

PAISA VASOOL

May 2025 Newsletter

Content

Gains Everywhere	1
Sharp Rebound	2
Germany On Rise	2
US GDP-Declining Growth	3
US Inflation: Manageable As Of Now	3
US 10 Yr Yield Curve: Worrisome	4
Dollar Declines	4
India: Heat Of The Battle	5
Broader Markets Perform	6
Sectoral Performance: Media Rises	6
Index Valuations	7
Index Forward Valuations	7
US Vs Indian Equity markets	8
India GDP Yearly Growth Chart	8
Indian Inflation: Easing Slowly	9
India 10 Year G-Sec Yield Curve: Falling	9
Indian Currency Levels	10
Crystal Ball	11

Gains Everywhere

1 May 2025 saw US stocks rebounding sharply from their lows in April on hopes of trade deal with key trading partners. Global stocks followed suit led by Europe (particularly Germany), Korea, Taiwan Japan and Hongkong.

2 The Federal Reserve held interest rates steady during its May meeting and vowed to take a “wait-and-see” approach to future cuts. the Fed acknowledged that since their last meeting in March, the risks of higher inflation and higher unemployment have increased, in part due to trade policy.

3 Japan's GDP shrank 0.2% QoQ in Q1 of 2025, compared with market expectations of a 0.1% fall and after a 0.6% growth in Q4, flash data showed. This was the first quarterly contraction in a year weighed by concerns over the impact of U.S. trade policies under President Trump and weak demand from major trading partners.

4 The People's Bank of China (PBoC) cut key lending rates to record lows at the May fixing, in line with market expectations and marking the first reduction since October. The move follows Beijing's sweeping monetary easing measures announced earlier this month to bolster a sluggish economy and cushion potential fallout from the ongoing trade tensions with the U.S.

5 The ISM Manufacturing PMI in the US fell to 48.5 in May 2025 from 48.7 in April, below market expectations of 49.5. The reading marked the third consecutive month of contraction in the manufacturing sector and the sharpest decline since November 2024.

6 China's official NBS Manufacturing PMI rose to 49.5 in May 2025 from April's 16-month low of 49.0, matching market expectations while marking the second straight month of contraction in factory activity.

7 The Australian economy grew by 0.2% QoQ in Q1 of 2025, slowing from a 0.6% rise in Q4 and falling short of market expectations of 0.4%. This marked the 14th quarter of expansion but the softest pace in three quarters.

Sharp Rebound

US Indices

Performance across time frames in last 1 year

■ Dow Jones ■ S&P 500 ■ NASDAQ ■ Russell 2000

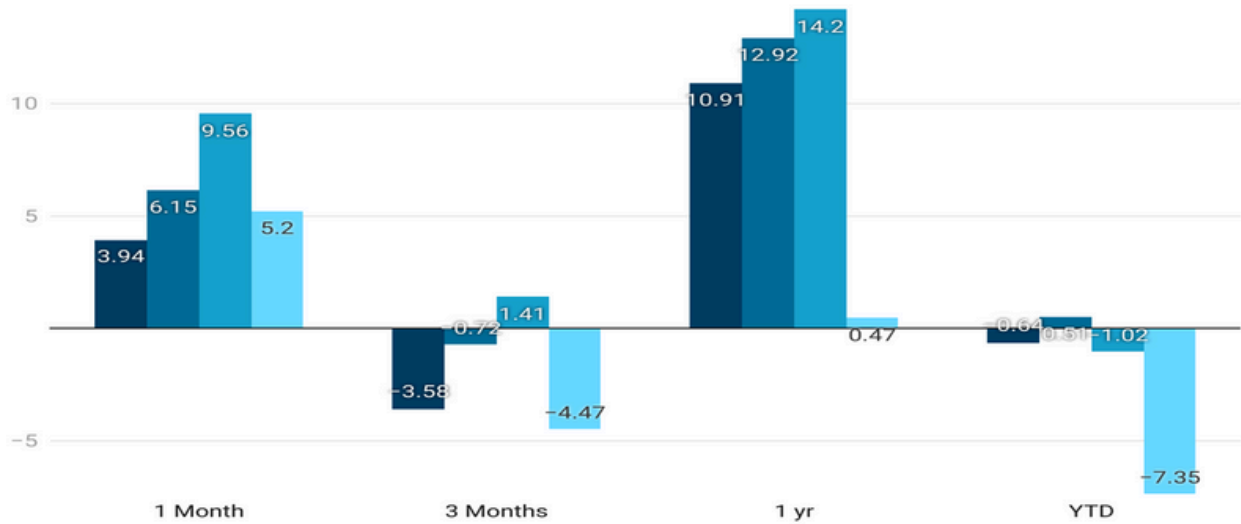


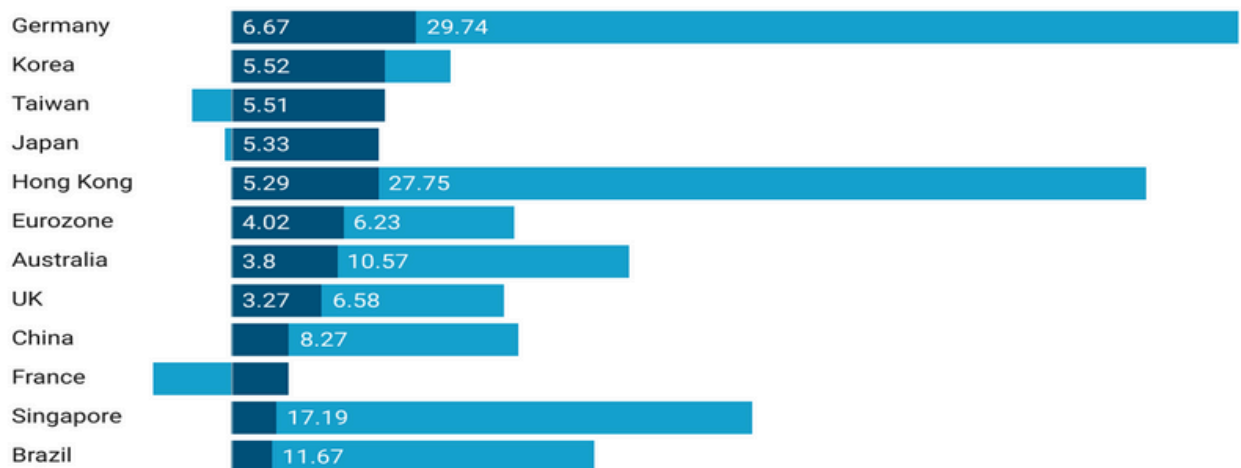
Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper

Germany On Rise

Global Equity Indices

Performance Chart

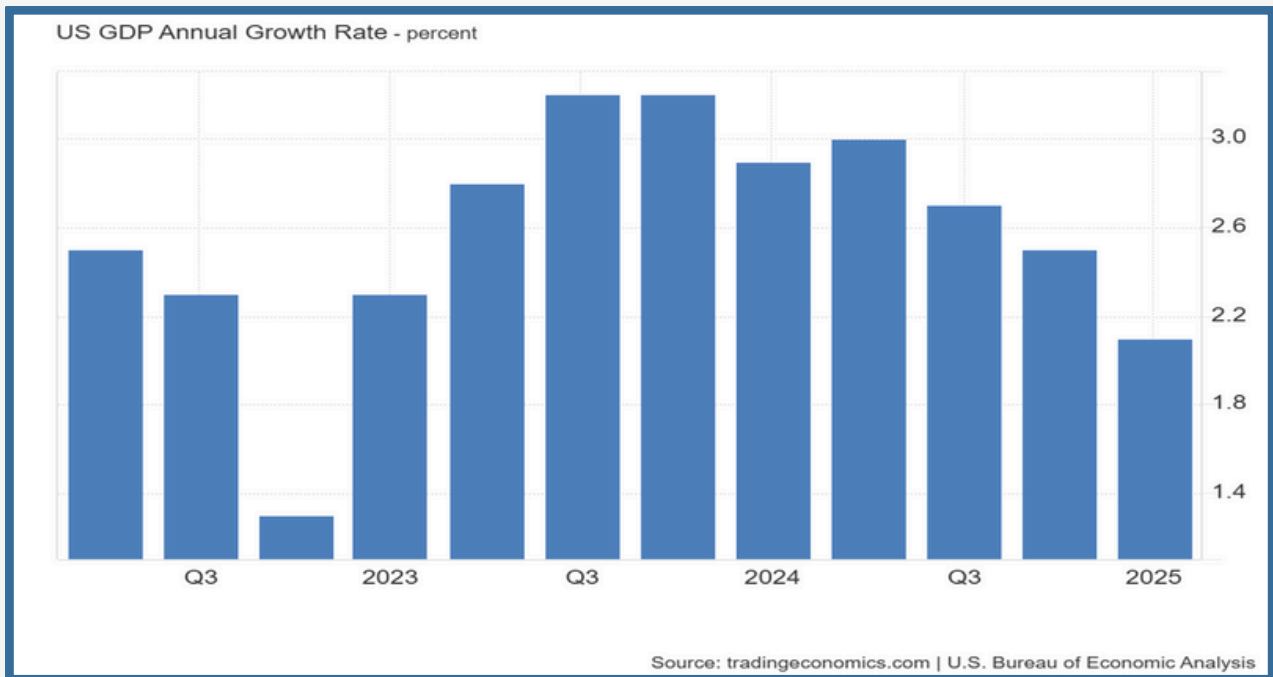
■ Month ■ Year



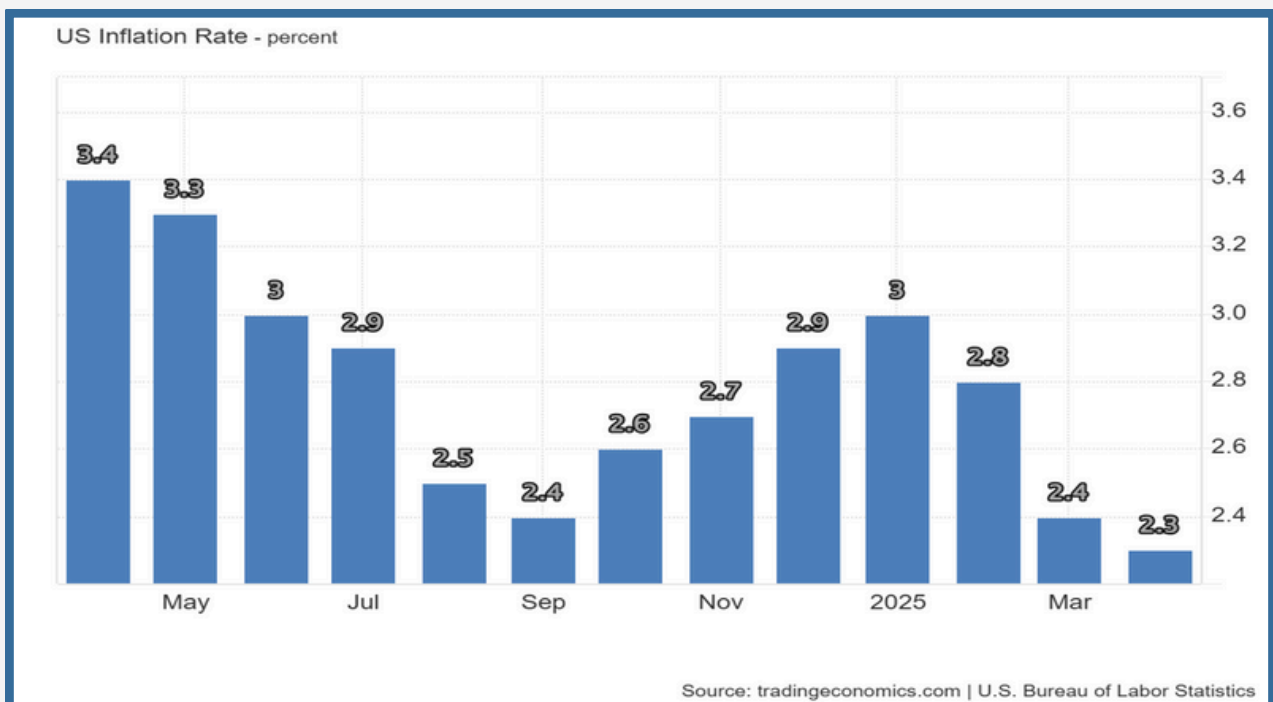
Key Global Equity Markets

Chart: Lamoksh Investments • Source: Gaurav Goel • Created with Datawrapper

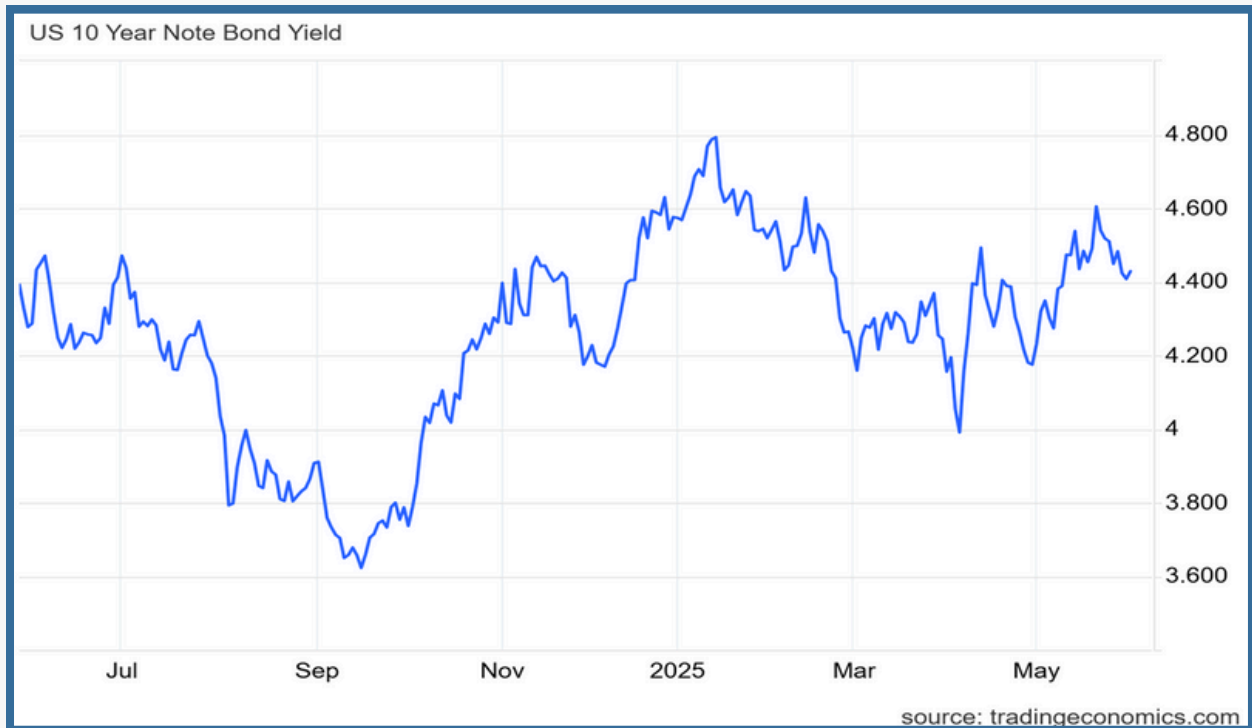
US GDP-Declining Growth



US Inflation: Manageable As Of Now



US 10 Yr Yield Curve: Worrisome



Dollar Declines

Commodity	Month	Year	Currency Pair	Description	Month	Year
Coal	5.95%	-28.21%	BTCUSD	BITCOIN	7.30%	53.32%
Uranium	4.51%	-18.91%	USDINR	Indian Rupee	1.06%	2.63%
Copper	1.92%	1.57%	USDBRL	Brazilian Real	0.98%	10.12%
Silver	1.66%	8.43%	GBPUSD	British Pound	0.96%	5.71%
Gold	1.59%	41.32%	USDJPY	Japanese Yen	0.67%	-8.44%
Aluminium	1.42%	-7.77%	AUDUSD	Australian Dollar	0.45%	-3.05%
Brent	1.05%	-22.60%	EURUSD	EURO	0.16%	4.74%
Soybeaan	0.14%	-13.53%	DX	Dollar Index	-0.92%	-5.06%
Sugar	-0.31%	-8.84%	USDCNY	Chinese Yuan	-0.99%	-0.46%
Cottton	-0.67%	-11.03%	USDSGD	Singapore Dollar	-1.22%	-4.40%
Palm Oil	-0.82%	-4.93%	USDRUB	Russian Ruble	-5.49%	-14.27%
Steel	-1.89%	-14.27%				
Coffee	-13.12%	54.98%				
Commodities			Currencies			

India: Heat Of The Battle

- ▶ Indian Q4FY25 GDP Growth was better than expected at 7.4% Vs 8.4% (YoY) & Vs 6.4% in the previous quarter. FY25 Real GDP growth stood at 6.5%.
- ▶ The Reserve Bank of India (RBI) on Friday approved a whopping dividend of Rs 2.69 lakh crore for FY25 to the Centre as against Rs 2.1 lakh crore in FY24, which will help New Delhi in its push to narrow fiscal deficit to 4.4 per cent for this fiscal year.
- ▶ The HSBC India Composite PMI stood at 59.3 in May 2025, down from the flash estimate of 61.2 but slightly above April's 59.7. The latest reading reflected slower factory output growth even as services activity accelerated.
- ▶ India's fiscal deficit stood at INR 1.86 trillion in April 2025–26, down from INR 2.10 trillion in the same period a year earlier, representing 11.9% of the government's full-year target compared to 13.0% last year. Total receipts jumped 30.9% year-on-year to INR 2.79 trillion, or 8.0% of the annual. Meanwhile, total expenditure rose 10% to INR 4.66 trillion, or 9.2% of the full-year target.
- ▶ India's industrial production expanded by 2.7% from the previous year in April of 2025, slowing from the upwardly revised 3.9% jump in the previous month, but still firmly above market expectations of a 1% increase. May GST collections were up 16.4% YoY at Rs 2.01 Lac Cr Vs Rs 1.72 Lac Cr.
- ▶ The annual inflation rate in India fell to 3.16% in April of 2025, the lowest since July of 2019, from 3.34% in the previous month, and firmly below market expectations of 3.3%. As a result, the inflation rate further below the Reserve Bank of India's 4% midpoint target, strengthening the case for additional rate cuts by the central bank.
- ▶ As per IMD, India likely to receive above-normal rainfall amounting to 108 per cent of long-period average in June.

Broader Markets Perform

Indian Equity Benchmark Indices

Performance chart across tenors

	1 Month	3 Months	6 Months	1 year	3 yrs (absolute)	5 Yrs (absolute)
Nifty 50	1.71	11.87	2.57	10.06	48.55	158.35
Nifty Bank	1.2	15.32	7.1	14.52	55.61	188.9
Nifty Midcap 100	6.09	19.84	1.82	11.65	102.71	332.61
Nifty Smallcap 100	8.72	21.65	-4.12	7.65	96.61	346.77

Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper

Sectoral Performance: Media Rises

Indian Equity: Sectoral Indices

Performance across Tenors

	1 Mth	1 Yr	3 Yrs	5 yrs
Nifty Media	13.04	-9.78	-15.34	45.29
Nifty Realty	7.17	-4.69	135.22	427.12
Nifty Metal	7.12	-3.69	74.64	389.04
Nifty PSU Banks	6.63	-4.34	168.07	517.43
Nifty Energy	4.78	-10.27	38.42	174.71
Nifty India Manufacturing	4.77	3.31	85.25	
Nifty Auto	4.56	-0.62	102.98	275.08
Nifty IT	4.27	13.76	25.44	166.38
Nifty PSE	3.23	-5.48	146.1	316.54
Nifty Infra	2.1	4.03	84.45	215.29
Nifty Oil & Gas	1.87	-1.31	44.42	
Nifty Fin Services	1.48	22.7	59.35	178.15
Nifty Services	1.41	15.95	43.95	159.64
Nifty Commodities	0.8	-2.74	56.46	214.78
Nifty Consumer Durable	0.7	7.01	49.66	
Nifty Consumption	0.59	8.36	65.29	146.87
Nifty Pvt Bank	0.46	14.41	51.09	160.57
Nifty Healthcare	-1.16	16.52	77.38	
Nifty Pharma	-1.52	13.03	69.22	119.5
Nifty FMCG	-2.06	1.85	43.18	88.7

Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper

Index Valuations

Index	Fall from 52 Week Peak	EPS	Current PE	PB	Valuation Verdict
Nifty 50	-5.81%	1108.90	22.32	3.60	Neutral
Nifty Bank	-0.62%	3810.60	14.63	2.30	Under Valued
Nifty Midcap 100	-5.75%	1748.50	32.84	5.00	Expensive
Nifty Smallcap 100	-9.30%	565.00	31.65	4.30	Expensive

Index Forward Valuations

Index	1 Yr Fwd EPS	1 Yr Fwd PE	2 Yr Fwd EPS	2Yr Fwd PE	Valuation Verdict
Nifty 50	1219.8	20.3	1341.8	18.4	Neutral
Nifty Bank	4191.7	13.3	4610.8	12.1	Under Valued
Nifty Midcap 100	1923.4	29.9	2115.7	27.1	Expensive
Nifty Smallcap 100	621.5	28.8	683.7	26.2	Expensive

US Vs Indian Equity markets

US Vs India

Equity Markets Performance Comparison

■ 1 Month ■ 1 year

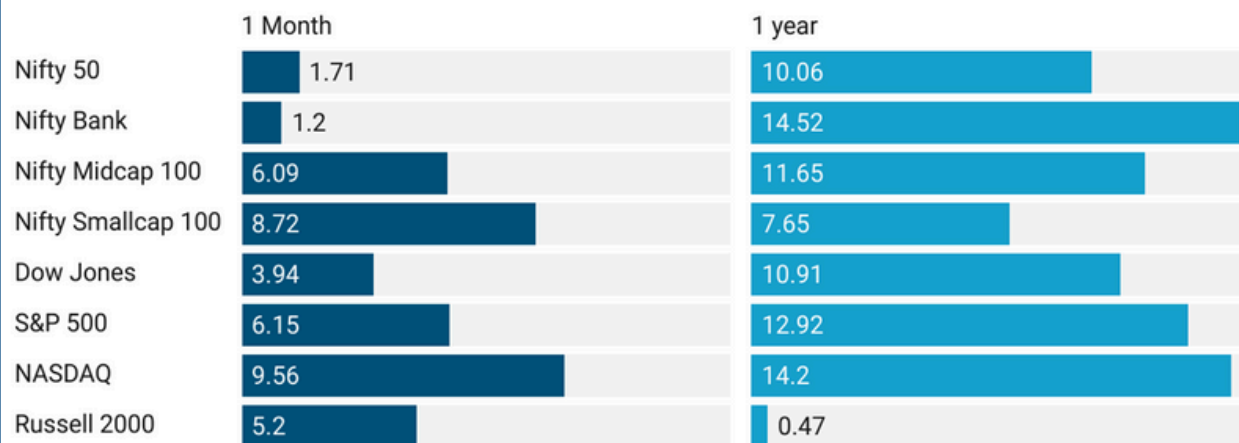
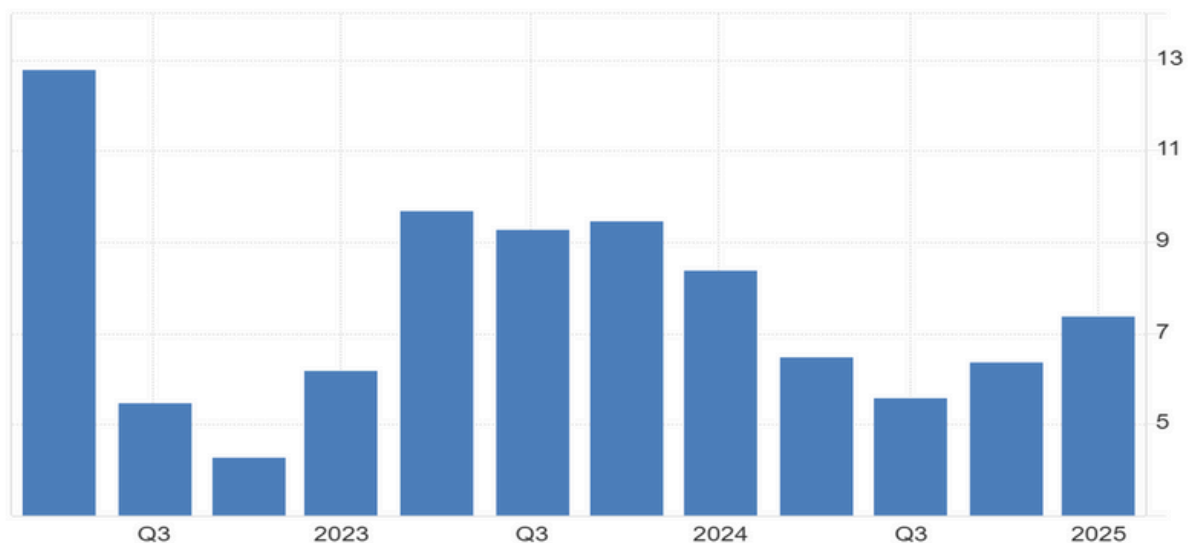


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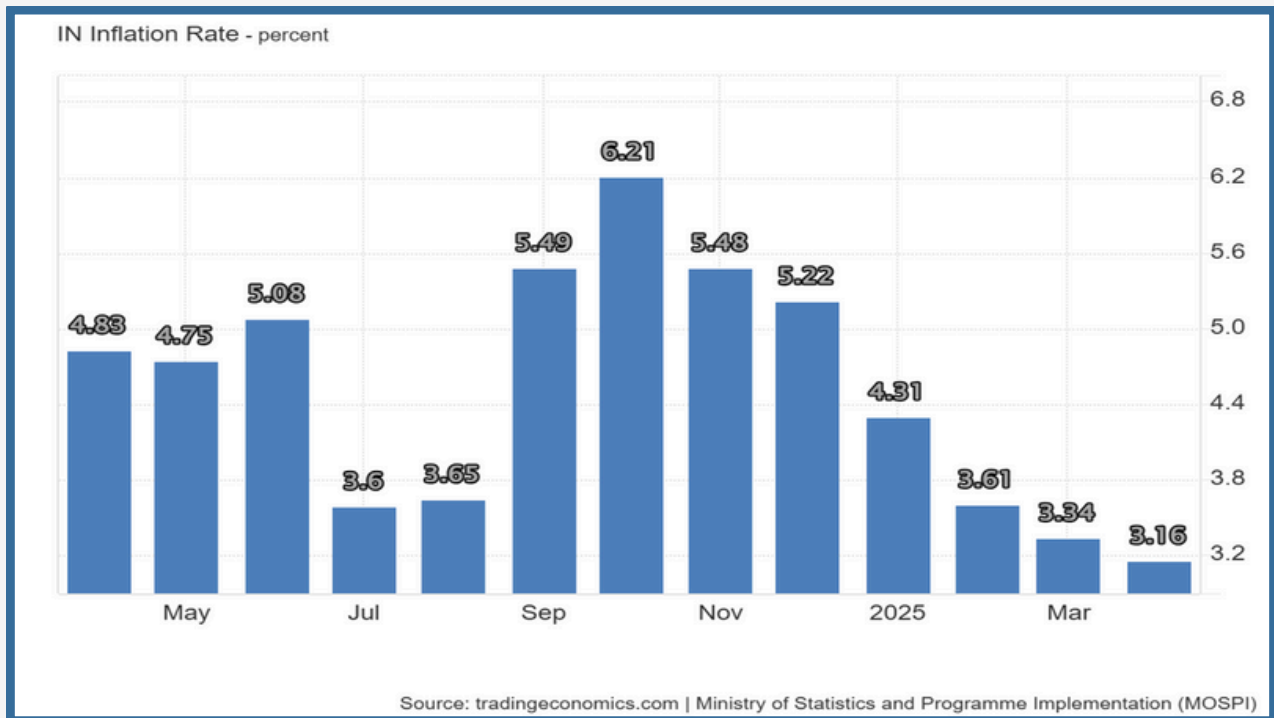
India GDP Yearly Growth Chart

IN GDP Annual Growth Rate - percent

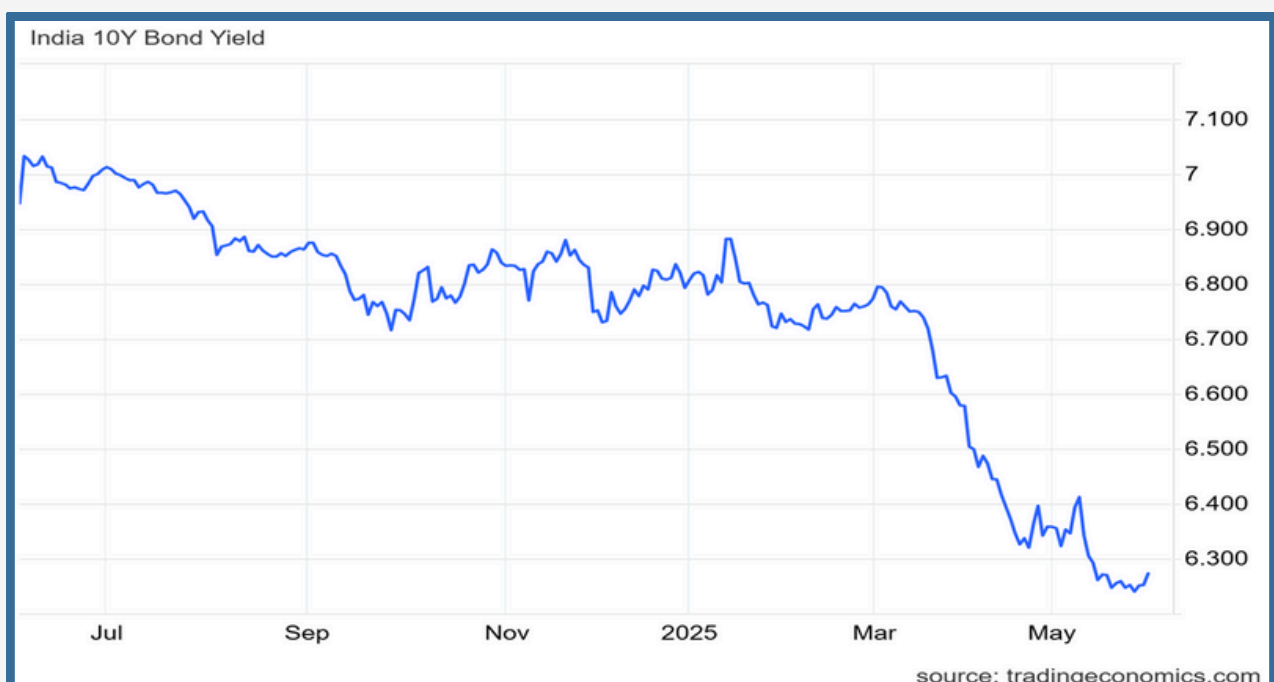


Source: tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI)

Indian Inflation: Easing Slowly



India 10 Year G-Sec Yield Curve: Falling



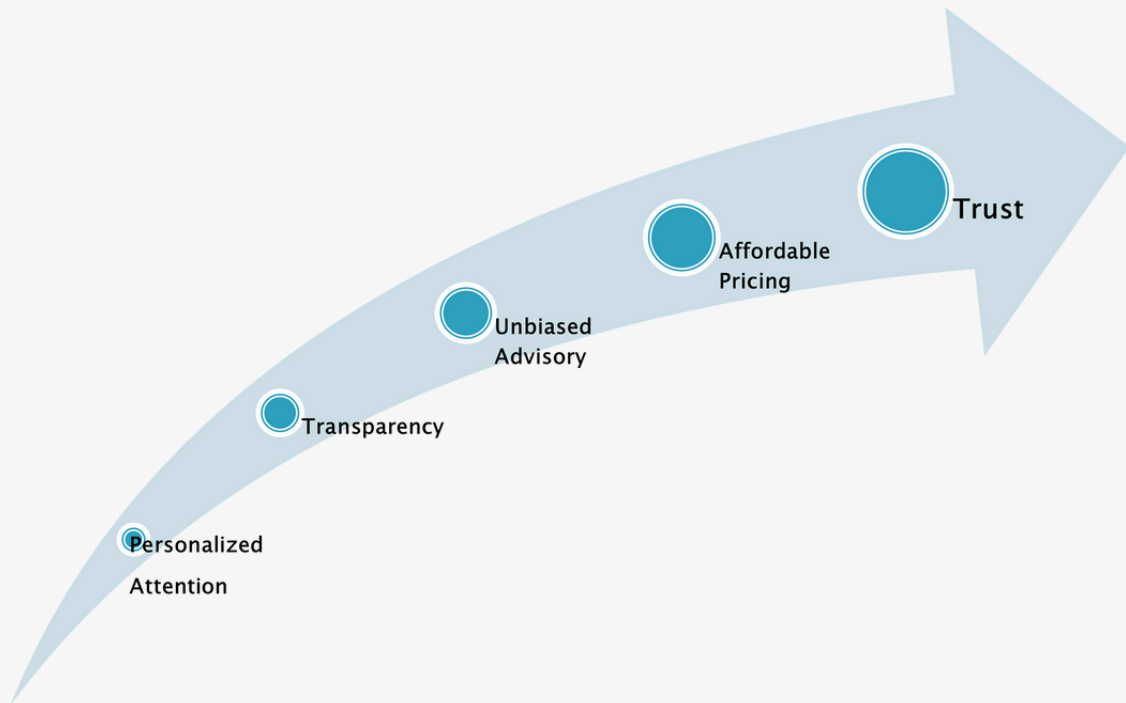
Indian Currency Levels

Currency Pair	Description	Exchange Rate
USDINR	US Dollar	85.40
EURINR	Euro	97.49
GBPINR	British Pound	115.68
JPYINR	Japanese Yen	0.60
CNYINR	Chinese Yuan	11.93
AUDINR	Australian Dollar	55.37
SGDINR	Singapore Dollar	66.38

Crystal Ball

- ▶ President Donald Trump is taking an aggressive stance on global trade, pressuring nations into submission with tariff threats and tough rhetoric. But strong-armed tactics are unlikely to yield long-term results — especially with major players like China and the European Union, who are unlikely to simply fall in line. While a few headline-grabbing deals may emerge, Trump's broader trade goals remain out of reach. In the meantime, it's the average American who may bear the brunt. Rising import costs could fuel inflation, while economic growth slows — a dangerous mix that could inch the U.S. closer to stagflation.
- ▶ The road ahead looks increasingly challenging for Donald Trump. In the months and years to come, he is likely to face mounting opposition —both at home and on the global stage. Public discontent may deepen, approval ratings could slide, and political allies might begin to distance themselves. Meanwhile, the U.S. dollar—long regarded as the world's reserve currency—could see its dominance erode more rapidly than many anticipate. Despite Trump's stated aim to rein in spending, America's debt burden is expected to keep rising, adding further pressure to an already fragile economic narrative.
- ▶ The world order is in flux. Over the long run, global leadership may well shift from the U.S. to China — a trend that's gaining momentum. Recent actions by Donald Trump have only accelerated this shift. His policies and unpredictable approach have deepened distrust among traditional U.S. allies, perhaps more than at any point in recent history. For China, this presents a major opportunity. Long held back by its lack of global goodwill, Beijing now finds an opening to expand its influence in ways previously out of reach.
- ▶ India holds a unique position in today's shifting geopolitical landscape. With its strong human capital, robust economic momentum, favorable demographics, and vibrant democracy, the country is well-equipped for the future. While the U.S. views India as a strategic counterweight to China, India has maintained a non-aligned stance—even in the face of difficult neighbors. This strategic autonomy is one of India's core strengths. Looking ahead, India is poised to be the world's fastest-growing major economy over the next few decades. This growth presents immense opportunities for its citizens—and long-term investors in Indian equities stand to gain significantly from this long-term trajectory.

Our Commitment



Philosophies & Quotes

Someone's sitting in the shade today because someone planted a tree a long time ago.

- Warren Buffet

The big money is not in the buying & the selling....but in the waiting.

- Charlie Munger

The four most famous words in investing are: this time it's different.

- Sir John Templeton


It's only when the tide goes out that you discover who's been swimming naked.


- Warren Buffet

Yours Truly



- Around 2 decades of domestic and international experience in the financial sector.
- Worked with Barclays Wealth, IIFL Wealth and ICICI Bank Private Banking.
- Post Graduate Degree in International Business from IIFT, New Delhi.
- Certified NISM Series X-A and X-B Investment Adviser Examination.
- SEBI RIA Registration Number:INA100014426

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