

# PAISA VASOOL

July 2025 Newsletter

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# Power Shift

The Trump administration asked the U.S. Supreme Court to urgently review a case on the legality of tariffs imposed under the 1977 International Emergency Economic Powers Act (IEEPA). The request

1 follows an August 29 ruling by the Federal Circuit Court of Appeals that found Trump exceeded his authority, noting the law had never been used to levy tariffs.

2 The S&P Global US Composite PMI was revised down to 54.6 in August 2025, from a preliminary reading of 55.4 and below July's seven-month high of 55.1.

3 The US trade gap widened sharply to \$78.3 billion in July 2025, the highest in four months, compared to a revised \$59.1 billion gap in June and forecasts for a \$75.7 billion shortfall. Exports of goods & services

4 rose by \$0.8 billion to \$280.5 billion in July 2025, the highest in three months while imports of goods & services surged by \$20.0 billion to \$358.8 billion in July 2025 despite ongoing trade policy uncertainty.

5 Japanese Prime Minister Shigeru Ishiba reaffirmed his intention to remain in office after the U.S. finalized a trade deal lowering auto tariffs, rejecting speculation that the agreement might prompt his

6 resignation. "There's really no connection," Ishiba told reporters in Tokyo Friday, following President Trump's signing of an executive order imposing a maximum 25% tariff on most Japanese imports, including vehicles and auto parts.

7 The RatingDog China General Composite PMI rose to 51.0 in August 2025 from 50.8 in the previous month, marking the highest reading

8 since November 2024. It also represented the third consecutive month of private sector growth, driven by broad-based expansion across manufacturing and services.

9 The leaders of China, Russia, India, and seven other nations met in Tianjin for the annual Shanghai Cooperation Organization (SCO) summit. Xi urged members to reject Cold War mentalities, rival power blocs, and bullying, instead defending the U.N.-centered system and working toward a multipolar, fairer order of global governance.

# Rally Continues

## US Indices

Performance across time frames in last 1 year

Dow Jones S&P 500 NASDAQ Russell 2000

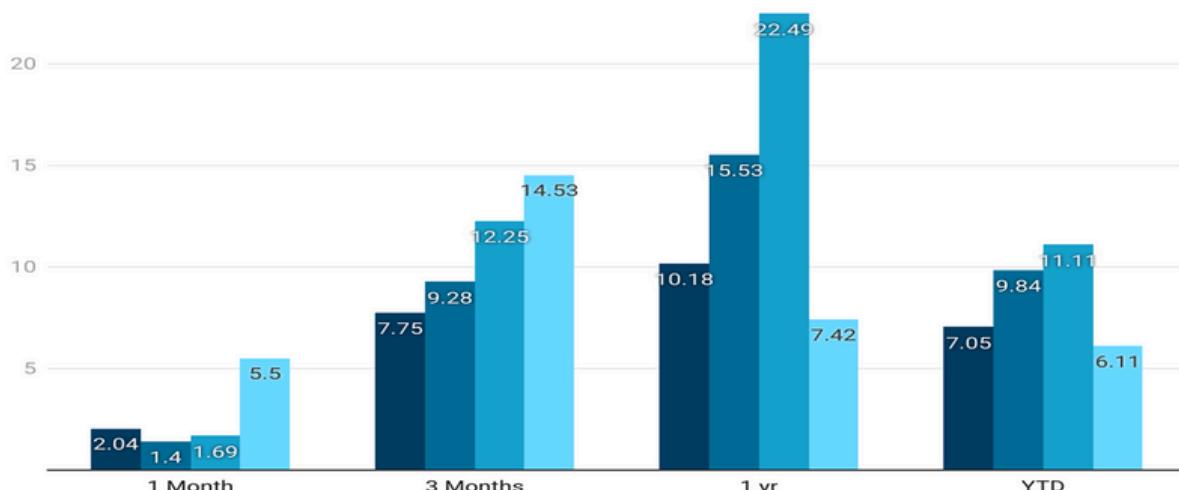


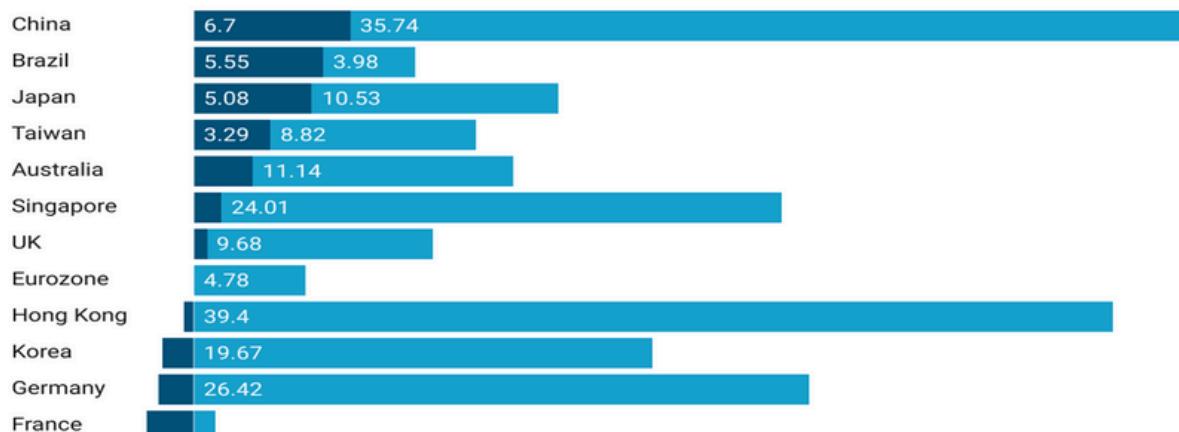
Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper

# Positive Momentum

## Global Equity Indices

Performance Chart

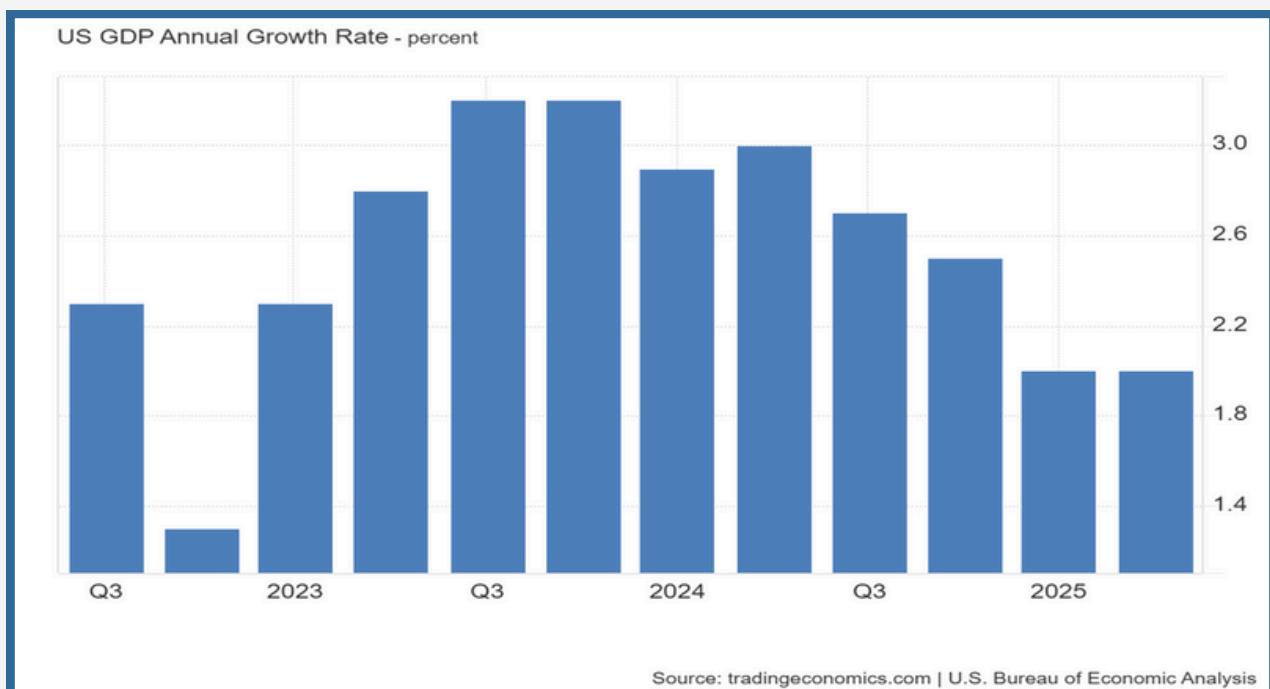
Month Year



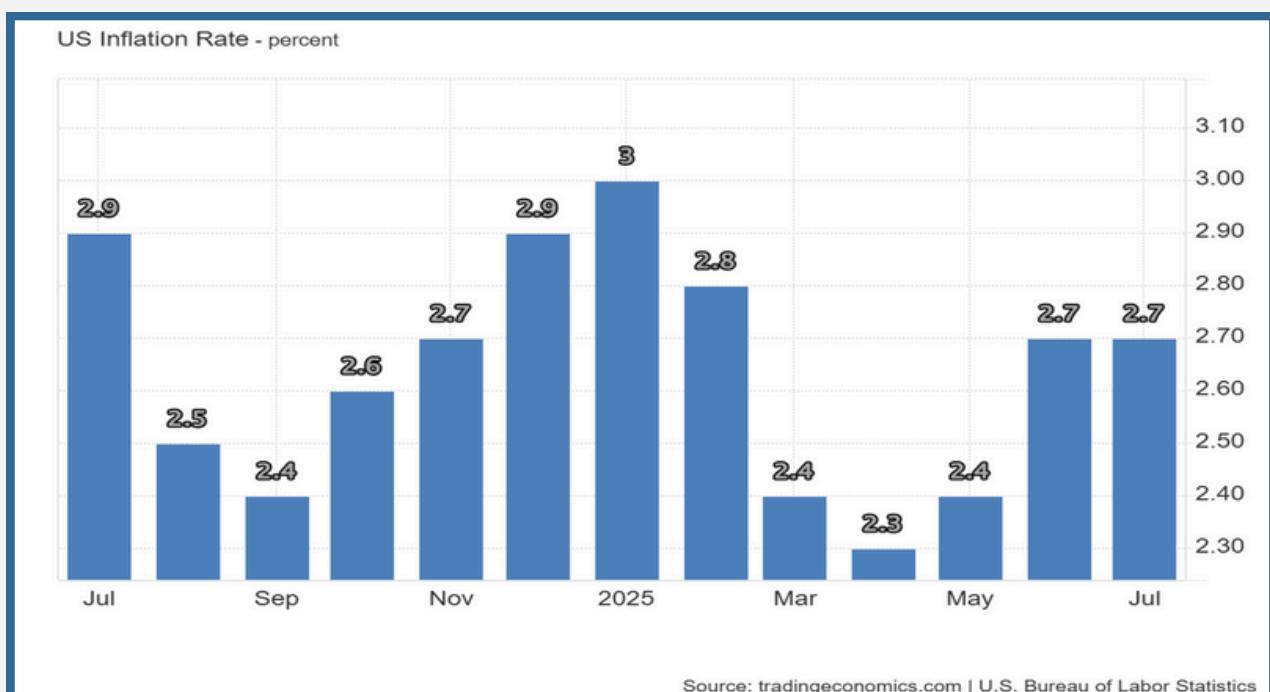
Key Global Equity Markets

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

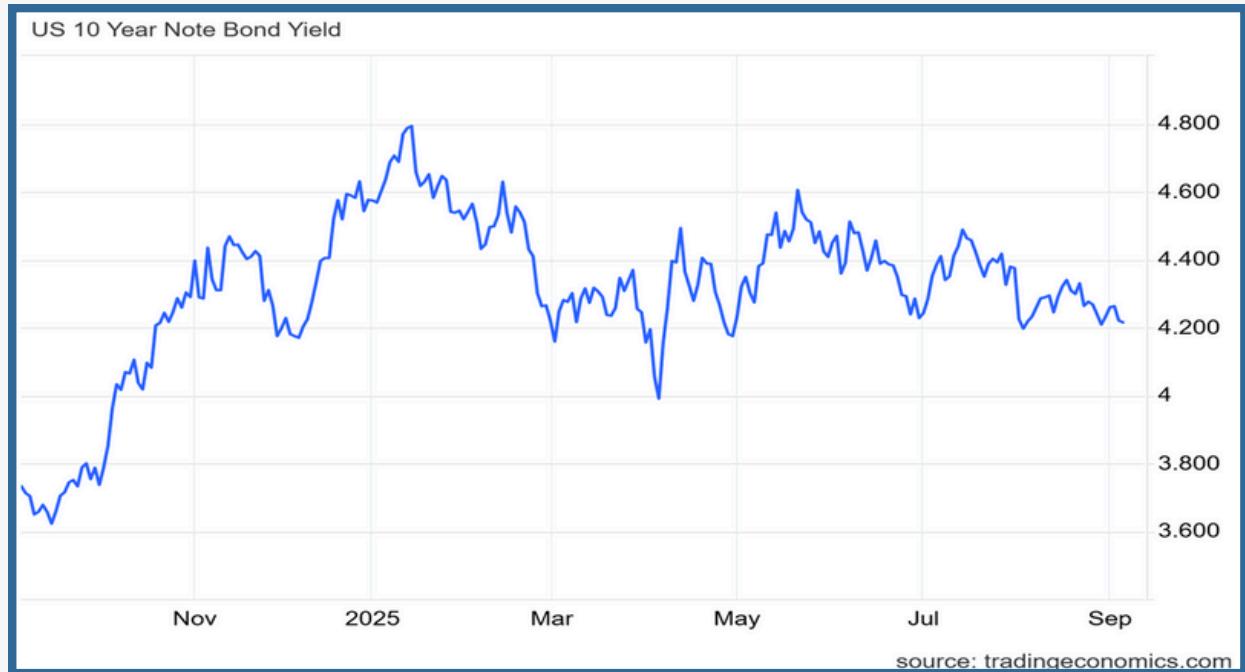
# US GDP-Stable



# Watch Out



# Correcting



## Smell the Coffee

| Commodity | Month  | Year    | Currency Pair | Description       | Month  | Year    |
|-----------|--------|---------|---------------|-------------------|--------|---------|
| Coffee    | 33.95% | 59.41%  | EURUSD        | EURO              | 2.23%  | 5.76%   |
| Uranium   | 7.58%  | -3.28%  | GBPUSD        | British Pound     | 1.83%  | 2.83%   |
| Soyabean  | 7.16%  | 5.82%   | AUDUSD        | Australian Dollar | 1.33%  | -3.45%  |
| Silver    | 7.03%  | 37.72%  | USDINR        | Indian Rupee      | 0.56%  | 5.12%   |
| Gold      | 5.31%  | 37.77%  | USDSGD        | Singapore Dollar  | -0.96% | -1.75%  |
| Palm Oil  | 2.34%  | 10.03%  | USDCNY        | Chinese Yuan      | -1.20% | 0.48%   |
| Sugar     | 0.98%  | -15.70% | USDRUB        | Russian Ruble     | -1.37% | -11.86% |
| Aluminium | 0.50%  | 7.08%   | USDJPY        | Japanese Yen      | -1.52% | 0.54%   |
| Cotton    | -0.92% | -7.89%  | DXY           | Dollar Index      | -2.05% | -3.89%  |
| Copper    | -2.15% | 8.91%   | USDBRL        | Brazilian Real    | -2.56% | -3.24%  |
| Coal      | -4.74% | -23.76% | BTCUSD        | BITCOIN           | -4.03% | 89.73%  |
| Steel     | -4.99% | -2.23%  |               |                   |        |         |
| Brent     | -6.93% | -12.32% |               |                   |        |         |

Commodities

Currencies

# India: At The Receiving End

- ▶ India's 56th GST Council meeting, chaired by Finance Minister Nirmala Sitharaman on Wednesday, approved the most significant overhaul of the Goods and Services Tax (GST) regime since its launch eight years ago. The revised structure transitions to a two-slab system of 5% and 18%, eliminating the 12% and 28% slabs.
- ▶ Prime Minister Modi has made it clear that India's economic, political, and social priorities will not be compromised to satisfy Trump's ego. He has firmly drawn the line on opening India's agriculture and dairy sectors, recognizing the potential political cost. At the same time, he has avoided indulging Trump's bid to claim credit for easing India-Pakistan tensions or his aspirations for a Nobel Peace Prize.
- ▶ The Indian gross domestic product expanded by 7.8% from the previous year in the three months to June of 2025, accelerating from the 7.4% in the previous period to mark the sharpest growth rate in five quarters and beat market expectations of a 6.6% increase.
- ▶ HSBC India Composite PMI rose to 63.2 in August 2025, up from 61.1 in July and marking a 17-year high, despite coming in below the flash estimate of 65.2. The reading also sets a new record for the index, amid a broad-based pick-up in output growth across both manufacturing and services.
- ▶ The Indian government estimates that the newly imposed 50% US tariff will affect exports worth USD48.2 bn.
- ▶ The unemployment rate in India was at 5.2% in July of 2025, dropping sharply from the 5.6% in the previous month, the lowest since the record low of 5.1% from April.
- ▶ S&P Global Ratings revised India's credit rating to 'BBB' from 'BBB-' and changed the outlook to stable from positive on August 14, 2025, citing economic resilience and sustained fiscal consolidation.

# Underperforming

## Indian Equity Benchmark Indices

Performance chart across tenors

|                    | 1 Month | 3 Months | 6 Months | 1 year | 3 yrs<br>(absolute) | 5 Yrs<br>(absolute) |
|--------------------|---------|----------|----------|--------|---------------------|---------------------|
| Nifty 50           | -1.59   | -1.64    | 10.41    | -2.88  | 41.09               | 109.72              |
| Nifty Bank         | -4.56   | -3.4     | 10.99    | 4.89   | 40.18               | 118.79              |
| Nifty Midcap 100   | -3.89   | -3.01    | 16.3     | -5.36  | 80.62               | 220.84              |
| Nifty Smallcap 100 | -5.61   | -3.7     | 17.19    | -10.34 | 81.29               | 193.61              |

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

## Autos Shine, Consumption Returns

### Indian Equity: Sectoral Indices

Performance across Tenors

|                           | 1 Mth | 1 Yr   | 3 Yrs  | 5 yrs  |
|---------------------------|-------|--------|--------|--------|
| Nifty Auto                | 4.49  | -4.07  | 93.7   | 207.71 |
| Nifty Consumption         | 3.28  | 0.15   | 54.84  | 132.52 |
| Nifty FMCG                | 2.28  | -11.12 | 30.76  | 79.63  |
| Nifty Consumer Durable    | 0.35  | -6.42  | 43.69  |        |
| Nifty IT                  | -0.54 | -17.4  | 27.1   | 94.14  |
| Nifty India Manufacturing | -0.84 | -5.69  | 72.74  |        |
| Nifty Media               | -1.57 | -23.67 | -21.02 | -3.49  |
| Nifty Infra               | -2.55 | -5.3   | 75.87  | 172.65 |
| Nifty Metal               | -2.71 | -2.3   | 57.51  | 263.24 |
| Nift PSU Banks            | -2.84 | -3     | 130.83 | 321.78 |
| Nifty Commodities         | -2.95 | -9.25  | 49.25  | 162.52 |
| Nifty Services            | -3.1  | -0.46  | 34.51  | 107.12 |
| Nifty Pvt Bank            | -4.03 | 1.76   | 32.47  | 93     |
| Nifty Fin Services        | -4.24 | 8.42   | 45.01  | 118.15 |
| Nifty Healthcare          | -4.63 | 0.26   | 81.27  |        |
| Nifty Energy              | -5    | -22.96 | 22.07  | 110.63 |
| Nifty Pharma              | -5.5  | -4.69  | 73.8   | 87.6   |
| Nifty Oil & Gas           | -5.73 | -19.58 | 32.07  |        |
| Nifty PSE                 | -5.9  | -19.44 | 120.13 | 247.99 |
| Nifty Realty              | -6.02 | -15.83 | 94.54  | 273.55 |

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

# Index Valuations

| Index                     | Fall from 52 Week Peak | EPS     | Current PE | PB   | Valuation Verdict  |
|---------------------------|------------------------|---------|------------|------|--------------------|
| <b>Nifty 50</b>           | -7.04%                 | 1138.30 | 21.46      | 3.30 | Slightly Expensive |
| <b>Nifty Bank</b>         | -6.89%                 | 3672.50 | 14.61      | 2.00 | Undervalued        |
| <b>Nifty Midcap 100</b>   | -8.53%                 | 1835.00 | 30.37      | 4.10 | Expensive          |
| <b>Nifty Smallcap 100</b> | -12.62%                | 559.50  | 30.79      | 3.80 | Expensive          |

# Index Forward Valuations

| Index                     | 1 Yr Fwd EPS | 1 Yr Fwd PE | 2 Yr Fwd EPS | 2Yr Fwd PE | Valuation Verdict |
|---------------------------|--------------|-------------|--------------|------------|-------------------|
| <b>Nifty 50</b>           | 1252.1       | 19.5        | 1377.3       | 17.7       | Reasonable        |
| <b>Nifty Bank</b>         | 4039.8       | 13.3        | 4443.7       | 12.1       | Undervalued       |
| <b>Nifty Midcap 100</b>   | 2018.5       | 27.6        | 2220.4       | 25.1       | Expensive         |
| <b>Nifty Smallcap 100</b> | 615.5        | 28.0        | 677.0        | 25.4       | Expensive         |

# India Languishes

## US Vs India

Benchmark Equity Indices Comparison

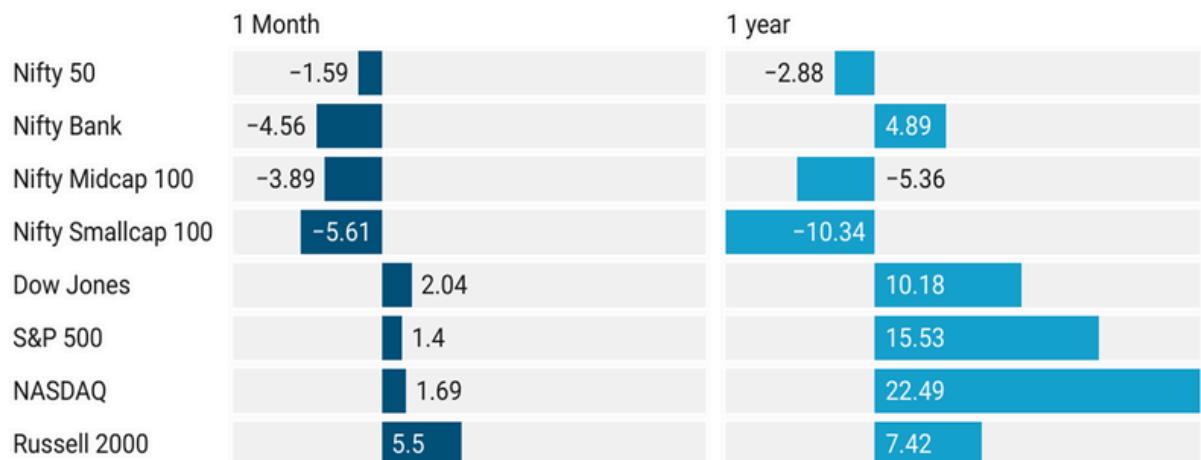
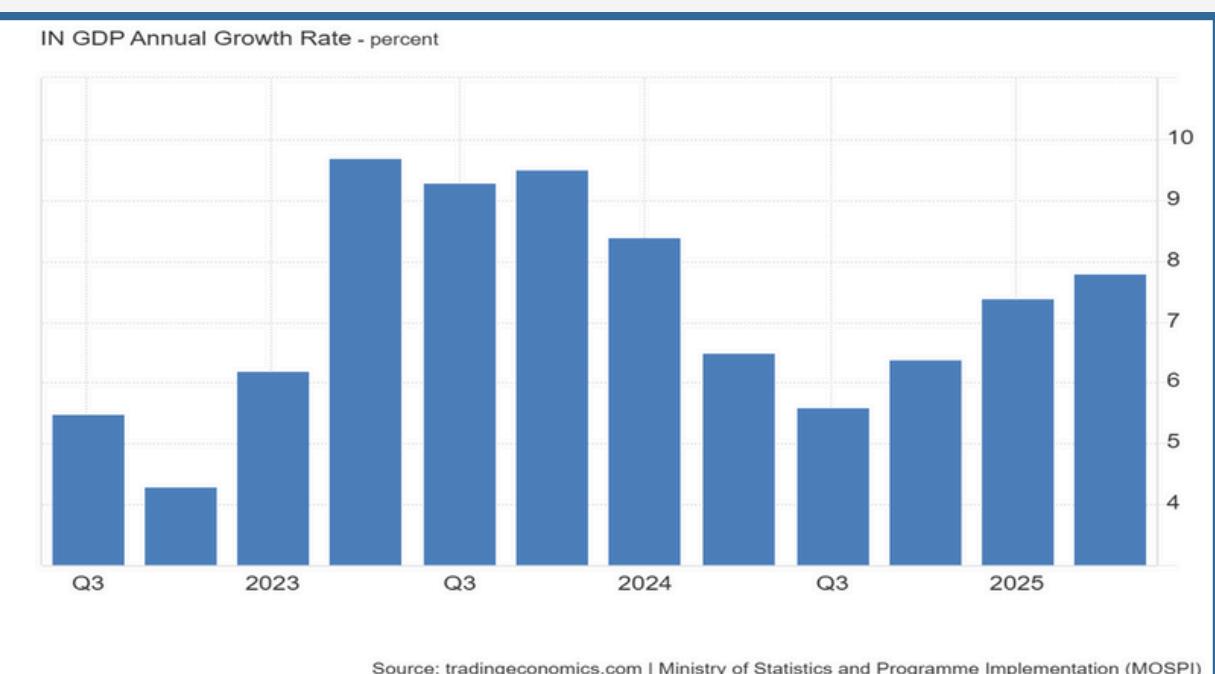
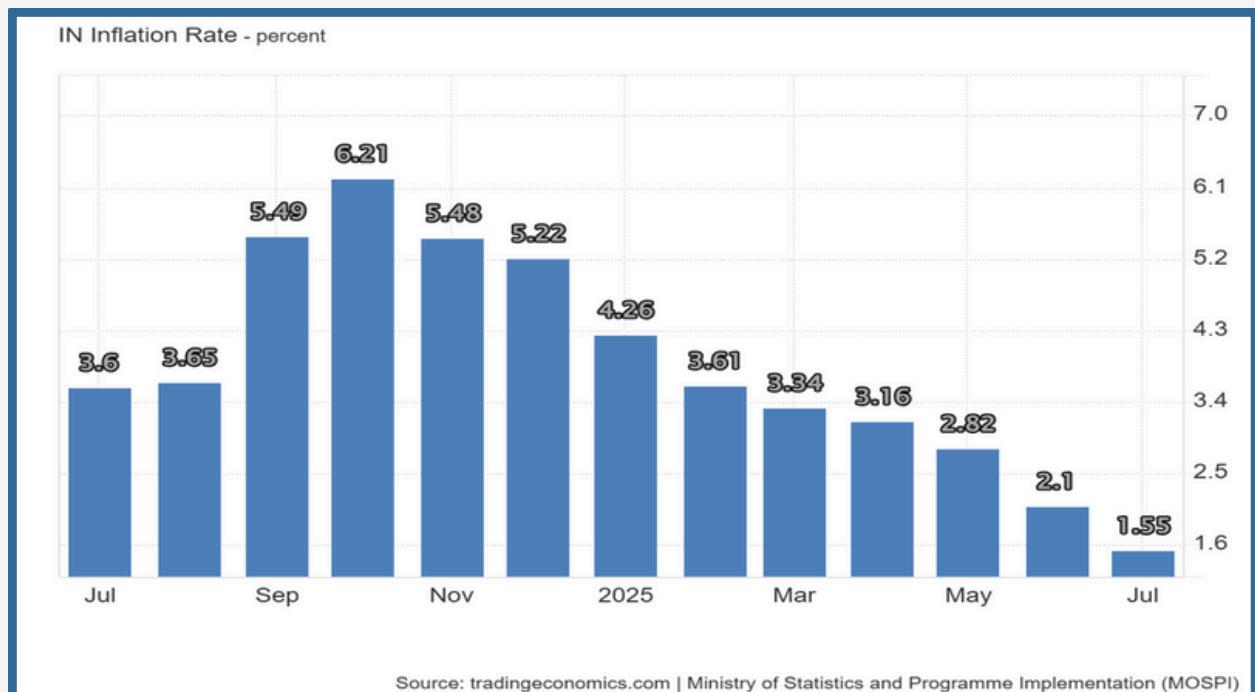


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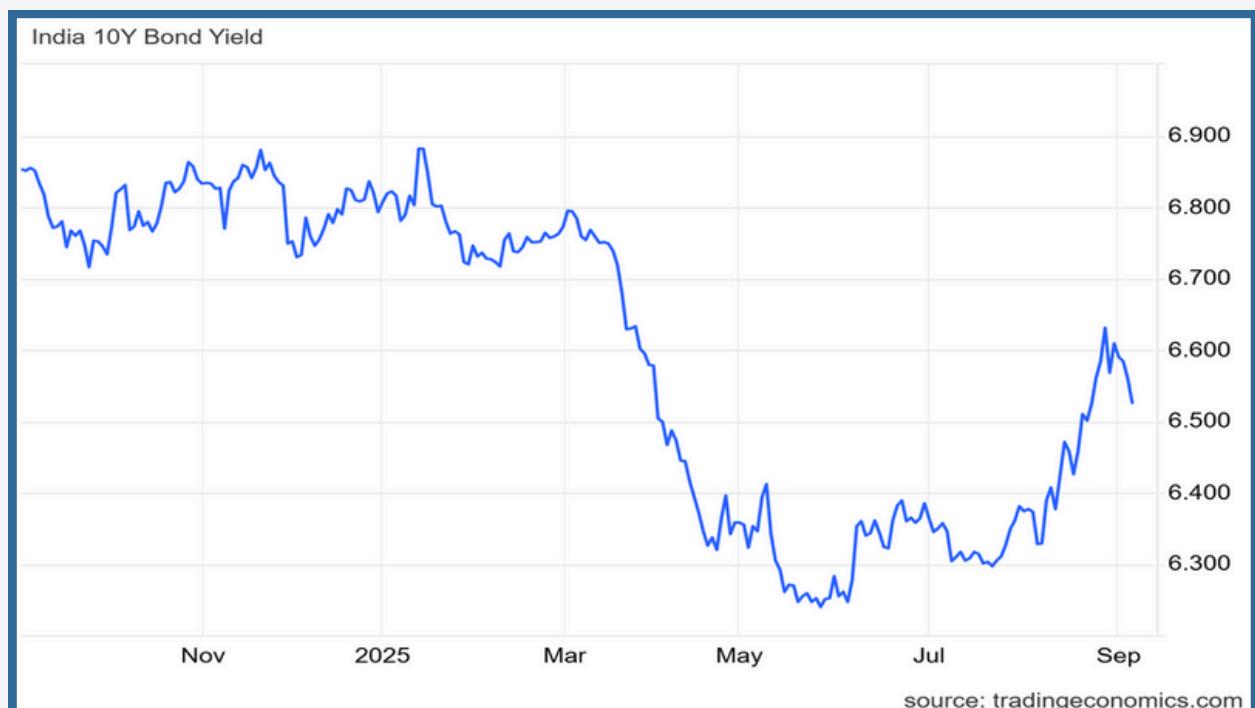
# Surprise Growth



# Tamed



# Rising



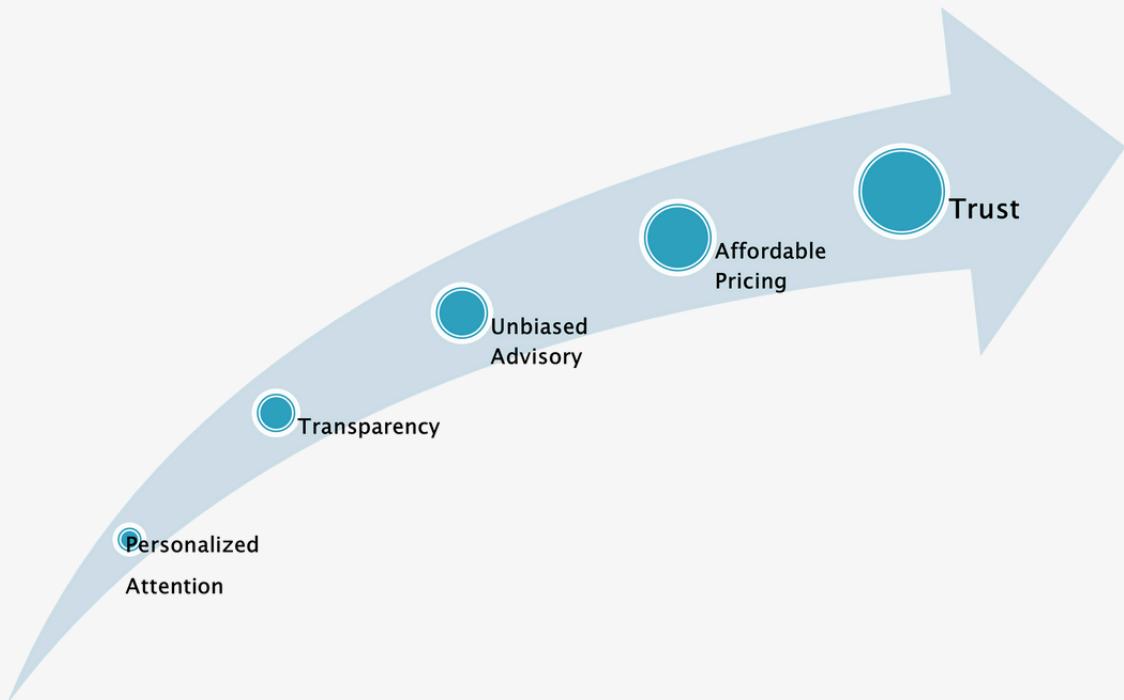
# Indian Rupee Depreciating

| Currency Pair | Description       | Exchange Rate |
|---------------|-------------------|---------------|
| USDINR        | US Dollar         | 88.15         |
| EURINR        | Euro              | 102.85        |
| GBPINR        | British Pound     | 117.13        |
| JPYINR        | Japanese Yen      | 0.6           |
| CNYINR        | Chinese Yuan      | 12.34         |
| AUDINR        | Australian Dollar | 57.54         |
| SGDINR        | Singapore Dollar  | 69.36         |

# Crystal Ball

- ▶ US President Donald Trump, through his narrow strategic lens, has accelerated the ongoing shift in global power from USA to China. This transition of historic magnitude is unfolding right before us with clear geopolitical consequences. His focus on immediate transactional wins, disregard for long term alliances and multilateral agreements have created strategic opening that Beijing is eager to exploit. Trump appears unwilling to acknowledge this transformation, his perception encumbered by personal hubris and reluctance to adapt.
- ▶ We anticipate the American economy will encounter deeper challenges in the years ahead. Trump's economic policies are likely to fuel inflation, while manufacturing is unlikely to meaningfully return home. Eventually, the ballooning national debt could trigger a severe economic fallout. The U.S. dollar may struggle to maintain its status as the world's reserve currency, and pressure on U.S. Treasuries is expected to rise as countries increasingly diversify into alternative assets like gold, reflecting declining confidence in the U.S. economy and its leadership.
- ▶ Trump's criticism of India's economy and his targeting of New Delhi over Russian oil imports have pushed Modi closer to Russia and China. This shift risks undermining Washington's long-term strategy of positioning India as a counterbalance to China, a carefully built plan, that now appears to be unraveling rapidly.
- ▶ India has also introduced a series of economic reforms this year aimed at pushing growth back to 8% or higher. Inflation remains under control for now, but the real challenge lies in reviving momentum. The government began with tax cuts in the budget, followed by RBI's rate reductions, and has now moved to rationalize GST rates through further cuts. Together, these measures are expected to boost consumption, lift demand, and reignite the animal spirits of the Indian economy.
- ▶ We expect India to outperform other major and comparable economies in the coming years. A fresh wave of economic reforms aimed at improving ease of doing business, strengthening global partnerships, and accelerating growth is on the horizon. Combined with India's core strengths—its favorable demographics, vibrant democracy, and rapid digital adoption—these reforms are set to usher in a golden era, creating lasting benefits for both the Indian population and stock market investors.

# 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

 [gauravgoelria@gmail.com](mailto:gauravgoelria@gmail.com)

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