

# Bazaar beats



## KEY HIGHLIGHTS

- Reduction in global trade uncertainties as US concluded trade deals with major trading partners.
- Major global indices shown positive growth in August.
- Domestic equities shown broad based decline.
- Govt. proposed rationalisation of GST rate slabs.
- FPI's continue to sell domestic equities during August.
- Domestic investors strong trust in India's growth story continue to support stock market
- Positive broad economic indicators - inflation, PMI , tax collection etc. reflecting strong macro economic stability.

1

US concluded trade deals with major trading partners and extended trading truce with China. Coupled with strong corporate results and hopes for Fed rate cuts. By the end of Aug 2025, the S&P 500 was up 1.9% on-month while the Nasdaq 100 rose 0.9% on-month.

2

Major stock indices including NASDAQ, Dow Jones , Japan's Nikkei, China's SSE, S&P 500 etc. have shown a positive movement. However, European indices including DAX (Germany) and CAC 40 (France) ended lower during month led by weaker consumer sentiment and economic indicators.

3

Uncertainties over US India trade due to addl. 25% tariff by US + continued net sales by FPIs led to a broad-based decline in Indian equities in august. NIFTY 50 declined by 1.4%, MIDCAP 150 by 2.9% and Smallcap 250 by 3.7%. Oil & Gas, power and realty declined the most. Auto, consumer durables and FMCG ended higher. 10 years bond yield rose by 20 bps.

4

Macro economic indicators shown positive trend. CPI inflation and core inflation both down primarily driven by softening food process and moderation in service component. IIP grew by 3.5 YoY , PMI signaled fastest pace of improvement in over 17 years in Aug'25 driven by robust domestic demand. GST collection grown by 6.5% YoY.

5

Govt. has proposed to simplify GST by removing 12% tax slab and rationalize 5%,18% and 28% slabs. Idea is to further improve ease of business. This should increase consumer demand and thereby help businesses, induced investment and higher tax collection.

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## READING THE WAVES



UPS AND DOWNS AREN'T NOISE;  
THEY'RE THE RHYTHM OF

**Growth**

Index	Opening Value*	Closing Value*	%age Change
Nifty 50	24768	24426	-1.38%
Nifty Bank	55961	53655	-4.12%
Nifty Midcap 150	21361	20750	-2.86%
Nifty Smallcap 250	17144	16506	-3.72%
Silver MCX	110005	117468	6.78%
Gold MCX	98068	101967	3.98%
Nasdaq	21122	21455	1.58%
Nifty IT	35301	35181	-0.34%
Nifty Pharma	22771	21804	-4.25%

- Market benchmarks declined across the broad. Now, effective trade tariff of 50% by US impacted market sentiments adversely. Riding on this uncertain trade ties waves, FPIs become net seller (Rs.35000 crore). However domestic investor continue to pump inflow in market to show its confidence in India growth story.
- Global uncertainties and ongoing conflicts continue to push demand for Gold and Silver, as investors are wary of future. silver as industrial metal, is pushing its prices at higher acceleration than gold
- Though exempted currently but threat of future tariff ,creating uncertainty on spending on tech continue to push Indian IT index down.
- Positive employment data and GDP numbers of US economy keep sentiment positive and Nasdaq higher
- While overall indices were down, in anticipation of lower GST incidence from Sept 22<sup>nd</sup> pushing consumer consumption stocks e.g. Auto, FMCG and durables higher.

*\*opening & closing values are closing value of last Trade day of previous & current month respectively*

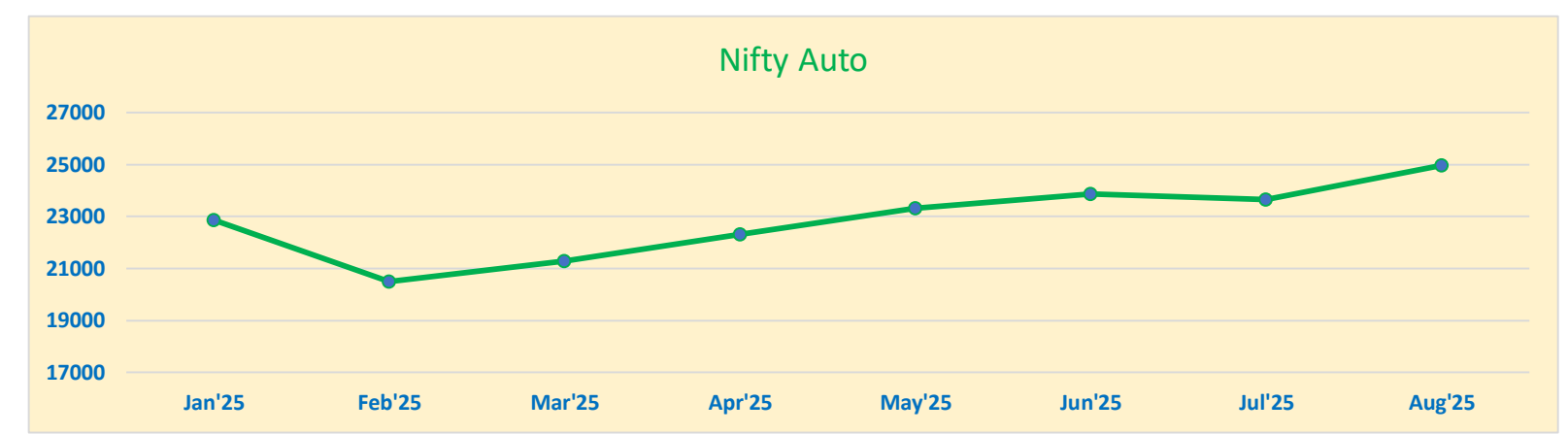
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**Movers & Shakers**



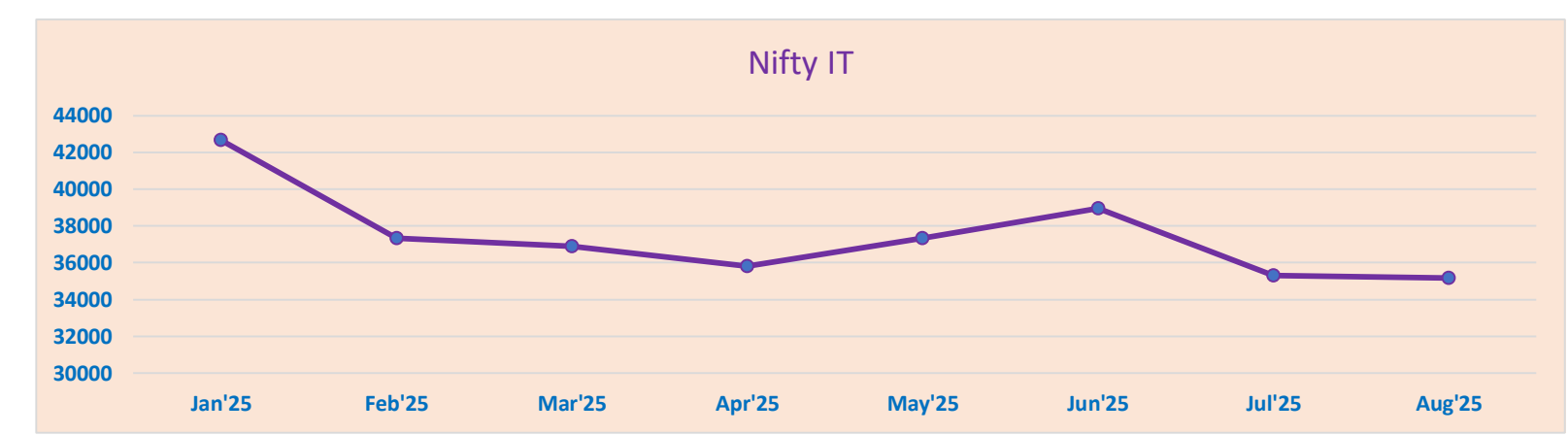
## Auto

Auto sector is showing a steady growth since the beginning of this year. Barring a sudden blip in February '25 it has been showing a organic growth. With anticipated reduced GST rates on auto products especially on passenger cars and motorcycles across price segments, there is positive outlook on consumer demand, driving corporates earnings. This positive investor sentiment driving auto stocks.



## IT

IT has reflected a slightly volatile behaviour over last 8 months. After good start of the year shown a blip in Feb, in line with general benchmark indices of NSE and BSE. Hanging sword of additional tariff on IT exports from US is dragging the IT stock down. Until there is a clear resolution arrived on tariff , IT stock outlook is not very encouraging .



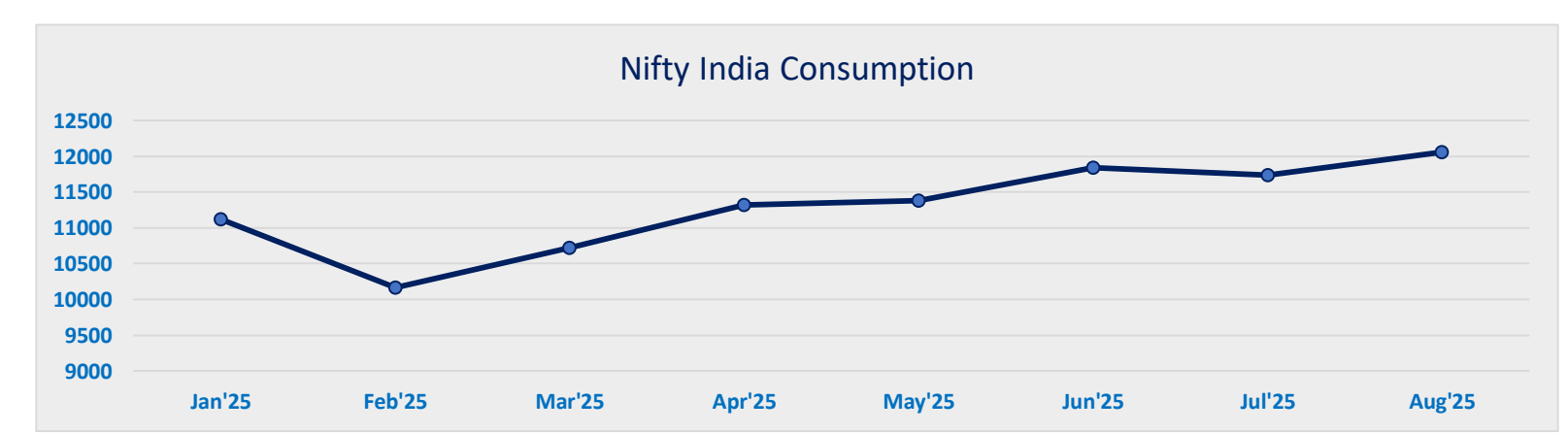
## Silver

Silver is the shining star. Since the beginning of this year we have observed only upward movement in Silver. Its demand is increasing both as a safe heaven due to global conflicts, trade uncertainties, as well as a industrial raw material input for manufacturing sector in India.



## Consumption

With anticipated lower GST taxation coming into effect from Sept onwards (in some cases even Nil tax) coupled with upcoming festive season pushing consumer consumption demand. This is directly impacting corporates earnings in positive way.



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## WHAT'S NEXT?

- Global macros at this point of time are more challenging which may impact global growth. Contrary to this, India's fundamental attributes are robust and sustainable – Clean balance sheets, a structural increase in consumption, unwavering domestic demand, and fiscal prudence. Hence, long term structural story remains intact
- Recent RBI actions like liquidity injection; key policy rate cuts, large dividend to the Govt. and GST rationalization to help boost consumption demand over the coming quarters. Improved demand should expand GDP and corporates earnings potentially off setting US tariff impact.
- Commodities are moving positively and expect to keep moving in same direction. Silver is the shining star , outshining even the traditional star ‘Gold’. With Upcoming festive season and continued demand (due to global conflicts), we expect silver to further outperform other commodities.
- Mid-cap and Small-cap valuations continue to remain high. we believe at this point; middle of the road approach should be followed as most of the asset classes are fully valued
- This is a time to stay invested for long term to get good return on investment. Investor with long term horizons may consider staggered investments through SIP in diversified equity funds to move towards their financial goals.
- We recommend investing in (a) Hybrid & Multi Asset allocation schemes and (b) staggered investment in large cap schemes or schemes with flexible investment mandate that can take high large cap exposure

### Tactical Way

Silver - A Shining Addition to Your Portfolio (still strong conviction to add more)

Consumption -good monsoon, liquidity infusion and lower tax are perfect recipe for this segment

### Not to Miss

Don't miss systematic & staggered increment to diversified equity, large & Midcap category with part in Small cap segment.....

### The Core

A Smart Allocation across segments with Multi Asset Allocation hybrid category funds..... a must in Core portfolio

Views expressed above are indicative and should not be construed as investment advice or as a substitute for financial planning. Due to the personal nature of investments, investors are advised to seek professional advice before investing.

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September 2025

## Quote of Month

*"Financial freedom is less about money, more about peace of mind."*

## Lighter Note

If money doesn't buy happiness, then why do sales make me so excited?