



INDIA REPORT

Celebrating 30 years

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Source for all markets and currency data: Bloomberg

Close	Level	Index Pts Chg-Day	% Chg YTD
27 Jun 2025			
SENSEX 30 (2025 High)	84,059	+ 303	+7.5%
NIFTY 50 (2025 High)	25,638	+ 88	+8.0%

Other Markets: Level & % YTD

ASIA: CHINA Shanghai: 3,424 (+2%)

JAPAN Nikkei 225: 40,151 (+1%)

EUROPE: UK FTSE: 8,799 (+8%)

GERMANY DAX: 24,033 (+21%)

USA: Dow Jones: 43,819 (+3%)

NASDAQ Composite: 20,273 (+5%)

GOLD: \$3,272.98 (+25%)

SILVER: \$35.98 (+25%)

BRENT OIL: 67.77 (-9%)

Indian Currency; Level & YTD

INR ₹ / USD \$1= Rs85.49 (n/c)

INR ₹ / GBP £1= Rs117.35 (-9.1%)

INR ₹ / EUR €1= Rs99.99 (-12.2%)

⇒ **India's consumer price inflation decelerated to a six-year low of 2.82% in May 2025, down from 3.16% in April and below the 3% forecast.** This marked the lowest reading since February 2019, edging closer to the Reserve Bank of India's 2%-4% target range. Food inflation—which accounts for nearly half of the CPI basket—fell sharply to 0.99%, the lowest level since October 2021, driven by easing price pressures in pulses and products, vegetables, fruits, cereals, sugar and confectionery, and eggs. **The softening inflationary pressures support a more stable economic outlook, potentially influencing future monetary policy decisions.**

⇒ **Amid easing inflation, the Reserve Bank of India (RBI) surprised markets by cutting its key policy rate ("repo rate") by a higher-than-expected 50 basis points to 5.50% earlier this month, alongside reducing the reserve ratio for banks.** This marked the third consecutive rate cut in 2025, following a 25 basis point reduction in February—its first since May 2020—and another 25 basis points in April. **The moves aim to bolster economic growth amid global uncertainty, signalling the RBI's commitment to supporting domestic recovery.**

⇒ **Global uncertainty, spurred by U.S. President Donald Trump's trade tariffs and looming economic slowdowns, has prompted central banks worldwide to act.** While China, South Korea, and Indonesia have all slashed rates, India's Reserve Bank of India (RBI) has gone further, implementing a bold 100 basis point cut in less than six months. "Certainty in the uncertain environment was necessary; hence the front-loading of rate cuts," stated RBI Governor Sanjay Malhotra. Despite global turbulence, India's domestic fundamentals - including a 6.5% GDP growth forecast by the RBI for fiscal 2026, a positive monsoon, and moderating inflation - remain robust, offering resilience despite challenges. **The SENSEX30 and NIFTY50 closed at 2025 highs today.**

⇒ **Globally the outlook for economic growth is worsening.** The World Bank has revised its global growth forecast downward, citing trade tensions and policy uncertainty as primary reasons. The lender warns that the 2020s could mark the weakest decade for economic performance since the Apollo moon landing in 1969. Its revised 2025 growth projection stands at 2.3%, a notable dip from January's forecast of 2.7%. This would represent the slowest

growth in 17 years, excluding the recessions of 2009 and 2020. **The World Bank further projects that average growth over the first seven years of this decade will stagnate at 2.5%, the weakest pace since the 1960s, signalling deepening global economic challenges.**

⇒ **India is struggling with a surge in obesity and Type 2 diabetes, particularly in urban areas, driven by sedentary lifestyles, poor dietary habits, and socio-economic shifts.** A comprehensive national survey (Niyantrita Madhumeha Bharata 2017) found that 40.3% of Indian adults are obese by BMI standards—approximately 400 million people in a population of about 1 billion adults. About 80 million adults—8% of adult population—are affected by type 2 diabetes. These figures highlight a major public-health concern: nearly half of adult Indians are obese, and around one in ten have type 2 diabetes. The increasing adoption of processed foods, sugary drinks, and fast food has replaced traditional diets which when combined with excessive screen time and reduced physical activity is contributing to rising obesity rates. This trend extends beyond adults: children and adolescents are increasingly at risk due to poor nutrition, reduced physical activity, and excessive screen time.

⇒ **As obesity and diabetes rates surge in India, the world's most populous nation, global pharma giants Eli Lilly and Novo Nordisk are eyeing a profitable opportunity.** With 1.4 billion people and a rising health crisis there, both companies ramped up marketing efforts ahead of their drug launches. Eli Lilly's Mounjaro, launched three months ago, and Novo Nordisk's Wegovy, debuted this week, are both GLP-1 receptor agonists. These drugs control blood sugar and induce satiety, addressing obesity and diabetes simultaneously. **Both are once-a-week injections. India offers a burgeoning market for weight-loss solutions.**

⇒ **Amid global shortages, demand for both drugs is soaring, with Wegovy already approved in more countries than Mounjaro.** Wegovy's active ingredient semaglutide goes off patent next year in India. India's generic drugmakers are expected to launch a generic injection at a far lower price to Wegovy's current price and affect Wegovy's sales, and in turn Mounjaro's. **India's generic drug makers include Sun Pharma, Cipla, Dr. Reddy's and Lupin, which are competing to produce cheaper copies of Wegovy.**



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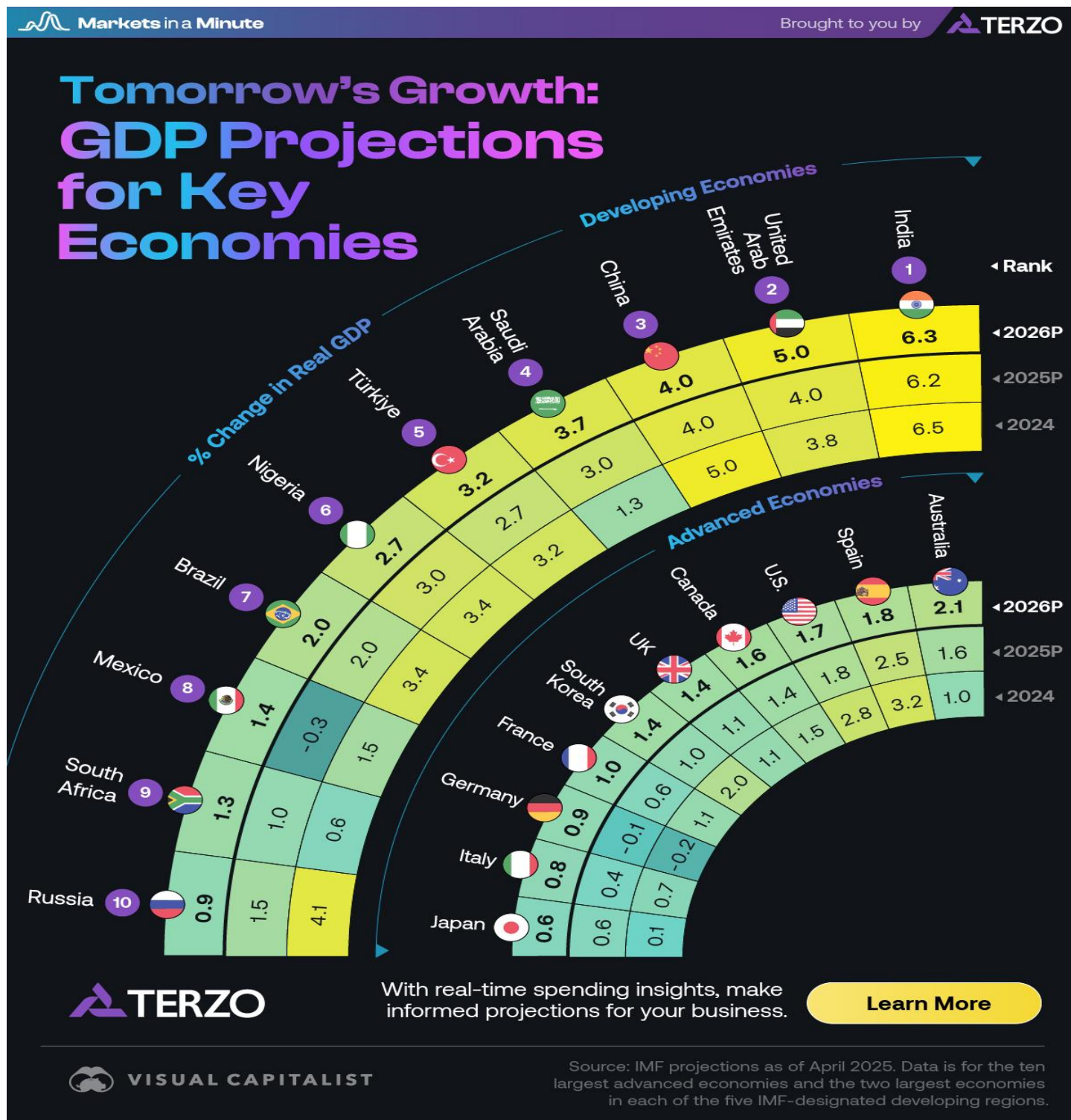


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Tomorrow's Growth: GDP Projections for Key Economies

Credit for Graphic based on source below: TERZO and Virtual Capitalist

Source: IMF projections at April 2025.



1. In this Markets in a Minute graphic created by Visual Capitalist in partnership with Terzo, the projected change in real GDP by country in the near future is explored.



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2. Data is for the ten largest advanced economies. Also, for the two largest economies in each of the five IMF-designated developing regions : Emerging and Developing Asia, Emerging and Developing Europe, Latin America and the Caribbean, Middle East and Central Asia, Sub-Saharan Africa.
3. **Forecasts for Advanced Economies:**
 - 3.1 This covers the 10 largest advanced economies, according to their 2024 GDP in U.S. dollars.
 - 3.2 Strong momentum carrying over from 2024, along with reconstruction activity after floods, is expected to fuel Spain's economy.
 - 3.3 In Australia, the IMF expects growth to rise gradually, driven by inflation-adjusted income growth, tax cuts, and continued government spending.
 - 3.4 The IMF expects the U.S. to see GDP growth of 1.8% in 2025 and 1.7% in 2026. This forecast puts the U.S. as one of the fastest-growing large advanced economies after Spain and Australia.
 - 3.5 The UK is expected to show economic growth just above 1% in 2025 and 2026. This is ahead of South Korea, France, Germany, Italy and Japan.
4. **Forecasts for Developing Economies:**
 - 4.1 The IMF expects India to see the highest growth. Experts believe private consumption, especially in rural areas, will fuel the economy.
 - 4.2 India shall continue to be the fastest growing major economy in 2025 and 2026 by a comfortable margin. However, the country remains to be an economic enigma because of its huge population of 1.4 billion people: it is a top-5 economy in the world, but also the 50th poorest in GDP per capita terms.
 - 4.3 Notably, the United Arab Emirates is forecast to have the second-highest growth. Strong domestic demand, government investment, and economic diversification to non-oil sectors could drive GDP increases.
 - 4.4 Russia's economic growth is expected to slow to just 0.9% in 2026 compared to 4.1% in 2024.

Comments: TERZO, Visual Capitalist, Lalcap

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