



**MAY 2025**

# **THE INDIA FLIPBOOK**

By Capitalmind Mutual Fund

MAY 2025

# Capitalmind's India flipbook

As inflation cools to its lowest level since 2016 and credit dynamics shift in response to regulatory nudges, we unpack what the numbers really mean beneath the surface.

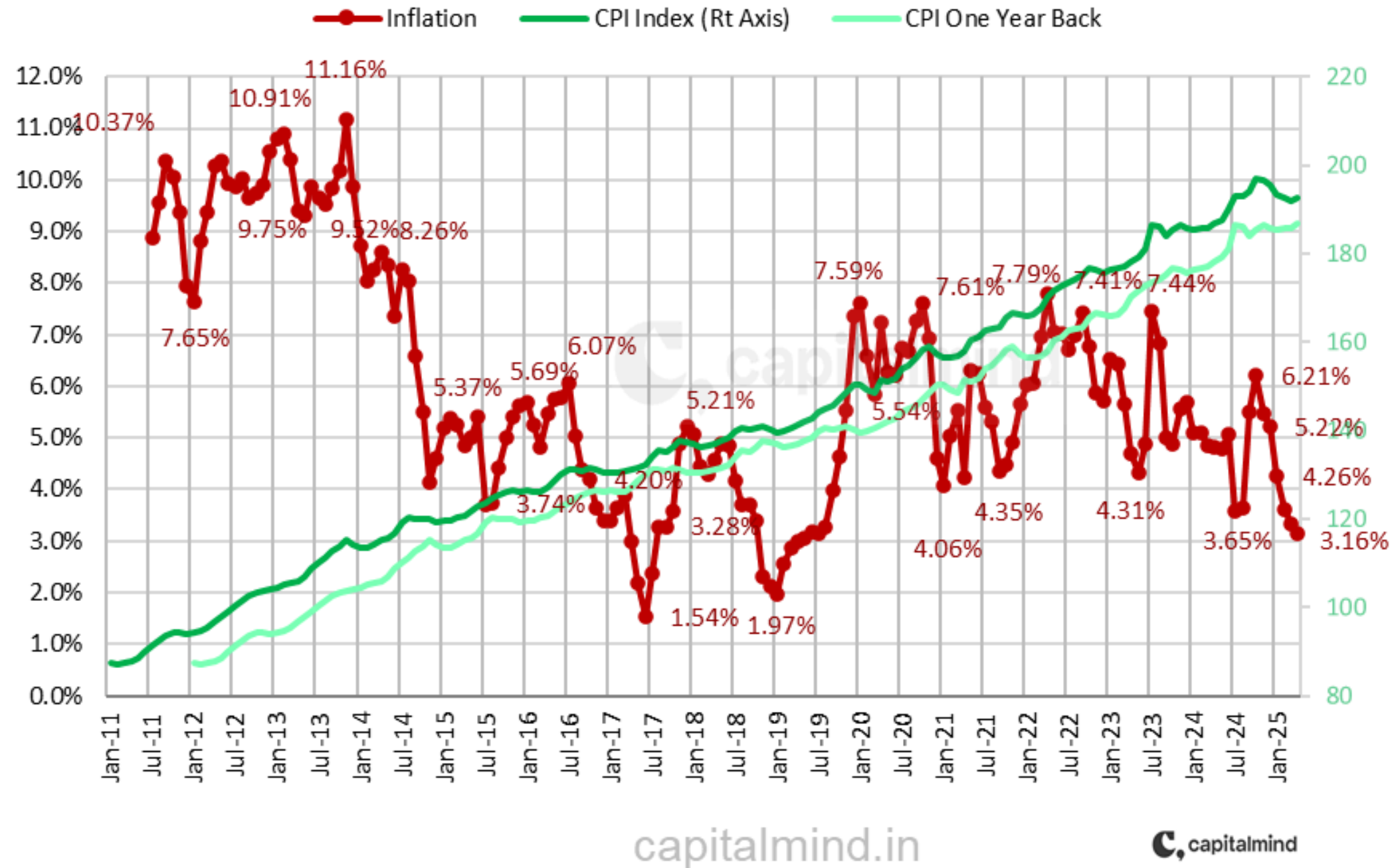
From the RBI's gold-buying pivot and the reconfiguration of household debt, to the resilience of Indian markets amid geopolitical tremors, this Flipbook connects the dots across charts, trends, and macro signals



# INFLATION



## Consumer Price Index based Inflation

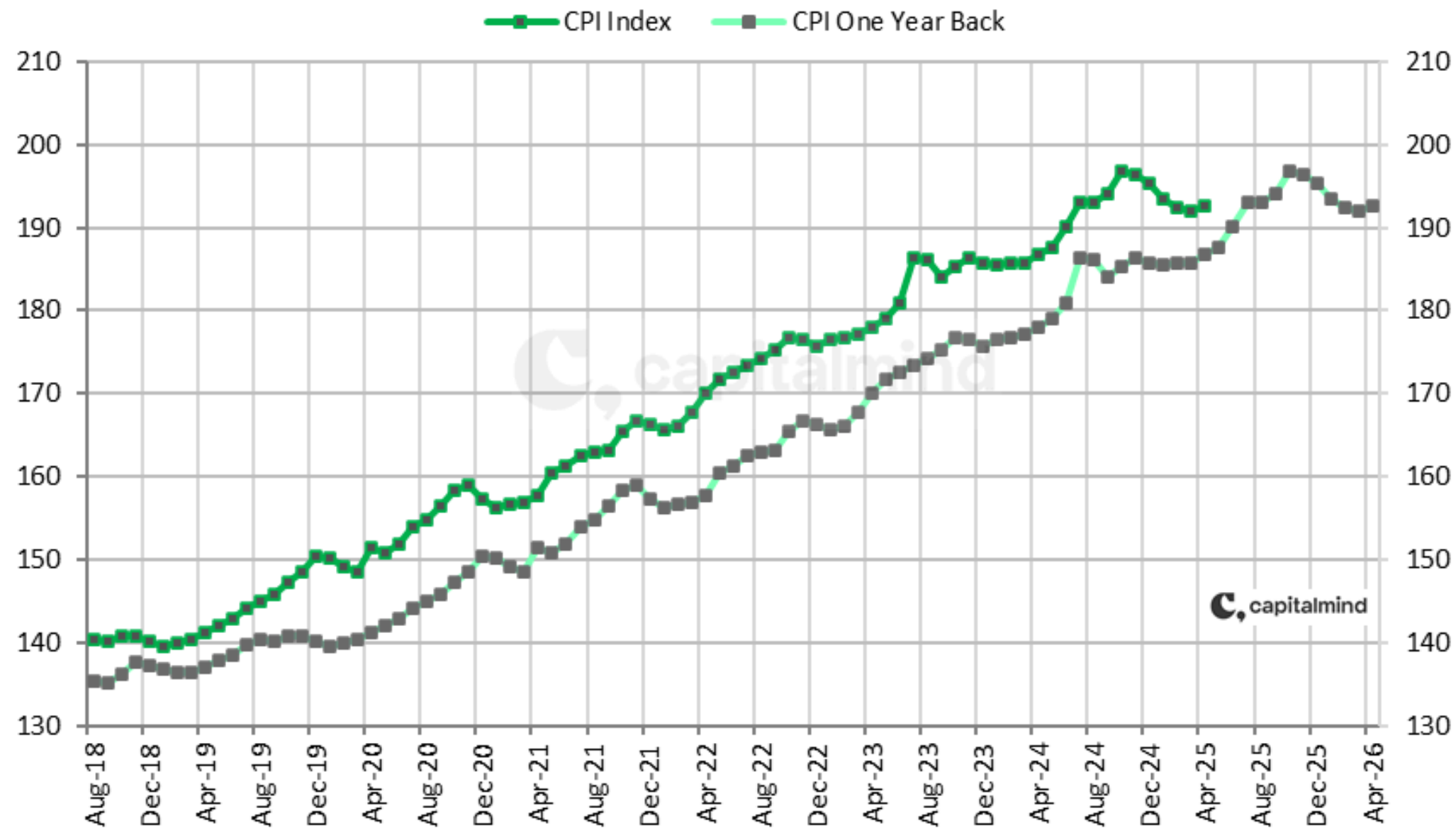


## CPI Falls Further to 3.16%!

Economy continues to slow down and this is the lowest level since July 2016. Easing conditions is very much the need of the hour.

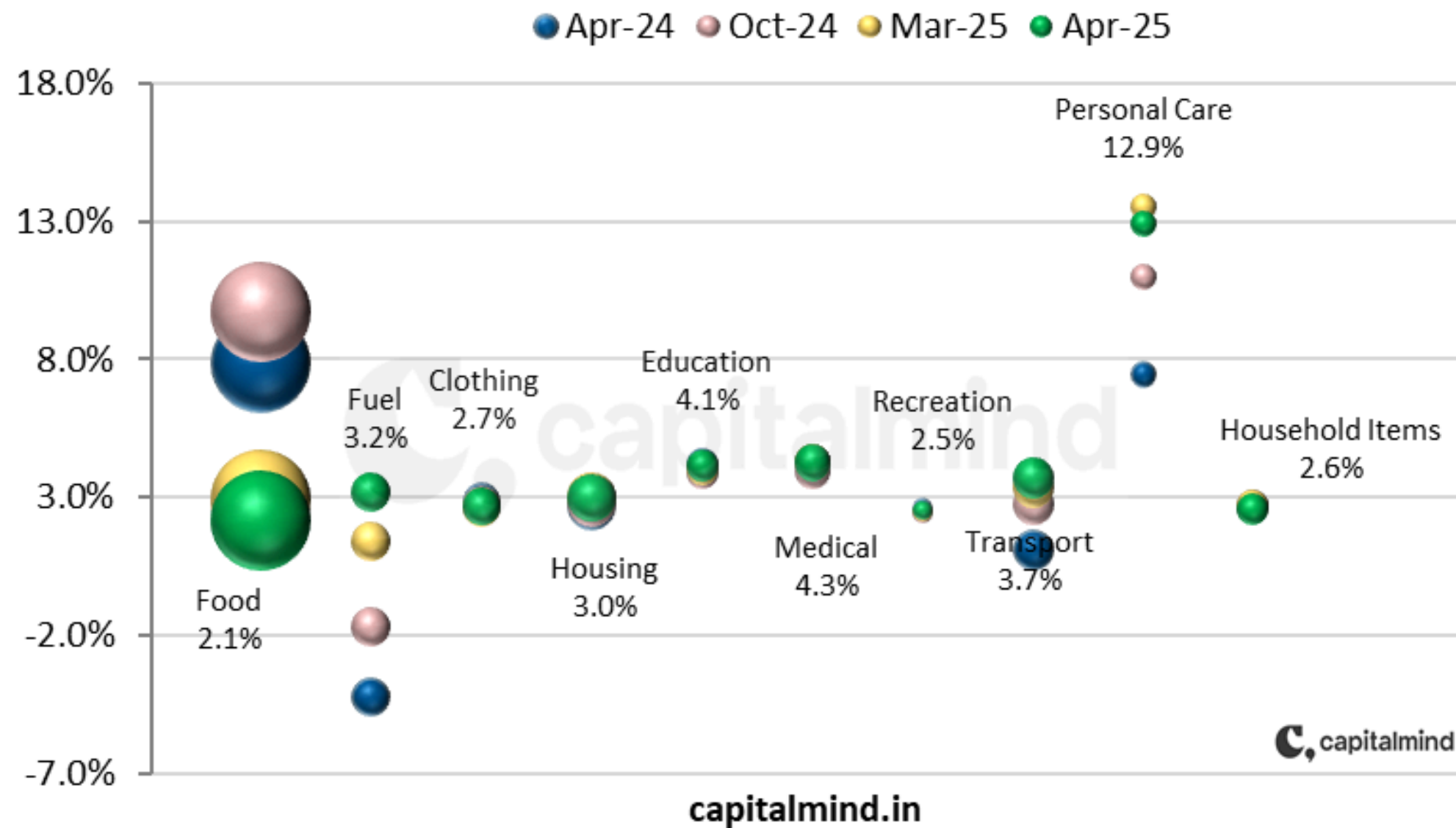


## Consumer Price Index based Inflation



**Falling CPI On a Higher Base From Last Year**

## CPI Components - YoY Change

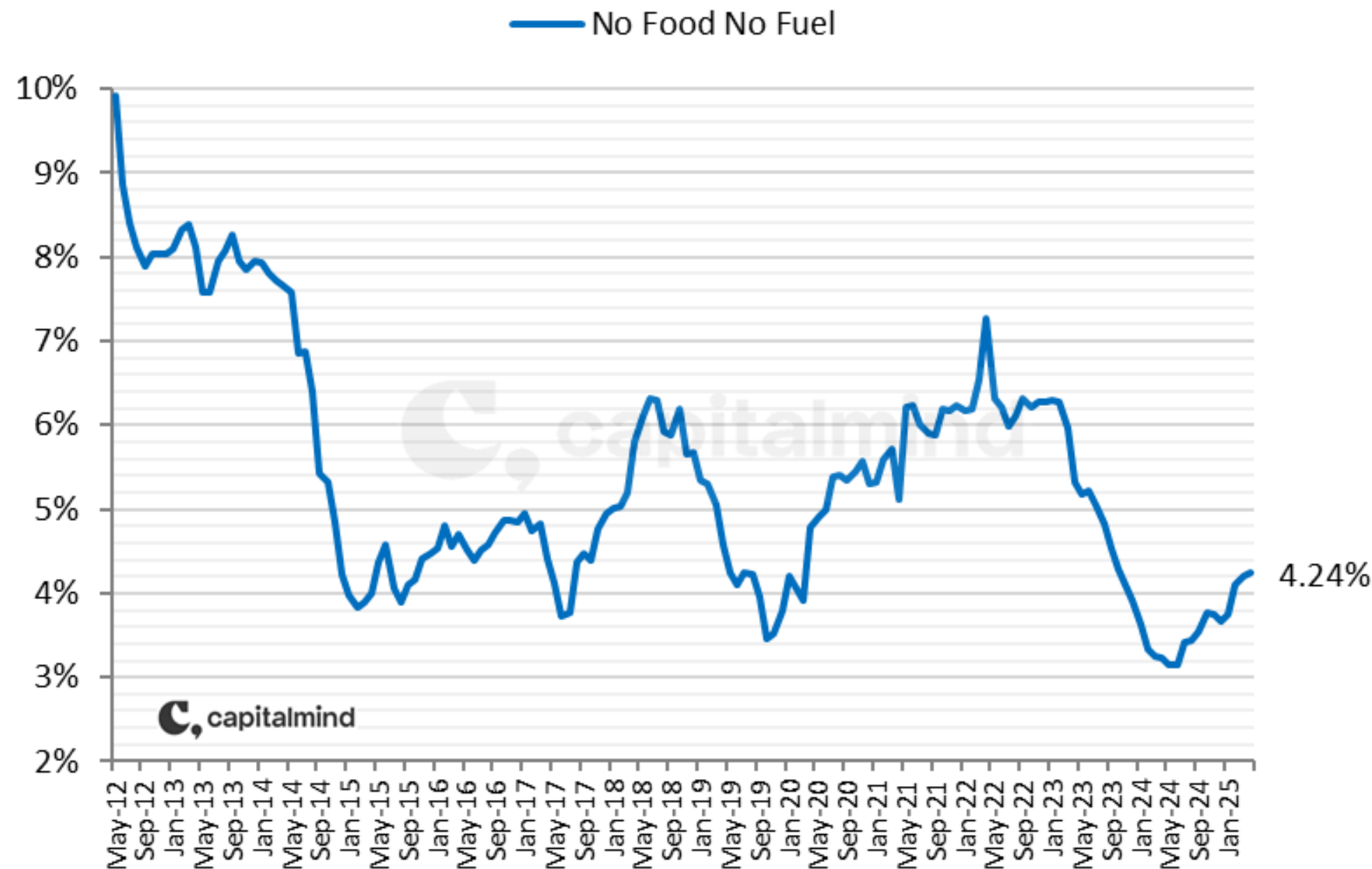


## Fuel Inflation Highest in Recent Months Despite Oil Treading Lower Prices

Food has moderated, everything else is more or less in line with a downward trajectory.



## "Core" CPI



## Core CPI Inches Upto 4.24%, Shows Signs of Flattening

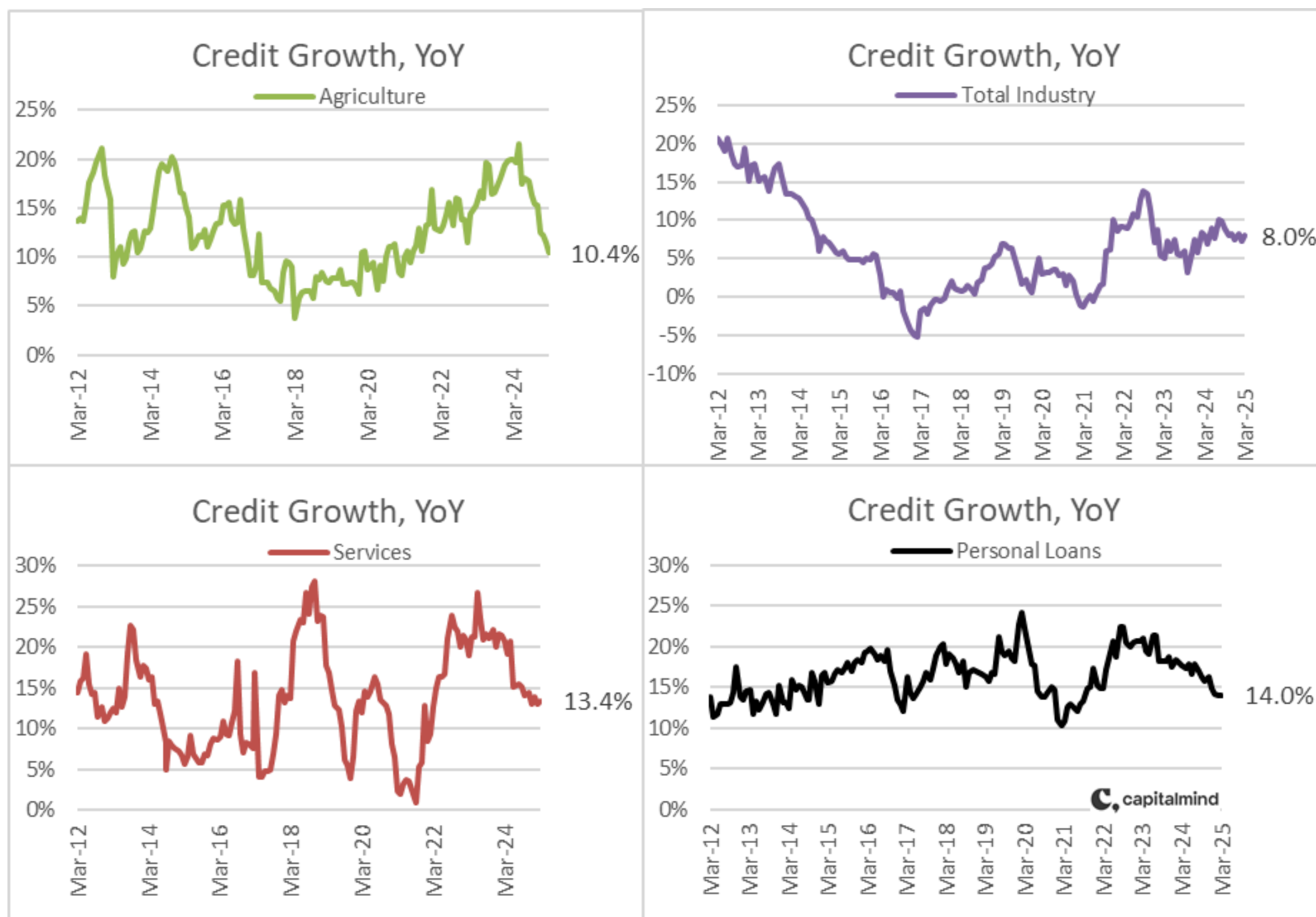
Core CPI (no-food, no-fuel) which was the major inflator in last few months, is showing signs of flattening. As an indicator of how much inflation is embedded that is difficult to reverse, this is a good sign.

Inflation in India	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24	Jul-24	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24
CPI Index	3.2%	3.3%	3.6%	4.3%	5.2%	5.5%	6.2%	5.5%	3.7%	3.6%	5.1%	4.8%	4.8%	4.9%	5.1%	5.1%
Food, beverages and tobacco	2.1%	2.9%	3.8%	5.7%	7.7%	8.2%	9.7%	8.4%	5.3%	5.1%	8.4%	7.9%	7.9%	7.7%	7.8%	7.6%
Cereals and products	5.3%	5.9%	6.1%	6.2%	6.5%	6.9%	6.9%	6.8%	7.3%	8.1%	8.8%	8.7%	8.6%	8.4%	7.7%	7.8%
Meat and fish	-0.3%	0.3%	2.1%	5.3%	5.3%	4.7%	3.2%	2.6%	4.3%	5.9%	5.4%	7.3%	8.2%	6.4%	5.2%	1.2%
Egg	0.9%	-3.1%	-3.0%	1.2%	6.9%	4.8%	4.9%	6.4%	7.1%	6.8%	4.1%	7.7%	7.1%	10.3%	10.7%	5.6%
Milk and products	2.7%	2.6%	2.7%	2.8%	2.8%	2.9%	3.0%	3.0%	2.9%	3.0%	3.0%	2.6%	3.0%	3.4%	3.9%	4.6%
Oils and fats	17.4%	17.1%	16.4%	15.6%	14.6%	13.3%	9.6%	2.5%	-0.9%	-1.1%	-2.7%	-6.7%	-9.4%	-11.7%	-14.0%	-15.0%
Fruits	13.8%	16.3%	14.8%	12.1%	8.6%	7.7%	8.4%	7.6%	6.5%	3.8%	7.2%	6.7%	5.2%	3.0%	4.8%	8.7%
Vegetables	-11.0%	-7.0%	-1.1%	11.4%	26.6%	29.4%	42.2%	36.0%	10.7%	6.8%	29.3%	27.4%	27.8%	28.3%	30.2%	27.0%
Pulses and products	-5.2%	-2.7%	-0.3%	2.5%	3.8%	5.4%	7.4%	9.8%	13.6%	14.8%	16.1%	17.1%	16.8%	17.8%	18.9%	19.5%
Sugar and confectionery	4.7%	3.9%	2.2%	0.2%	0.2%	1.3%	2.6%	3.5%	4.7%	5.2%	5.8%	5.7%	5.9%	7.3%	7.5%	7.5%
Spices	-3.4%	-4.9%	-5.8%	-6.9%	-7.4%	-7.4%	-7.0%	-6.1%	-4.4%	-1.4%	2.1%	4.3%	7.8%	11.4%	13.5%	16.4%
Non-alcoholic beverages	4.4%	4.1%	3.7%	3.4%	3.0%	2.7%	2.7%	2.6%	2.4%	2.2%	2.4%	2.4%	2.6%	2.8%	3.0%	3.3%
Prepared meals and snacks	4.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.7%	3.6%	3.5%	3.5%	3.4%	3.3%	3.5%	3.6%	3.7%	4.0%
Pan, tobacco, intoxicants	2.1%	2.5%	2.4%	2.3%	2.5%	2.3%	2.5%	2.5%	2.7%	3.0%	3.1%	3.0%	3.0%	3.1%	3.1%	3.3%
Clothing and footwear	2.7%	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.9%	3.0%	3.1%	3.4%
Clothing	2.7%	2.7%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.9%	3.1%	3.2%	3.4%
Footwear	2.1%	2.0%	2.0%	2.1%	2.1%	2.2%	2.1%	2.0%	2.1%	2.0%	2.1%	2.2%	2.4%	2.6%	2.6%	2.9%
Housing	3.0%	3.0%	2.9%	2.8%	2.7%	2.9%	2.8%	2.7%	2.7%	2.7%	2.7%	2.6%	2.7%	2.7%	2.9%	3.2%
Fuel and light	3.2%	1.4%	-1.3%	-1.5%	-1.3%	-1.8%	-1.7%	-1.3%	-5.3%	-5.5%	-3.6%	-3.7%	-4.2%	-3.4%	-0.8%	-0.6%
Miscellaneous	5.0%	5.0%	4.8%	4.3%	4.2%	4.3%	4.3%	4.0%	3.9%	3.8%	3.4%	3.4%	3.5%	3.5%	3.6%	3.8%
Household goods and services	2.6%	2.7%	2.8%	2.9%	2.8%	2.8%	2.7%	2.5%	2.4%	2.3%	2.4%	2.5%	2.7%	2.7%	2.8%	3.1%
Health	4.3%	4.3%	4.1%	4.0%	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%	4.1%	4.2%	4.3%	4.3%	4.5%	4.8%
Transport and communication	3.7%	3.4%	2.9%	2.8%	2.6%	2.7%	2.8%	2.7%	2.7%	2.6%	1.0%	1.0%	1.1%	1.5%	1.8%	2.0%
Recreation and amusement	2.5%	2.5%	2.7%	2.7%	2.7%	2.6%	2.4%	2.4%	2.4%	2.2%	2.3%	2.6%	2.6%	2.8%	2.7%	2.9%
Education	4.1%	4.0%	3.8%	3.8%	3.9%	3.9%	3.9%	3.8%	3.9%	3.5%	3.6%	4.1%	4.2%	4.7%	4.8%	4.9%
Personal care and effects	12.9%	13.5%	13.6%	10.6%	9.8%	10.4%	11.0%	9.0%	8.0%	8.4%	8.2%	7.7%	7.4%	6.0%	5.2%	5.9%
Core CPI (minus food&fuel)	4.2%	4.2%	4.1%	3.8%	3.7%	3.7%	3.8%	3.6%	3.4%	3.4%	3.1%	3.1%	3.2%	3.2%	3.3%	3.6%
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# Inflation Moodboard

Everything has an improving trajectory including Personal Care. Vegetables have seen deflation in the last few months, but fruits still see double digit numbers.





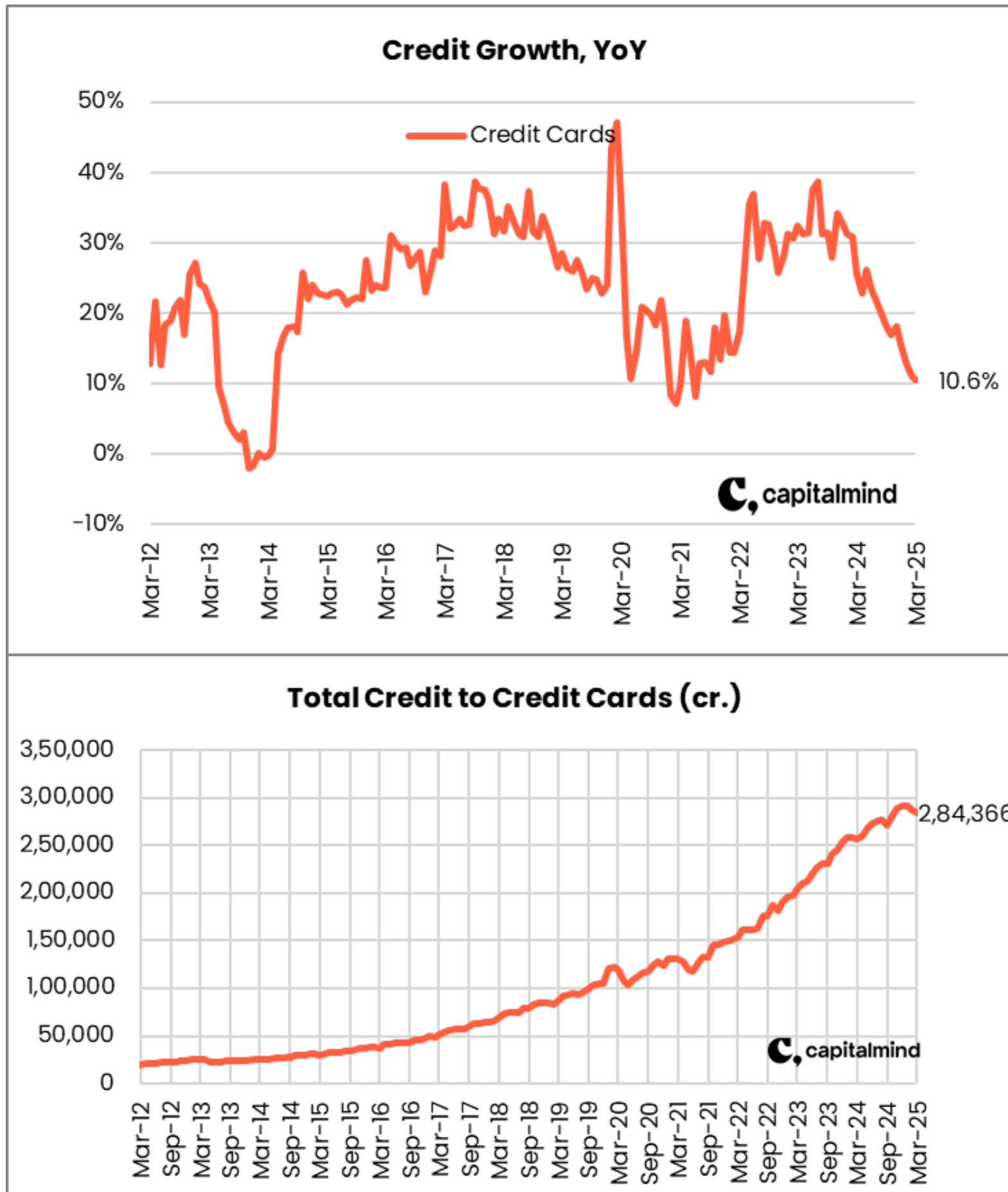
## Bank Credit Growth Inches Up Ever So Slightly to 8%!

Personal loans continue to grow at 14% YoY same as last month.

Agriculture fell from 11.4% YoY to 10.4% YoY. However, Services grew from 13% YoY to 13.4% YoY.

Overall Industry Credit Growth is at 8% YoY, a bit higher than last month's 7.3% YoY.

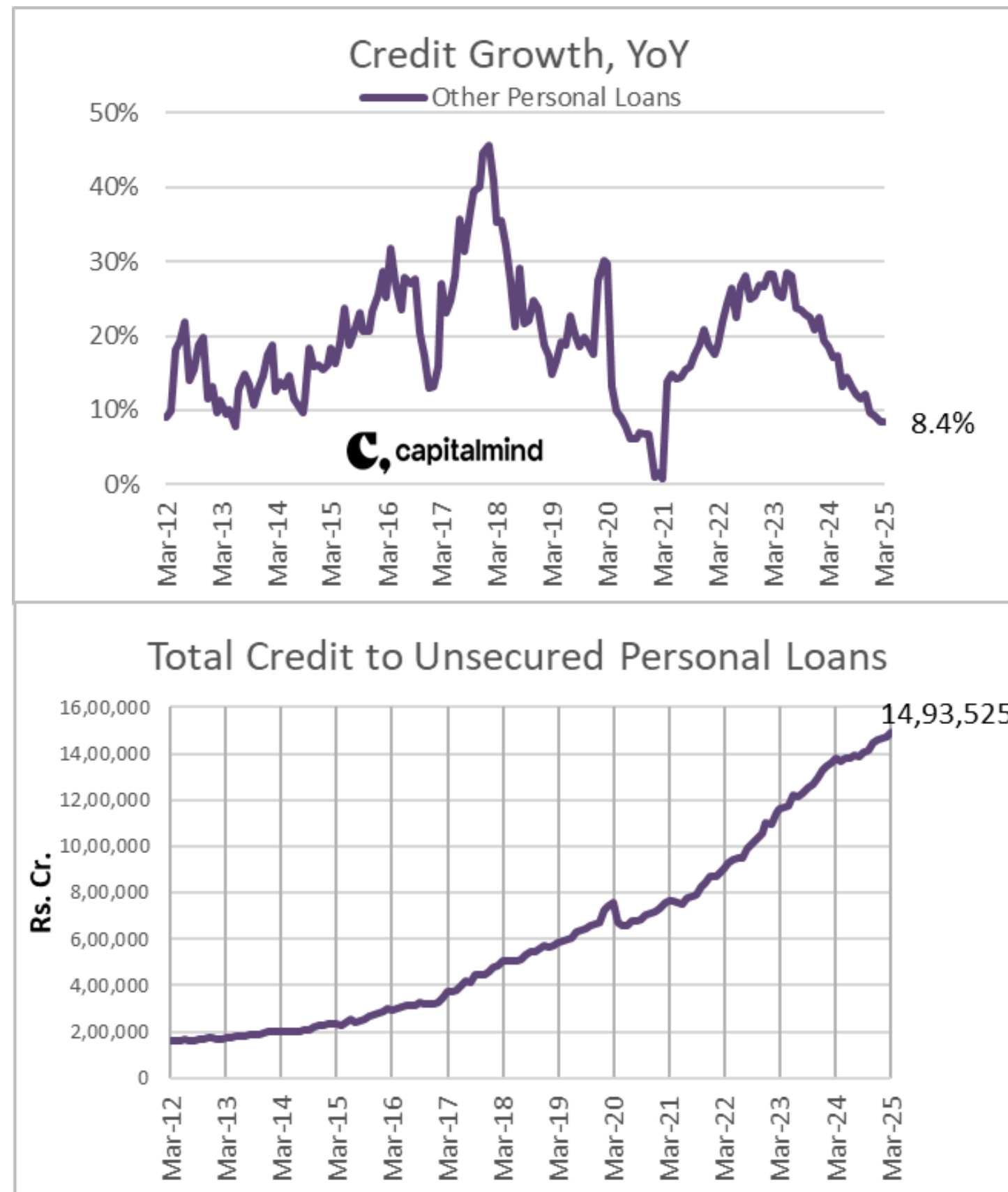




## Credit Card Growth Continues to Slow

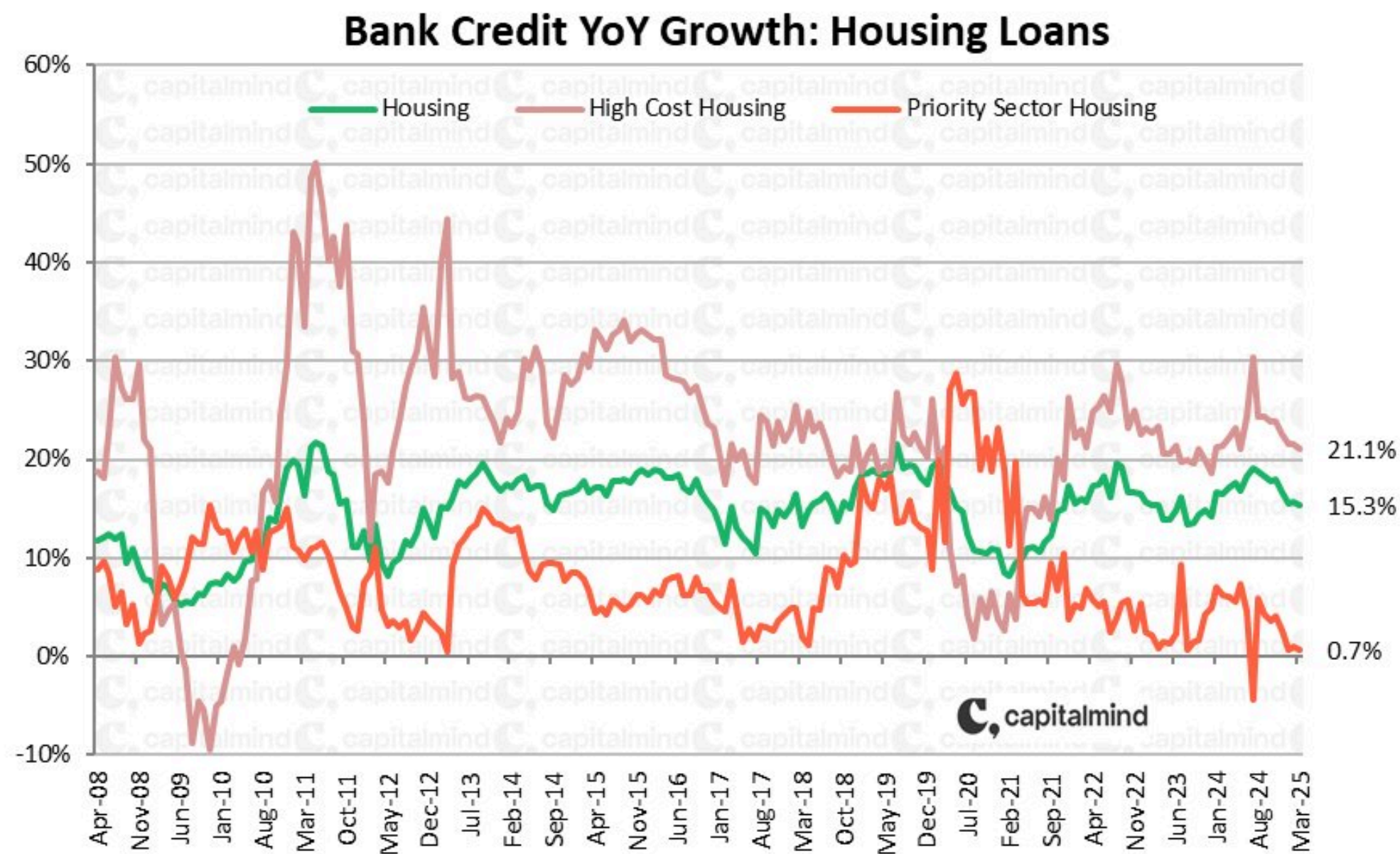
Growth has fallen from 11.2% YoY last month to 10.6% YoY this month. This reflects the underlying consumption weakness in the broader economy. Even total credit to credit card ratio has moderated from highs.





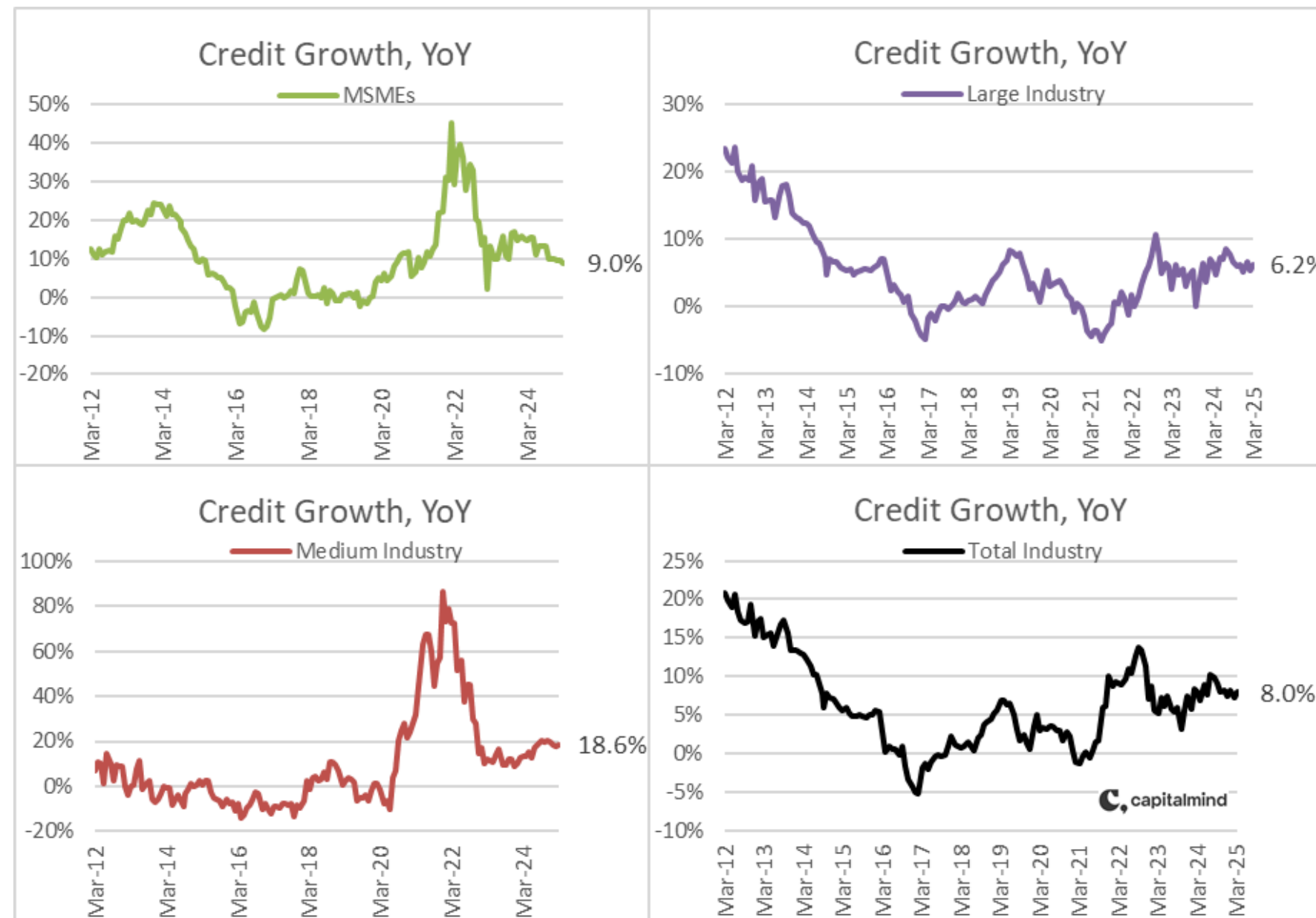
## Unsecured Personal Loans Continue to Grow in Single Digits

Following RBI's action last year on unsecured personal loans, banks have followed suit and growth in this segment has fallen to single digits.



## K-Shaped Growth in Housing Loans

Priority housing which is also the lower cost housing is struggling to pickup, whereas the High Cost Housing loans are growing at 21%!



## Flattish Industrial Credit Growth; CAPEX Yet to Pickup

With India's non-financial corporate debt-to-GDP ratio at healthy levels, the industry not seeing credit growth just indicates, capex has still not picked pace.



Bank Credit Growth	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24	Jul-24	Jun-24	May-24	Apr-24	Mar-24
Agriculture	11.4%	12.2%	12.5%	15.3%	15.5%	16.4%	17.7%	18.1%	17.4%	21.6%	19.7%	20.0%	20.0%
Industry	8.0%	7.3%	8.2%	7.4%	8.1%	8.0%	9.1%	9.8%	10.2%	7.7%	8.9%	6.9%	8.0%
MSMEs	9.0%	9.7%	9.5%	9.8%	10.1%	10.0%	13.4%	13.4%	13.3%	11.0%	15.5%	15.6%	14.7%
Medium Industry	18.6%	18.1%	18.5%	19.9%	20.0%	19.6%	20.5%	19.2%	17.2%	12.6%	15.5%	13.3%	13.3%
Large Industry	6.2%	5.2%	6.4%	5.1%	6.1%	6.0%	6.5%	7.7%	8.5%	6.9%	7.1%	4.7%	6.4%
Services	13.4%	13.0%	13.8%	13.0%	14.4%	14.1%	15.2%	15.6%	15.4%	15.1%	20.7%	19.2%	20.8%
Transport operators	12.3%	13.1%	11.8%	13.4%	14.6%	15.0%	17.0%	18.1%	16.2%	18.7%	23.7%	19.6%	19.8%
Computer Software	27.0%	22.3%	28.2%	18.3%	22.5%	24.0%	23.2%	21.9%	20.0%	13.1%	5.9%	-0.3%	4.0%
Tourism & Hotels	7.2%	7.7%	5.9%	4.7%	3.9%	5.4%	3.9%	9.0%	8.3%	11.2%	14.1%	10.6%	11.8%
Shipping	3.4%	8.1%	1.1%	1.8%	11.9%	17.6%	7.9%	10.4%	1.4%	-3.7%	5.1%	2.4%	0.0%
Aviation	6.4%	5.0%	0.9%	3.7%	16.9%	17.1%	13.4%	14.8%	12.5%	9.1%	46.9%	52.4%	55.8%
Professional Services	17.2%	19.2%	18.3%	21.2%	19.4%	21.6%	16.7%	16.9%	11.3%	14.7%	27.8%	24.3%	20.1%
Trade	15.7%	14.7%	14.5%	14.0%	14.5%	12.4%	14.3%	15.5%	15.2%	14.8%	17.7%	15.1%	17.6%
Wholesale Trade	20.4%	18.9%	18.1%	15.6%	15.8%	14.4%	17.6%	17.8%	15.0%	15.1%	18.3%	16.4%	21.6%
Retail Trade	10.5%	10.0%	10.5%	12.3%	13.1%	10.2%	10.9%	13.1%	15.3%	14.4%	17.1%	13.7%	13.5%
Commercial Real Estate	22.0%	22.1%	26.0%	26.0%	26.3%	26.0%	24.5%	26.1%	24.1%	22.8%	26.0%	20.3%	24.1%
NBFCs	5.7%	6.4%	7.7%	6.7%	7.8%	6.4%	9.5%	11.9%	12.7%	8.5%	16.0%	14.6%	15.3%
HFCs	-0.8%	-3.9%	-3.6%	-2.7%	5.8%	-0.3%	5.1%	3.4%	0.6%	-1.6%	3.8%	4.0%	2.2%
Other Services	19.2%	16.8%	18.0%	15.9%	18.9%	21.9%	20.9%	15.7%	16.6%	25.2%	29.8%	33.0%	35.7%
Personal Loans	14.0%	14.0%	14.2%	14.9%	16.3%	15.8%	16.4%	16.9%	17.8%	16.6%	17.8%	17.4%	17.6%
Consumer Durables	-1.3%	2.2%	-2.6%	-1.1%	4.8%	6.6%	8.6%	10.1%	11.3%	7.6%	15.0%	11.0%	13.0%
Housing	15.3%	15.6%	15.5%	16.7%	18.0%	17.8%	18.3%	18.8%	19.1%	18.2%	16.9%	17.7%	17.1%
Loans against FD	12.7%	11.9%	16.3%	19.2%	15.2%	10.9%	9.4%	8.4%	8.9%	4.0%	10.1%	7.8%	2.2%
Loans against Securities	18.7%	16.7%	33.0%	22.0%	6.4%	16.0%	22.9%	26.8%	24.5%	19.3%	21.6%	17.8%	11.3%
Credit Cards	10.6%	11.2%	13.0%	15.6%	18.1%	16.9%	18.0%	19.9%	22.0%	23.3%	26.2%	23.0%	25.6%
Education	15.1%	15.3%	15.9%	15.8%	17.5%	17.6%	17.6%	18.4%	19.0%	20.0%	24.2%	22.8%	23.7%
Vehicle Loans	8.6%	9.6%	9.7%	8.8%	10.3%	11.4%	13.3%	13.9%	16.4%	14.9%	17.9%	16.9%	17.6%
Gold	103.5%	87.4%	76.9%	71.3%	66.1%	56.2%	51.0%	40.9%	39.0%	30.5%	29.7%	12.0%	14.8%
Other Personal Loans	8.4%	8.4%	9.2%	9.7%	12.2%	11.5%	12.1%	13.2%	14.5%	13.2%	17.3%	17.1%	18.6%
Overall Credit Growth	12.0%	12.0%	12.5%	12.4%	11.8%	12.8%	14.4%	15.0%	15.1%	13.9%	16.2%	15.3%	16.3%

## Credit Moodboard

Loans against Gold have doubled, possibly on the back of the rallying Gold prices. But the remainder of the moodboard is largely in red.

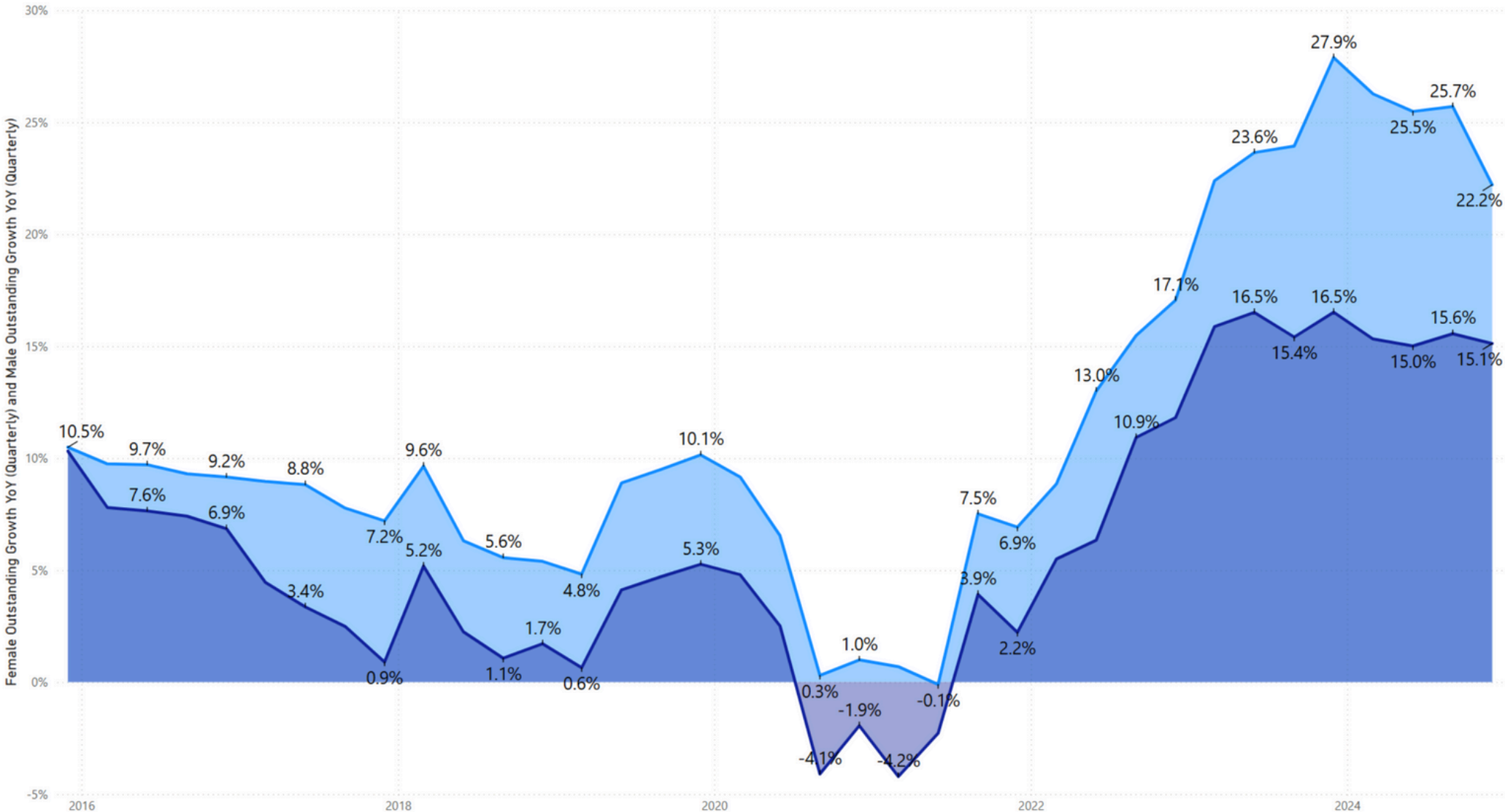


**RBI CREDIT**



# Male & Female Education Personal Loan Growth

Source: RBI ● Female Outstanding Growth YoY (Quarterly) ● Male Outstanding Growth YoY (Quarterly)



## Education Personal Loans Crossing Double Digit Growth!

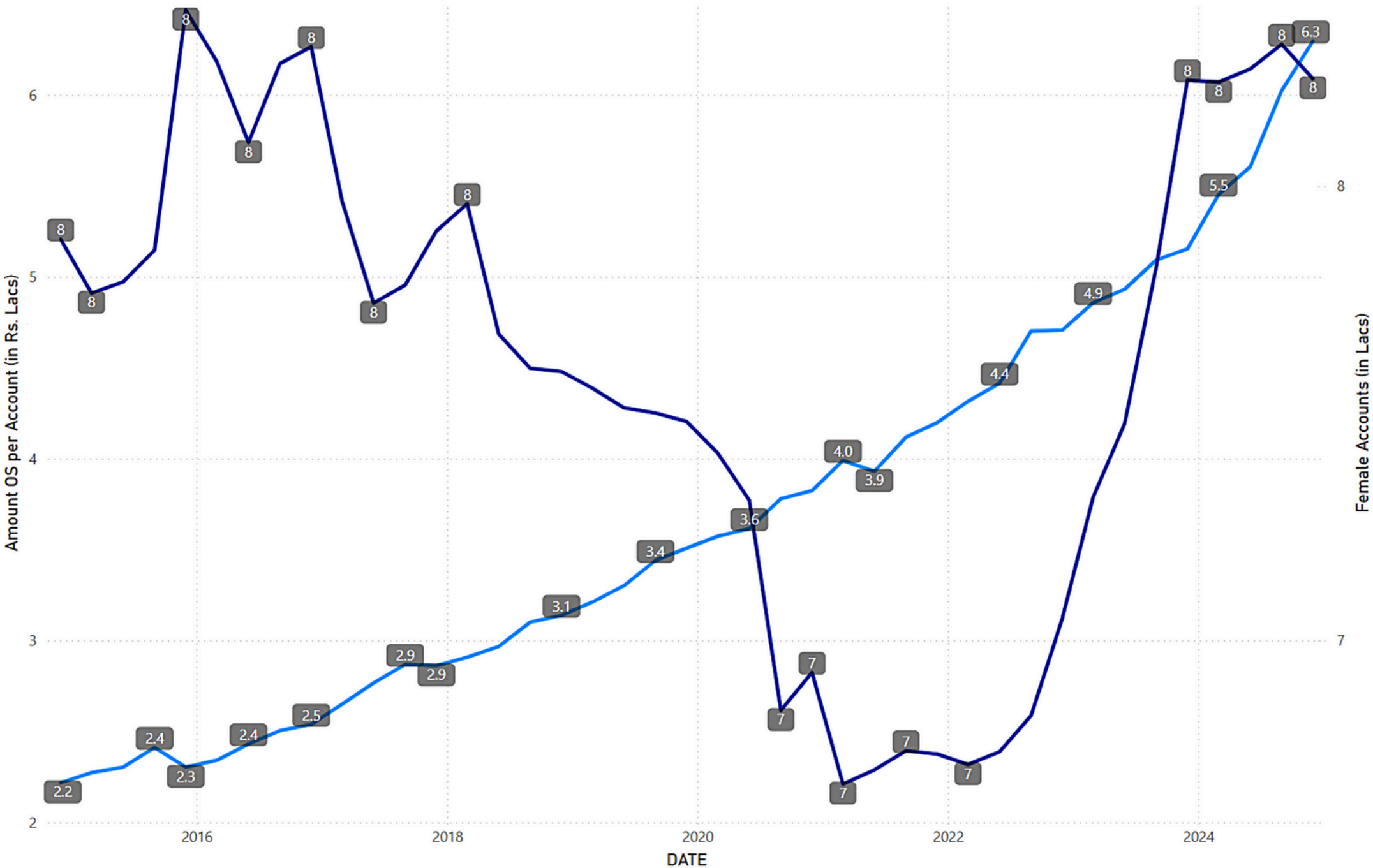
Rapid rise in education personal loans post the pandemic for both men and women.





Female Education Personal Loans (Avg. Amount per Account)

Source: RBI ● Amount OS per Account (in Rs. Lacs) ● Female Accounts (in Lacs)



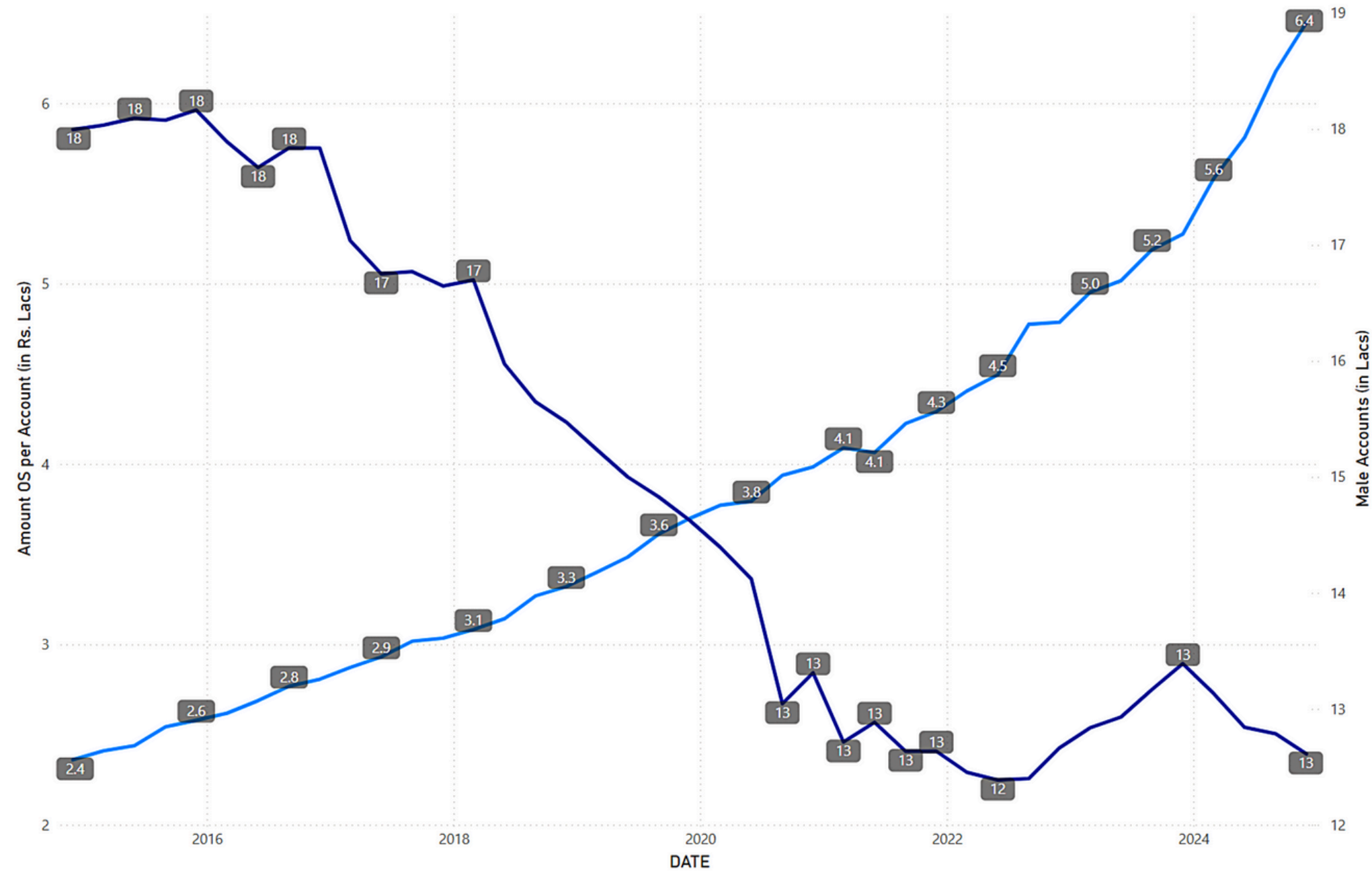
# Women Are Taking 2x Education Loans Compared to Pre-Pandemic Levels

Not only has the average loan amount almost doubled, but the number of accounts has recovered to all-time highs of 2016-27 levels with 8 lac accounts.



Male Education Personal Loans (Avg. Amount per Account)

Source: RBI ● Amount OS per Account (in Rs. Lacs) ● Male Accounts (in Lacs)



## Male Education Loans Continue to Fall

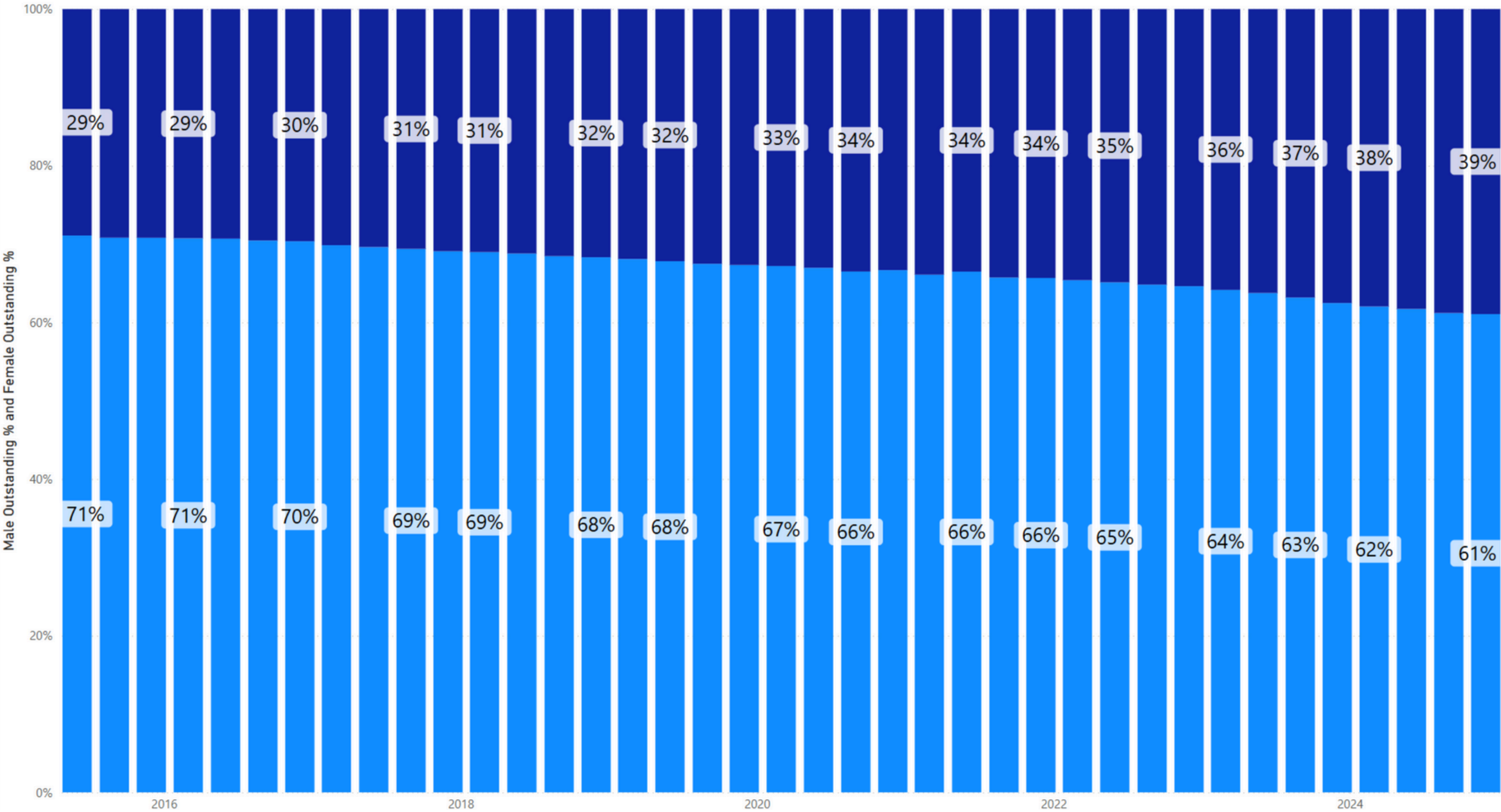
The average account value has consistently gone up, but the number of loans have significantly fallen.



Male & Female Education Personal Loans Share %

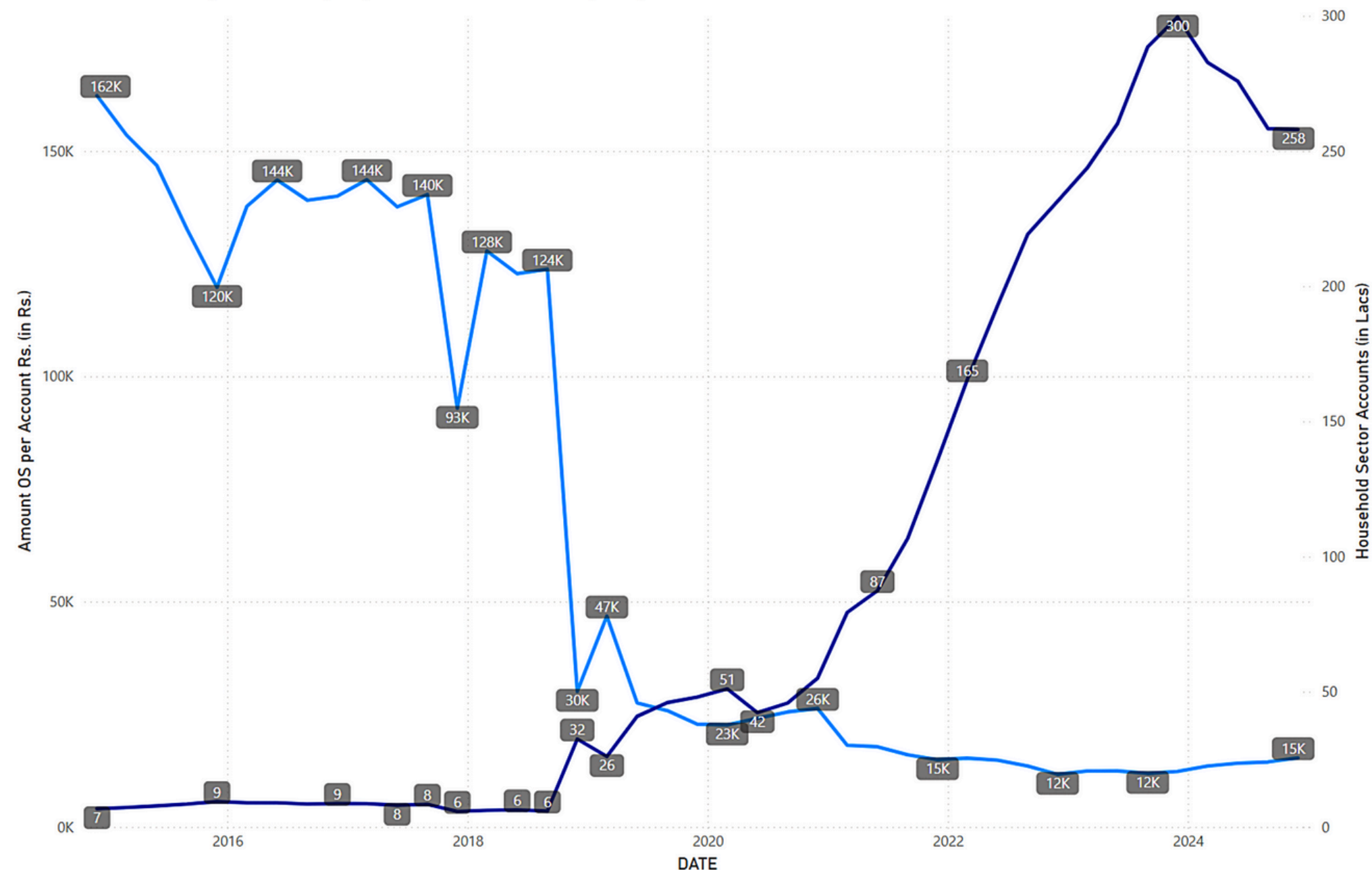


Source: RBI ● Male Outstanding % ● Female Outstanding %



Household Consumer Durable Loans (Amount O/S per account)

Source: RBI ● Amount OS per Account Rs. (in Rs.) ● Household Sector Accounts (in Lacs)



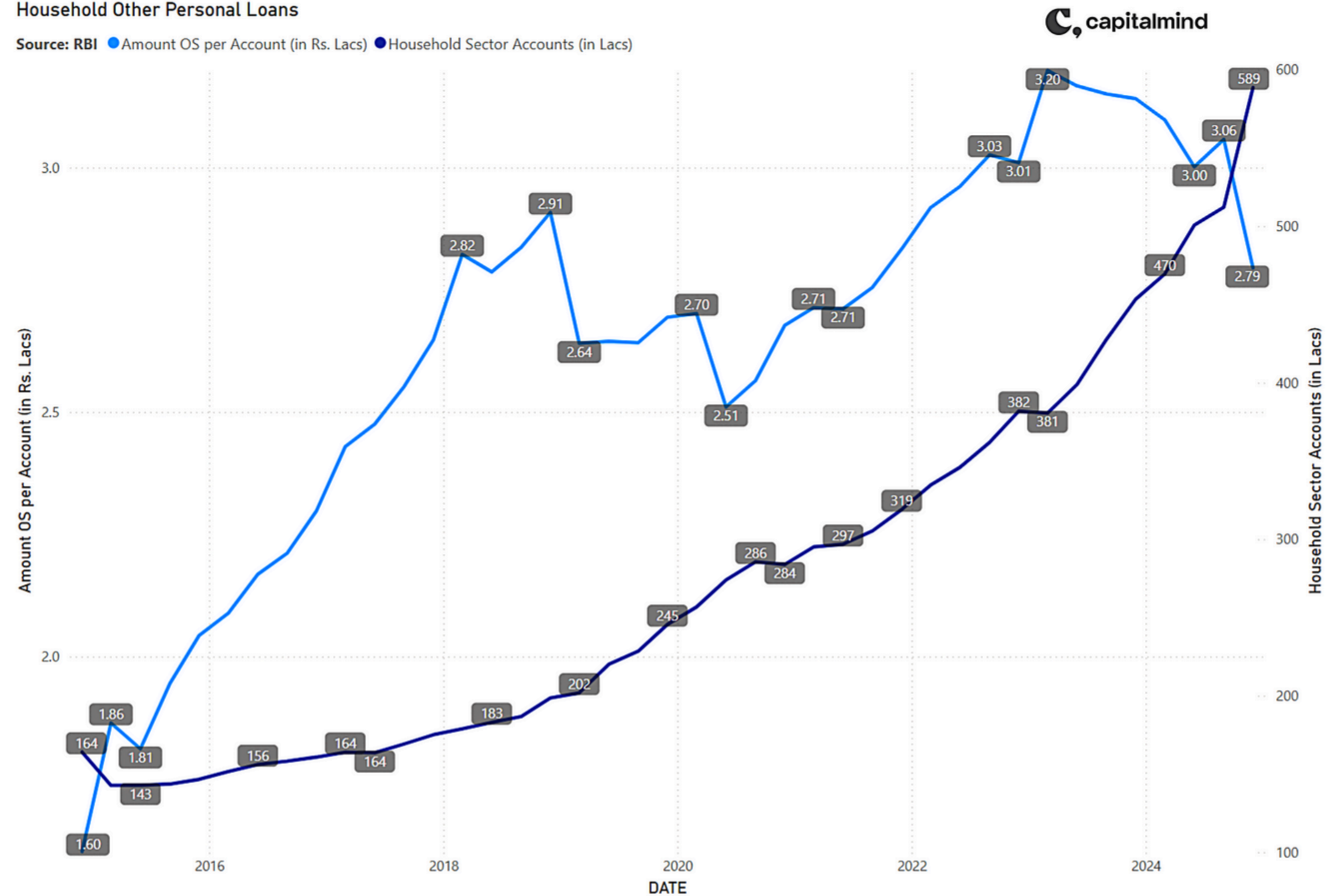
## EMIs have taken the Consumer Durable Market by the Horns!

Average loan ticket size fell from more than a lac to around 15k, primarily driven by the adoption of EMIs to finance durables purchases.

Most loans seem to have moved to NBFCs rather than banks, though banks saw a rapid rise till early 2024.

## Household Other Personal Loans

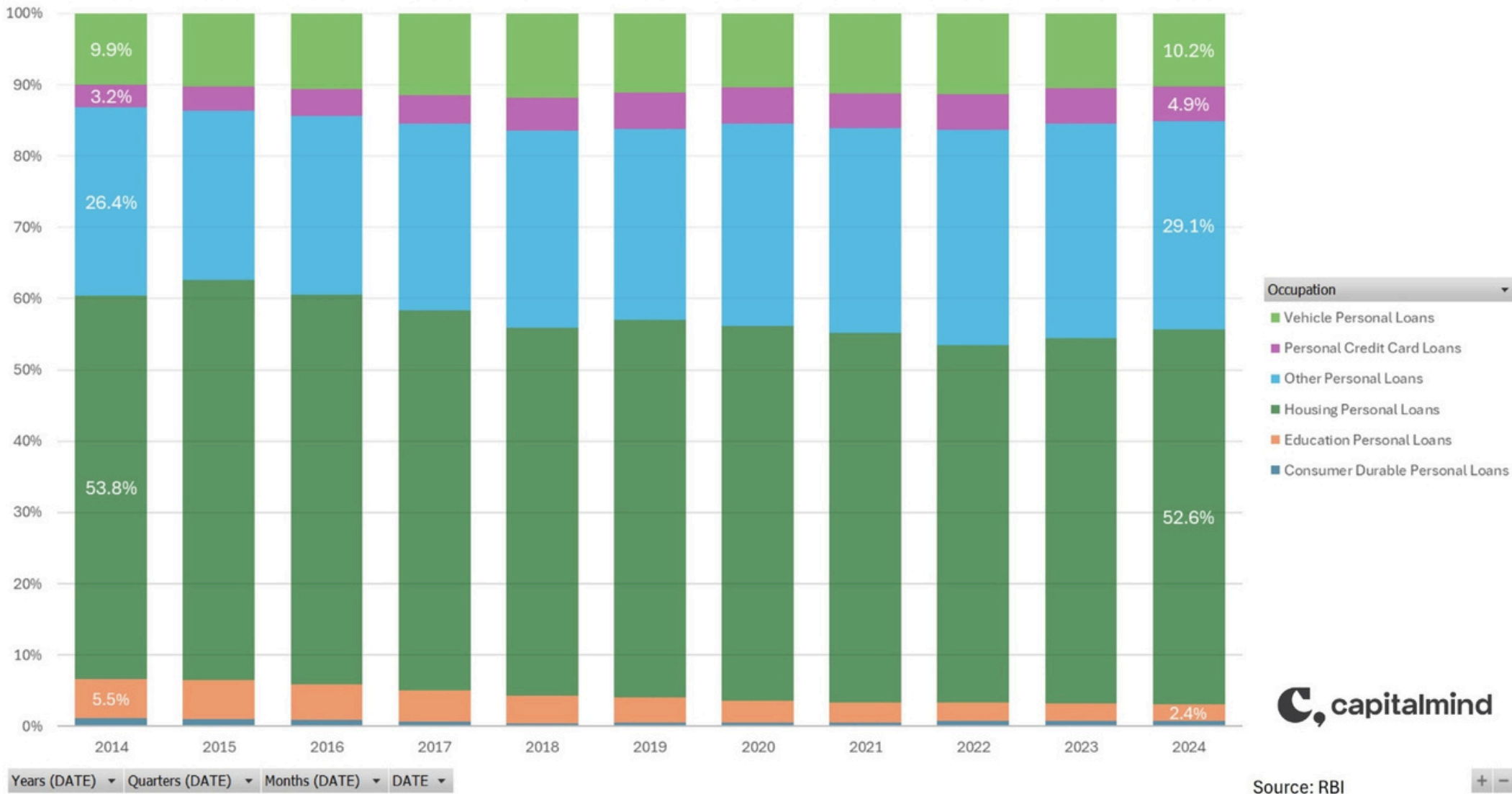
Source: RBI ● Amount OS per Account (in Rs. Lacs) ● Household Sector Accounts (in Lacs)



**Unsecured Loans (Other Personal Loans) Saw Unrestrained Rise Until RBI's Controls Kicked In Last Year**



Split of Household Personal Loans 2014-2024



## Household Debt Over The Last Decade

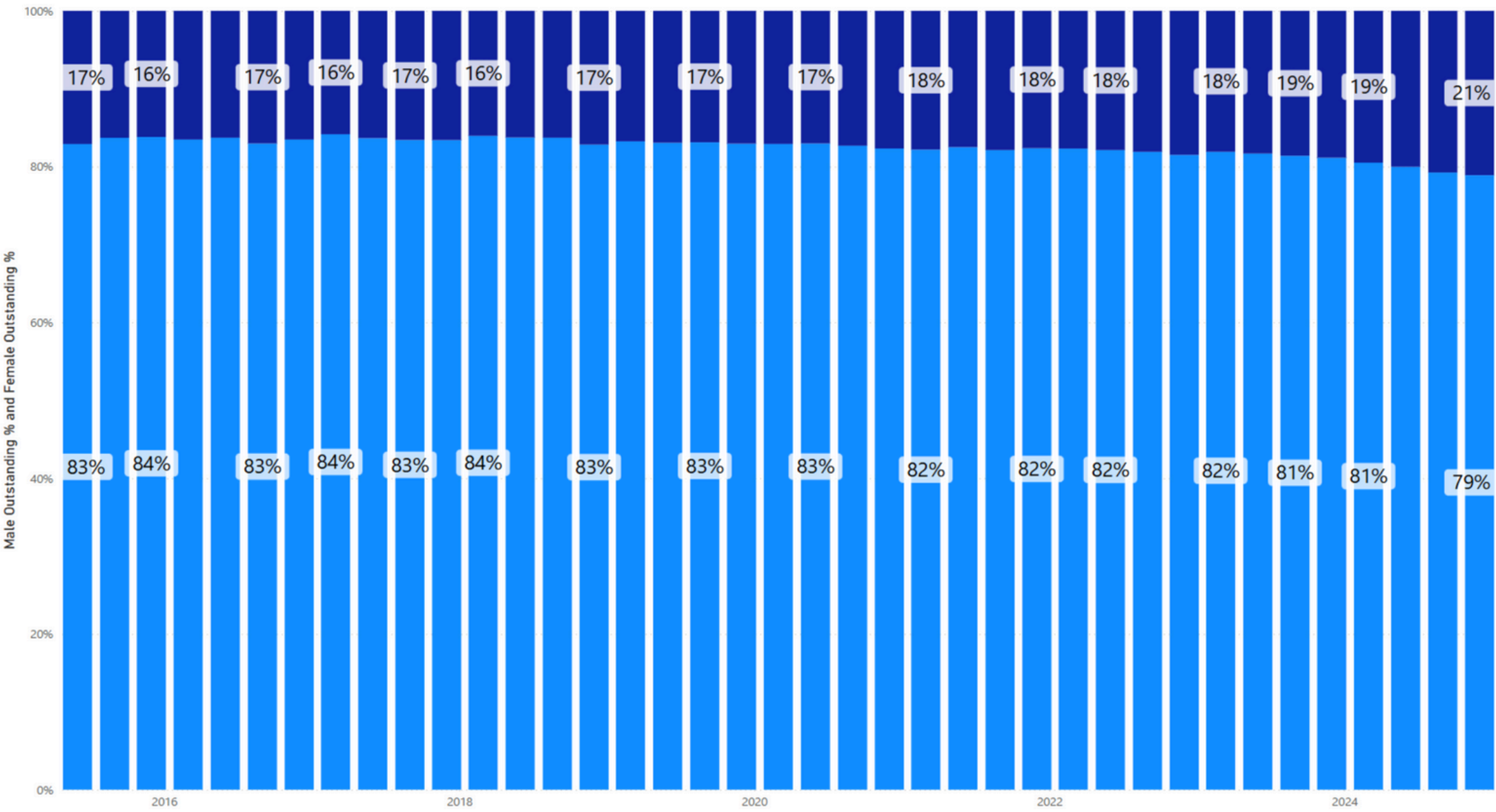
Unsecured Loans (other personal loans) grew; Education Personal Loans fell. Housing Personal Loans continue to be over 50% of Household debt.





Male & Female Other Personal Loans Share %

Source: RBI ● Male Outstanding % ● Female Outstanding %

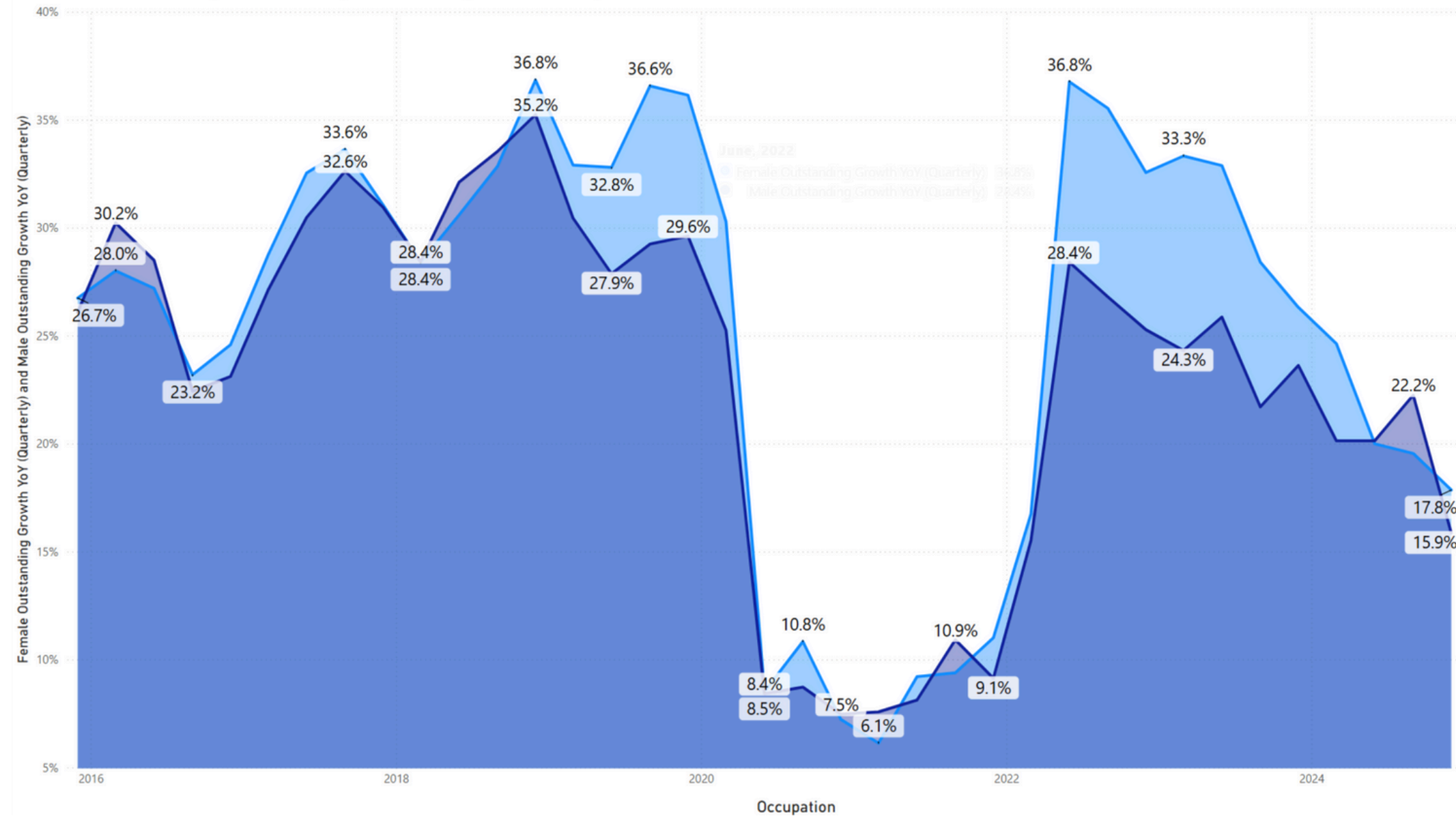


**Women Are At Decadal  
Highs in Loan Marketshare  
In Unsecured Personal Debt**



## Male & Female Personal Credit Card Loan Growth

Source: RBI ● Female Outstanding Growth YoY (Quarterly) ● Male Outstanding Growth YoY (Quarterly)



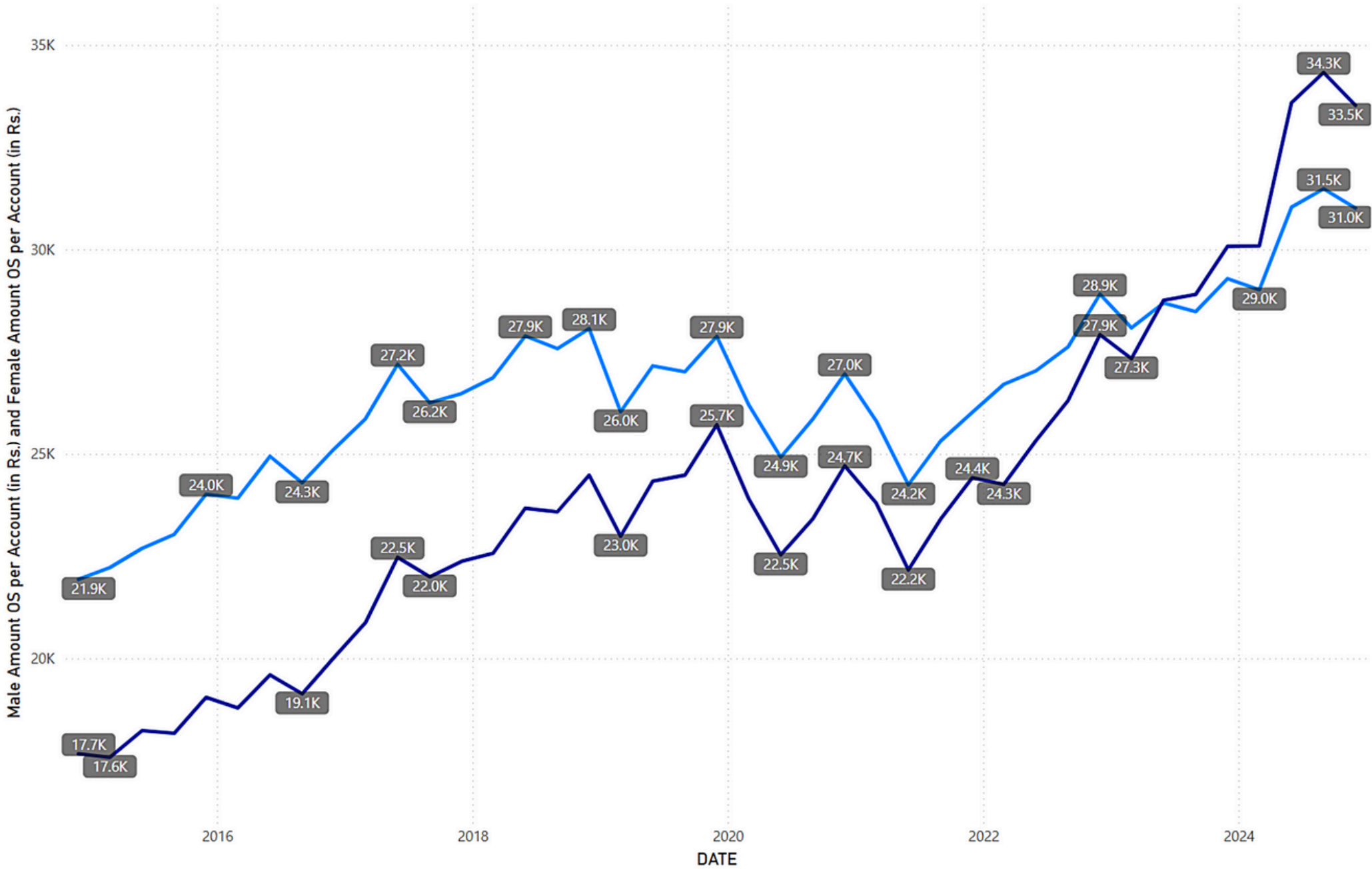
## Credit Card Growth Struggling to Return to Pre-Pandemic Levels

Although Growth in loans to women was faster than those to men due to a lower base effect, the entire economic slowdown, and rising debt has led to slower growth for both in Credit Cards.



Personal Credit Card Loans (Male & Female)

Source: RBI ● Male Amount OS per Account (in Rs.) ● Female Amount OS per Account (in Rs.)



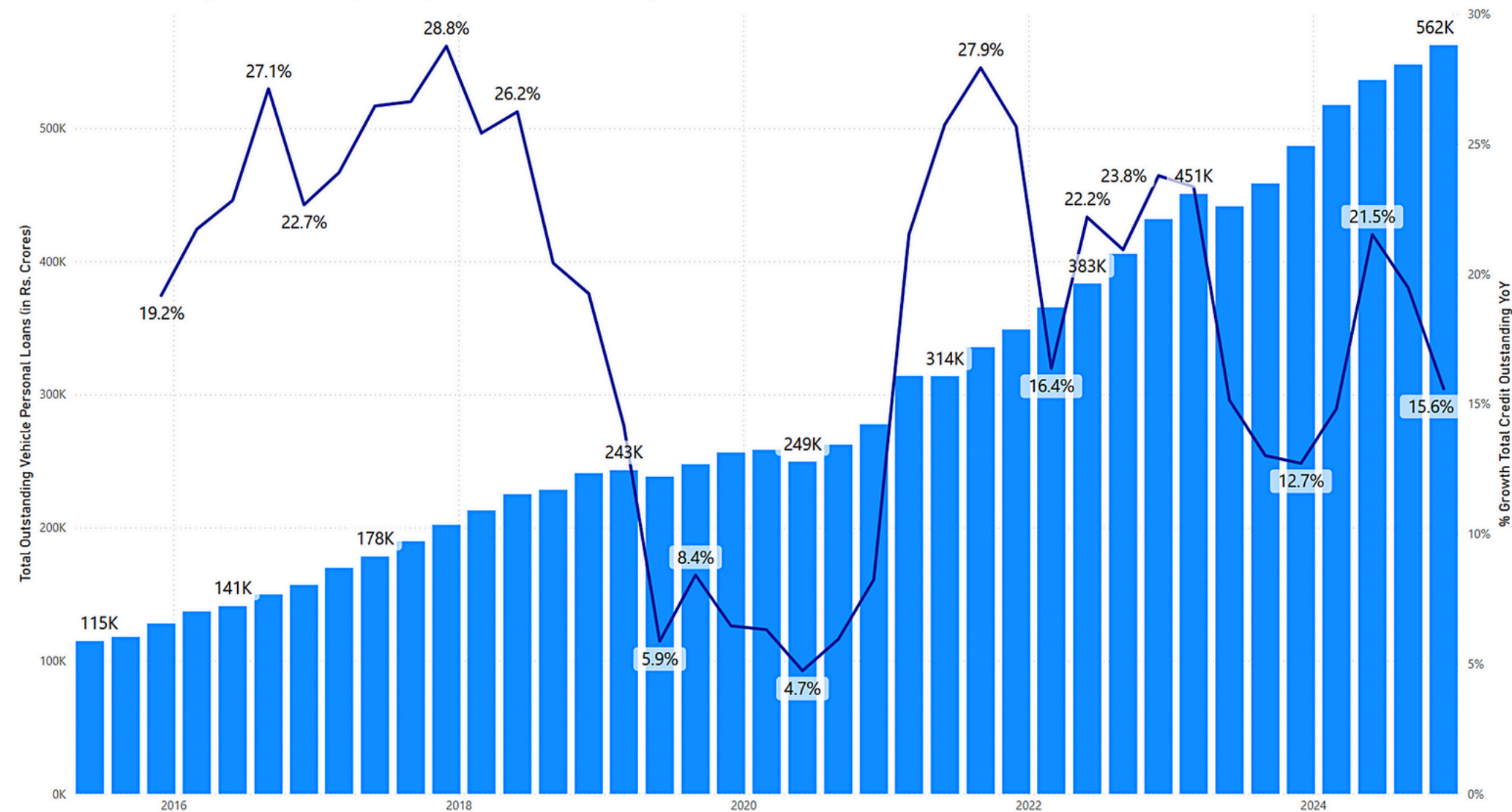
# Women Exceeded Men in Credit Card Outstanding Debt

Up until later 2023, Men always had the higher O/S amount in Credit Cards, but this changed post that and the trend has continued to diverge ever since then.



## Vehicle Personal Loans Growth

Source: RBI ● Total Outstanding Vehicle Personal Loans (in Rs. Crores) ● % Growth Total Credit Outstanding YoY



## Slowing Vehicle Loan Growth

Fastest growth was during the best times for the Auto industry before 2018. Post that, vehicle loan slump accompanied by lower auto sales in 2018, and 2019 took place. Though the absolute quantum of loans has grown since then, the growth rates have been slower.

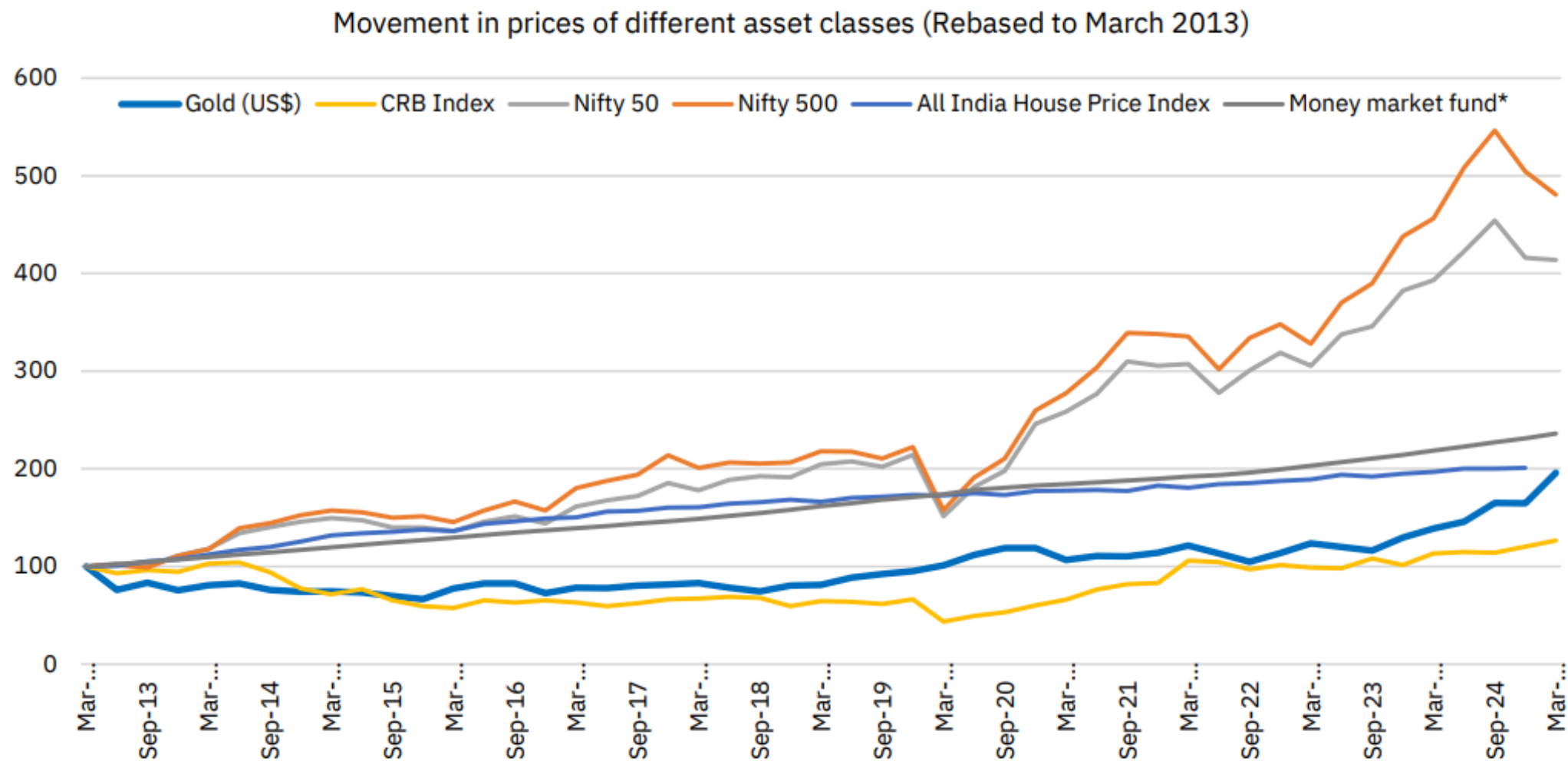


# THE TALE OF GOLD





**Figure 1: Movement in gold vs. other asset classes**  
Rebased to March 31<sup>st</sup>, 2013.



Source: LESG Workspace, RBI, NSE EPR.  
Notes: \* Average of the top six money market funds by AUM: Kotak Money Market Scheme, SBI Savings Fund, HDFC Money Market Fund, ICICI Prudential Money Market Fund, Tata Money Market Fund, Aditya BSL Money Manager Fund.

# Gold Driven by Dollar-Diversification and Global Uncertainty

Gold returns in FY25 in US\$ terms has been 41%, and in INR it has been 33%. Gold prices rallied, on the back of central bank purchases, and the prevailing uncertainty in the economy



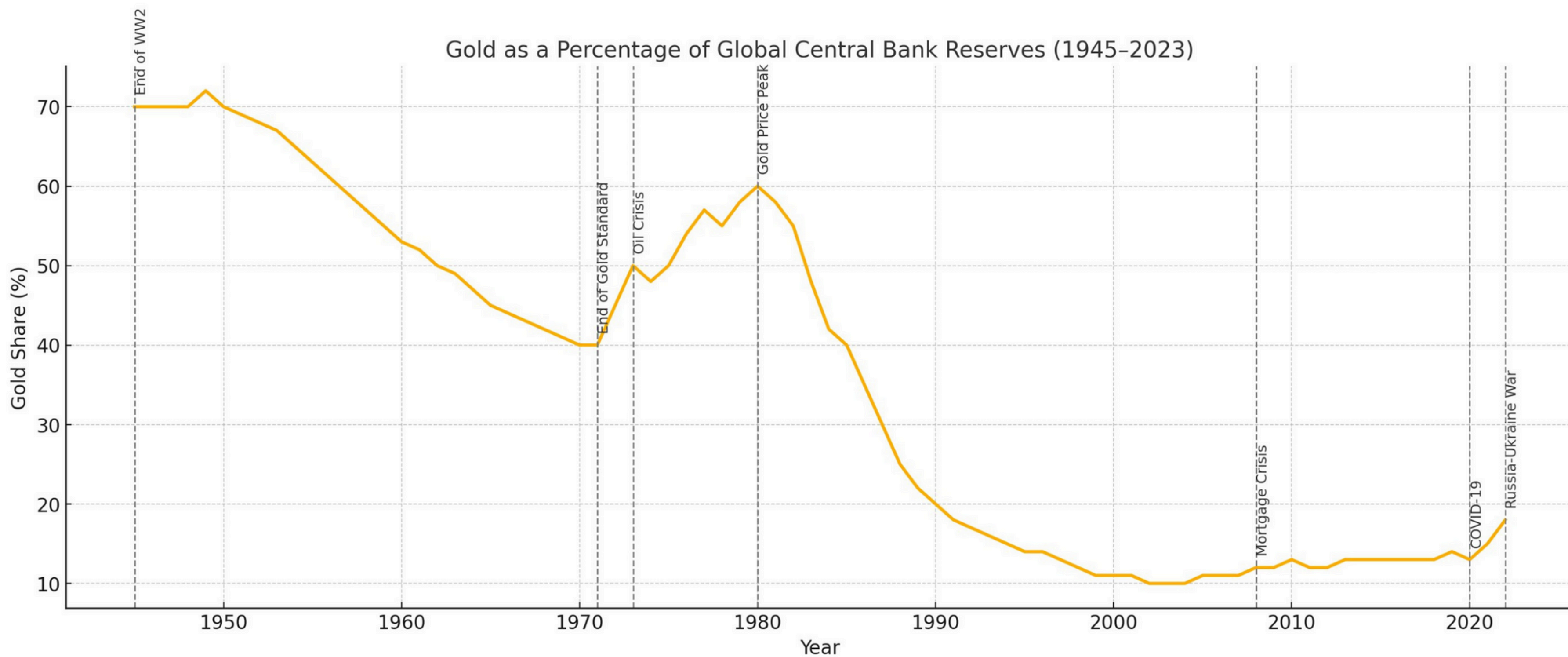


## Gold Reserves Held by Central Banks

Post-WW2, gold made up over 70% of central bank reserves. That was the Bretton Woods era where dollars were pegged to gold, and everyone else pegged to the dollar.

But once the US ditched the gold standard in 1971 (thanks, Nixon), trust in gold started to erode. But notice what happens post-2008. There's a subtle shift. The Mortgage Crisis, COVID-19, and the Russia-Ukraine war shake confidence in the system. Central banks, especially in emerging markets, are accumulating gold as a hedge not for returns, but for insurance. We may not be going back to a gold standard, but the yellow metal's strategic role is back on the table.

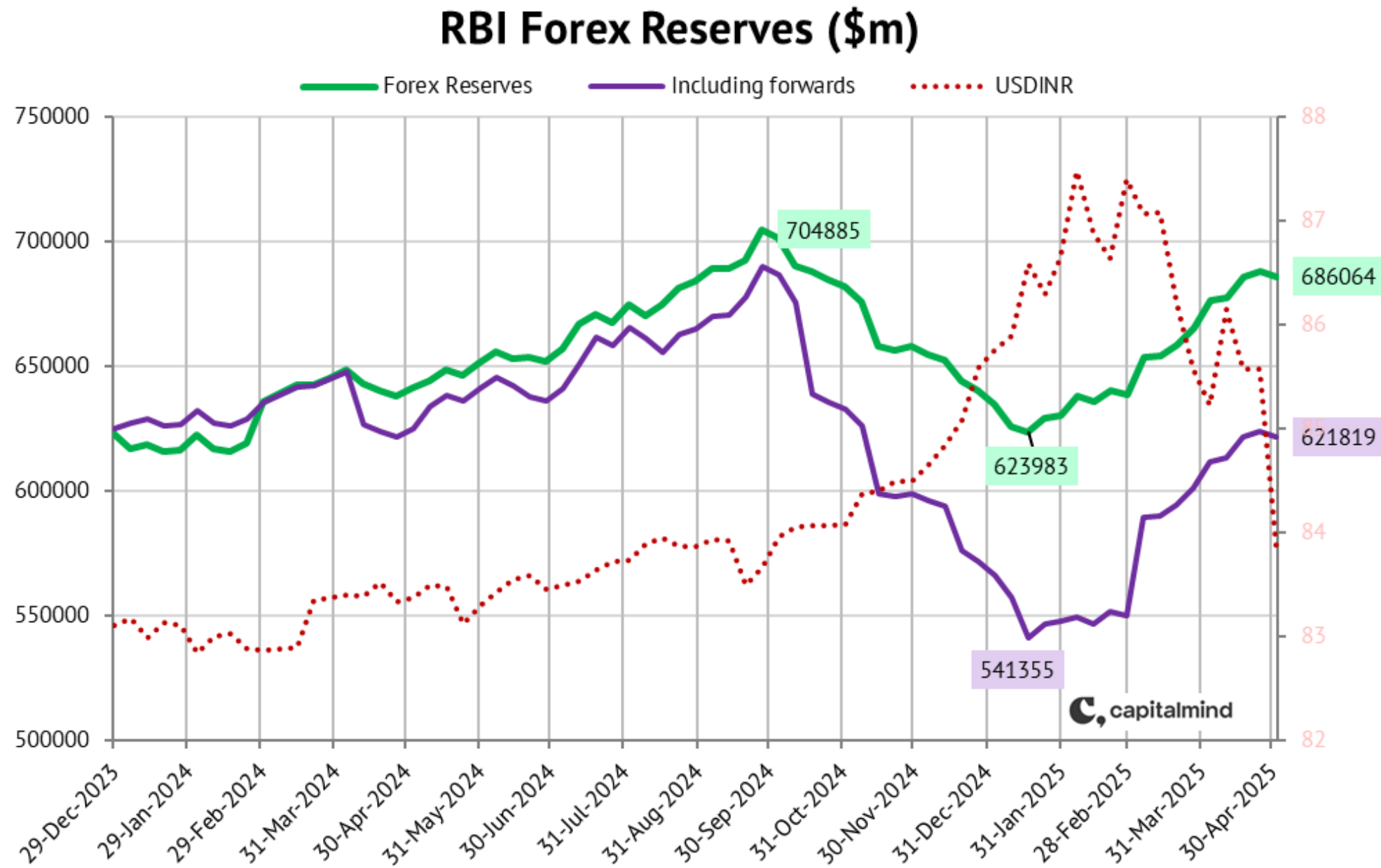




Sources: IMF International Financial Statistics (IFS), World Gold Council (WGC), World Bank Reports

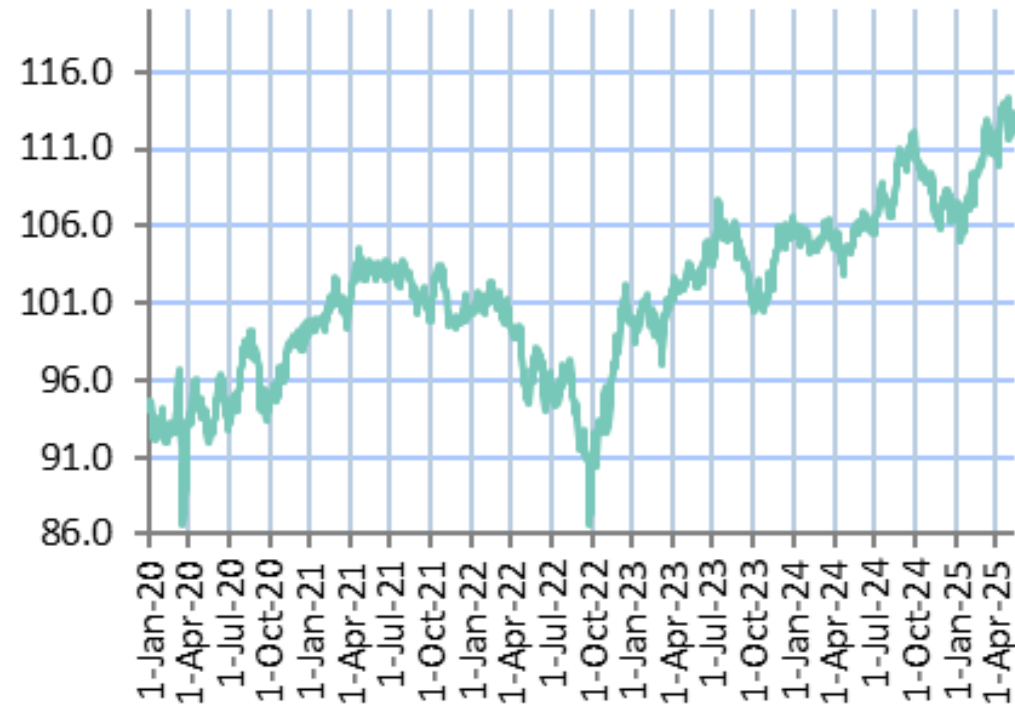
# FOREX RESERVES



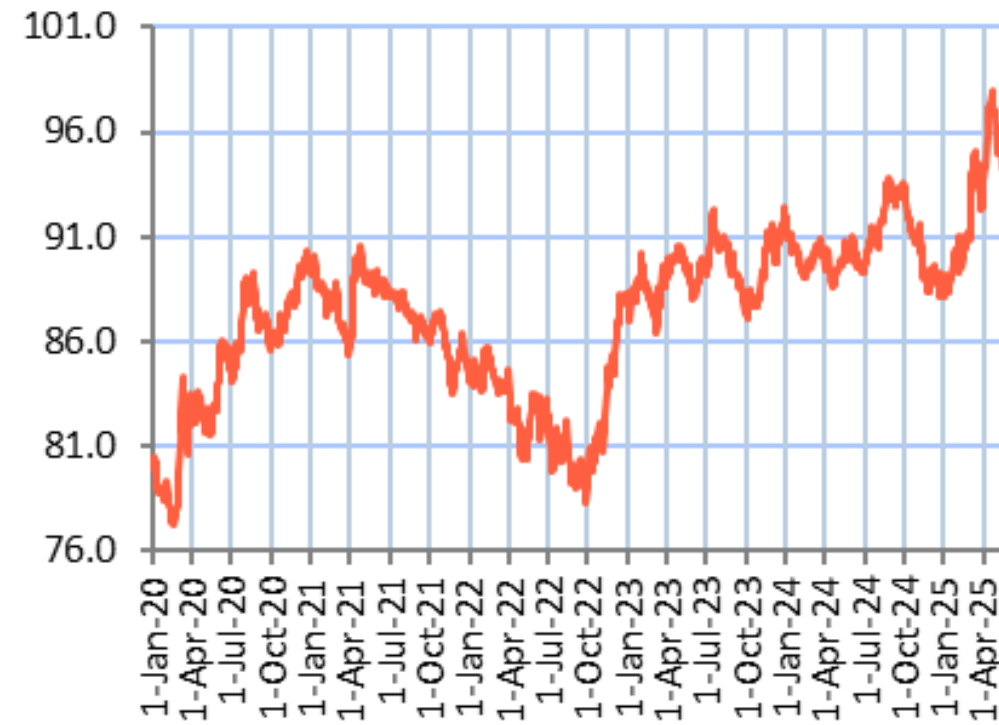


**RBI Seeing a Huge Increase  
In Forex Reserves  
(presumably led by  
appreciation in EUR, Pound  
Sterling and Gold)**

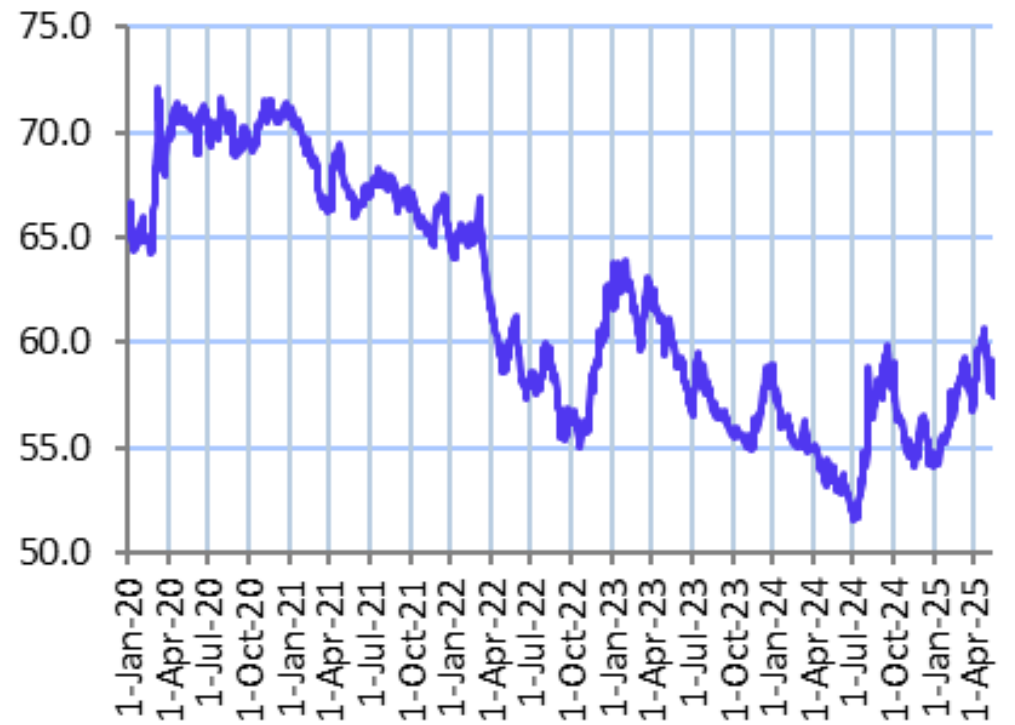
Rupee Pound (Short Term)



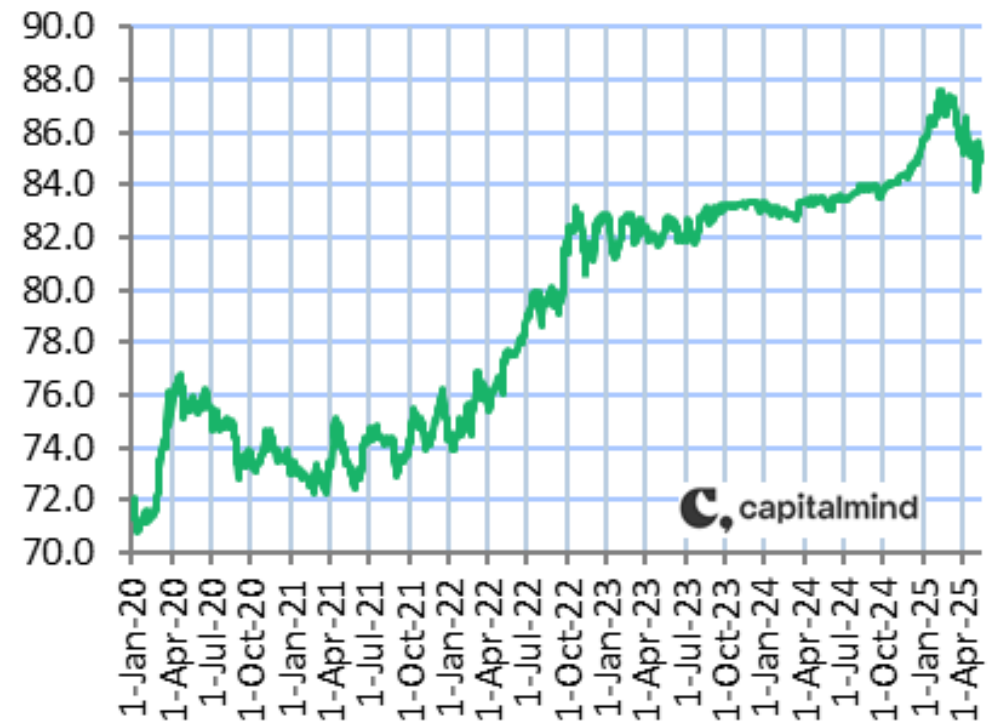
Rupee Euro(Short Term)



Rupee Yen (Short Term)



Rupee Dollar (Short Term)

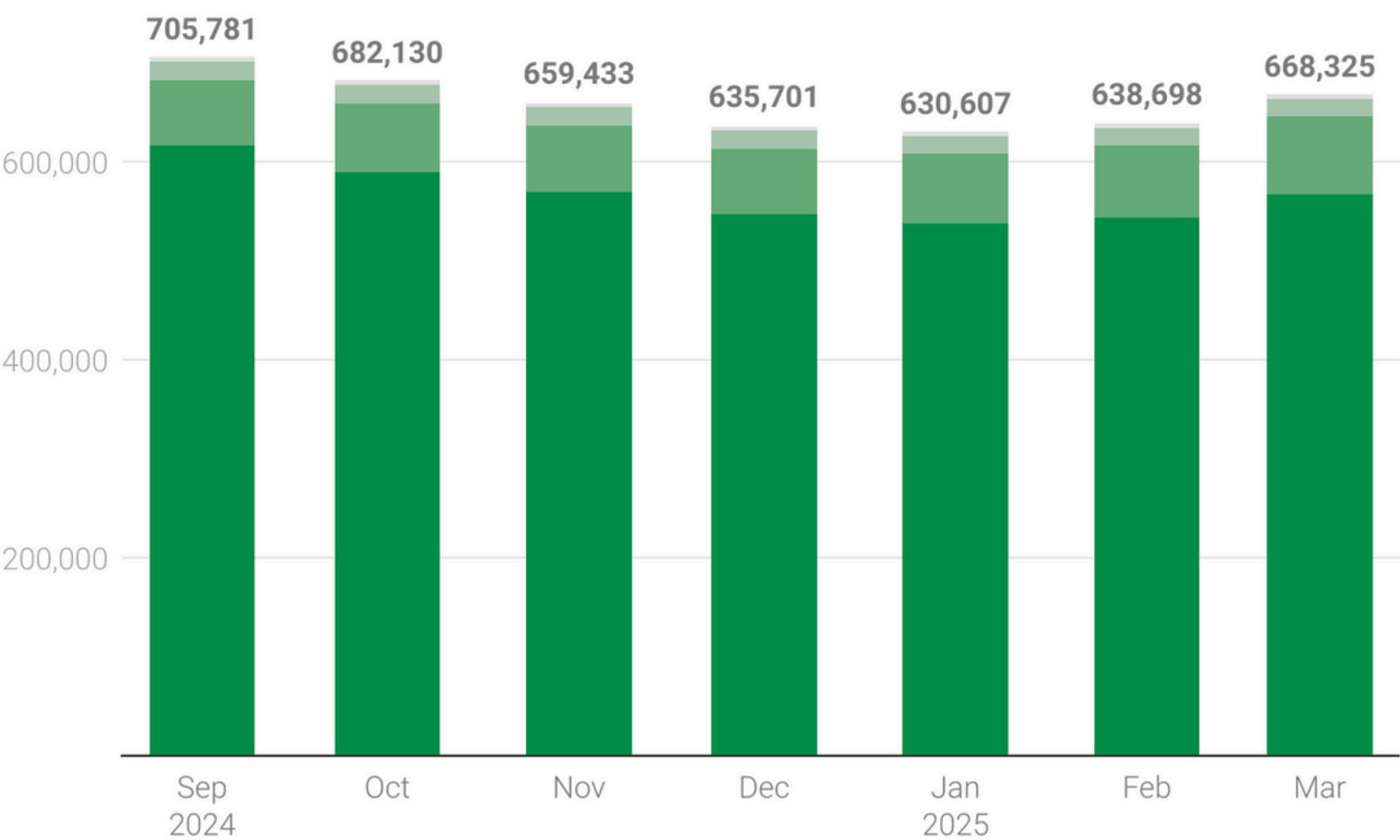


**Rupee Has Been  
Strengthening Against the  
USD, But Weakening  
Against the Pound and Euro**



# Composition of India's Forex Reserves

Foreign Currency Gold SDR IMF Reserves



In Million USD

Chart: Capitalmind Research • Source: RBI

## The RBI's Forex Reserves are on the rise again

February marked a turning point after five consecutive months of falling forex reserves. Surprisingly, the main drivers of this recovery weren't foreign currency inflows.



## India's Gold Reserves



In Million USD

Chart: Capitalmind Research • Source: RBI

## RBI Chooses Gold Over Currency in Reserve Accumulation

The RBI has ramped up its gold purchases while slowing foreign currency accumulation. This shift likely reflects concerns that buying U.S. dollars could weaken the rupee.



## Gold's Weight in India's Forex Reserves

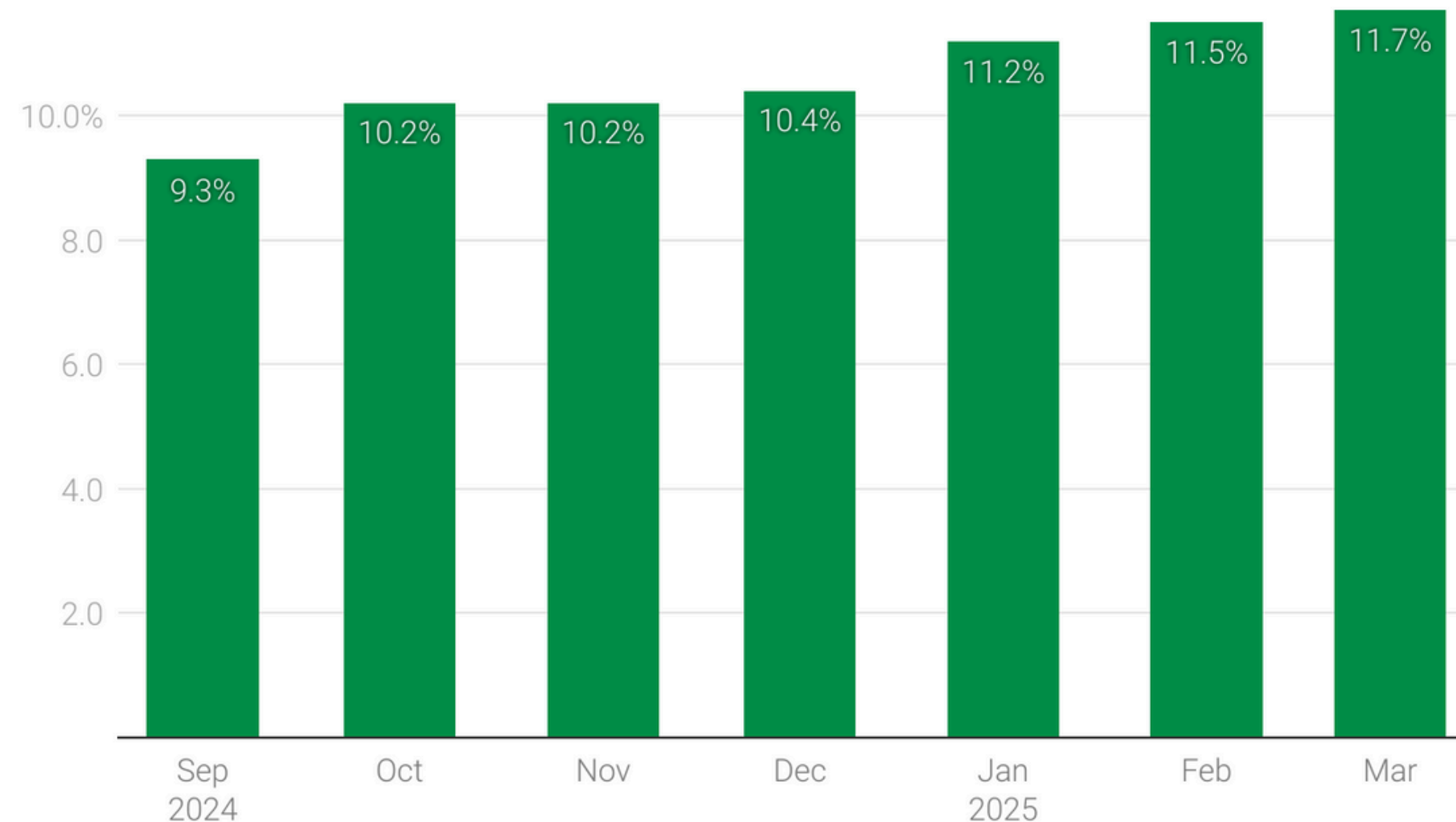


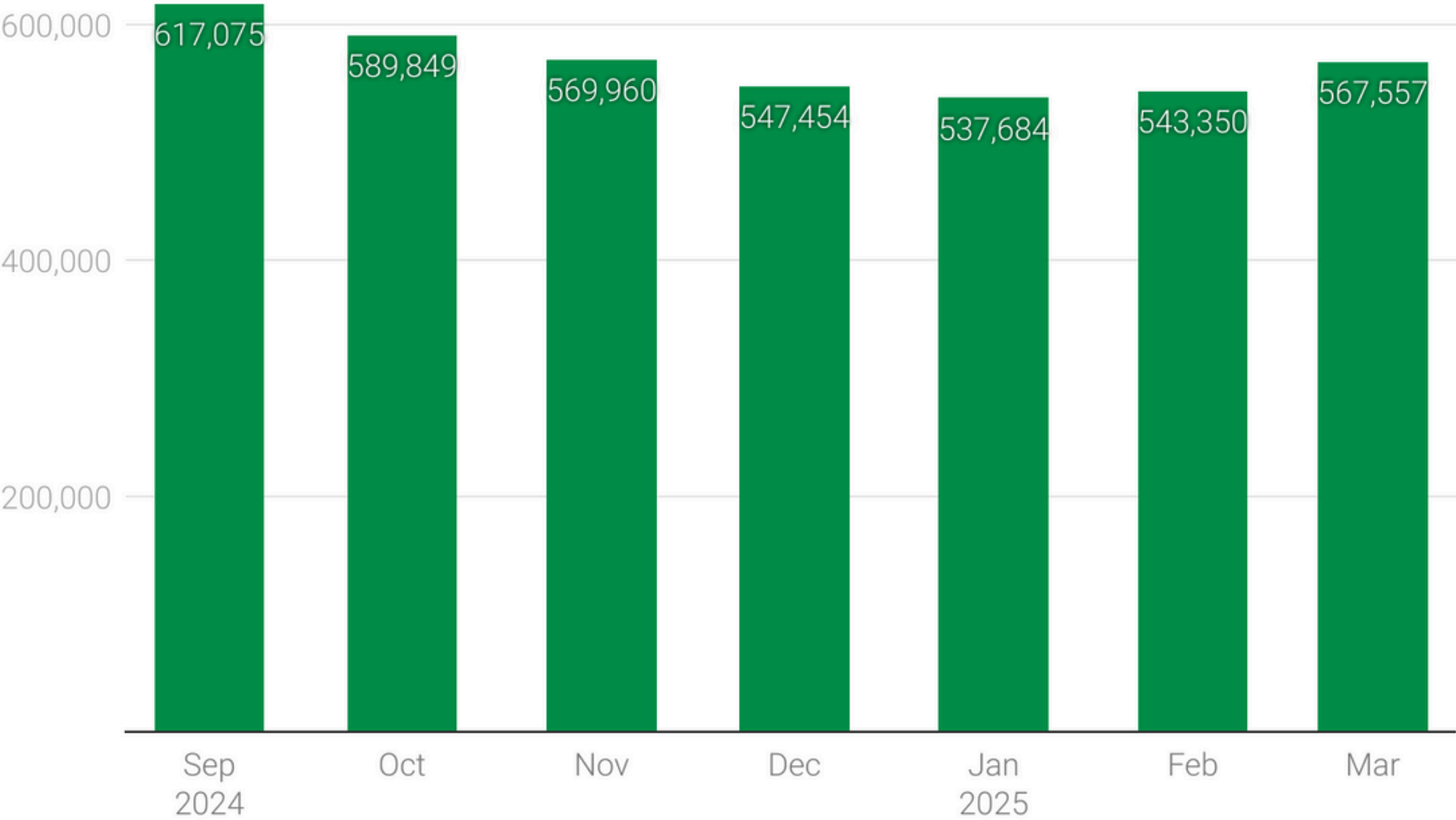
Chart: Capitalmind Research • Source: RBI

**Consequently, Gold's weight in India's Forex reserves has increased**

The persistent rise of the value of gold over the last 6 months has meant that its weight in the portfolio has gone up commensurately.



# India's Foreign Currency Reserves



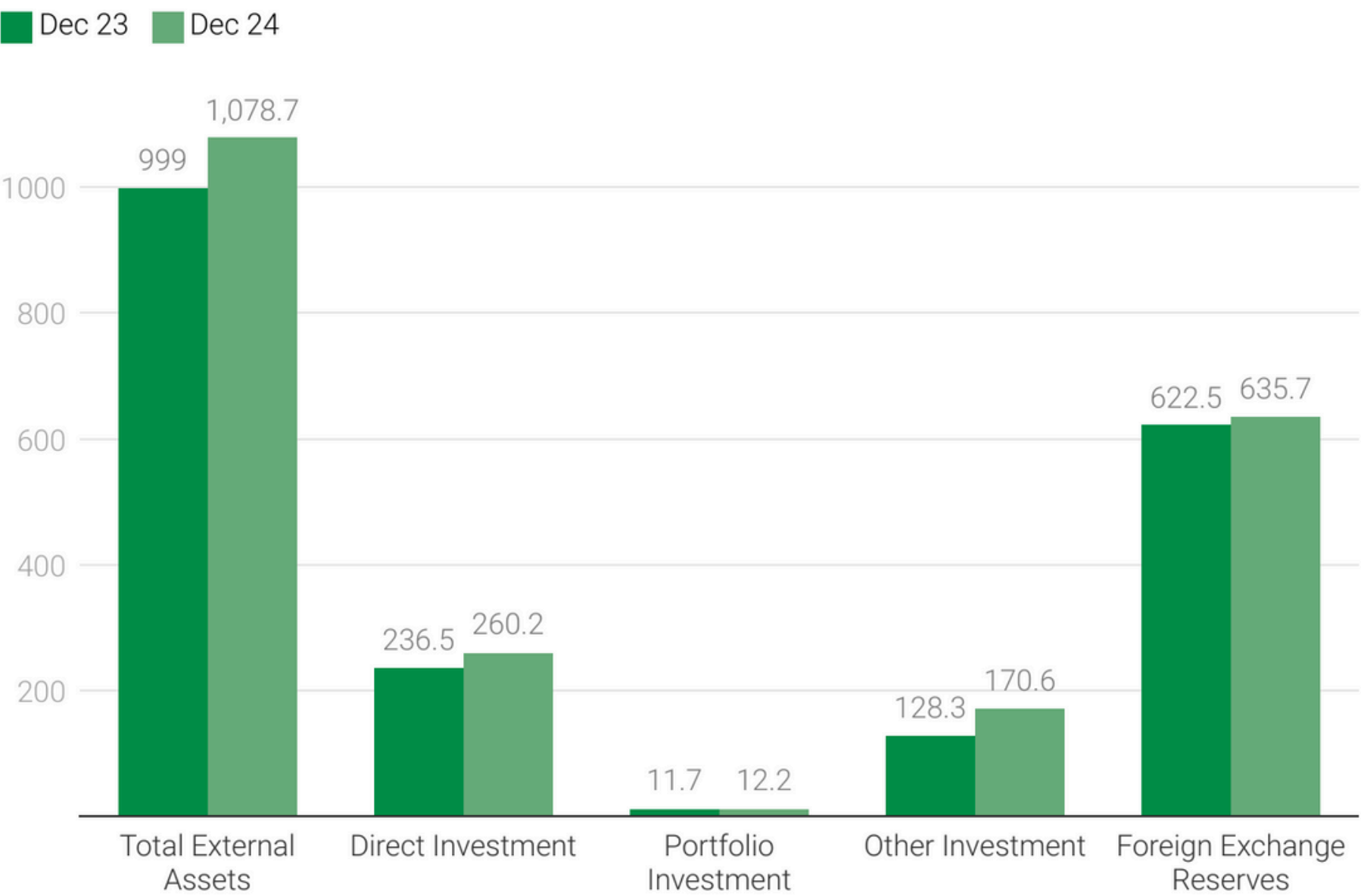
In Million USD  
Chart: Capitalmind Research • Source: RBI

## Foreign Currency Reserves Stage a Modest Recovery

India’s foreign currency reserves have recorded a modest recovery following the decline observed at the end of last year.



# India's International Investment Position - Assets



in USD Billion  
Chart: Capitalmind Research • Source: RBI

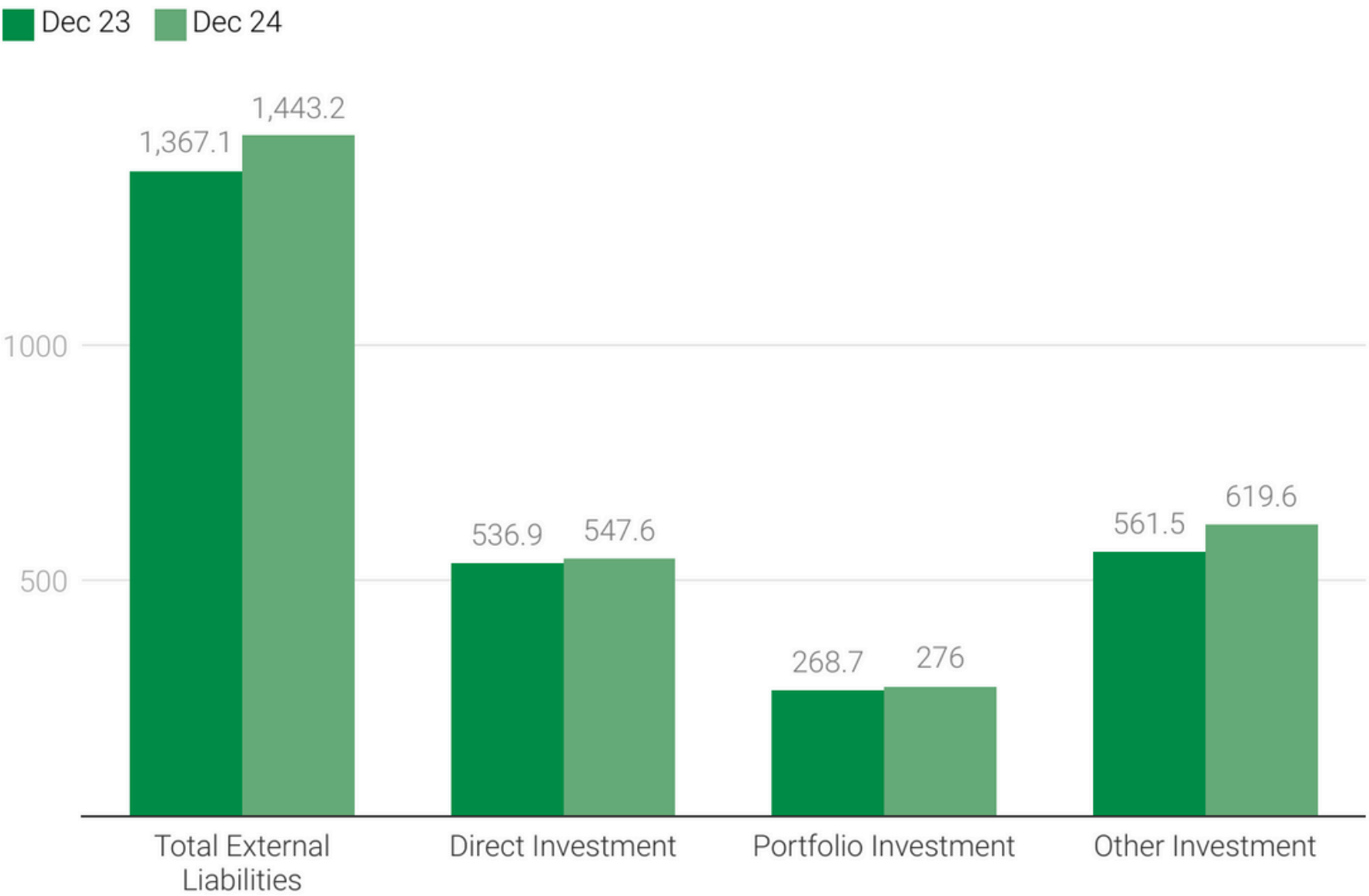
## Growth in External Assets Driven by Foreign Reserves and Direct Investments

India’s external assets rose to USD 1,078.7 billion in 2024, led by higher forex reserves and increased direct investments abroad. A sharp rise in “Other Investments” also points to greater portfolio diversification.





# India's International Investment Position - Liabilities



in USD Billion  
Chart: Capitalmind Research • Source: RBI

## External Liabilities Rise on Stronger Capital Inflows and Borrowings

India’s total external liabilities grew to USD 1,443.2 billion in 2024, reflecting increased foreign capital inflows and higher external borrowings. The “Other Investments” category recorded the largest jump, highlighting greater reliance on loans and trade-related credit.



# MARKETS & MACROS



## **Third Consecutive Positive Month After 5 Negative Months**

Nifty 50 delivered a positive 2% return in the month of May. There were war related concerns in the month, but the impact was quite negligible. Experts say that the market had already priced in many factors, and the focus was more towards the ongoing earnings season and less towards speculation.



NIFTY 50 TRI Monthly Returns

Year ▼	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly
2025	-0.4%	-5.8%	6.3%	3.5%	2.0%								13%
2024	0.0%	1.3%	1.6%	1.2%	0.0%	6.8%	4.0%	1.4%	2.3%	-6.1%	-0.3%	-2.0%	10%
2023	-2.4%	-2.0%	0.3%	4.1%	2.9%	3.7%	3.0%	-2.3%	2.0%	-2.7%	5.6%	7.9%	21%
2022	-0.1%	-3.0%	4.0%	-2.0%	-2.6%	-4.7%	8.9%	3.7%	-3.7%	5.5%	4.2%	-3.5%	6%
2021	-2.5%	6.7%	1.2%	-0.4%	6.7%	1.1%	0.4%	8.7%	2.9%	0.4%	-3.8%	2.2%	26%
2020	-1.7%	-6.3%	-23.0%	14.7%	-2.7%	7.6%	7.7%	3.0%	-1.2%	3.7%	11.4%	7.8%	16%
2019	-0.2%	-0.2%	7.8%	1.1%	1.6%	-0.9%	-5.4%	-0.6%	4.1%	3.7%	1.5%	0.9%	13%
2018	4.8%	-4.7%	-3.4%	6.2%	0.2%	0.0%	6.2%	3.0%	-6.4%	-4.9%	4.7%	-0.1%	5%
2017	4.6%	3.8%	3.5%	1.4%	3.5%	-0.7%	6.1%	-1.5%	-1.3%	5.7%	-1.0%	3.0%	30%
2016	-4.8%	-7.6%	11.0%	1.4%	4.1%	2.0%	4.4%	1.8%	-1.9%	0.3%	-4.6%	-0.5%	4%
2015	6.4%	1.1%	-4.4%	-3.6%	3.2%	-0.4%	2.2%	-6.5%	-0.2%	1.6%	-1.6%	0.1%	-3%
2014	-3.3%	3.1%	6.9%	-0.1%	8.1%	5.6%	1.7%	3.1%	0.2%	4.6%	3.2%	-3.5%	33%
2013	2.2%	-5.6%	-0.1%	4.4%	1.3%	-2.2%	-1.5%	-4.6%	4.9%	9.9%	-1.9%	2.1%	8%
2012	12.5%	3.6%	-1.6%	-0.9%	-5.9%	7.6%	-0.8%	0.7%	8.5%	-1.4%	4.7%	0.5%	29%
2011	-10.2%	-3.1%	9.4%	-1.4%	-3.1%	2.0%	-2.8%	-8.7%	-1.1%	7.8%	-9.3%	-4.3%	-24%
2010	-6.1%	0.9%	6.7%	0.6%	-3.5%	4.8%	1.1%	0.8%	11.7%	-0.1%	-2.6%	4.7%	19%
2009	-2.7%	-3.8%	9.3%	15.0%	28.1%	-3.3%	8.3%	0.7%	9.1%	-7.2%	6.8%	3.4%	78%
2008	-16.3%	1.8%	-9.3%	9.1%	-5.6%	-17.0%	7.5%	0.8%	-9.9%	-26.4%	-4.5%	7.6%	-51%
2007	3.0%	-8.1%	2.2%	7.1%	5.1%	0.7%	5.0%	-1.3%	12.6%	17.5%	-2.3%	6.6%	57%
2006	5.9%	2.5%	10.7%	4.6%	-13.6%	2.2%	0.6%	8.8%	5.3%	4.4%	5.6%	0.6%	42%
2005	-1.0%	2.3%	-3.2%	-6.5%	9.9%	6.8%	4.3%	3.3%	9.4%	-8.8%	11.9%	7.2%	39%
2004	-3.6%	-0.5%	-1.6%	1.4%	-17.1%	1.8%	8.7%	0.2%	7.4%	2.4%	9.6%	6.6%	13%
2003	-4.7%	2.1%	-8.0%	-4.3%	8.1%	13.4%	5.2%	15.0%	4.7%	9.9%	3.8%	16.4%	77%
2002	1.5%	6.4%	-1.1%	-3.8%	-5.0%	2.9%	-8.8%	5.7%	-4.6%	-1.0%	10.4%	4.2%	5%
2001	8.6%	-1.5%	-15.0%	-1.9%	4.0%	-5.0%	-2.9%	-1.6%	-13.1%	6.4%	9.8%	-0.8%	-15%
2000	4.9%	7.1%	-7.5%	-7.5%	-1.8%	6.7%	-9.4%	4.6%	-8.7%	-7.8%	8.1%	-0.4%	-13%
1999							10.4%	7.9%	0.1%	-6.2%	3.8%	7.1%	55%

Table: Capitalmind Research • Source: National Stock Exchange

Third Consecutive Positive Month After 5 Negative Months

Nifty 50 delivered a positive 2% return in the month of May. There were war related concerns in the month, but the impact was quite negligible. Experts say that the market had already priced in many factors, and the focus was more towards the ongoing earnings season and less towards speculation.





NIFTY 500 TRI Monthly Returns

Year ▼	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly
2025	-3.5%	-7.8%	7.4%	3.3%	3.2%								2%
2024	2.0%	1.6%	0.8%	3.7%	0.7%	7.1%	4.4%	1.0%	2.2%	-6.4%	0.0%	-1.4%	16%
2023	-3.3%	-2.7%	0.3%	4.6%	3.8%	4.4%	3.9%	-0.6%	2.2%	-2.8%	7.2%	8.0%	27%
2022	-0.5%	-3.9%	4.1%	-0.7%	-4.2%	-5.0%	9.7%	4.7%	-3.2%	4.1%	3.4%	-3.1%	4%
2021	-1.9%	7.9%	1.1%	0.5%	7.1%	2.1%	1.6%	6.6%	3.5%	0.3%	-2.8%	2.4%	32%
2020	-0.1%	-6.3%	-24.0%	14.5%	-2.3%	8.4%	6.8%	3.8%	-0.3%	2.7%	11.9%	7.5%	18%
2019	-1.8%	-0.4%	8.0%	0.0%	1.6%	-1.3%	-6.1%	-0.5%	4.1%	3.9%	1.3%	0.6%	9%
2018	2.2%	-4.3%	-3.6%	6.6%	-1.8%	-1.5%	5.6%	3.7%	-8.7%	-3.9%	4.1%	0.7%	-2%
2017	5.7%	4.6%	3.9%	2.8%	1.7%	0.0%	5.8%	-1.0%	-1.0%	6.5%	0.1%	3.7%	38%
2016	-5.7%	-8.0%	10.9%	2.1%	3.4%	2.9%	5.2%	2.3%	-1.2%	1.5%	-5.6%	-1.4%	5%
2015	5.8%	1.0%	-3.5%	-3.3%	3.2%	-0.7%	3.2%	-6.1%	-0.3%	1.6%	-0.9%	0.6%	0%
2014	-4.1%	3.1%	7.8%	0.6%	10.5%	6.6%	0.6%	2.8%	0.9%	4.3%	3.5%	-2.1%	39%
2013	1.1%	-6.6%	-0.8%	4.6%	1.1%	-3.5%	-2.7%	-4.6%	5.3%	9.5%	-0.7%	3.1%	5%
2012	13.6%	4.8%	-1.2%	-1.0%	-6.2%	6.9%	-0.8%	0.2%	9.1%	-1.2%	5.2%	1.5%	33%
2011	-10.4%	-4.0%	9.0%	-0.2%	-2.6%	1.0%	-2.0%	-8.6%	-1.4%	6.0%	-9.6%	-5.6%	-26%
2010	-4.0%	-0.6%	4.6%	1.3%	-3.2%	4.8%	1.4%	1.5%	8.7%	1.0%	-3.8%	3.4%	15%
2009	-3.6%	-4.3%	8.7%	16.1%	34.5%	-2.9%	8.8%	2.2%	7.4%	-6.4%	7.6%	4.5%	91%
2008	-18.8%	0.4%	-12.2%	10.4%	-6.1%	-19.0%	8.2%	1.1%	-12.2%	-27.2%	-6.0%	9.8%	-57%
2007	3.0%	-8.3%	1.5%	7.5%	5.5%	2.0%	4.5%	-1.8%	13.0%	14.8%	1.3%	10.1%	65%
2006	5.2%	3.0%	9.5%	5.3%	-13.9%	-2.4%	0.2%	9.8%	6.7%	4.3%	5.4%	0.6%	36%
2005	-2.0%	3.5%	-3.0%	-4.7%	8.8%	4.3%	6.6%	5.1%	7.4%	-9.0%	11.6%	6.8%	39%
2004	-4.5%	-0.9%	1.0%	3.5%	-18.4%	2.1%	8.7%	2.3%	7.8%	1.6%	10.1%	9.5%	21%
2003	-3.0%	2.3%	-7.9%	-0.4%	16.1%	11.2%	5.6%	17.7%	4.2%	7.1%	5.6%	19.2%	105%
2002	2.5%	7.6%	1.0%	-0.4%	-3.9%	4.7%	-8.0%	5.1%	-5.8%	0.3%	7.2%	4.3%	14%
2001	7.5%	-3.1%	-20.7%	-0.9%	6.4%	-8.0%	-3.6%	-1.6%	-14.1%	6.7%	13.0%	-0.4%	-22%
2000	9.2%	13.0%	-10.9%	-18.9%	-9.3%	11.0%	-10.6%	7.0%	-9.8%	-8.0%	8.2%	-0.9%	-23%
1999	10.7%	2.0%	10.4%	-10.2%	13.9%	4.9%	12.5%	10.7%	2.6%	-5.1%	6.9%	16.0%	101%
1998	-10.9%	10.7%	8.9%	5.8%	-4.0%	-13.3%	-0.1%	-4.7%	5.7%	-8.6%	-1.2%	8.4%	-7%
1997	7.9%	5.2%	-6.2%	11.1%	-1.7%	11.7%	5.0%	-8.6%	-0.8%	-2.2%	-6.8%	1.7%	15%
1996	-6.1%	15.7%	0.1%	13.4%	-3.6%	3.5%	-8.7%	-2.0%	-10.2%	-3.0%	-7.8%	6.2%	-6%
1995		-5.7%	-2.4%	-6.5%	2.5%	-5.0%	3.3%	-4.0%	2.0%	-3.9%	-10.0%	1.3%	-26%

Table: Capitalmind Research • Source: National Stock Exchange

Are We Past the Period of Market Volatility?

We have had three consecutive months of positive returns. The Nifty 500 index still remains nearly 2000 points of the high it reached in September 2024. It remains to be seen whether this momentum will continue to persist into a bull rally.





NIFTY Midcap 100 TRI Monthly Returns

Year ▼	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly
2025	-6.1%	-10.7%	7.8%	4.8%	4.6%								-2%
2024	5.2%	-0.4%	-0.5%	5.8%	1.7%	7.9%	5.9%	0.6%	1.5%	-6.7%	0.6%	1.4%	25%
2023	-2.6%	-1.7%	-0.3%	5.9%	6.2%	6.0%	5.6%	3.8%	3.6%	-4.1%	10.5%	7.6%	48%
2022	-0.6%	-6.5%	5.2%	0.6%	-5.3%	-6.3%	12.3%	6.4%	-2.5%	2.5%	2.0%	-1.7%	5%
2021	0.3%	11.4%	1.9%	2.2%	6.6%	4.7%	3.3%	2.3%	7.1%	0.3%	-2.5%	2.7%	48%
2020	5.3%	-6.6%	-30.1%	15.4%	-1.7%	10.9%	5.4%	7.9%	1.9%	0.5%	15.6%	5.7%	23%
2019	-5.4%	-1.0%	9.2%	-3.8%	2.3%	-1.6%	-9.5%	-1.5%	2.5%	5.0%	2.5%	-0.7%	-3%
2018	-1.6%	-5.3%	-4.5%	8.2%	-6.8%	-3.8%	4.1%	5.7%	-13.8%	0.2%	1.9%	2.1%	-15%
2017	7.5%	7.1%	4.6%	5.2%	-3.1%	1.3%	4.6%	-1.1%	-0.8%	8.1%	1.8%	6.2%	49%
2016	-6.9%	-7.1%	10.6%	3.5%	0.7%	4.0%	7.1%	4.3%	0.4%	3.3%	-6.3%	-3.7%	8%
2015	4.3%	0.0%	-0.8%	-2.4%	3.9%	-1.2%	5.8%	-4.8%	-0.3%	2.0%	0.1%	1.2%	8%
2014	-6.4%	3.7%	10.4%	2.0%	15.5%	9.5%	-2.0%	2.8%	2.9%	3.7%	4.6%	1.6%	58%
2013	-1.6%	-9.8%	-1.8%	5.7%	0.1%	-5.7%	-6.1%	-3.8%	6.3%	7.7%	2.0%	5.1%	-4%
2012	16.2%	8.7%	0.1%	-3.1%	-7.6%	6.9%	-2.1%	-1.1%	11.0%	-1.0%	5.0%	4.5%	41%
2011	-10.5%	-6.9%	9.2%	2.0%	-1.6%	-0.8%	1.0%	-8.9%	-2.6%	2.5%	-8.6%	-7.9%	-30%
2010	-3.1%	-0.4%	7.5%	4.7%	-3.7%	5.1%	3.8%	3.3%	5.7%	2.2%	-4.8%	-0.6%	20%
2009	-10.1%	-5.3%	7.4%	13.4%	38.8%	1.7%	10.1%	2.9%	9.9%	-2.0%	8.7%	4.0%	102%
2008	-20.6%	-0.8%	-13.8%	12.3%	-6.1%	-20.0%	6.2%	3.1%	-14.0%	-28.2%	-5.6%	12.9%	-59%
2007	1.6%	-7.5%	-0.2%	8.3%	7.7%	6.1%	3.5%	-2.1%	13.7%	8.6%	7.3%	15.1%	79%
2006	6.9%	2.1%	9.0%	7.4%	-14.3%	-10.1%	-1.4%	11.3%	9.1%	3.1%	4.9%	2.7%	31%
2005	-4.0%	4.2%	-1.7%	-1.9%	6.8%	0.3%	11.9%	7.7%	4.1%	-8.5%	10.3%	5.2%	38%
2004	-6.0%	-2.0%	-1.3%	7.2%	-16.8%	1.3%	8.1%	4.9%	7.3%	0.1%	13.2%	13.3%	28%
2003		1.1%	-9.8%	7.1%	23.0%	11.1%	9.3%	14.5%	4.3%	6.8%	10.7%	22.0%	173%

Table: Capitalmind Research • Source: National Stock Exchange

Midcaps are ascendant

After a disastrous start to the year, midcaps have seen a robust recovery in March, April and May.



NIFTY Smallcap 100 TRI Monthly Returns

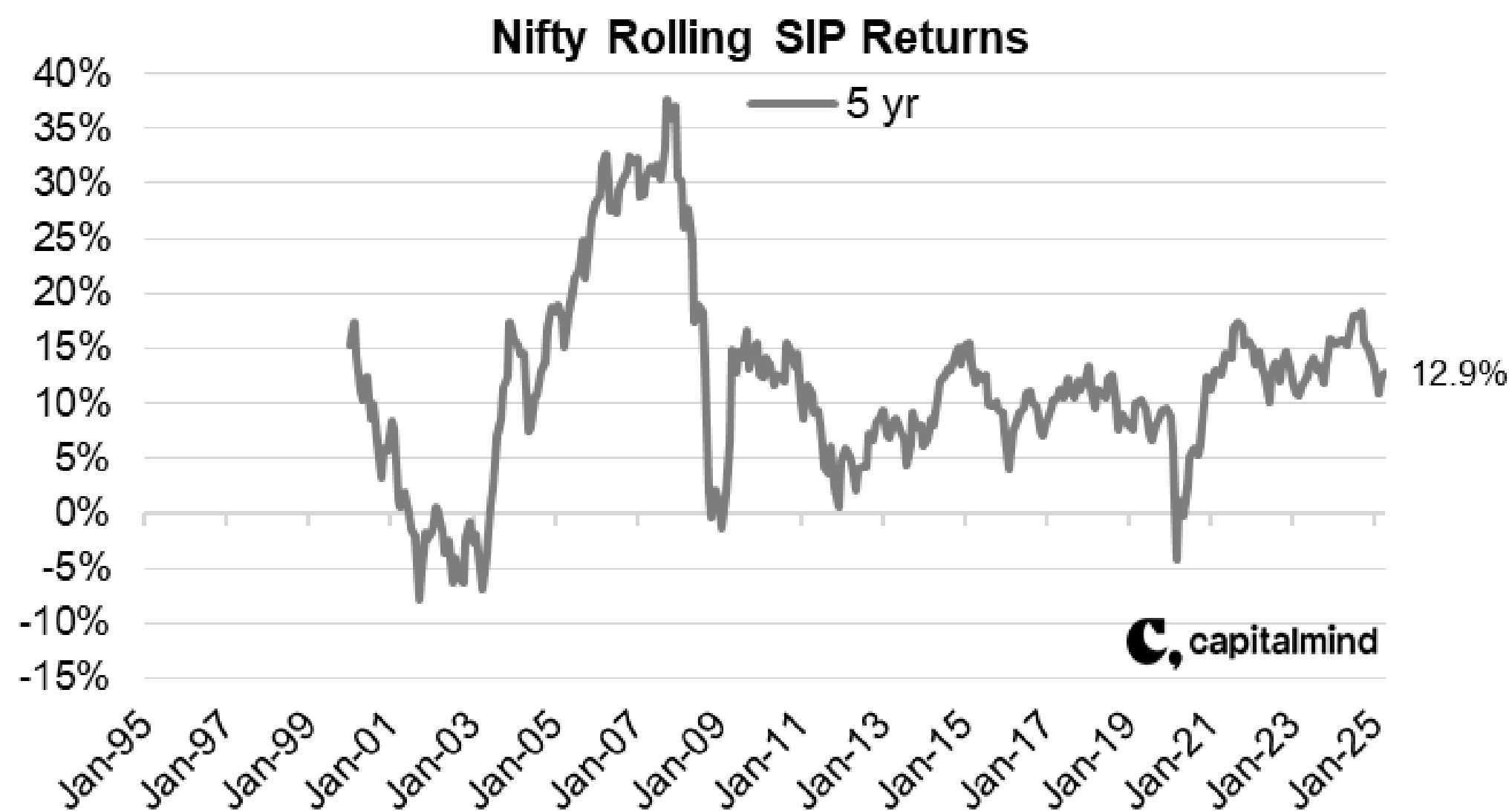
Year ▼	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly
2025	-9.9%	-13.0%	9.5%	2.2%	6.7%								-6%
2024	5.8%	-0.2%	-4.4%	11.4%	-1.8%	9.8%	4.6%	1.0%	-0.6%	-3.0%	0.4%	0.6%	25%
2023	-2.3%	-3.5%	-1.7%	7.6%	5.1%	6.6%	8.1%	4.8%	4.2%	-0.8%	12.1%	6.9%	57%
2022	-1.4%	-11.3%	6.1%	-1.7%	-10.2%	-8.2%	8.9%	5.1%	-1.7%	2.6%	3.1%	-2.5%	-13%
2021	1.3%	12.3%	0.8%	5.6%	8.2%	5.1%	8.2%	-2.3%	6.2%	-1.1%	-0.9%	5.9%	61%
2020	6.7%	-8.7%	-36.4%	13.4%	-1.8%	15.3%	8.6%	11.8%	4.3%	-0.1%	13.1%	7.8%	23%
2019	-4.9%	-3.2%	12.5%	-3.1%	1.3%	-5.2%	-10.6%	-1.2%	2.9%	2.7%	1.3%	0.3%	-9%
2018	-3.0%	-5.1%	-6.8%	7.7%	-6.7%	-8.3%	4.4%	2.9%	-19.6%	-1.4%	2.6%	3.8%	-28%
2017	9.0%	6.6%	4.1%	6.6%	-2.6%	1.9%	6.8%	-0.4%	-1.9%	12.7%	1.9%	4.4%	60%
2016	-11.0%	-13.1%	12.1%	6.5%	0.4%	11.5%	4.8%	1.5%	-0.3%	5.9%	-10.1%	-1.0%	3%
2015	3.6%	4.2%	-1.1%	-2.9%	1.9%	-4.1%	7.7%	-9.6%	1.5%	2.5%	3.5%	1.9%	8%
2014	-6.2%	2.9%	12.7%	6.5%	22.5%	12.0%	-5.9%	-1.0%	-1.1%	4.2%	0.9%	1.6%	57%
2013	-1.9%	-10.2%	-4.0%	2.9%	-2.1%	-7.7%	-8.3%	-1.2%	5.0%	12.1%	3.9%	6.9%	-7%
2012	16.7%	7.0%	0.2%	1.7%	-6.7%	4.5%	-4.0%	-1.2%	9.5%	-1.2%	6.8%	2.0%	39%
2011	-12.1%	-6.9%	7.0%	5.9%	-2.2%	-1.0%	1.5%	-10.0%	-0.3%	5.3%	-13.8%	-9.6%	-33%
2010	0.2%	-2.4%	6.3%	4.1%	-6.7%	5.4%	4.4%	4.9%	6.9%	3.8%	-9.5%	1.6%	19%
2009	-8.7%	-5.7%	9.1%	16.7%	47.4%	-1.5%	6.9%	8.0%	5.5%	-4.7%	6.5%	6.8%	110%
2008	-21.7%	-0.1%	-16.9%	11.5%	-5.5%	-16.9%	2.8%	2.0%	-18.8%	-37.4%	-13.7%	12.3%	-71%
2007	6.3%	-6.2%	-2.3%	8.6%	7.7%	6.4%	3.9%	-1.3%	9.2%	10.9%	7.0%	17.6%	89%
2006	8.7%	1.2%	11.7%	11.0%	-6.1%	-10.4%	-1.4%	11.9%	6.6%	4.5%	3.7%	0.9%	48%
2005	1.1%	5.4%	-0.0%	1.6%	8.8%	0.7%	12.4%	15.0%	1.7%	-10.7%	11.6%	3.1%	60%
2004		-4.8%	-1.7%	9.0%	-13.0%	1.9%	11.8%	12.2%	6.5%	0.9%	12.9%	14.2%	57%

Table: Capitalmind Research • Source: National Stock Exchange

Smallcap Performance

Despite cautionary signals from institutional investors, smallcaps continue to attract aggressive buying. The key question now is: when will earnings growth justify these lofty valuations?





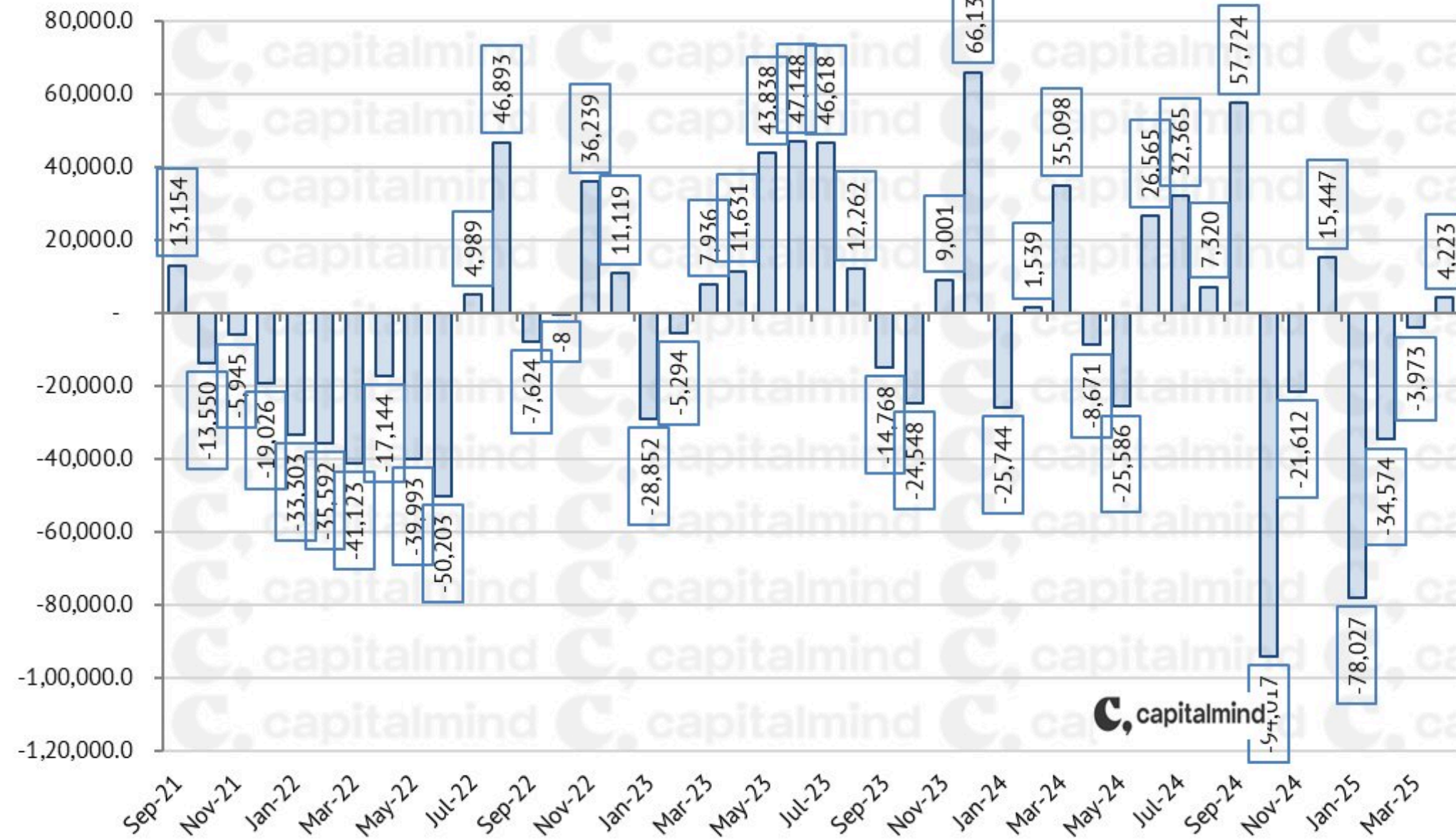
Source: Capitalmind Analysis, NSE

## NIFTY SIP Returns Moderated to 12.9%

Moderating returns can be a healthy sign, not particularly a worry. Markets work like a pendulum; they move to extremes. Despite Nifty delivering around 9% absolute, the XIRR returns on rolling Nifty SIP is still 12.9%, highlighting advantage of long term investing.



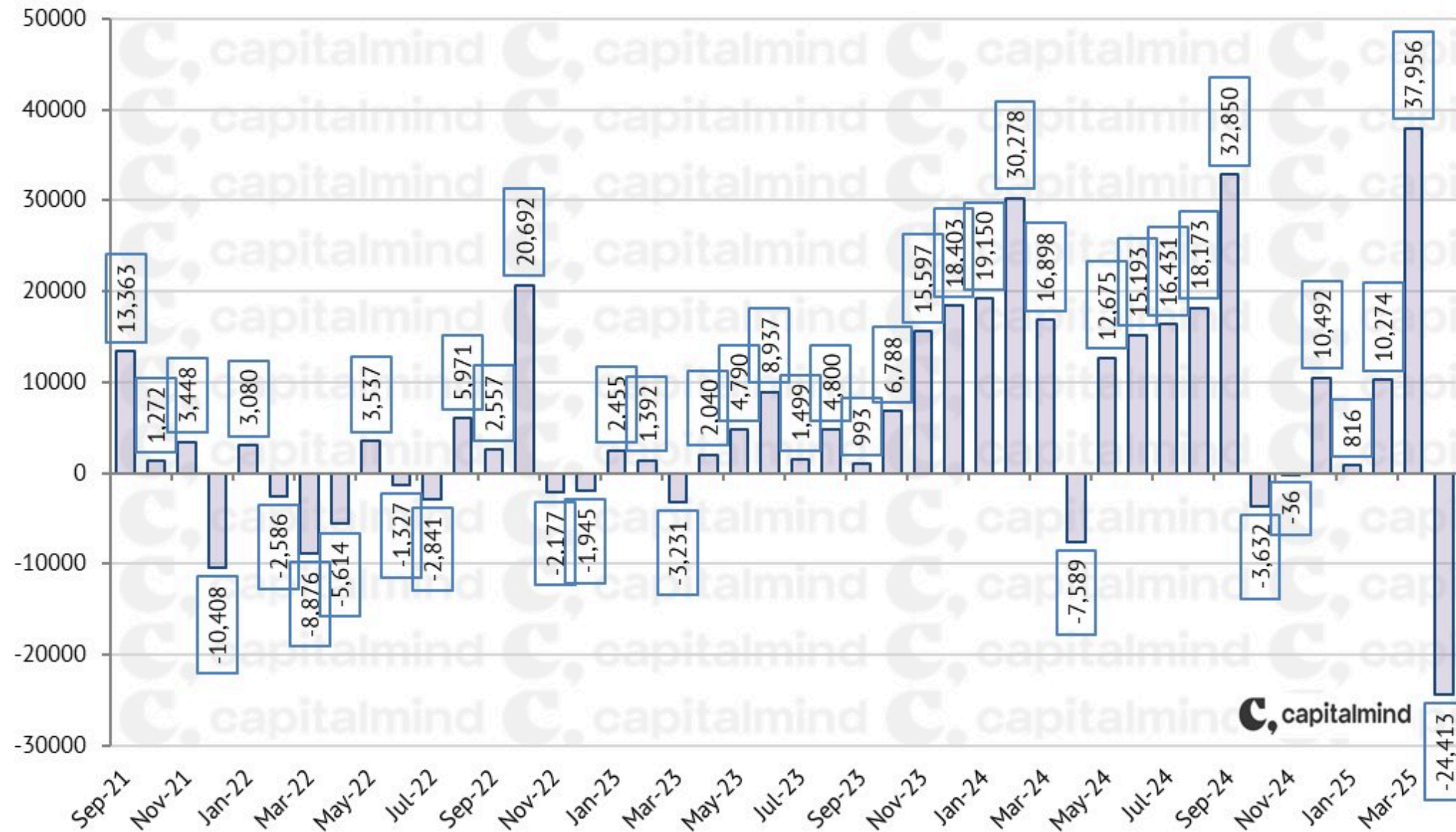
# FPI Investments into Equity, Rs. Cr.



## April Broke the FPI Net Outflow Trend

After three consecutive months of net outflows due to numerous reasons, April finally saw a positive net inflow from the FPIs.

FPI Investments into Debt, Rs. Cr.



## April Saw the Biggest Debt Outflow by FPIs in 5 Years

After a massive 37,000 cr inflow in March, there was a large debt outflow in April to the extent of 25,000 cr, which was the largest in the last 5 years.

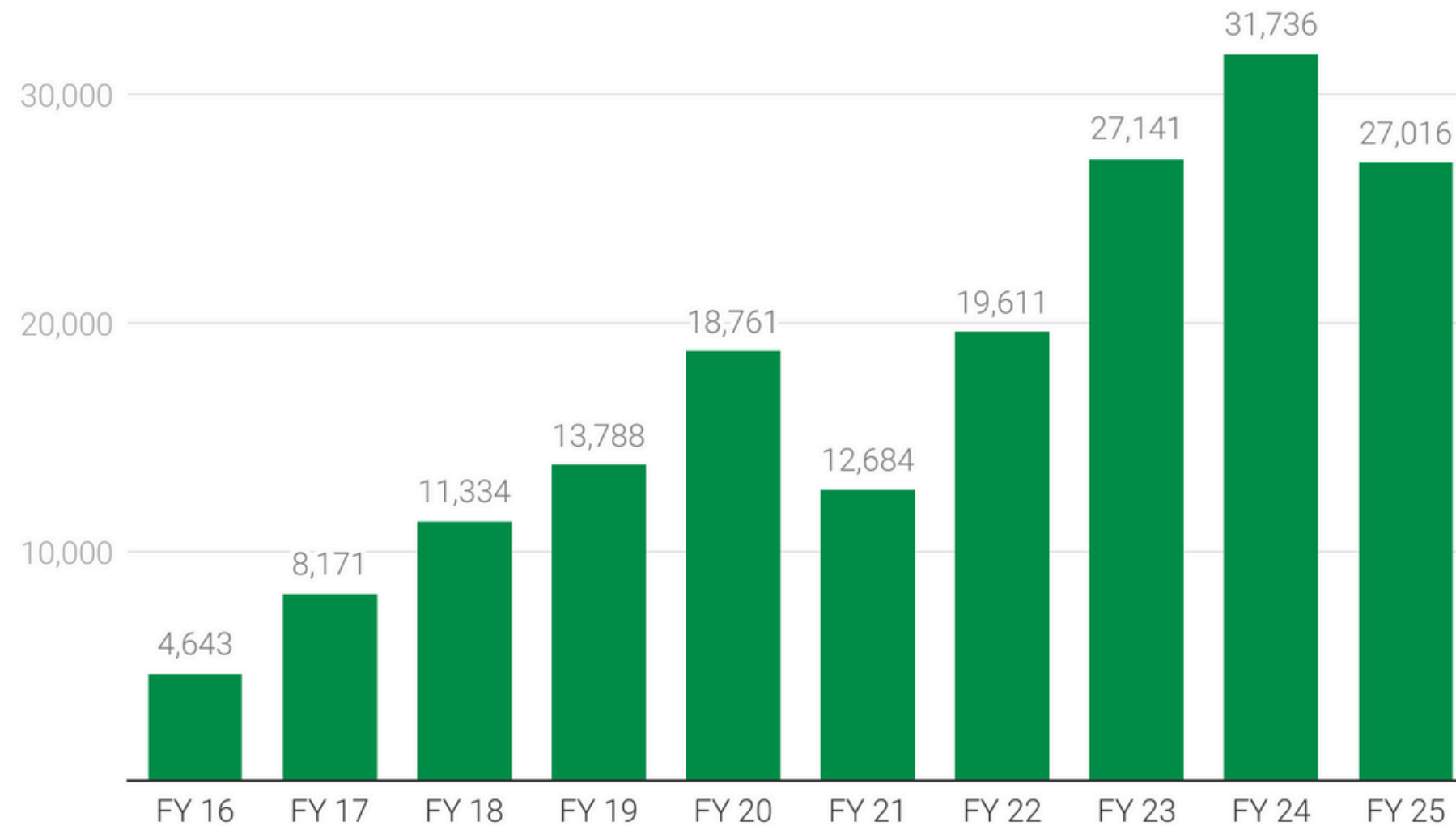


# **LIBERALISED REMITTANCE SCHEME**



## Outward Remittances under LRS

In USD Millions



The Liberalised Remittance Scheme (LRS) allows Indian Citizens to remit USD 250,000 abroad every Financial Year. Data for FY 25 until February 2025.

Chart: Capitalmind Research • Source: RBI

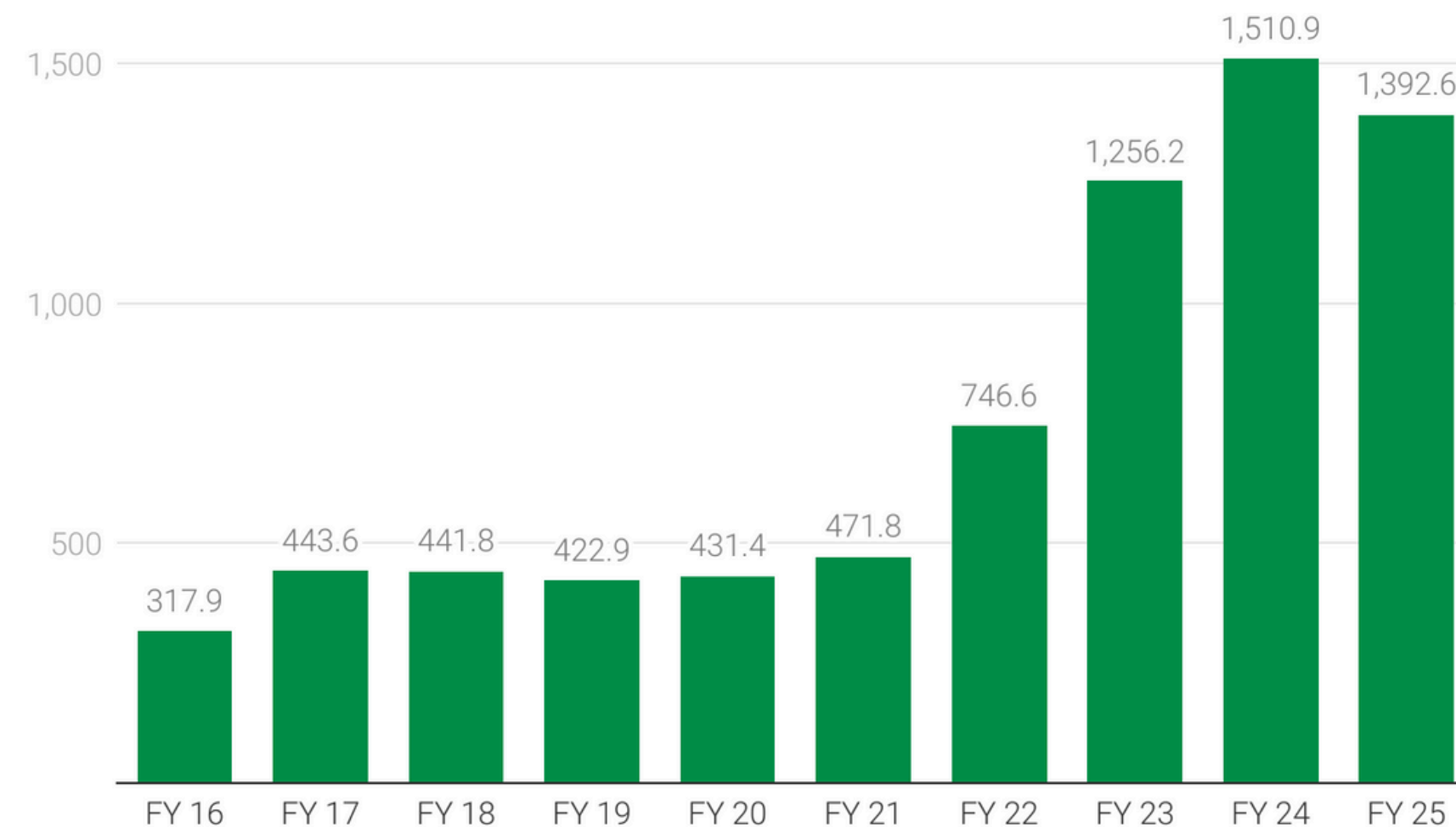
## Outward Remittances Ease Slightly After Two Years of Strong Growth

Outward remittances under the Liberalised Remittance Scheme (LRS) remained elevated at USD 27 billion in FY25 (till February), though marginally lower than the peak of USD 31.7 billion in FY24. This slight moderation follows two years of growth.



## Investments in Equity/Debt through LRS

In USD Millions



The Liberalised Remittance Scheme (LRS) allows Indian Citizens to remit USD 250,000 abroad every Financial Year. Data for FY 25 until February 2025.

Chart: Capitalmind Research • Source: RBI

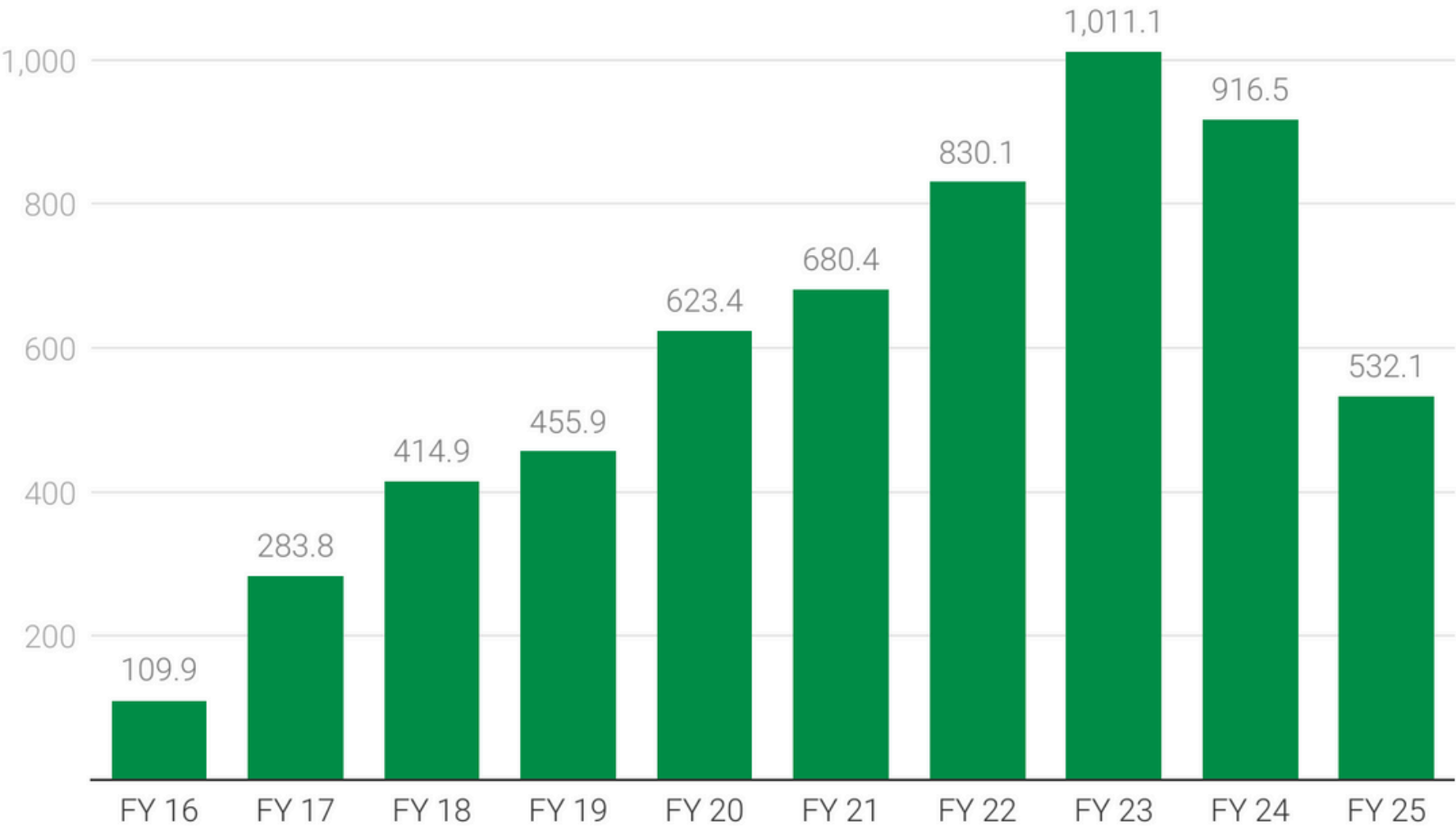
## LRS Investments in Equity and Debt Remain Strong After Record Highs

Investments in equity and debt through the LRS stayed robust at USD 1.39 billion in FY25 (till February), slightly below the record USD 1.51 billion in FY24. Allocations will likely surpass FY 24 levels, indicating sustained interest in global financial markets among Indian investors.



# Deposits through LRS

In USD Millions



The Liberalised Remittance Scheme (LRS) allows Indian Citizens to remit USD 250,000 abroad every Financial Year. Data for FY 25 until February 2025.

Chart: Capitalmind Research • Source: RBI

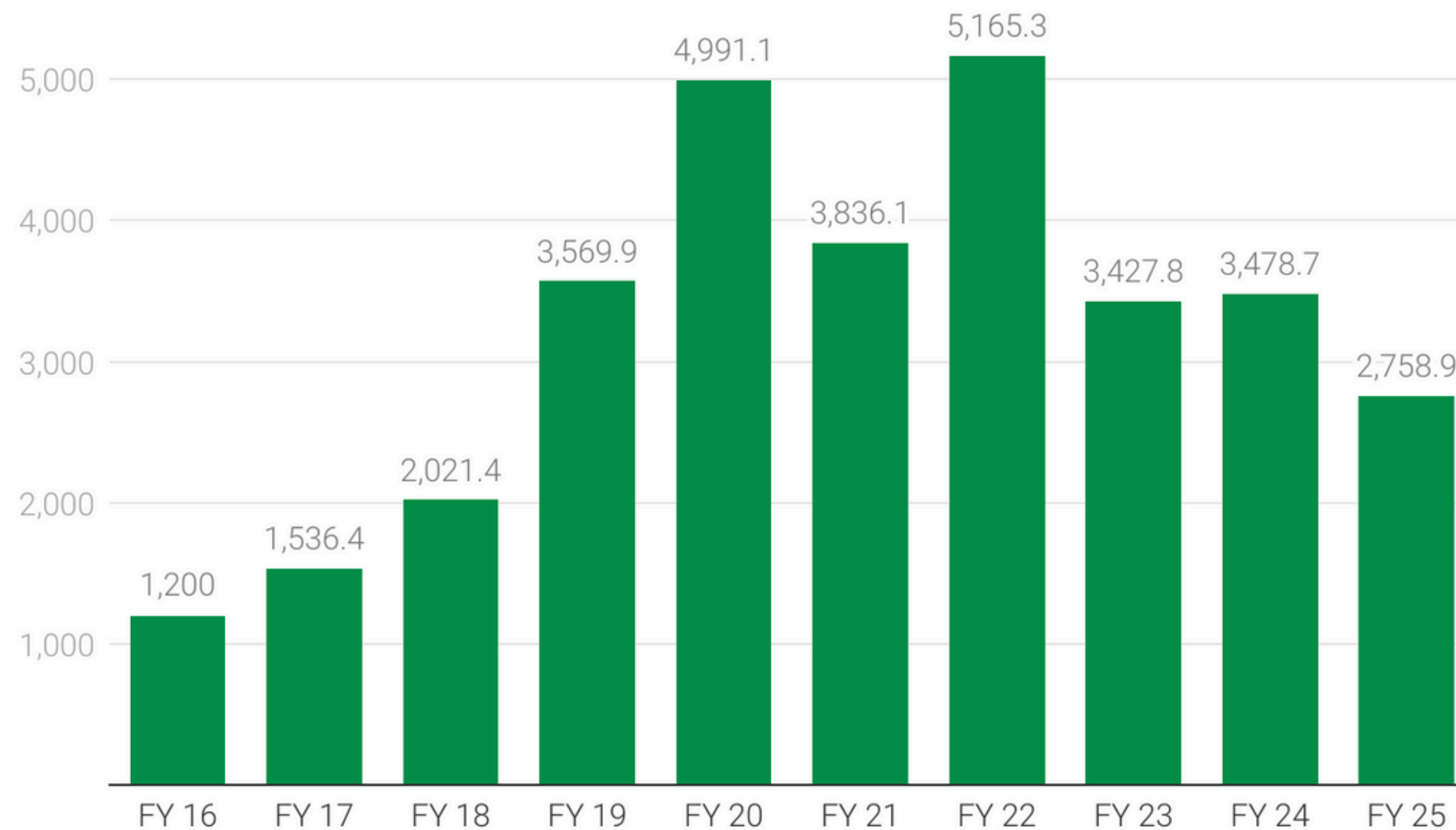
## LRS Investments in Equity and Debt Remain Strong After Record Highs

Deposits under the LRS fell sharply to USD 532.1 million in FY25 (till February), down from FY24 and FY23. This marks a significant pullback after two years of elevated outflows, suggesting a shift in preference away from foreign deposits, possibly in favor of other overseas investment avenues or domestic alternatives.



## Expenditure on Foreign Education through LRS

In USD Millions



The Liberalised Remittance Scheme (LRS) allows Indian Citizens to remit USD 250,000 abroad every Financial Year. Data for FY 25 until February 2025.

Chart: Capitalmind Research • Source: RBI

## Spending on Foreign Education Dips Amid Immigration Uncertainty

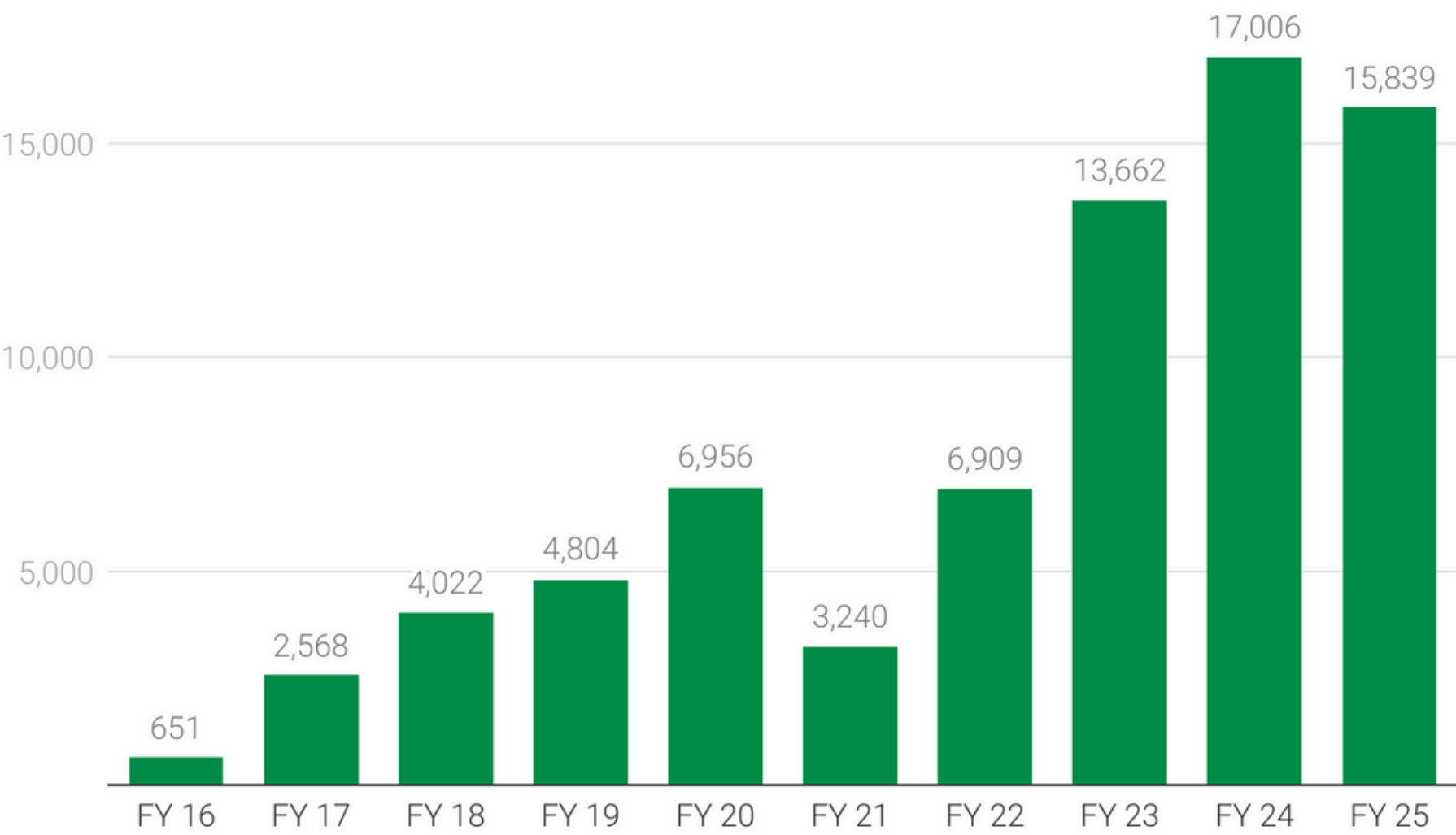
Expenditure on foreign education under the LRS fell in FY25 (till February), reflecting a decline from the pandemic highs. This moderation is probably driven by uncertainties around immigration policies in key study destinations, making students more cautious about overseas education.





# Expenditure on Foreign Travel through LRS

In USD Millions



The Liberalised Remittance Scheme (LRS) allows Indian Citizens to remit USD 250,000 abroad every Financial Year. Data for FY 25 until February 2025.

Chart: Capitalmind Research • Source: RBI

## Foreign Travel Spending Stays Elevated; FY25 Likely to Close Higher

Foreign travel spending touched USD 15.8 billion by February FY25, and with March data pending, the final figure will likely surpass last year’s record. The rising costs of domestic travel have made foreign destinations more attractive for the rising salaried class.



# THANKS FOR THE READ.

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Designed by Suhruth Simha

Capitalmind manages Rs. 2000+ cr. as a SEBI-registered PMS, and has quantitative investing strategies that use extensively tested factor data to invest into stocks.

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