Baroda BNP PARIBAS MUTUAL FUND

Together for more

The Week that was

December 05, 2025

"Indian Markets Stay Resilient Amid RBI Rate Cut and Global Uncertainty"

Indian Developments

Indian equity markets ended the week on a **positive but cautious note**, supported by the Reserve Bank of India's **25 bps repo rate cut to 5.25%** and optimism around rate-sensitive sectors. Inflation forecast for FY26 revised sharply lower to **2%**, while GDP growth forecast raised to **7.3%**.

Broader markets, vis-à-vis the previous week, declined as Nifty 50, Nifty Midcap 150, and Nifty Small Cap 250 lost 0.11%, 0.95%, and 1.64%, respectively.

The **Indian Rupee recovered modestly to ₹89.9 against the U.S. dollar**, after hitting an all-time low of **₹90.56/USD** earlier in the week with persistent FPI selling, aided by RBI's policy stance and profit booking in USD positions.

FIIs continued selling aggressively: **net outflows of ₹8,020 crore month-to-date**, while DIIs absorbed selling with **₹11,935 crore net inflows** in December so far.

Mega IPO wave: Nearly 30,000 crore worth of issues lined up in December. Brent crude slipped slightly to around **$63.17 per barrel**, reflecting weak global demand .

Sectoral Developments

Market performances were mixed this week. **IT led gains**, up **~3.36%**, supported by global tech optimism and currency tailwinds. Metals and auto showed resilience, while Pharma traded flat.

Banking & Financials rallied post-RBI rate cut, with NBFCs and private banks seeing strong traction, but ended with mildly negative returns compared to the previous week after a brief recovery. **Defence stocks** rose ~1% amid geopolitical developments and government procurement optimism.

Nifty Media (-1.76%) and **Consumer Durables (-3.10%)** lagged on weak demand signals; FMCG remained subdued. Nifty Energy declined post the **India–Russia Annual Summit (Dec 4–5)** introduced short-term uncertainty around energy trade agreements and sanctions risk.

Global Developments

U.S. indices posted weekly gains on dovish Fed expectations: Dow +3.2%, S&P 500 +3.7%, Nasdaq +4.9%.

Asian markets were mixed: Hang Seng firmed on stimulus hopes, while Nikkei consolidated.

European indices stayed under pressure, with FTSE 100 down 0.3% and DAX losing 0.5%, amid weak PMI data and growth concerns.

Bond yields eased globally as markets priced in a high probability (~89%) of a Fed rate cut at the December FOMC meeting.

Source: www.nseindices.com; MCX Gold Prices; Economic times, Bloomberg.

Data for week ended on December 5, 2025.

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Other Markets:

- Brent Crude: **$63.05 per barrel**
- Rupee ended the week at **₹89.9 against the US dollar**
- 10-Year Benchmark Yield: **6.50%**
- Gold prices closed at Rs 1,28,138 per 10 grams.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Source: www.nseindices.com; MCX Gold Prices; Economic times, Bloomberg.

Data for week ended on December 5, 2025.