



MONTHLY MACRO REVIEW

July 2025

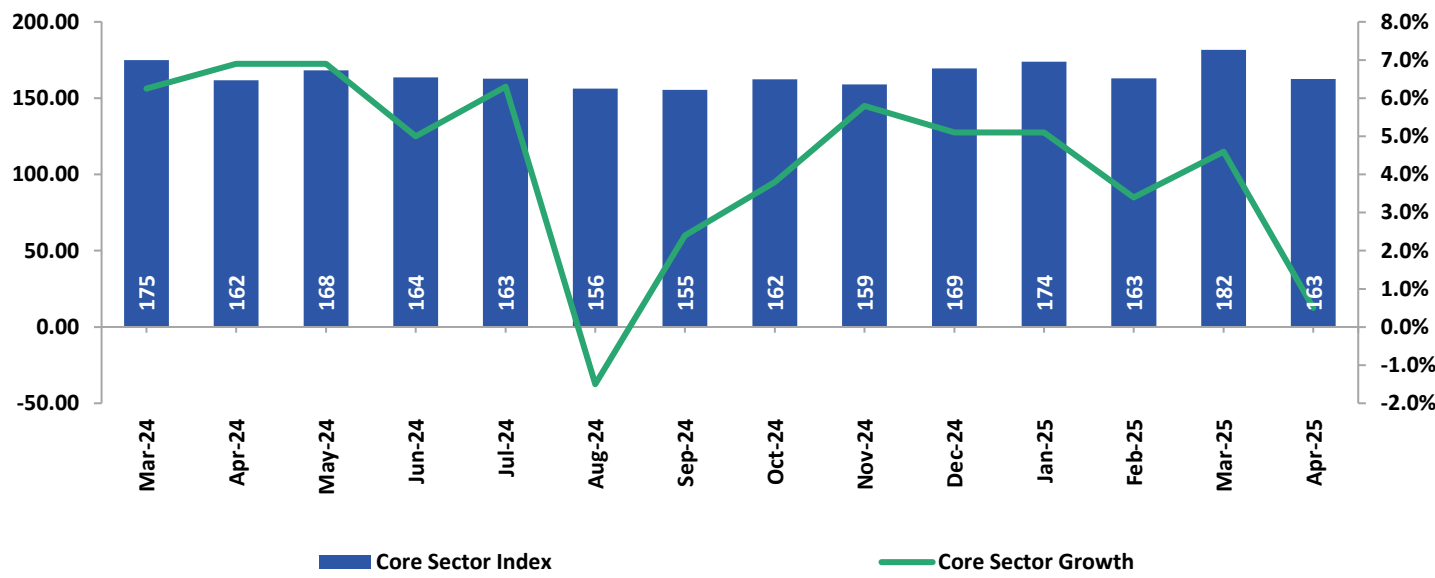
BONANZA WEALTH



CORE SECTOR

The Index of Eight Core Industries (ICI) registered an increase of 0.7% in May-25, marking a nine-month low. Core sector output contributes 40.27% to the Index of Industrial Production (IIP). Notably, four out of eight key industries experienced growth in May-25. Positive output growth was recorded in Coal (2.8%), Refinery Products (1.1%), Steel (6.7%) and Cement (9.2%). However, contractions were observed in Crude Oil (-1.8%), Natural Gas (-3.6%), Fertilizers (-5.9%) and Electricity (-5.8%).

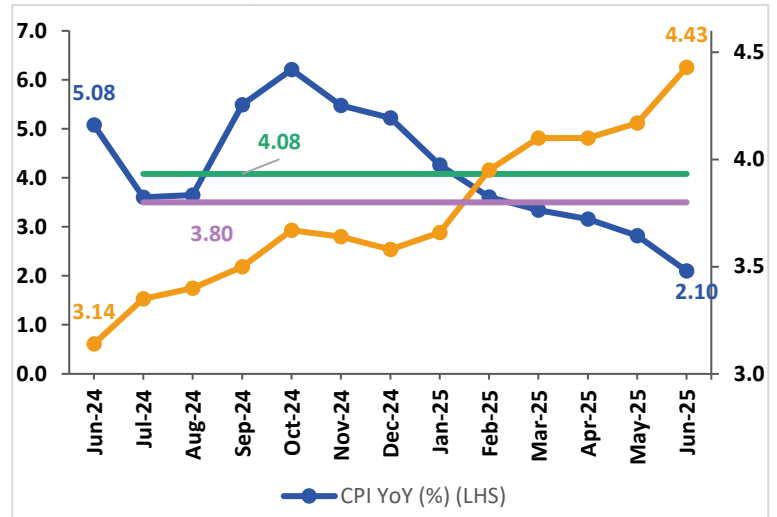
The latest core sector print recorded an increase of 1.7% (Provisional) in Jun-25, marking a three-month high. The ICI print for May-25 was revised upward to 1.2% respectively, from earlier estimates of 0.5% and 0.7%. Meanwhile the final print for Mar-25 stood at 4.5%. Among the eight industries, three registered growth in Jun-25. Positive output growth was recorded in Refinery Products (3.4%), Steel (9.3%) and Cement (9.2%). On the other hand, contractions were observed in Coal (-6.8%), Crude Oil (-1.2%), Natural Gas (-2.8%), Fertilizers (-1.2%) and Electricity (-2.8%).



The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Jun-25 stood at 1.3% (Provisional). The sustained momentum in steel and cement signals to the ongoing infrastructure and construction activity, but a broader core sector revival will likely depend on private sector participation and demand visibility across sectors.

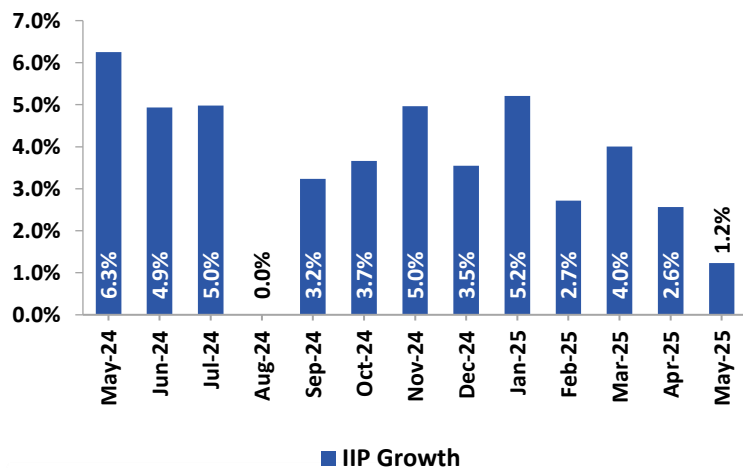
CPI INFLATION

Consumer Price Index (CPI) eased to 2.10% (provisional) in Jun-25, compared to 2.82% (final) recorded in May-25. This marks the lowest CPI reading in 6 years and low since Jan-19. This significant decline was largely driven by a sharp fall in food prices, with food inflation contracting by 1.06% in Jun-25, as compared to 0.99% in May-25. The easing food inflation has provided meaningful relief to households, particularly in rural areas where headline inflation softened to 1.72% in Jun-25 from 2.59% in May-25. Deflation in vegetables (-19.00%), pulses (-11.76%) and spices (-3.03%), further continued the trend. However, inflation remained elevated in oils and fats (17.75%), personal care (14.76%), and fruits (12.59%) indicating that some items are still experiencing high price pressures. Fuel and light inflation softened slightly to 2.55% in Jun-25 from 2.84% in May-25. Core inflation saw a marginal uptick to 4.43% in Jun-25, suggesting sticky underlying price pressures. This easing largely reflects a strong wheat harvest, increased pulse production and a favourable monsoon. The continued moderation in headline inflation offers the Reserve Bank of India more room to maintain or continue relaxing its monetary policy, after its outsized rate cut of 50 basis points in Jun-25.



IIP GROWTH

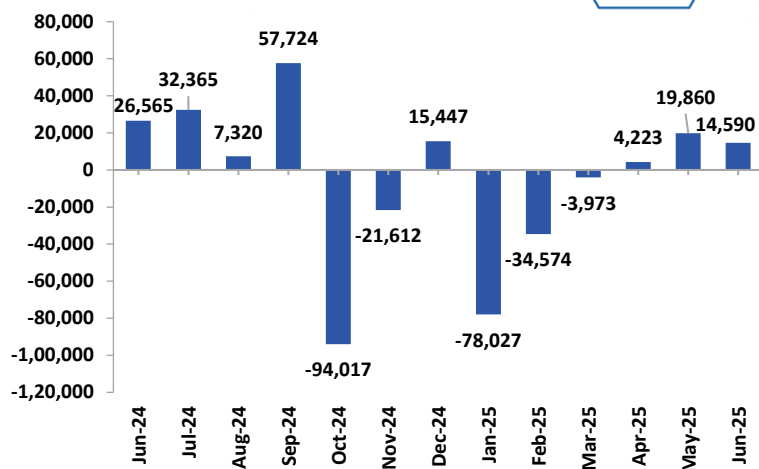
India's industrial production slipped to a 9-month low of 1.2% (Provisional) in May-25, down from 2.6% (Final) in Apr-25 dragged by contraction in electricity and mining. Manufacturing, which forms nearly 78% of the index, posted a slower growth of 2.6% in May-25 as compared to 3.1% recorded in Apr-25. Mining and Electricity activities contracted by (0.1%) and (5.8%) in May-25. Unseasonal rains and lower than normal temperatures marked the key reasons for the impact on electricity and mining. Among the 23 manufacturing sub-sectors, 13 recorded YoY growth led by Machinery and Equipment (11.8%), Other non-metallic mineral products (6.9%), and Basic Metals (6.4%). On the other hand, Leather and Related products (-4.9%), Chemical and Chemical products (-4.8%), and Paper and Paper products (-4.1%) observed YoY decline, pointing to sector specific constraints. Within the use-based classification, three out of six categories experienced positive growth under which Capital Goods (14.1%) were a standout performer followed by Infrastructure/Construction Goods (6.3%), and Intermediate Goods (3.5%). Meanwhile, YoY declines were witnessed in Consumer Non-Durables (-2.4%), Primary Goods (-1.9%) and Consumer Durables (-0.7%). Overall, while capital-intensive segments remain resilient, weakness in consumer demand and utilities suggests caution for near-term industrial growth.



FPI FLOWS

Foreign Portfolio Investors (FPIs) were net buyers of Rs 14,590 crore in Jun-25 as against Rs 19,860 crore recorded in May-25. This marked the third straight month of positive net equity inflows in 2025. Notably, foreign investors infused nearly Rs 13,107 crore between 23rd-27th June. Meanwhile, the debt segment witnessed a decline registering a net outflows of Rs 22,154 crore as against net inflows recorded of Rs 11,089 crore in May-25. The uptick in FPI flows was likely driven by strong domestic macroeconomic indicators, renewed global risk appetite amid continued geopolitical uncertainties.

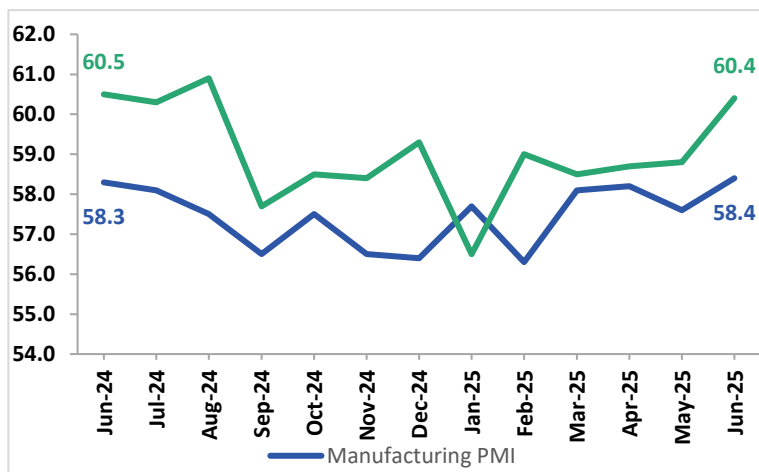
Sector-wise inflows were recorded in Financial Services (Rs 8,946 crore), Oil & Gas (Rs 6,137 crore) and Automobile (Rs 4,724 crore). Major outflows were observed in Power (Rs 6,311 crore), FMCG (Rs 3,985 crore), and Consumer Durables (Rs 2,493 crore). Automobile sector witnessed major inflows of Rs 5,020 crore in the second half of Jun-25, offsetting the Rs 296 crore outflows witnessed in the first half. Looking ahead, in the near term, FPI flows are expected to remain choppy on account of tariff deadline developments, Q1 earnings season, and volatility in the key US economic data.



PMI INDICATORS

India's private sector economy recorded a strong performance in Jun-25, with both manufacturing and services sector expanding at an accelerated pace. The Manufacturing PMI rose to a 14-month high of 58.4 in Jun-25 compared to 57.6 in May-25 which was supported by faster increases in new orders, output and international sales. Export demand saw one of its sharpest upturns since the survey began in 2005 alongside a record upturn in employment. International sales saw a remarkable rise with export business at the highest since the data started to be collected in Sep-14.

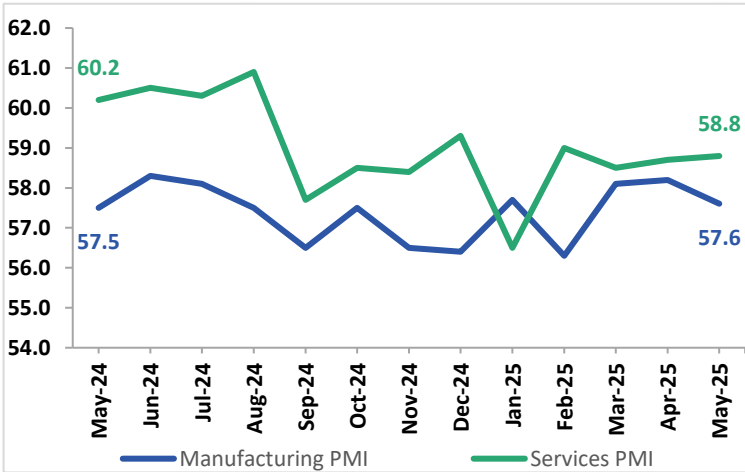
The Services PMI registered 60.4 in Jun-25 as compared to 58.8 in May-25, marking a 10-month high. Growth was recorded in new orders and output, supported by firm domestic demand and exports, although hiring slowed slightly compared to the previous month. As a result, the Composite Output Index rose to 61.0 in Jun-25 from 59.3 in May-25, marking the fastest rate of expansion in 14 months. Overall, the PMI numbers paint a positive picture of India's private sector with businesses staying upbeat amid strong demand and growing confidence.



GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections declined by 6.2% YoY in Jun-25 to Rs 1,84,597 crore, witnessing an 8.2% MoM decline. According to the Government data, gross GST revenue from domestic transactions grew by 4.6% YoY to Rs 1,38,906 crore, while revenue from imported goods increased by 11.4% YoY, reaching to Rs 45,690 crore. Gross GST collections comprised CGST of Rs 34,558 crore, SGST of Rs 43,268 crore, IGST of Rs 93,280 crore and Cess of Rs 13,491 crore. After adjusting for refunds, the net GST revenue for Jun-25 amounted to Rs 1,59,106 crore, reflecting a 3.3% YoY growth. For FY26 so far, the gross GST revenue reached Rs 6,22,363 crore, recording an 11.8% YoY rise, while net collections after refunds stood at Rs 5,42,553 crore, marking a 10.7% YoY growth. The slowdown in GST collections was primarily due to softer collections recorded from domestic transactions, indicating moderation in economic activities.

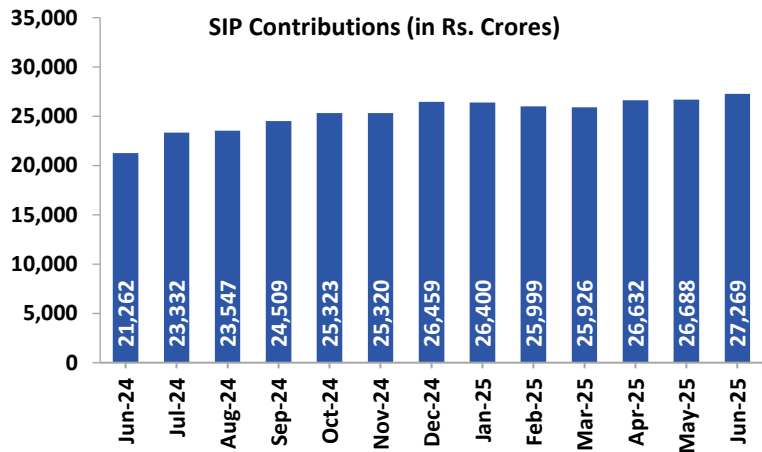
Maharashtra led the states in GST collections with Rs. 30,553 crore, registering a 6% YoY increase. Karnataka followed with Rs 13,409 crore. Gujarat secured the third position with Rs 11,040 crore, while Tamil Nadu and Haryana collected Rs 10,676 crore and Rs 9,959 crore, respectively.



RETAIL PARTICIPATION

The Indian Mutual Fund industry experienced a strong momentum in Jun-25 with total net inflows rising to Rs 49,095 crore from net inflows of Rs 29,108 crore in May-25. Open-ended mutual funds maintained a strong positive streak for the 52nd consecutive month. In Jun-25, inflows into equity mutual funds amounted to Rs 23,587 crore, reflecting a 24.06% rise. SIP inflows during Jun-25 scaled a new high of Rs 27,269 crore, highlighting growing investor confidence. The industry's net asset under management (AUM) amounted to Rs 74.40 lakh crore. Marking new record highs. The open-ended equity fund category saw upside across various categories with large caps witnessing an 35.50% MoM rise to Rs 1,694 crore, while mid-caps and small-caps registered a 33.67% MoM and 25.21% MoM rise respectively.

Debt funds observed a total redemption of Rs 1,711 crore in Jun-25 compared to the redemptions in May-25 of Rs 15,908 crore. The highest redemptions were recorded in liquid funds at Rs 25,196 crore and overnight funds at Rs 8,154 crore. The industry continues to gain momentum due to growth in investor sentiment backed by solid participation and resilient SIP participation.





Name
Jainam Doshi

Designation
Research Analyst

Disclosure: M/s. Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect viewpoint with subject to companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The Analysts engaged in preparation of this Report or his/her relative: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report. The Analysts engaged in preparation of this Report:- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

M/s. Bonanza Portfolio Ltd is a registered Research Analyst under the regulation of SEBI, the year 2014. The Regn No. INH100001666 and research analyst engaged in preparing reports is qualified as per the regulation's provision.

Disclaimer: This research report has been published by M/s. Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza Portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however, this data is representation of one of the support documents among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of M/s. Bonanza portfolio Ltd shall be liable. Research report may differ between M/s. Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the Subject Company or third party in connection with the research report.

M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site:

<https://www.bonanzaonline.com>

Research Analyst Regn No. INH100001666

SEBI Regn. No.: INZ000212137

BSE /NSE/MCX: |CASH| DERIVATIVE| CURRENCY DERIVATIVE | COMMODITY SEGMENT|

| CDSL: | 120 33500 | NSDL: | IN 301477 || PMS: INP 000000985 | AMFI: ARN -0186