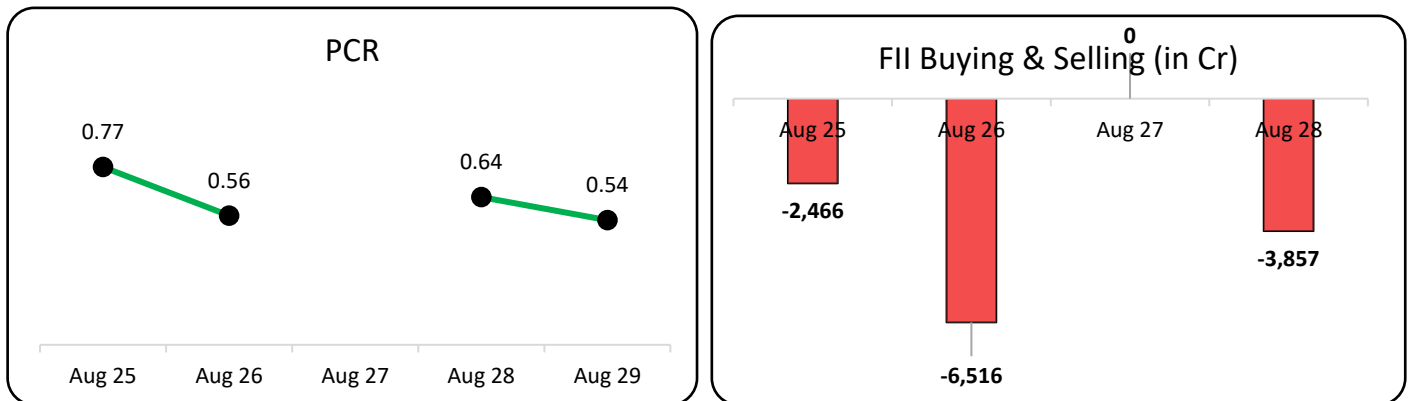


Executive Summary

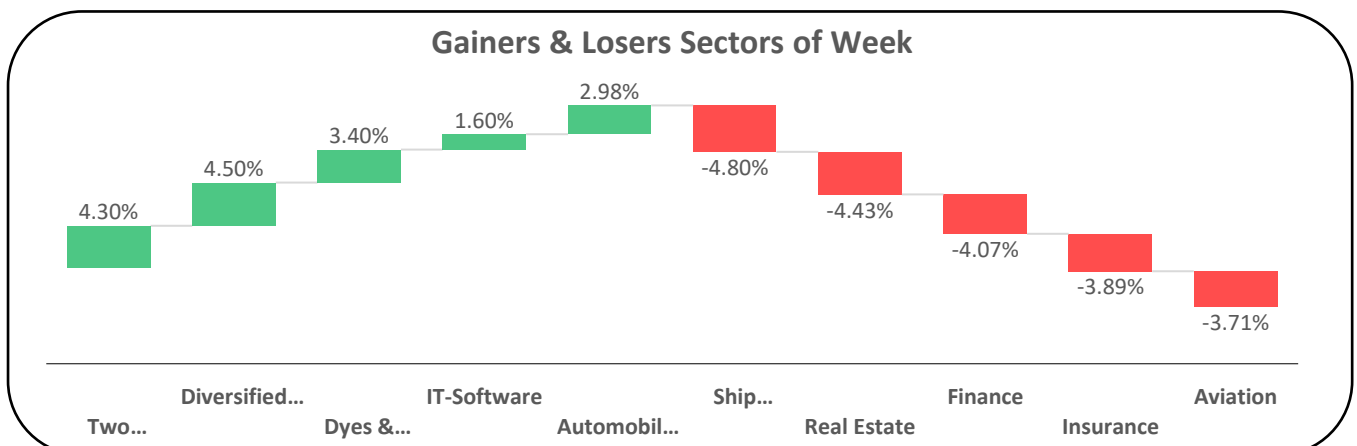
During the week of August 25 to 29, 2025, the Indian stock market saw high volatility and a mostly bearish trend due to global factors like US tariffs and Fed rate signals. While Consumer Durables and FMCG outperformed on GST and rural demand optimism, IT, Banking, and Realty faced selling pressure. FPI outflows, soft inflation data, and cautious sentiment suggest a range-bound market with selective sector rotation into September.

Market Performance Overview

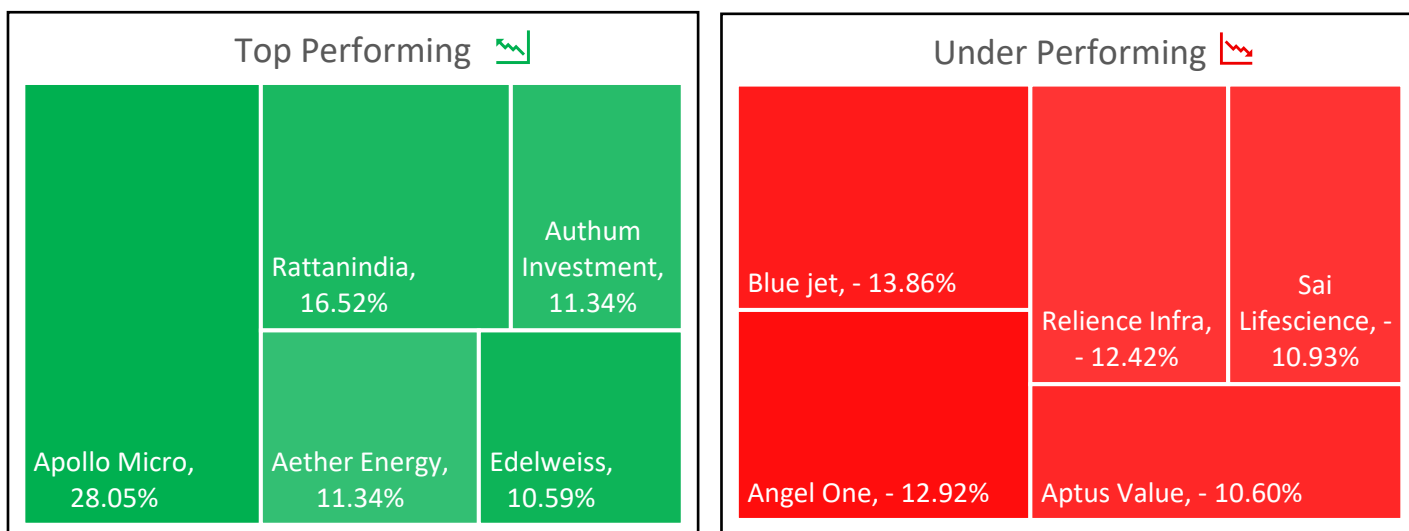


Sector Highlights

- **Consumer Durables & FMCG:** These sectors stood out with a 0.6% gain, driven by expectations of potential tax cuts in the upcoming GST council meeting aimed at stimulating demand.
- **Healthcare, Capital Markets, Private Banks:** Saw slight gains but underperformed compared to top sectors.
- **Information Technology (IT):** The IT sector showed resilience, with stocks outperforming the broader market. This was attributed to strong global cues and continued demand for technology services.
- **Automotive:** Automobile stocks faced challenges, with Mahindra & Mahindra declining by 2.96% on August 29, underperforming compared to peers.
- **Pharmaceuticals:** The pharma sector experienced positive movement, driven by its defensive nature and consistent demand.



Key Stock Movements: Gainer & Loser



Macroeconomic Factors: Top Headlines

- **U.S. Economy Faces Recession Risks:** A third of the U.S. economy is already in a recession or at high risk, with another third stagnating, according to recent analyses.
- **US Tariff Shock:** The US imposed 50% tariffs on select Indian imports, causing a negative sentiment and sharp correction in Indian equities on expiry day.
- **Indian Rupee Weakness:** The Indian rupee extended its losses against the U.S. dollar, partly due to the impending 50% tariffs on Indian goods. A weaker rupee raises import costs and can squeeze corporate margins, adding to the negative sentiment
- **Profit Booking:** Following the market's upward movement in the previous week, there was some profit booking, which contributed to the decline in indices
- **Auto Sector Performance:** The auto sector was a star performer this week, gaining on news that the RBI would reduce risk weights for auto loans. This decision is expected to be positive for both auto companies and auto financiers
- **FPI Outflows:** Foreign investors withdrew over \$1 billion from Indian equities in the past two sessions, contributing to a nearly 2% drop in local stocks
- **GDP Growth:** The Reserve Bank of India (RBI) reported that the Indian economy remains resilient, supported by robust rural demand and declining inflation
- **RBI Maintains 'BBB-' Rating Amid Tariff Concerns:** Fitch Ratings affirmed India's long-term foreign-currency issuer default rating at 'BBB-' with a stable outlook. While acknowledging the impact of U.S. tariffs, Fitch believes the effect on GDP will be modest due to India's robust economic fundamentals.

Market Outlook: Upcoming Week 1st September – 5th September

Week Range Low/High	24,404-25,021
Current Level	24,426
Support Level	24,200-24,000
Resistance Level	24,700-24,900
Current PCR	0.54

Market Outlook: The Indian stock market is likely to stay unstable and move within a limited range in early September 2025. Its direction will depend on important support and resistance levels, while global factors like US tariffs and the Fed's decisions will strongly affect investor sentiment.

- **Downside Watch:** On the downside, Nifty faces key support at 24,350–24,400, with further weakness potentially taking it to 24,200–24,100, while a decisive breach of 24,000 could trigger significant selling pressure.
- **Upside Watch:** On the upside, **24,700–24,800** is the immediate resistance; a breakout above this may drive the index toward **24,900–25,000**, and sustained trading above **25,150** could signal a bullish trend.
- **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.

