

The Week that was

August 8th, 2025

“Tariff worries worsen, Indian equity markets under pressure”

Indian Developments

During the week ending August 8th, 2025, Indian equity markets exhibited downward movement, driven by sustained outflows by FIIs, exacerbated tariff concerns, and subsequent depreciation of the Indian Rupee. In addition, Global financial institutions have revised India's economic outlook downward, in view of ongoing tariff-related concerns, reflecting increased uncertainty in the country's trade and macroeconomic landscape.

RBI MPC (held on August 6) voted in favour of keeping the Repo rate unchanged at 5.50% in a unanimous vote. Overall, the tone of the policy reflected slightly hawkish projections on inflation (Q1FY27 projected at 4.9%).

The **Nifty 50, Nifty Midcap 150 and Nifty Small Cap 250** dropped by **0.82%, 1.14% and 1.91% respectively**.

Sectoral Developments

During the week ending August 8, 2025, Nifty Metal increased by 5% reflecting the strong Q1 FY25 results with the signs of recovery in both urban and rural markets and stable demand.

On the Downside, Major laggards were- Nifty IT that sharply declined by 7% vis-a-vis previous week, followed by Nifty defence (1%), Nifty FMGC (2.3%), Nifty Pharma (2.8%), and Nifty Realty (2.5%).

Global Developments

Tariffs and rate uncertainty dominated headlines globally. Major Indices downsurged from previous week.

U.S. stock indices—Dow Jones Industrial Average, S&P 500 —experienced declines of **0.74%, and 0.37%** respectively

In Europe, the **FTSE 100** and Germany's **DAX** notably increased by **0.36% and 3.27% respectively**

Asian indices, **South Korea's KOSPI experienced a major increase of 2.95%**, **Hong Kong's Hang Seng and Shanghai Composite grew by 1.43% and 1.83% respectively** amid tariff tensions easing between US and China, despite concerns over slowing economic growth.

Other Markets:

- Brent Crude oil prices softened to \$66 per barrel.
- The rupee remained under pressure hovering around 87.6 against the US dollar, after US doubled its tariffs on India
- The 10 Year Benchmark G-Sec yield closed at 6.41% this week.
- Gold prices closed at Rs 1,01,610 per 10 grams.

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

Data for week ended on August 8th, 2025.

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