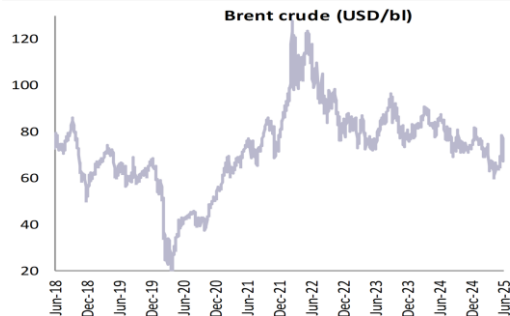


# India Economics



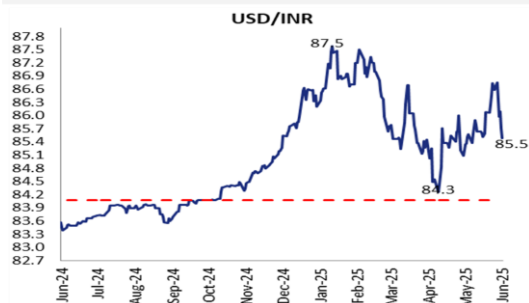
## Weekly round-up of macro-economic events

Exhibit A. Oil prices rose to USD 68/bbl



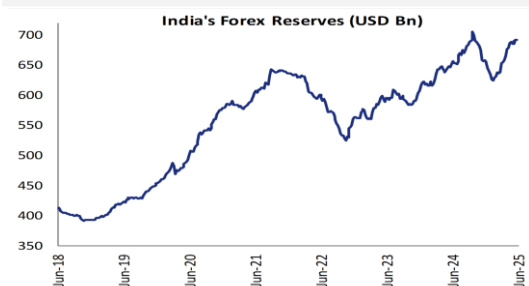
Source: Bloomberg, JM Financial, As on 27<sup>th</sup> Jun'25

Exhibit B. INR closed at 85.5/USD levels



Source: Bloomberg, JM Financial, As on 27<sup>th</sup> Jun'25

Exhibit C. Forex reserves fell \$1bn to \$697bn



Source: CMIE, JM Financial, As on 20<sup>th</sup> Jun'25

### THIS WEEK'S HIGHLIGHTS

- In the week that passed, China officially confirmed the broad details of the framework of the trade deal with US. China is expected to review and approve items under export controls while US will uplift restrictive measures. Top priority for US here has been to ensure the supply of the rare earths.
- Trump also hinted on reaching an agreement on the trade deal with India. However he indicated that as trade deals with every country would not be possible, letters will be sent detailing the applicable tariffs.
- In his testimony before the congress, Powell reiterated his data dependent approach and dashed market hopes of accelerated rate cuts. However market chatter around the appointment of new Fed chairman raised hopes of easy policy, which reflected in the benchmark yields (UST 10yr) which eased 24bps to 4.28%.
- NATO alliance agreed to more than double their defense spending from 2% to 5% of GDP by 2035. This 5% figure would include 3.5% of GDP spent on pure defense while the rest would be spent on critical infrastructure.
- India's Finance Minister urged Public Sector Banks to boost credit growth with a focus on MSME and support the financial inclusion efforts of the government. Net NPAs of PSBs have further declined to 0.52% as of May-25.
- The announcement of ceasefire between Iran and Israel led to a sharp fall of 11.5% in Brent crude oil price. This led to an improvement in market sentiments. Nifty gained 2.1%, however it underperformed the EM and DM basket.
- After the negative deviation at the start of the month, the progress in monsoon has been noteworthy. On a cumulative basis, deviation in rainfall turned positive in the last week of June (10.3% as on 27<sup>th</sup> Jun). However rainfall in Marathwada and Vidarbha in Maharashtra is still deficient.

### Week-ahead events

Release Date	Event
29-Jun	China – Composite PMI
30-Jun	India – Fiscal Deficit
30-Jun	India - BoP
30-Jun	ECB President Lagarde speaks
1-Jul	India – Manufacturing PMI

[Link to Last Report](#)

CRUDE



68/bbl ↓

INR/USD



85.5 ↓

RESERVES



USD 697bn ↓

Hitesh Suvarna

hitesh.suvarna@jmfl.com  
Tel: (91 22) 66303351

Venkatesh Balasubramaniam

venkatesh.balasubramaniam@jmfl.com  
Tel: (91 22) 66303081

Shalin Choksy

shalin.choksy@jmfl.com  
Tel: (91 22) 66303380

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha  
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.  
You can also access our portal [www.jmflresearch.com](http://www.jmflresearch.com)

## Domestic Macroeconomic Indicators/Events

- **India's GDP to be third largest in next three years:** Union Minister of Commerce and Industry indicated that India is on course to become the world's third-largest economy by 2027 and is expected to reach a USD 5Tn GDP within the next three years. He emphasized that "History reminds us that great economies are not built in calm waters. Great economies are built in turbulent seas," adding that this is India's time to seize the moment and that the opportunity must not be missed. On India's economic strength, he stated that the country has moved from being part of the fragile five to becoming one of the top five economies in the world. We highlight that as per the IMF, India is expected to grow at a CAGR of 10.1% in next 3 years reaching the USD 5.5Tn GDP mark and would surpass Germany to become the third largest economy globally.
- **FM urges banks to start lending aggressively:** Media reports indicate that the Finance Minister Nirmala Sitharaman held an annual review meeting with heads of Public Sector Banks (PSBs), asking them to boost credit growth and enhance customer service. Banks were told to focus on lending to Micro, Small and Medium Enterprises (MSMEs) and support financial inclusion efforts. Improving customer satisfaction was marked as a key area for improvement. The net non-performing assets (NPAs) of PSBs have further declined to 0.52% as of Mar-25, reflecting improved asset health.
- **RBI's Liquidity measures | Liquidity withdrawal or fine tuning of liquidity?:** RBI's latest decision to absorb liquidity worth INR 1Tn through VRRR while skipping the main operation through VRR is with an intent to align the call rates to the Repo rate. Currently, the call money rate is trading in the lower band of the policy corridor, which is below RBI's comfort zone. With this move the central bank is signalling that its actions are in line with the recent change in policy stance to 'neutral'. Equities did not react to this policy move while the yields on the T-Bills hardened significantly in the range of 5.2 to 7.8bps. We believe that the decision to conduct VRRR should not be read as withdrawal of liquidity but for fine tuning of liquidity, however markets would take cues from the incremental policy actions on these lines in the near term for a decisive reaction. ([Detailed Note](#))
- **Trump indicated agreement on India trade deal:** US President Donald Trump hinted at a "very big" trade deal with India, weeks after a team of negotiators from the two countries held four-day closed-door talks on the agreement. Addressing the 'Big Beautiful Event' at the White House, Trump said he has a "great deal" with India. Moreover he also indicated that the US will not make trade deals with every other nation, the Trump administration will be sending letters to these nations
- **S&P raises GDP forecast:** S&P Global Ratings upgraded the growth forecast for India for the financial year FY26 by 0.2% to 6.5%. The rating agency expects favourable domestic demand to limit the slowdown in overall GDP growth in 2025, but less so in the more export-oriented economies. In May-25, S&P had slashed India's growth projections by 0.2% to 6.3% for the current financial year, citing uncertainty over the US tariff policy and downside risks from its spillover to the economy. The ratings agency in its May report had said that changes in global trade policy would catalyze supply chain diversification to the benefit of India, which is on track to become the world's third-largest economy between FY30 and FY35.
- **India's external debt increased to USD 736.3Bn in FY25:** India's external debt position as on 31st Mar-25 was at USD 736.3Bn, which increased USD 67.5Bn from a year ago. The external debt to GDP ratio increased to 19.1% vs 18.5% in FY24. Valuation effect due to the appreciation of the US dollar vis-a-vis the Indian rupee and other currencies amounted to USD 5.3Bn. USD denominated external debt formed largest component at 54.2%.
- **India Business activity picks further pace:** The combined output of India's manufacturing and service sectors – climbed to a 14-month high of 61.0 in June. Rising from 59.3 in May, the latest reading was consistent with a sharp rate of expansion that was well above the long-run series average. Manufacturers led the upturn in business activity, though growth also picked up pace in the service economy. Meanwhile, charge inflation softened as input costs rose at the slowest pace in ten months.
- **Karnataka Excise Policy:** The Karnataka government reversed its decision to double the liquor excise license renewal fees and announced a 50% hike from July 1 onwards. The latest order comes after liquor sellers and craft alcohol producers opposed the 100% hike announced on 15<sup>th</sup> May which was expected to increase state revenue by INR 6-7Bn annually. On the industry demand, the validity period of excise licenses was also increased from one year to five years. The fee structure will be established according to the population in that area.

## Global Market Movers

- **Powell testimony: Re-iterated data dependent approach:** Fed Chairman Powell re-iterated what he had already indicated in the FOMC press meeting that "For the time being, we are well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance" He indicated that economic growth will remain steady and the labour market will remain healthy while agreeing to the inflationary impact from tariffs. However he clarified that "if it turns out that inflation pressures do remain contained, then we will get to a place where we cut rates sooner rather than later". Markets are now factoring in 3 rate cuts by the end of 2025 vs 2 rate cuts a week ago.
- **China confirms trade deal framework:** China confirmed the details on the framework of a trade deal with the US, indicating that US would lift "restrictive measures" while China would "review and approve" items under export controls. A top priority for US had been to ensure the supply of the rare earths essential for products including electric vehicles, hard drives and defence equipment.
- **US GDP declined 0.5% in Q1:** As per the third and final estimates, real GDP declined 0.5% in Q1 2025 which is slightly better than the -0.2% as per the second estimate, The downward revision reflected a sharp downgrade to consumer spending, which is now estimated to have increased at only 0.5% vs 1.2% reported previously. While imports although continued to drag but not at a steeper rate. As per the latest GDP nowcast, US economy is expected to grow at 3.4% in Q2, reverting from the imports-led decline in the first quarter.
- **US existing home sales grew at slowest pace since 2009:** U.S. existing-home sales rose 0.8% MoM in May which was the slowest pace since 2009. Sales were better than market expectation of a monthly decrease of 1.3%. But they were still subdued, coming in at a seasonally adjusted annual rate of 4.03Mn. Homes are sitting on the market longer because buyers are turned off by prices that hover near all-time highs and mortgage rates that have been stuck above 6.5%. As buyers are gaining negotiating power, price growth is slowing. About one in four listings on Zillow got a price cut in May, which is the highest proportion for any May since at least 2018.
- **NATO alliance agrees to double their defense spending:** NATO alliance agreed to more than double their defense spending target from 2% of GDP to 5% by 2035. The joint declaration indicated that the alliance is "united in the face of profound security threats and challenges," in particular to the long-term threat posed by Russia to Euro-Atlantic security and the "persistent threat" of terrorism. The 5% figure is made up of "at least" 3.5% of GDP that should be spent on "pure" defense, with the remainder going to security and defense-related "critical infrastructure" to ensure, their civil preparedness and resilience, unleash innovation, and strengthen our defence industrial base.

Source: Media

## Exhibit 1. Macro indicators

Flows (USD mn)	Last Week *	Week prior	MTD	FYTD25
FII -Equity	429	1,276	1,612	3,881
FII -Debt	66	184	(1,029)	(4,438)
DII (INR bn)	130	126	698	7,728
Equity Returns (%)	LTP	1 Week	1 month	1 Year
Nifty	25,638	2.1	3.6	6.6
Dow Jones	43,387	2.8	3.1	10.8
Shanghai Comp	3,424	1.9	2.5	16.2
Nikkei	40,151	4.6	6.4	2.1
MSCI EM	1,227	3.1	5.4	13.4
MSCI DM	3,985	2.6	3.6	13.1
Global Pairs Returns (%)	LTP	1 Week	1 month	1 Year
USDINR	85.5	1.3	(0.1)	(2.4)
EURUSD	1.2	(1.8)	(3.8)	(8.8)
GBPUSD	1.4	(2.0)	(1.9)	(7.9)
USDJPY	144.6	1.0	0.2	11.2
Dollar Index	97.1	(1.7)	(2.8)	(8.4)
Commodities returns (%)	LTP	1 Week	1 month	1 Year
GOLD (\$/OZ)	3,263	(3.1)	(0.7)	40.2
Brent (\$/bbl)	68	(11.5)	5.0	(21.1)
CRB Metal Index	1,083	1.0	2.1	1.3
Generic Bond Yields (%)	LIBOR	G-Sec		
Country	3M	6M	1Y	10Y
US	4.85	4.68	6.04	4.26
EU	(0.58)	(0.56)	(0.49)	4.49
UK	4.11	4.74	0.81	1.44
India - Yields (%)	LTP	Week ago	1 month ago	Year ago
MIBOR	5.40	5.30	5.84	6.81
10Yr G-Sec	6.31	6.31	6.24	7.00
India Macro	latest		1 month ago	Year ago
FX Reserves (USD bn)	698		693	604
Reserve Money (yoy %)	4.8		4.8	5.6
Currency in Circulation (yoy %)	7.3		6.7	3.9
Credit Growth (yoy %)	9.7		9.8	19.7
Deposit Growth (yoy %)	10.0		10.0	12.9
Unemployment Rate -CMIE (%)	7.5		7.1	7.8

Source: Bloomberg, CMIE, CEIC, JM Financial | FII data updated till 26<sup>th</sup> Jun

- FII's reverted to buying in equities to the tune of USD 429Mn vs negative flows of USD 53Bn in the previous week.
- Even in the Debt segment FII's reverted to buying to the tune of USD 66Mn vs negative flows of USD 0.3Bn in the previous week.
- DII's bought stocks worth INR 130Bn vs INR 157Bn in the previous week.
- Brent crude price corrected 11.5% (USD 68/bbl) with the declaration of a ceasefire between Iran and Israel.
- We continue to believe that oil market will remain volatile going forward.
- UST 10yr yields fell sharply 14bps to 4.26%. India's 10yr G-sec yields fell marginally (1bps) 6.31% post the mixed signals by the RBI.
- India's Forex reserves improved to USD 698 Bn, and continues to remain comfortable.

## Exhibit 2. Sectoral Performance

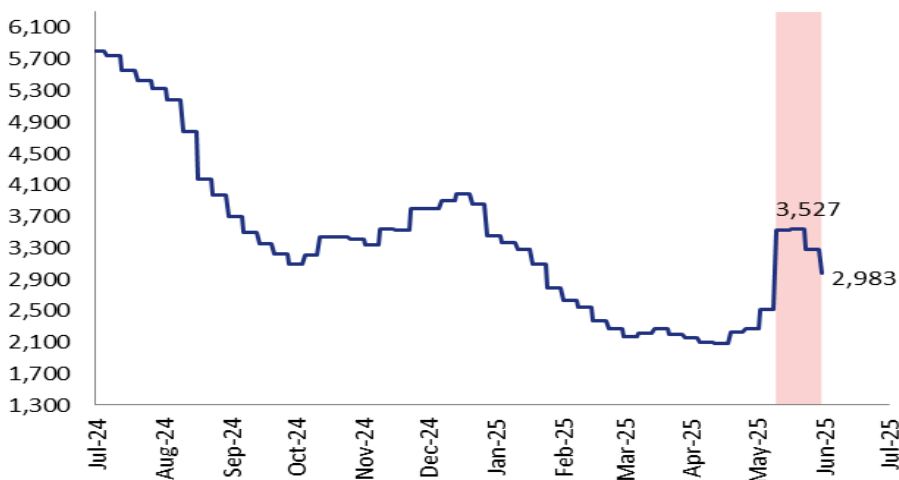
	LTP	Performance (%)		
		1 week	1 month	1 Year
Nifty	25,638	2.1	3.6	6.8
BSE Capital Goods	71,549	1.9	0.6	(1.1)
BSE Cons Durables	59,534	3.3	2.7	1.2
NSE Bank	57,444	2.1	3.0	9.7
NSE Nifty Auto	24,008	1.4	2.9	(4.7)
NSE Nifty Energy	36,543	2.6	1.8	(12.6)
NSE Nifty FMCG	55,109	0.9	(0.3)	(2.9)
NSE Nifty India Consumption	11,871	2.1	3.1	6.6
NSE Nifty IT	38,823	(0.4)	3.5	7.5
NSE Nifty Pharma	21,929	1.5	2.3	11.1
BSE Utilities	5,433	3.6	1.9	(12.8)
NSE Infra Index	9,439	3.4	5.2	3.3
Nifty Realty	994	(1.9)	4.7	(10.0)
Nifty Metals	9,578	4.8	4.2	(2.4)

Source: Bloomberg, JM Financial | as on 27<sup>th</sup> Jun

- Nifty was in an uptrend (2.1%) but underperformed the EM and DM index.
- Metals (4.8%), Utilities (3.6%), Realty (3.4%) and Consumer Durables (3.3%) outperformed the index.
- While sectors like Realty (-1.9%) and IT (-0.4%) were the only losers
- Nifty is currently trading ~21x one year forward PE which is closer to one standard deviation from its historical mean level.
- We believe performance would be stock specific in 2025, hence quality names should be accumulated at lower levels.

## Exhibit 3. Global freight charges drop 15% as geopolitical tensions ease

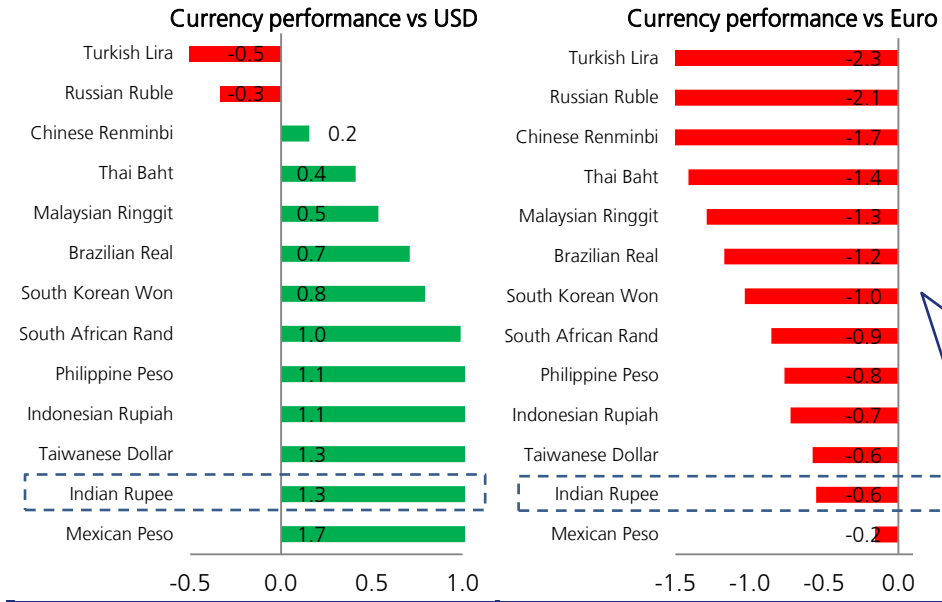
World Freight Index (USD/40ft container)



Source: Bloomberg, JM Financial

- After a sharp rise in Global freight charges, the de-escalation of tensions between Iran-Israel and the related disruption led to a sharp fall of 15% in freight to USD 2983/40ft container.
- Before this, global freight rates were up sharply within a short period of 30-35 days.
- The 69% rise in freight to USD 3527/40ft container was due to the combination of factors like the pause in US tariffs and the expectation of closure of the strait of Hormuz.
- We believe that easing freight and supply chain disruption should aid global trade activity.

Exhibit 4. EM Currency tracker (Vs. USD &amp; Euro)

Source: Bloomberg, JM Financial | 5 day ending 20<sup>th</sup> May

- US Dollar index weakened 1.7% to close at 97.1.
- INR gained 1.3% against USD while it weakened 0.6% against Euro.
- INR is currently trading at 85.5/USD. RBI governor indicated that there is no change in the FX policy.
- Resilient economic growth and comfortable fiscal situation makes India an attractive investing decision. But we expect further deterioration in the trade deficit, hence CAD should average 1.1% of GDP in FY26.

Exhibit 5. Vietnam leads in the EM basket across 13 Macro-economic parameters covered in JM EM Macro Tracker

Country	Rank #	Gross National Savings	Total investment	General Govt Revenue	General Govt Expenditure	General Govt net lending/borrowing	Current account balance	Real GDP Growth	Per Capita Income Growth	Volume of imports	Volume of exports	Change in Forex Reserves	Manufacturing PMI	Weekly Exchange rate movement
		% GDP						YoY%				USD Bn	Index	WoW%
Vietnam	1	33.2	32.4	18.8	20.8	-2.1	0.8	6.9	8.6	10.2	9.0	-1.2	49.8	-0.1
India	2	30.1	32.0	19.5	27.5	-8.0	-1.9	6.3	8.9	6.0	4.3	7.0	57.6	1.3
Indonesia	3	28.7	29.8	14.9	17.1	-2.1	-1.0	5.0	7.4	10.8	8.4	3.4	47.4	1.1
China	3	43.1	41.9	26.9	34.2	-7.3	1.1	4.1	6.7	4.0	3.0	0.6	49.5	0.2
Malaysia	5	28.1	25.2	16.9	21.2	-4.3	2.9	4.4	6.6	4.1	4.0	17.5	48.6	0.5
Thailand	6	24.7	22.0	20.0	22.8	-2.8	2.6	3.1	6.6	4.4	4.0	-0.6	49.5	-0.5
Brazil	7	15.6	17.5	42.2	47.5	-5.3	-1.9	1.9	3.7	1.6	4.0	7.5	52.5	0.7

Source: IMF, Bloomberg, JM Financial | Note: GDP and Fiscal parameters are sourced from IMF database for latest fiscal | Currency movement is for week ended 27<sup>th</sup> Jun

#Methodology: All the 13 indicators are ranked individually, the result of which is averaged for final country wise ranking.

## Exhibit 6. High Frequency Indicators

	Unit	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24	Jul-24	Jun-24	May-24
<b>Monetary</b>															
Currency with public (M0)'	%YoY	8.7	7.7	6.9	6.5	5.9	5.4	6.3	5.8	6.7	6.1	6.2	6.5	6.5	2.9
10 year G-sec	%	6.28	6.31	6.40	6.66	6.69	6.75	6.73	6.84	6.80	6.78	6.87	6.96	7.00	7.10
O/s Banking liquidity	INR tn	(2.7)	(2.6)	(1.2)	(1.3)	1.5	1.6	1.1	(1.0)	(1.8)	(1.8)	(1.9)	(1.8)	(0.7)	0.0
CPI inflation	%YoY		2.82	3.16	3.34	3.61	4.26	5.22	5.48	6.21	5.49	3.65	3.60	5.08	4.80
WPI inflation	%YoY		0.39	0.85	2.25	2.45	2.51	2.57	2.16	2.75	1.91	1.25	2.10	3.43	2.74
SCB credit growth	% YoY		9.7	10.0	11.0	12.3	12.5	11.1	11.1	11.8	12.4	14.0	13.7	17.4	20.7
<b>Fiscal</b>															
Total Receipts (Centre)	%YoY			30.9	(2.0)	(2451.0)	(54.3)	29.8	10.6	(50.4)	8.1	(23.7)	7.6	42.3	46.6
Total Expenditure (Centre)	%YoY			10.0	9.7	(17.7)	12.4	22.1	3.6	31.7	2.6	20.9	0.1	(18.4)	(37.9)
Revenue Expenditure (Centre)	%YoY			(5.7)	(5.5)	(12.8)	5.1	1.7	0.5	41.9	4.4	33.3	(14.1)	(1.6)	(33.1)
Capital Expenditure (Centre)	%YoY			61.0	68.0	(35.4)	51.4	95.3	21.3	(8.4)	(2.4)	(30.0)	107.8	(66.2)	(50.3)
Centre's GFD (% of BE)	% BE			11.88	14.28	10.99	15.83	4.18	5.94	17.13	2.44	9.81	8.75	5.27	(9.89)
GST collections	INR tn		2.0	2.4	2.0	1.8	2.0	1.8	1.8	1.9	1.7	1.7	1.8	1.7	1.7
<b>Industrial/Services</b>															
Manufacturing PMI	Index	58.4	57.6	58.2	58.1	56.3	57.7	56.4	56.5	57.5	56.5	57.5	58.1	58.3	57.5
Services PMI	Index	60.7	58.8	58.7	58.5	59.0	56.5	59.3	58.4	58.5	57.7	60.9	60.3	60.5	60.2
GST e-way bills	mn		122.7	119.3	124.5	111.6	118.1	112.0	101.8	117.3	109.1	105.5	104.9	100.1	103.2
Diesel consumption	%YoY		2.4	4.7	1.2	(1.3)	4.3	5.9	8.8	0.2	(1.8)	(2.4)	4.4	0.9	2.3
Eight Core Industries	%YoY		0.7	1.0	4.5	3.4	5.1	5.1	5.8	3.8	2.4	(1.5)	6.3	5.0	6.9
IIP	%YoY		2.7	2.7	3.9	2.7	5.2	3.7	5.0	3.7	3.2	0.0	5.0	4.9	6.3
Railway Freight earnings	%YoY		0.0	0.6	1.7	1.7	1.7	1.7	0.7	(0.3)	2.3	0.6	6.0	11.1	3.8
Cargo handled at ports	%YoY		7.0	7.0	13.3	3.6	7.6	3.4	(5.0)	(3.4)	5.8	6.7	5.9	6.8	3.8
SCBs credit to industry	%YoY		6.6	6.6	7.8	7.2	8.0	7.2	8.0	7.9	8.9	9.7	10.2	8.1	9.4
SCB credit to small & micro ent.	%YoY		9.1	9.1	9.0	9.8	9.5	9.8	10.1	10.0	13.4	13.5	13.3	11.0	15.5
<b>Consumption</b>															
Domestic PV sales	%YoY		(12.2)	(5.4)	(3.9)	(4.3)	0.4	15.5	(5.2)	(17.3)	(12.8)	(19.0)	(12.0)	(13.7)	(11.1)
2W sales (Total)	%YoY		2.2	(16.7)	11.4	(9.0)	2.1	(8.8)	(1.2)	14.2	15.8	9.3	12.5	21.3	10.1
No of Flights (Dom + International)	Th			116.5	120.8	109.0	116.9	117.3	111.6	115.8	110.2	112.3	109.3	107.9	109.6
JM Consumer RM Inflation#	%YoY	(4.63)	(3.16)	(1.82)	3.47	7.95	9.89	8.20	6.69	2.09	(1.21)	1.61	7.32	8.99	4.63
Petrol consumption	% YoY		9.2	5.0	5.7	5.0	6.7	11.1	9.6	8.7	3.0	8.6	10.5	4.6	3.4
Peak Energy Demand ('000)	MW	224.0	231.5	235.3	235.3	238.1	237.3	224.2	207.5	219.2	230.6	216.5	226.8	244.5	249.9
Naukri Job Speak Index	% YoY		0.3	8.9	(1.5)	4.0	3.9	8.7	2.0	10.0	(3.8)	(3.4)	11.8	(7.6)	(1.8)
Personal loans from SCBs	% YoY		11.9	11.9	11.7	11.7	11.8	12.0	13.3	12.9	13.4	13.9	14.0	25.6	28.7
<b>External</b>															
Exchange Rate	INR/USD	86.00	85.19	85.56	86.64	87.05	86.27	84.99	84.36	84.03	83.79	83.90	83.59	83.47	83.39
Forex Reserves	USD bn	699.0	693.0	688.1	665.4	638.7	630.6	640.3	658.1	684.8	704.9	684.0	667.4	652.0	651.5
Trade Balance	USD bn		(21.9)	(26.4)	(21.5)	(14.1)	(23.1)	(20.7)	(32.0)	(26.1)	(24.4)	(34.0)	(24.8)	(20.8)	(22.1)
Non-oil, non-gold imports	USD bn		43.3	41.1	40.0	36.7	43.3	40.2	33.2	39.1	39.4	46.3	41.8	37.9	38.8
Services Surplus	USD bn		15.3	15.9	18.1	17.1	18.0	19.2	14.9	17.2	16.0	13.9	14.6	13.5	12.7
Current account balance % of GDP	%							(1.1)			(1.8)			(0.9)	
Oil Prices	USD/bbl	68.10	64.00	68.20	72.50	77.40	80.20	73.30	73.10	75.30	73.70	78.20	84.20	82.60	83.60
<b>Flows (Net)</b>															
FII inflows- Equity	USD bn	(0.2)	2.3	0.5	(0.9)	(3.4)	(9.0)	2.0	(2.6)	(11.5)	5.9	0.9	3.9	3.2	(3.1)
FII inflow -Debt	USD bn	(2.2)	1.2	(2.2)	4.1	1.1	0.5	1.6	(0.4)	(0.5)	3.1	1.9	2.6	2.1	1.0
Mutual fund inflows	INR bn	238.7	(274.8)	(57.9)	(671.1)	(144.2)	35.4	(287.5)	32.4	665.0	(38.3)	(207.9)	145.1	234.3	40.0
FDI Inflows	USD bn			7.1	3.3	2.7	4.0	2.0	(0.1)	1.8	1.2	3.6	0.4	3.6	4.0

Source: CMIE, CEIC, JM Financial | #JM Proprietary Raw Material Index



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [sahil.salastekar@jmfl.com](mailto:sahil.salastekar@jmfl.com)Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [instcompliance@jmfl.com](mailto:instcompliance@jmfl.com)

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

REITs refers to Real Estate Investment Trusts.

**Research Analyst(s) Certification**

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures**

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.



While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**Additional disclosure only for U.S. persons:** JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

**Additional disclosure only for U.K. persons:** Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

**Additional disclosure only for Canadian persons:** This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.