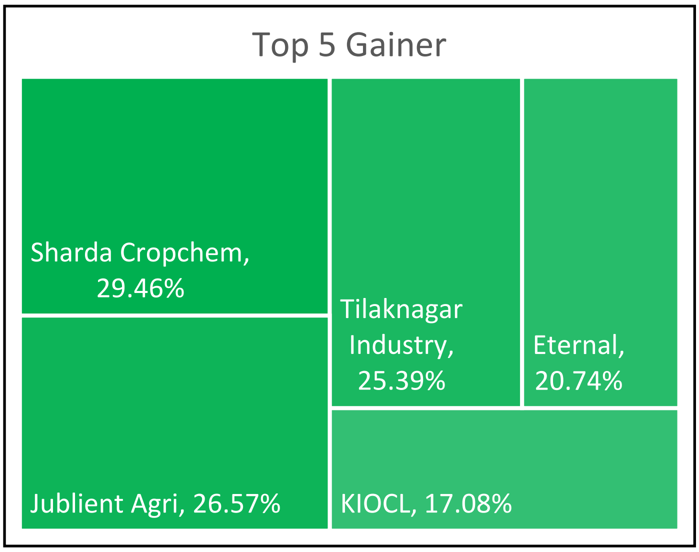


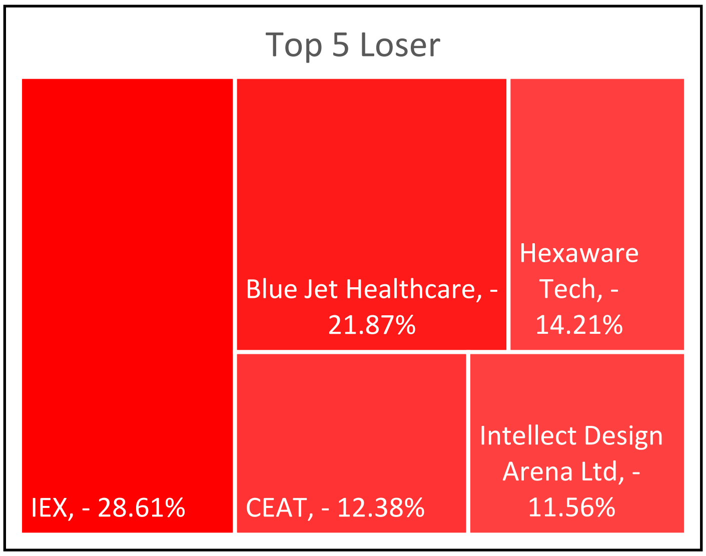
Sector Highlights

- **Realty / Capital Goods:** Slid ~1–2% amid risk-off sentiment and reduced investor appetite in cyclical names.
- **Cables & Related Industrials**: Up ~2%, benefiting from sector rotation into infrastructure-linked stocks midday during July 31
- **Information Technology (IT)**: Dropped ~1–2%, hit by global demand slowdown and cautious guidance from leading firms
- **Oil & Gas / PSU Banks**: Sector returns dropped ~1–2% due to macro caution and risk aversion among institutions.
- **FMCG (Fast-Moving Consumer Goods)**: The only sector to gain, supported by strong volume-led earnings in companies like Hindustan Unilever (HUL), which rose ~4–8% after Q1 profit surprise.



Key Stock Movements: Gainer & Loser





Macroeconomic Factors: Top Headlines

- **Investor Sentiment & Retail Participation:** Retail inflows have increased resilience during FPI withdrawals, though many new investors may not be prepared for a correction

- **Banking Sector Weakness:** Higher NPLs and weak credit off-take have slowed profitability in private banks, dampening sentiment.

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- **US Tariffs on Indian Exports (25% proposed):** Trump's tariffs have rattled markets, spurring rupee depreciation and equity declines. Analysts estimate GDP impact of up to 40 bps.

- **Soft Global Growth Outlook:** IMF raised India's GDP forecast to 6.4% for 2025–26, while global growth remains moderate (~3.1%).

- **Exchange Rate Movements (USD/INR falling):** The rupee slipped toward record lows (~₹87.7), hurting imports, inflation outlook, and investor confidence

- **Rising Commodity & Oil Prices:** Elevated crude costs and global inflation pressures raise concerns for India, a net importer. Oil shocks can dent corporate margins and fiscal deficits.

- **Safe-Haven Asset Inflows (Gold/ETFs):** Surge in gold ETF inflows globally (~170% in Q1), signifying risk-off sentiment. Investors shift to havens, diverting from equities

- **Growth of Data Centre & Digital Capex:** Massive investments in digital infrastructure (expected to hit ~2 GW by 2026) boost tech, real-estate, and telecom equities.

Market Outlook: Upcoming Week 4th August – 8th August

Week Range Low/High	24,535-24,956
Current Level	24,565
Support Level	24,200- 24,000
Resistance Level	24,700–24,900
Current PCR	0.57

Market Outlook: Upcoming week, Nifty remains weak as selling pressure continues amid global uncertainties and cautious investor sentiment. A recovery is possible if positive news or strong buying emerges, but trend remains under pressure.

- **Downside Watch:** The Nifty is now close to an important level around **24,524**. If it breaks below this, it may fall further to **24,000**, which is the next strong support. If this level also fails, it can slip deeper. Weak global news, continued FII selling, or poor company results could push it lower

- **Upside Watch:** If Nifty holds above **24,524** and moves back above **24,900** it could start to recover. First target is **25,000**. This recovery will need support from strong domestic buying or positive global cues.

- ***Note****: All levels and strategies are based on current market data and are subject to change. It's essential to stay updated with real-time market movements and adjust strategies accordingly*.

- **Disclaimer:** *This is not a recommendation. Investing in securities is subject to market risks. Please read all related documents carefully and consult a financial advisor before investing.*