

Feb 28th. 2025

Data from 24th Feb to 28th Feb

Script	Close	% Chng
 NASDAQ Composite Index	18,847.28	-3.47%
 DOW JONES INDU AVERAGE NDX	43,840.91	0.95%
 S&P 500 INDEX	5,954.50	-0.97%
Brent Oil	72.81	-1.62
WTI Oil	69.94	-0.25
US T 10Y	4.203%	-22.80 bps
US T 02Y	3.987%	-21.10 bps
10Y-02Y	0.216%	
Dollar Index	107.564	0.87%

- Nasdaq was down around 3.5% during the week mainly due to tech stocks volatility.
- Nvidia's lower guidance for future growth due to tariffs on China which is big importer of AI chips for AI model development despite post-ed results better than street expectations.
- Rising tariff talks & Inflation expectation directing investors towards bonds which is exerting downward pressure on yields.

US News

- Trump proposed 25% tariffs on Mexican and Canadian goods will take effect on March 4 along with an extra 10% duty on Chinese imports (total 20% on China) because deadly drugs are still pouring into the U.S. from those countries.
- Donald Trump's administration is considering tightening Biden-era chip export controls on China to limit the country's artificial intelligence capabilities, Bloomberg reported on Tuesday. team is also considering more curbs on Nvidia's sales to China, as well as tighter sanctions against Chinese tech firms.
- Apple announced plans to invest \$500 billion in the U.S. over the next four years, its largest-ever domestic investment. The investment will focus on artificial intelligence, silicon engineering, and advanced manufacturing. It's expected to create around 20,000 new jobs across multiple states. The majority of jobs will be in R&D, silicon engineering, software development, and AI/machine learning.
- Tesla's European and British sales fell sharply in January, as the electric carmaker grappled with increased competition from Chinese rivals and a greater push into the sector from European manufacturers. Tesla's new car registrations in the European union, the European Free Trade Association and the UK slid 45.2% year-on-year to 9,945 registrations. The company's market share also slid to 1% from 1.8% a year earlier.
- Nvidia posted massive growth in topline 78% up YoY and 12% QoQ. Demand for Blackwell AI super computer chip is increasing, achieving billions of dollars in sales in its first quarter.

US News

- US President Donald Trump has proposed a "gold card" system that would allow wealthy foreigners to obtain US citizenship by investing \$5 million. It would provide green card privileges and a path to US citizenship. The EB-5 program allows foreign investors who create or preserve US jobs to become permanent residents.
- The number of Americans filing new applications for unemployment benefits posted the largest increase in five months last week, but the underlying trend in claims remained consistent with a steadily slowing labor market. The larger-than-expected rise in initial claims reported by the Labor Department on Thursday was likely the result of snowstorms in many parts of the country.
- January Personal consumption expenditure (PCE) Index came as per the expectation 2.5% as against 2.6% for Dec, slightly better than previous record which shows that inflation is sticky. Initial jobless claims also reported 242,000 higher than expectation of 221,000; unemployment rate 4% is coming down gradually but still higher than 3.7% reported year ago Jan 2024. The data is reducing the expectation of rate cut in upcoming meetings. According to Fed watch tool, 93% probability of rates will be unchanged.

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.
- US is working on the peace deal between Russia and Ukraine, this keep continuing downward pressure on oil prices as this would eliminate the uncertainty around Russia export.

Global News

- Dalian iron ore futures prices snapped a four-day winning streak on Monday as increasing levies on Chinese steel dampened demand prospects for the key steelmaking ingredient, though decreasing portside inventories in China limited the fall.
- Alibaba Group announced plans to invest 380-billion-yuan (\$52.4 billion) over the next three years to boost its cloud computing and artificial intelligence (AI) infrastructure, marking its largest technology investment to date.
- The U.S. is considering tariffs on virtually all Vietnamese exports, which totalled over \$142 billion, or about 30% of Vietnam's GDP. The country has signalled an openness to find compromises but lowering duties on U.S. goods may force Vietnam to reduce them also on other trade partners under existing regulations. Vietnam is negotiating purchases of Boeing jets and **may allow currency depreciation** to remain competitive while staying within U.S. monitoring limits.
- Major Chinese tech companies like Tencent, Alibaba, and ByteDance are significantly increasing their orders for Nvidia's H20 AI chips, which are designed to comply with U.S. export controls. The demand for H20 chips extends beyond tech giants, with smaller companies in industries like healthcare and education also investing in AI servers equipped with DeepSeek's models and Nvidia's chips. Nvidia has likely shipped around 1 million H20 units in 2024, generating an estimated \$12 billion in revenue.
- Tesla will update its "Autopilot" software in China to include driving-assistance features for city streets. The update will add automatic lane-changing, traffic light detection, and turn decision-making. The features are similar to "Full Self-Driving" (FSD) but less advanced due to limited data training on Chinese roads.
- New car sales in Europe were down by 2.1% in January, as a jump in fully electric and hybrid-electric car registrations in its main markets was not enough to compensate for falling petrol and diesel sales, industry data showed on Tuesday.

India

Data from 24th Feb to 28th Feb

Script	Close	% Chng
 NIFTY 50	22,124.70	-2.94%
 NIFTY BANK	48,344.70	-1.30%
 BSE 500 INDEX	31,296.85	-3.81%
BSE Midcap	38,592.00	-4.41%
BSE Small Cap	43,082.90	-6.05%
Nifty Micro 250	19,479.15	-6.16%
Gold	84,219.00	-2.08%
 USD/INR	87.4400	85.70 paisa
IN Gsec 10Y	6.723%	1.50 bps
IN Gsec 02Y	6.568%	-4.30 bps

- In the Feb month, FII sold around 59,000cr and DII bought around 65,000cr.
- Retail investors are losing patience on small and mid cap stocks.
- Street is estimating that index is at near bottom but recovery will not be V shape it will consolidate until the broader index earnings may show 13-14% earnings growth in next financial year 2026.

- India's Dec quarter GDP growth data came better than previous quarter, aligned with expectation of 6.3%. Reported 6.2% as against previously recorded 5.6%.
- The Indian GDP is expected to grow 6.5% in FY2025, but revised marginally higher from the initial estimate of 6.4%.
- ANZ analysts predict a 0.1% to 0.2% impact on India's GDP in the near term, which they consider "not excessive." but could have a deeper effect in the medium-to-long term. The indirect impact of the tariffs- through a rise in unemployment and weaker domestic production capacity will be challenging for the country, both on the economic and political front. India's dependence on US demand has grown, making it more vulnerable to tariffs.
- Indian states have seen nearly ₹100 lakh crore in investment pledges during recent investment summits. States like Madhya Pradesh and Odisha have announced significant investment. There's a heightened focus on frontier manufacturing areas like solar modules, wind turbines, hydrogen electrolyzers, lithium-ion storage, and semiconductor wafers.
- The World Bank country director, Auguste Tano Kouame, reassures that they are "not worried about India's growth at the moment," despite a slight downward trend. they "are very bullish about India and will remain bullish."

India

- India's sugar production has fallen by 12% to 19.7 million tonnes until February 15th of the current marketing year (which ends in September). This decline is primarily attributed to lower sugar output in Maharashtra and Karnataka.
- India's hope that the US will address its concerns regarding potential tariffs during the upcoming BTA discussions. India is closely observing the US's proposed reciprocal tariff law and its consistency with global trade norms. The BTA aims to establish a mutually beneficial trade relationship between the two countries with a target of doubling bilateral trade to \$500 billion by 2030.
- Suzuki aims to sell 4.2 million vehicles globally in five years, a nearly 33% increase. The company plans to invest 2 trillion yen (\$13 billion) by fiscal year 2030, with 60% allocated to India. Suzuki aims to increase manufacturing capacity in India to meet local demand and expand exports to Africa and the Middle East. Now plans to launch four battery electric vehicles in India by fiscal 2030, down from a previous target of six.
- Tesla CEO Elon Musk has expressed interest in entering the Indian market but has cited high import duties as a barrier. India recently introduced a new EV policy that lowers import taxes substantially to 15% if a carmaker invests at least \$500 million and sets up a factory.
- Passenger vehicle (PV) sales growth in India is projected to slow down significantly in the next fiscal year (FY26), with an estimated increase of only 1-2%. The slowdown is attributed to weak consumer demand, high vehicle prices, and sluggish income growth. Industry body SIAM forecasts FY26 sales at 4.28-4.33 million units, a marginal increase from the projected 4.24 million units in FY25. Despite the projected slowdown, automakers and component manufacturers have invested ₹50,000-80,000 crore in expanding capacity.
- EPC companies are facing challenges due to longer payment cycles and working capital deterioration in the water segment, mainly under the Jal Jeevan Mission. These issues are attributed to funding problems, administrative delays, and election impacts.