

Jan 31, 2025

Market data as on Jan 31, 2025

Script	Close	% Chng
NASDAQ Composite Index	19,627.44	-1.64%
DOW JONES INDU AVERAGE NDX	44,544.66	0.27%
S&P 500 INDEX	6,040.53	-1.00%
Brent Oil	75.67	-2.83
WTI Oil	73.75	-0.78
US T 10Y	4.543%	-7.40 bps
US T 02Y	4.207%	-5.60 bps
10Y-02Y	0.336%	
Dollar Index	108.500	0.96%

- The week was marked by significant volatility, particularly in technology stocks, which were impacted by concerns over competition from a Chinese AI startup, DeepSeek.
- The announcement of new tariffs on Mexico, Canada, and China added to market uncertainty, influencing investor sentiment and contributing to fluctuations in stock prices.

US News

- Donald Trump said on Sunday that he will announce additional 25% tariffs on all steel and aluminum imports into the U.S., and will also announce reciprocal duties over what he sees as unfair trading practices. Canada, Brazil, Mexico, South Korea, Australia and Vietnam are the biggest exporters of steel to the U.S., government data showed. , Australia's steel and aluminum exports to the U.S. were valued at \$638 million in 2024. Trump Plans to Unveil 25% tariff on steel and aluminum import into the U.S.
- U.S. job growth slowed more than expected in January after robust gains in the prior two months, but a 4.0% unemployment rate probably will give the Federal Reserve cover to hold off cutting interest rates at least until June.
- U.S. President Donald Trump on Monday signed executive orders imposing 25% tariffs on all imports of steel and aluminum, while stating that no country would be exempt from the duties. Trump said he is also looking into tariffs on cars, chips, and pharmaceuticals, and that he will announce plans for reciprocal tariffs over the next two days.
- Trump said he was considering exempting Australia from steel tariffs, following a call with Australia's Prime Minister - reinforcing investors' belief that everything's negotiable. Trump likes that the U.S. runs a trade surplus with Australia and said "the reason is they buy a lot of airplanes. They're rather far away and they need lots of airplanes."
- Coca-Cola may have to sell more drinks in plastic bottles in the US if President Donald Trump's tariffs end up making aluminium cans more expensive, the company's chief executive, James Quincey, said in a call with investors.

- President Donald Trump is taking additional action to upset the world trade system, with plans to sign an order as soon as Wednesday that would require that U.S. tariffs on imports match the tax rates charged by other countries.
- U.S. producer prices increased solidly in January, offering more evidence inflation was picking up again and strengthening financial market views that the Federal Reserve would not be cutting interest rates before the second half of the year.
- The rise in the PPI was across goods and services. Wholesale goods prices jumped 0.6% after rising 0.5% in December. More than half of the increase came from a 1.7% jump in energy goods prices. Food prices shot up 1.1%, with egg prices soaring 44.0% amid an avian flu outbreak. Excluding food and energy, goods prices edged up 0.1% for a second straight month. Services increased 0.3% after climbing 0.5% in December. A 5.7% surge in wholesale prices of hotel and motel rooms accounted for more than a third of the increase in service.

Crude

- Price volatility was present throughout the week due to geopolitical factors, such as the cease-fire in Israel (reducing supply concerns) and the shutdown of two oilfields in Libya (which supported prices).
- The U.S. imposed new sanctions on Russian and Iranian oil, which impacted global supply flows. Additional sanctions on Iran's shipping network and Russia's crude exports added uncertainty.
- A cold snap in North America boosted short-term oil demand and tightened supplies, leading to a brief price surge earlier in January .
- U.S. crude inventories remained in focus. A reduction in stockpiles could have driven prices higher, while any large build-up would have put downward pressure on oil prices.
- Refinery crude runs reached a five-year high of 84.3 million barrels per day (mb/d) in December, driven by improved margins and the completion of seasonal maintenance .

Global News

- China Frees Possible \$27 Billion From Insurers to Invest in Gold Ten firms in pilot program that took effect from last Friday The companies can put up to 1% of assets into precious metal.
- Consumer inflation in China rose to its fastest pace in five months in January. while producer price deflation persisted, reflecting mixed consumer spending and weak factory activity.
- Deepseek’s AI model “is probably the best work” out of China, Demis Hassabis, the CEO of Google DeepMind said on Sunday.
- Vietnam will officially revise up its gross domestic product growth target for 2025 to 8.0% from 6.5%-7.0%, Minister of Planning and Investment Nguyen Chi Dung said on Wednesday.
- Vietnam is taking proactive steps to avoid potential new tariffs from the Trump administration by pledging not to impose trade restrictions on U.S. goods. Vietnam has assured that it won’t introduce restrictions on U.S. imports and is willing to increase purchases of American agricultural products.

India

Market data as on 31 Jan 2025

Script	Close	% Chng
 NIFTY 50	23,482.00	1.69%
 NIFTY BANK	49,506.00	2.36%
 BSE 500 INDEX	33,953.00	1.28%
BSE Midcap	42,884.00	0.39%
BSE Small Cap	50,099.00	-0.02%
Nifty Micro 250	22,790.00	0.29%
Gold	82,304.00	2.85%
 USD/INR	86.5000	37 paisa
IN Gsec 10Y	6.700%	-2.00 bps
IN Gsec 02Y	6.605%	-2.00 bps

- The full-year EPS growth estimate for FY25 has been revised down to **3.8%** from an earlier estimate of **5%** due to weaker-than-expected earnings performance across many sectors. Significant market sell off by FII in Jan over 87000 Cr. And DII bought over 86000 cr.
- The markets remained volatile with broad-based selling across sectors. Small & mid-cap stocks were particularly hard hit, with many reaching their 52-week.
- India is in talks with the United States for the purchase and co-production of combat vehicles as well as finalising a fighter jet engine deal, people familiar with the matter said, as Prime Minister Narendra Modi meets President Donald Trump this week.
- India's central bank will infuse a record quantum of funds into the banking system through an overnight infusion on Wednesday, after it aggressively intervened in the foreign exchange (FX) market in the last two sessions. The RBI aggressively sold \$4 billion to \$7 billion in the foreign exchange market to stabilize the rupee. India's banking system liquidity deficit ballooned to ₹2 trillion by February 10, mainly due to tax outflows and RBI's dollar sales. The RBI responded by injecting ₹2.50 trillion (\$28.85 billion) through an overnight variable rate repo (VRR) auction, the largest single-day infusion in over a year.
- Indian Prime Minister Narendra Modi and U.S. President Donald Trump discussed easing trade tensions, with India offering potential tariff reductions and increased purchases from the U.S. India plans to buy more U.S. defense equipment, including fighter jets, and increase imports of U.S. oil and gas, possibly making the U.S. its top supplier. Modi expressed India's goal of doubling trade with the U.S. by 2030. Both sides aim to resolve trade disputes, with a possible agreement within seven months. Both leaders agreed to strengthen security ties in the Indo-Pacific region, with a focus on artificial intelligence and joint technology production.
- The Indian government's decision to discontinue duty-free imports of yellow peas is aimed at protecting domestic pulse producers and ensuring fair prices for farmers. The government is considering imposing a 15-20% import duty on yellow peas. India imported a record 6.7 million tonnes of pulses in 2024, with yellow peas accounting for a significant portion.