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July 2025 Newsletter

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Global Uncertainty

1 The Fed held rates steady at 4.25%–4.50% for a fifth straight meeting, as expected, but two governors dissented in favor of a cut. Policymakers observed that, while fluctuations in net exports continue to influence the data, recent indicators point to a moderation in economic activity in H1. The Fed also said that the unemployment rate remains low while inflation remains somewhat elevated, and uncertainty about the economic outlook persists.

2 U.S. President Donald Trump signed an executive order imposing new tariff rates ranging from 10% to 41% on imports from dozens of countries and regions, effective August 1.

3 US nonfarm payrolls rose by 73K in July 2025, well below expectations of 110K. The June figure was sharply revised down from an initial 147K to just 14K, while May's reading was also cut by 125K.

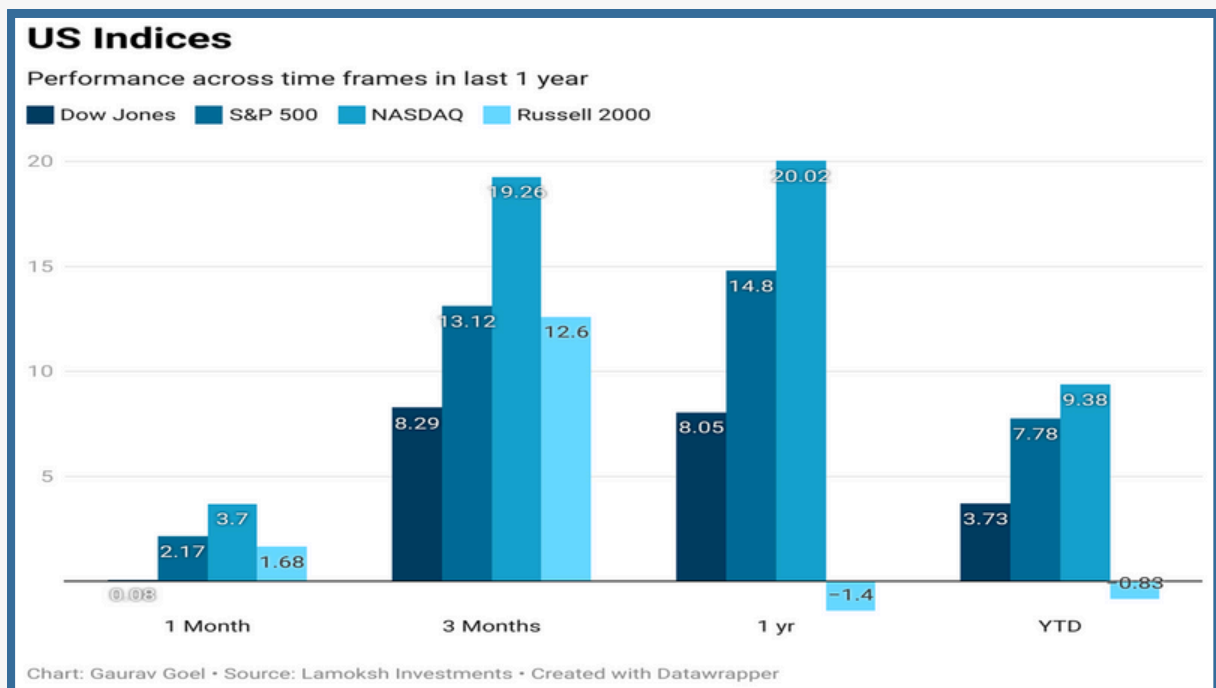
4 The US economy grew an annualized 3% in Q2 2025, rebounding from a 0.5% contraction in Q1, and beating expectations of a 2.4% rise, according to the advance estimate.

5 Eurozone consumer price inflation held steady at 2.0% year-on-year in July 2025, unchanged from June but slightly above market expectations of 1.9%, according to preliminary estimates. The GDP in the Euro Area expanded 1.4% year-on-year in the second quarter of 2025, slightly lower than 1.5% in Q1 but beating market expectations of 1.2%.

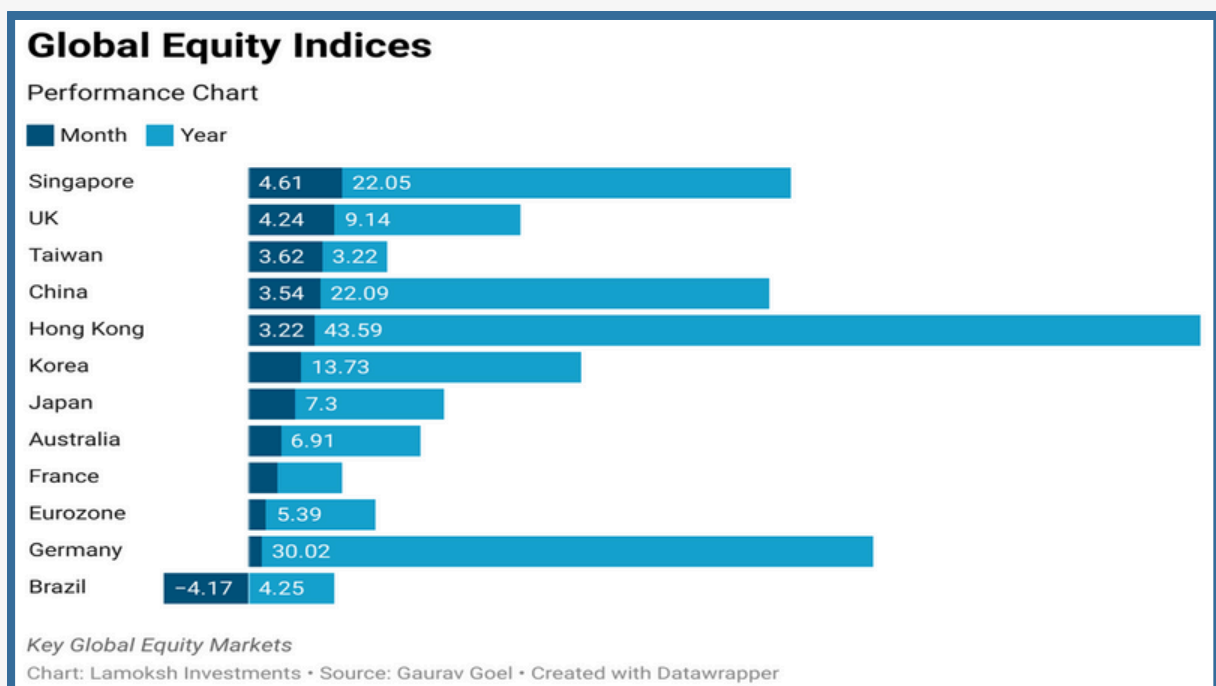
6 The S&P China General Composite PMI dipped to 50.8 in July 2025 from June's three-month high of 51.3.

7 Japanese Prime Minister Shigeru Ishiba said the government is prepared to compile an extra budget to mitigate the economic impact of U.S. tariffs, acknowledging mounting political pressure after his coalition's recent upper house election loss.

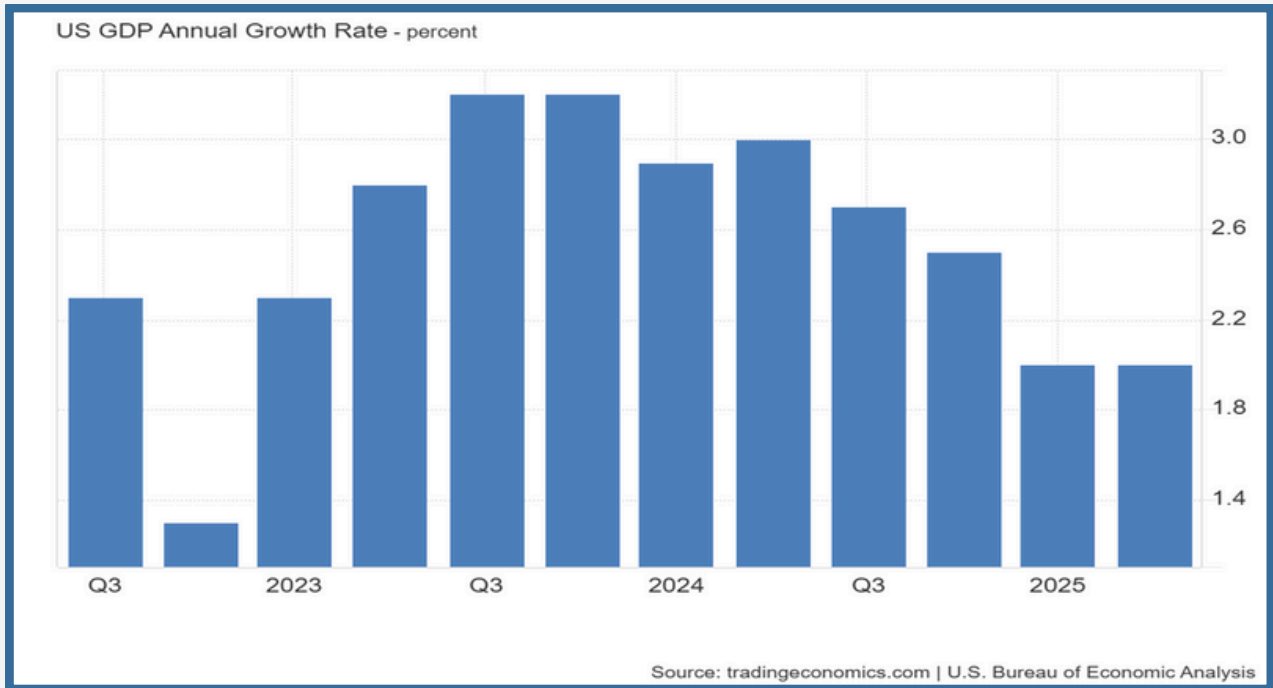
No Stopping



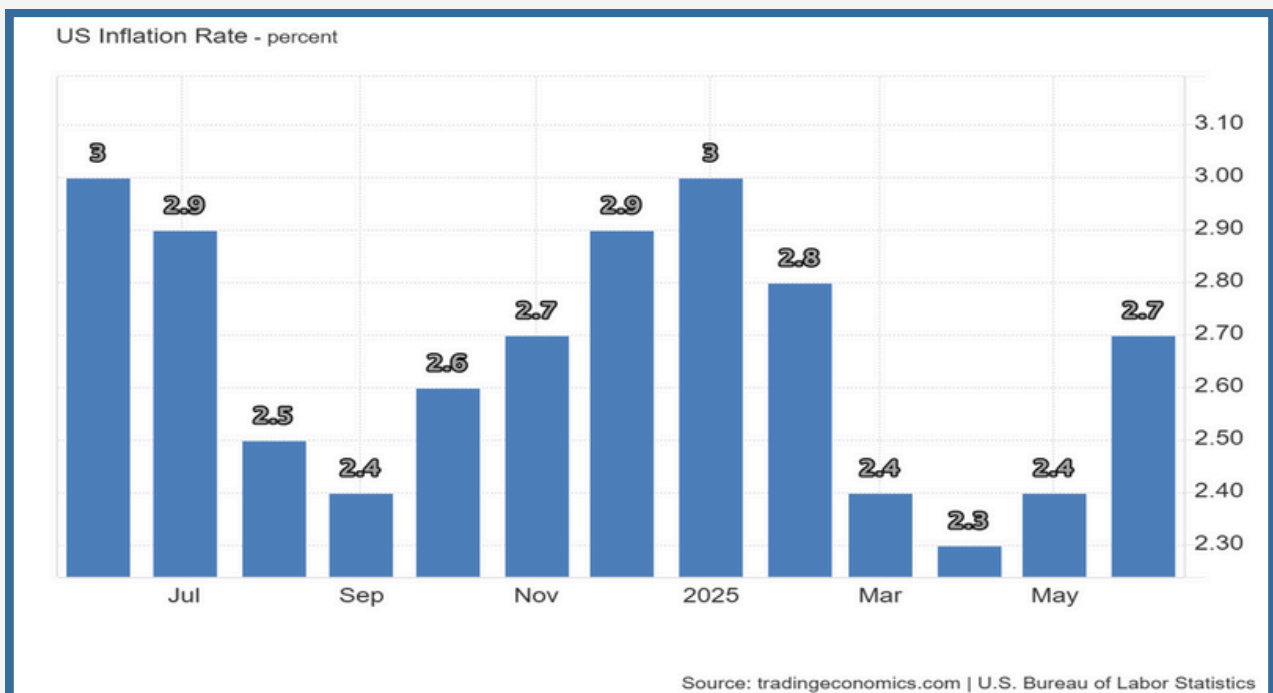
Surging High



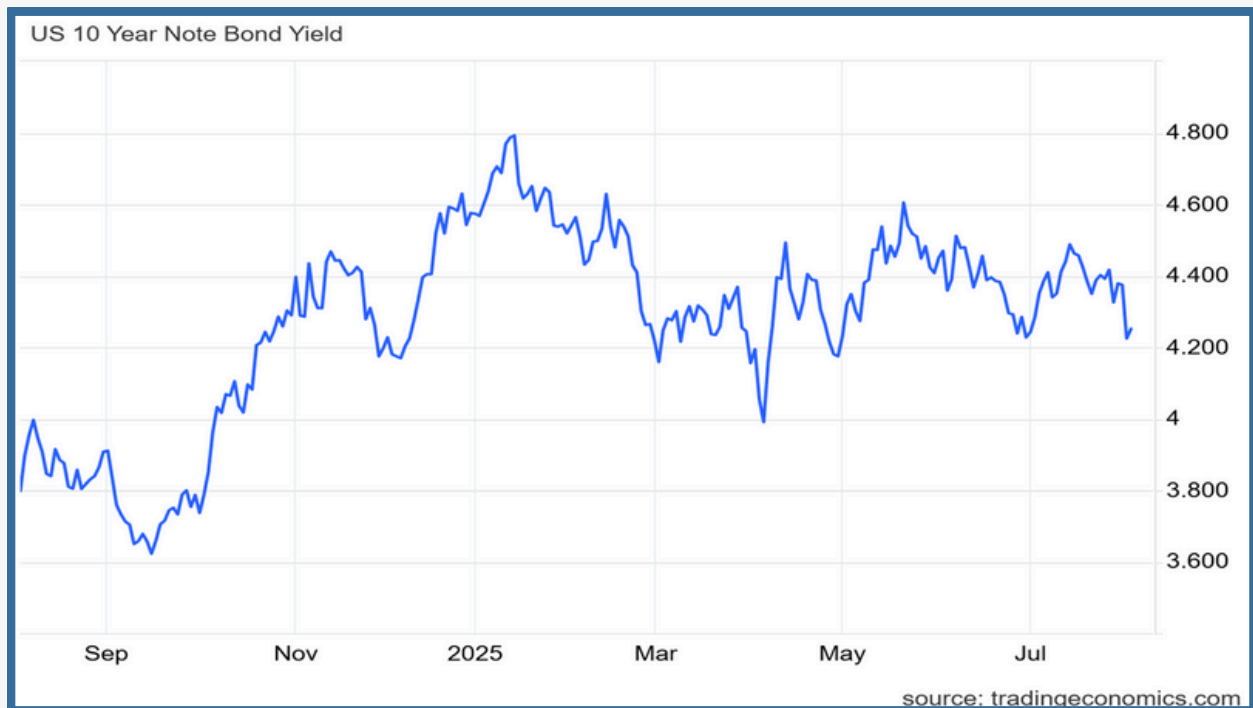
US GDP-Stable



Worrying Signs



Correcting



Dollar Nosedives

| Commodity | Month | Year | Currency Pair | Description | Month | Year |
|-------------|--------|---------|---------------|-------------------|--------|--------|
| Palm Oil | 7.73% | 9.41% | USDJPY | Japanese Yen | 5.12% | 2.99% |
| Steel | 5.21% | 6.27% | USDRUB | Russian Ruble | 3.31% | -5.15% |
| Sugar | 4.24% | -11.87% | USDBRL | Brazilian Real | 3.22% | -5.15% |
| Brent | 3.85% | -6.56% | USDINR | Indian Rupee | 2.36% | 4.55% |
| Coal | 3.00% | -19.22% | USDSGD | Singapore Dollar | 2.09% | -2.04% |
| Silver | 0.09% | 28.11% | USDCNY | Chinese Yuan | 0.80% | 0.81% |
| Coffee | -0.03% | 29.96% | AUDUSD | Australian Dollar | -2.29% | -1.21% |
| Aluminium | -1.40% | 11.74% | EURUSD | EURO | -3.31% | 4.56% |
| Gold | -2.06% | 34.62% | GBPUSD | British Pound | -3.33% | 3.08% |
| Cotton | -2.93% | -2.31% | DXY | Dollar Index | -7.70% | -2.99% |
| Soybeaan | -8.29% | -6.59% | | | | |
| Uranium | -8.71% | -15.63% | | | | |
| Copper | -8.71% | -15.63% | | | | |
| Commodities | | | Currencies | | | |

India: At The Receiving End

- ▶ U.S. President Donald Trump announced a 25% tariff on Indian exports to the U.S. and hinted at further penalties over India's energy ties with Russia. Trump criticized India's trade practices, calling its tariffs "among the highest in the World" and accusing the country of maintaining "the most strenuous and obnoxious non-monetary Trade Barriers of any Country."
- ▶ India pushed back against criticism from the U.S. and EU over its Russian oil imports, calling the stance "unjustified and unreasonable." Foreign Ministry spokesperson Randhir Jaiswal said that the purchases were crucial for securing affordable and stable fuel prices for Indian consumers.
- ▶ The HSBC India Composite PMI came in at 61.0 in July 2025, unchanged from the previous month but above the flash estimate of 60.7. It was the highest reading since April 2024, underpinned by robust services activity, which saw its fastest expansion in 11 months, and manufacturing growth that reached a near 18-month high.
- ▶ The International Monetary Fund (IMF) on Tuesday upgraded its fiscal year 2025–26 (FY 2026) economic growth forecasts for India, citing a more favourable global economic situation. The IMF revised its growth forecast for India to 6.4% for FY 2026, up 20 bps from the 6.2% it had projected in April.
- ▶ India recorded a trade deficit of \$18.8 billion in June of 2025, narrowing from the \$21 billion gap from the corresponding period of the previous year to halt the streak of three consecutive trade deficit widening months.
- ▶ India's consumer price inflation eased for the eighth straight month, falling to 2.1% in June 2025, the lowest level since January 2019, down from 2.82% in May and below market expectations of 2.5%. India's wholesale prices unexpectedly fell by 0.13% yoy in June 2025, missing forecasts of a 0.52% increase and reversing from 0.39% growth in May, marking the first annual decline in wholesale prices since October 2023.

Underperforming

Indian Equity Benchmark Indices

Performance chart across tenors

| | 1 Month | 3 Months | 6 Months | 1 year | 3 yrs (absolute) | 5 Yrs (absolute) |
|--------------------|---------|----------|----------|--------|---------------------|---------------------|
| Nifty 50 | -3.03 | 1.78 | 5.36 | -0.73 | 44.35 | 123.67 |
| Nifty Bank | -2.61 | 1.59 | 12.86 | 8.55 | 49.27 | 158.6 |
| Nifty Midcap 100 | -3.93 | 6.05 | 6.87 | -2.7 | 93.7 | 271.01 |
| Nifty Smallcap 100 | -5.71 | 9.23 | 6.25 | -6.12 | 95.91 | 258.58 |

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

Sectoral Performance

Indian Equity: Sectoral Indices

Performance across Tenors

| | 1 Mth | 1 Yr | 3 Yrs | 5 yrs |
|---------------------------|-------|--------|--------|--------|
| Nifty Media | -6.07 | 22.89 | -23.53 | 26.55 |
| Nifty Realty | -7.3 | -15.14 | 101.56 | 353.91 |
| Nifty Metal | -2.92 | -3.01 | 66.46 | 332.42 |
| Nifty PSU Banks | -5.55 | -6.45 | 141.98 | 385.33 |
| Nifty Energy | -3.74 | -21.89 | 31.29 | 129.38 |
| Nifty India Manufacturing | -2.28 | -5.82 | 74.74 | |
| Nifty Auto | -0.71 | -10.69 | 82.62 | 224.95 |
| Nifty IT | -9.09 | -13.28 | 20.81 | 95.34 |
| Nifty PSE | -4.01 | -17.51 | 137.64 | 289.58 |
| Nifty Infra | -4.07 | -4.88 | 82.08 | 187.51 |
| Nifty Oil & Gas | -5.03 | -15.33 | 40.64 | |
| Nifty Fin Services | -1.75 | 13.71 | 51.56 | 148.4 |
| Nifty Services | -2.84 | 3.67 | 38.27 | 125.79 |
| Nifty Commodities | -2.47 | -10.02 | 55 | 189.56 |
| Nifty Consumer Durable | -0.64 | -3.3 | 46.67 | |
| Nifty Consumption | -0.78 | -0.79 | 54.16 | 137.37 |
| Nifty Pvt Bank | -4.25 | 5.34 | 40.65 | 128.09 |
| Nifty Healthcare | 2.66 | 7.93 | 85.47 | |
| Nifty Pharma | 3.31 | 4.5 | 78.36 | 104.24 |
| Nifty FMCG | 2.4 | -10.23 | 31.24 | 80.78 |

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 | -5.74% | 1129.40 | 21.93 | 3.40 | Slightly Expensive |
| Nifty Bank | -2.89% | 3681.70 | 15.20 | 2.20 | Undervalued |
| Nifty Midcap 100 | -5.79% | 1796.60 | 31.95 | 4.60 | Expensive |
| Nifty Smallcap 100 | -8.87% | 567.50 | 31.66 | 4.10 | Expensive |

Index Forward Valuations

| Index | 1 Yr Fwd EPS | 1 Yr Fwd PE | 2 Yr Fwd EPS | 2Yr Fwd PE | Valuation Verdict |
|---------------------------|--------------|-------------|--------------|------------|-------------------|
| Nifty 50 | 1242.3 | 19.9 | 1366.6 | 18.1 | Reasonable |
| Nifty Bank | 4049.9 | 13.8 | 4454.9 | 12.6 | Undervalued |
| Nifty Midcap 100 | 1976.3 | 29.0 | 2173.9 | 26.4 | Expensive |
| Nifty Smallcap 100 | 624.3 | 28.8 | 686.7 | 26.2 | Expensive |

US Ahead

US Vs India

Benchmark Equity Indices Comparison

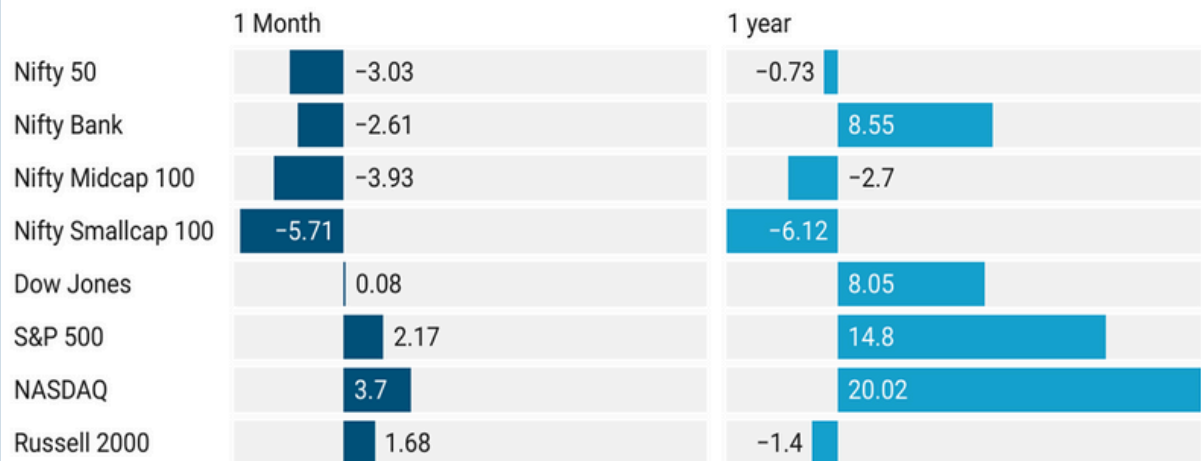
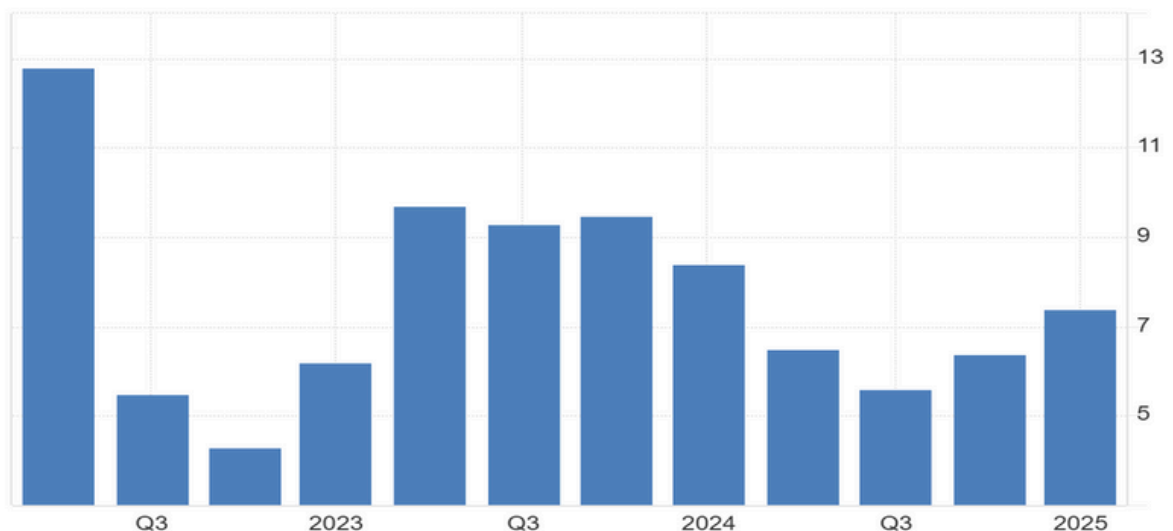


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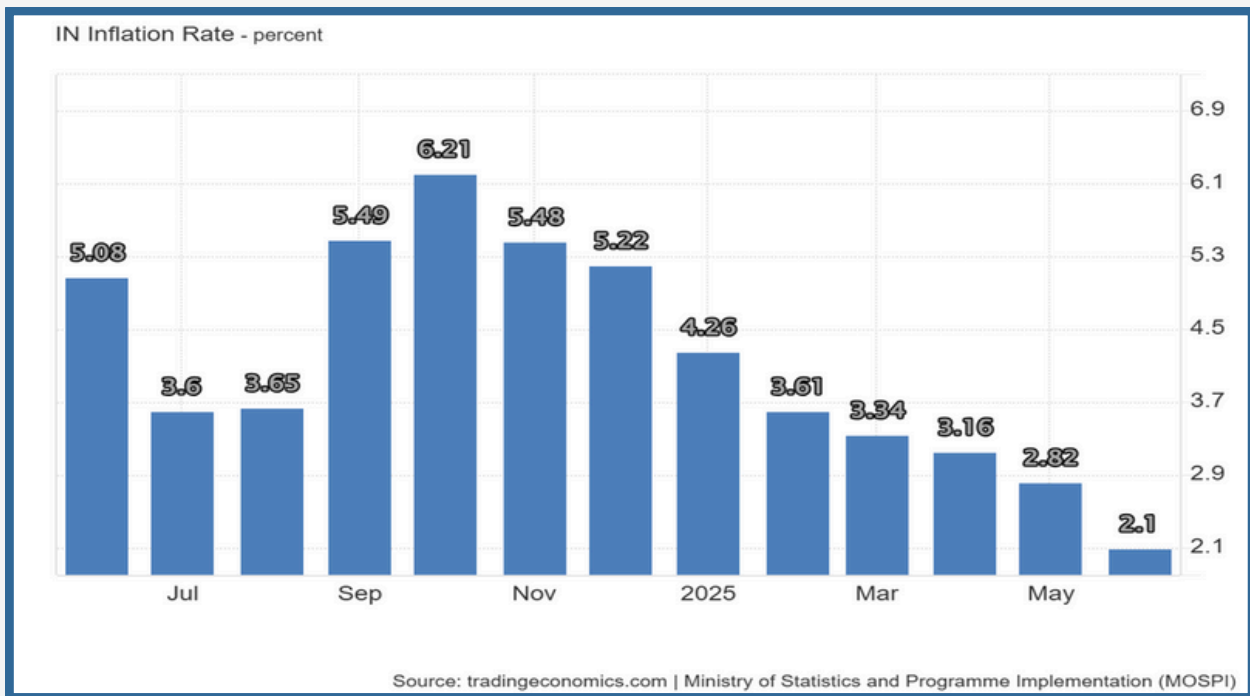
Moving Up

IN GDP Annual Growth Rate - percent



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

Good News Continues



In a Range



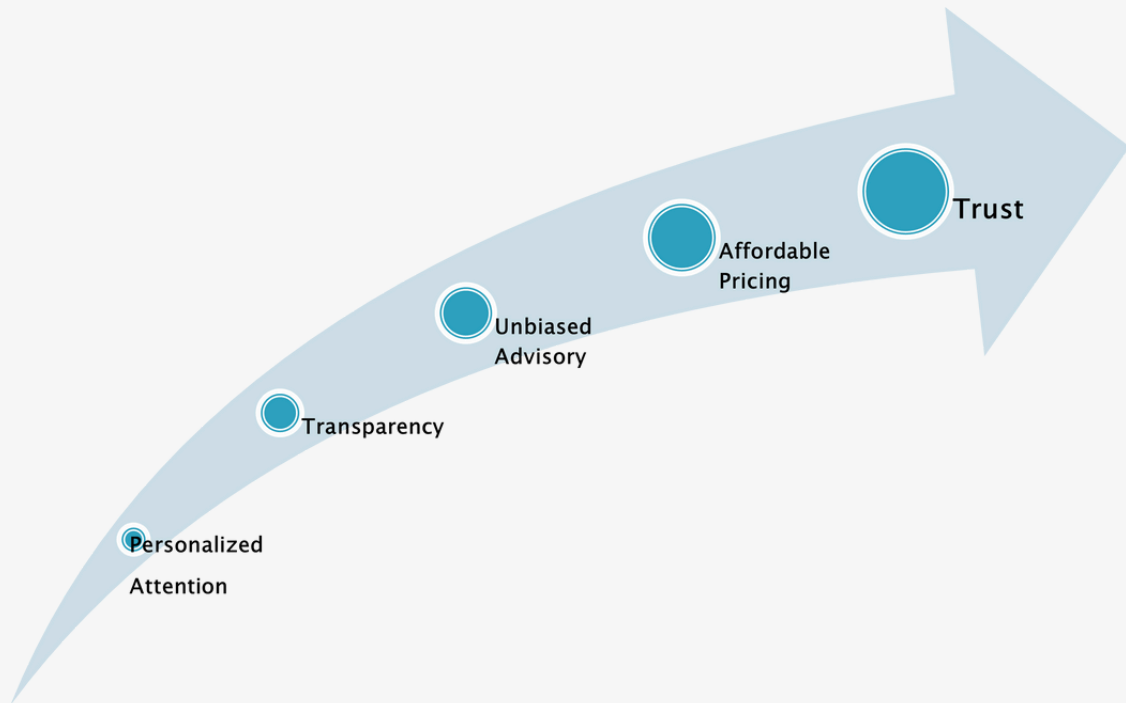
Indian Rupee Depreciating

| Currency Pair | Description | Exchange Rate |
|---------------|-------------------|---------------|
| USDINR | US Dollar | 87.65 |
| EURINR | Euro | 99.98 |
| GBPINR | British Pound | 115.67 |
| JPYINR | Japanese Yen | 0.58 |
| CNYINR | Chinese Yuan | 12.17 |
| AUDINR | Australian Dollar | 56.32 |
| SGDINR | Singapore Dollar | 67.44 |

Crystal Ball

- ▶ India has found itself in the crosshairs of President Donald Trump's aggressive rhetoric. However, it is unlikely to yield to his pressure tactics. The Indian government, well aware of Trump's negotiation style, appears prepared to stand firm. Prime Minister Narendra Modi, known for his political acumen and strong negotiating skills, recognizes that any trade deal heavily tilted in favor of the U.S. may not be politically feasible. With Trump scheduled to visit India later this year, a resolution could emerge during or before that visit.
- ▶ Meanwhile, both the United States and Europe are ramping up pressure on India to curtail its purchase of discounted Russian crude oil. Though this may test India's resolve, a reversal seems improbable. India relies on imports for over 80% of its energy needs and affordable oil is crucial for sustaining its economic growth.
- ▶ Ironically, Trump's tariff threats may lead to unexpected diplomatic openings — including a potential softening in India's often tense relationship with China. In addition, India may expedite trade agreements with other nations like Japan, Australia, and the Eurozone.
- ▶ Trump's "tough love" approach toward allies and adversaries alike risks alienating even friendly nations. Many global leaders are increasingly frustrated with what they see as his short-sighted and self-serving policies.
- ▶ Under Trump, national self-interest has taken precedence over global cooperation and multilateralism — a trend likely to persist throughout his tenure.
- ▶ Domestically, the U.S. is expected to face a surge in inflation in the coming year. As economic pressure mounts, Trump's policies may come under increased scrutiny, potentially triggering a significant decline in his approval ratings.

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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