

Weekly Capsule (Mar 10 – Mar 14) and Impact Analysis

News Announcement	Impact Analysis
➤ India CPI inflation came in sharply lower at 3.61% for February 2025	<ul style="list-style-type: none"> ➤ This was triggered by a sharp fall in food inflation to 3.75%, even as the January 2025 inflation was revised lower to 4.26% ➤ A spike in gold prices led to a spike in core inflation, although there is a strong possibility of RBI cutting rates in April 2025
➤ IIP bounces sharply from 3.55% to 5.01% for the month of January 2025	<ul style="list-style-type: none"> ➤ The surge in IIP was largely led by manufacturing IIP, which bounced sharply from 3.4% in Dec-24 to 5.5% in Jan-25 ➤ This spike in IIP came despite a flat base, and it also raised the 10-month IIP growth for FY25 by 20 bps from 4.0% to 4.2%
➤ US consumer inflation fell by 20 bps to 2.8%, led by energy and core inflation	<ul style="list-style-type: none"> ➤ While the food inflation was marginally higher, the sharp fall in energy inflation was due to a fall in the gasoline prices ➤ However, the CME Fedwatch is not expecting any rate cuts in the 18-March Fed meeting, and may happen only in June 2025
➤ Equity fund net inflows slipped to a 10-month low of ₹29,303 crore in Feb-25	<ul style="list-style-type: none"> ➤ While debt funds saw net outflows in Feb-25, hybrid funds and passive funds retained strong net inflows in the month ➤ However, the price impact was quite sharp with the overall mutual fund AUM falling sharply to ₹64.53 crore as of Feb-25
➤ Gross SIP flows tapered marginally to ₹25,999 crore in the month of Feb-25	<ul style="list-style-type: none"> ➤ However, the real challenge was the spike in the SIP stoppage ratio, which surged to a record high of 122.8% in Feb-25 ➤ The surge in SIP stoppage ratio impacts the net accretion to the SIPs and that is evident in SIP AUM contraction in Feb-25
➤ SEBI has expanded the scope of UPSI or unpublished price sensitive information	<ul style="list-style-type: none"> ➤ The UPSI will now also include proposed fund raising deals, which can impact control and one-time bank settlements ➤ The UPSI will also include rating changes, corporate insolvency process, clearance of resolution plans, loan restructuring etc
➤ LG Electronics of South Korea gets SEBI approval for its ₹15,000 crore IPO	<ul style="list-style-type: none"> ➤ The IPO would entirely be by way of offer for sale (OFS), where the Korean parent will divest 15% stake in LG India ➤ The deal will value LG Electronics India at around ₹1 trillion, and will be the second big Korean IPO after Hyundai India
➤ Gold topped \$3,000/oz, making a total of 13-all-time highs in 2025 so far	<ul style="list-style-type: none"> ➤ The surge in gold prices has been triggered by the tariff related uncertainty created by the Trump government ➤ In India, the gold prices are not just a function of global gold prices, but also rise in tandem with weakening of the Rupee
➤ Adar Poonawalla will sell Magma Insurance stake to Patanjali Ayurved	<ul style="list-style-type: none"> ➤ Post the sale, Patanjali Ayurved will hold about 98% in Magma Insurance, a general insurance company of Poonawalla group ➤ The stake sale is expected to happen at ₹4,500 crore and the sale is subject to the approval of the IRDAI, CCI, and others

➤ Temasek of Singapore to acquire 10% stake in Patanjali for a sum of \$1 billion	<ul style="list-style-type: none"> ➤ Patanjali had been in advanced talks with Blackstone about the stake sale, but it fell through over steep valuations ➤ Temasek considers it a prized possession as Haldiram has a 13% stake in the \$6.2 billion savour snacks market in India
➤ Indian pharma is betting big on CDMO or contract research as is known	<ul style="list-style-type: none"> ➤ India's CDMO edge comes from cost advantages, technological edge, and a strong regulatory framework ➤ According to a report by BCG, India is expected to corner nearly 5% of the global CDMO market due to its unique edge
➤ It seems that financial bids for IDBI Bank may finally happen by June 2025	<ul style="list-style-type: none"> ➤ The government plans to make hay, considering the sharp turnaround in performance of IDBI Bank in recent quarters ➤ The government plans to sell 60.72% stake with nearly equal share offerings coming from Indian government and LIC
➤ Blackstone to double India exposure, with \$6 billion outlay for data centres	<ul style="list-style-type: none"> ➤ According to Schwarzman of Blackstone, it plans to raise its stake in India to \$100 billion in the next few years ➤ Blackstone's current exposure to India is worth \$50 billion, of which nearly \$30 billion is into various real estate properties
➤ Consumer durable companies are seeing a bumper summer this year	<ul style="list-style-type: none"> ➤ The bumper sales is likely to happen as a combination of a surge in demand for its products and easy financing schemes ➤ With the heat wave expected to continue this year also, sales of air conditioners and refrigerators are likely to surge
➤ Government plans to add 6.5 GW thermal and 2.2 GW nuclear in FY26	<ul style="list-style-type: none"> ➤ This summer, the peak power demand is expected to cross the 250 GW peak demand that we had witnessed last year ➤ In addition, the addition of hydroelectricity capacity would be to the tune of 3.9 GW, as part of the greening project
➤ L&T plans to build new data centres in Mumbai and also in Bengaluru	<ul style="list-style-type: none"> ➤ These two data centres at Panvel (near Mumbai) and in Bengaluru will have a combined total capacity of 90 MW ➤ This will more than triple the capacity of L&T data centres, since their current capacity at Chennai and Mumbai is 32 MW
➤ Blackstone will acquire 40% stake in Kolte Patil Developers for ₹1,167 crore	<ul style="list-style-type: none"> ➤ The acquisition is being done at a marginal discount to the closing price of the Kolte Patil stock during the week ➤ This acquisition will automatically trigger an open offer to acquire another 26% stake from the minority shareholders
➤ TRAI may restrict Elon Musk's Starlink to just the mobile dark regions	<ul style="list-style-type: none"> ➤ This will be part of the SATCOM spectrum pricing, since Bharti Airtel and Jio have already signed deals with Starlink ➤ This will provide a level playing field to existing telecom players and also ensure that national security is supported
➤ Vodafone has been rapidly losing market share to Jio and Bharti Airtel	<ul style="list-style-type: none"> ➤ In December 2024, VI lost 17.2 lakh subscribers, while Jio gained 39.1 lakh subscribers and Airtel gained 10.3 lakhs ➤ The wireless subscriber base of Vodafone Idea stands at just 12.64 crore, which is nearly a fourth of Reliance Jio base

➤ A sharp fall in valuations of Reliance Retail may have left owners worried	➤ It is estimated that the market valuation of Reliance Retail has fallen from \$100 billion to \$50 billion, amidst deep slowdown ➤ With over \$50 billion invested by Reliance in telecom, digital, and retail; the group needs to plan out its IPO soon
➤ New demat account openings fall to a 22-month low in February 2025	➤ Just about 22.6 lakh fresh demat accounts were opened in February, sharply lower than the average of last 6 months ➤ The sharp fall in demat accounts was driven by weak stock market volumes, and also tepid IPO market action

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