HPMG

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WEEKLY CAPSULE – IMPACT ANALYSIS

(For the week ending: Jun 27th 2025)

Editor – T S Harihar

Weekly Capsule (Jun 23 – Jun 27) and Impact Analysis

News Announcement	Impact Analysis
➢ Q4FY25 current account surplus robust at $13.5 billion or 1.3% of Q4-GDP	➢ The Q4 surplus toned down the current account deficit (CAD) for FY25 to $23.3 billion or just 0.6% of full year GDP ➢ The boost to current account came from lower goods imports, higher services exports, and higher inward remittances
➢ Even as Trump sounded confident, the Indo-US trade deal may be in trouble	➢ The US wants greater access to agri-exports and services space in India, while India wants tariff status quo restored ➢ If the Indo-US trade deal is not signed before July 09, 2025; then Indian exports would be subjected to 26% tariffs
➢ Third and final estimate of US GDP growth for Q1 came in lower at -0.5%	➢ This is much worse than the GDP contraction of -0.3% and -0.2% indicated in the first and second estimates of Q1 GDP ➢ The reason for the GDP contraction was the front loading of imports to beat the impact of reciprocal tariffs imposed
➢ PCE inflation was flat at 2.3% yoy, with core PCE inflation also flat at 2.7%	➢ May witnessed a sharp fall in disposable personal incomes and the personal outlays for the month showed a contraction ➢ The fall in personal incomes was due to fall in government social benefits and farm owner incomes for the month
➢ HDB Financial mega IPO closes with 17 times overall subscription on last day	➢ Against the offer size of 13.04 crore shares, it got bids for 217.66 crore shares with QIB 55X, HNI 9.98X, and Retail 1.4X ➢ However, the IPO price being sharply lower than the informal price of HDB created a lot of angst among early investors
➢ It is official; JSW Group will buy 75% of Akzo Nobel for a sum of $1.60 billion	➢ The JSW group is in talks with global lenders to chip in with a loan of $468 million to help part-finance the acquisition ➢ For JSW group, which just forayed into paints, this deal gives it a head start to take on Asian Paints, Birla Opus, and Berger
➢ Torrent Pharma has revived talks to buy out KKR's stake in JB Pharmachem	➢ At the current market price of JB Pharma at ₹1,803 per share, the KKR stake in the company is worth close to ₹13,400 crore ➢ The talks between KKR Private Equity and Torrent Pharma had commenced last year, but fell through over valuation issues
➢ BHEL has bagged a contract worth ₹6,500 crore from Adani Power	➢ The contract pertains to supply of equipment, supervision, erection, and commissioning of 6 thermal units of 800 MW ➢ The LOA includes steam turbine generator along with the auxiliaries and supervision of thermal units as part of the deal
➢ Credila Financial Services has filed DRHP for its ₹5,000 crore IPO	➢ The IPO will comprise of a fresh issue of ₹3,000 crore and an offer for sale (OFS) of ₹2,000 crore by BPEA and HDFC Bank ➢ The Mumbai based education finance company is also planning to raise up to ₹600 crore via pre-IPO funding

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➢ Indian imports of Russian crude oil touch a 2-year high in June 2025	➢ It is expected that imports of crude from Russia may have touched a two-year high of 2.13 million bpd in June 2025 ➢ Apart from attractive discounts offered by Russia, it also helps India to hedge itself from the risks to the Straits of Hormuz
➢ Reliance Consumer to set up ₹1,622 crore beverage plant in state of AP	➢ The commercial production is expected to start from Dec-26, as RCPL takes on the cola giants; Coke and Pepsi in India ➢ Under the leadership of Mr Naidu and his son Nara Lokesh, Andhra appears to be attracting lot of big ticket investments
➢ As analysts turn cautious on gold, BOFA has set a 20% upside target on gold	➢ Despite the 40% rally in gold this year, BOFA expects another 20% upside to a level of $4,000/oz in gold prices next year ➢ BOFA believes that Trump's "Big & Beautiful" plan will widen the budget deficit, forcing a shift out of dollar into gold
➢ Mazagon Docks buys a controlling stake in Colombo Dockyards of Sri Lanka	➢ Mazagon Dockyard will acquire a 51% controlling stake in Colombo Dockyard for a consideration of ₹452 crore ➢ This acquisition gives Mazagon Docks a presence in the very busy Indian Ocean route and a reason to expand its reach
➢ Tata Capital to raise ₹1,752 crore via rights issue ahead of its upcoming IPO	➢ Tata Sons will subscribe to majority of the rights issue, ahead of its proposed $2 billion IPO in the latter part of the year ➢ Like the other significantly large NBFCs, Tata Capital also needs to list on the bourses by the September 2025 deadline
➢ Jio Blackrock gets SEBI license as a broker and clearing member	➢ With its presence in financial advisory services and in the AMC business, this broking license gives the room to expand ➢ This enables the Jio Blackrock entity to position as a full-service financial services supermarket in the Indian markets
➢ Most brokerages see India's Nifty Index climbing to record highs in July 2025	➢ Apart from the global risks mellowing, strong GDP growth and lower than expected CAD should also help the indices ➢ If the Indo-US trade deal also happens before July 09, 2025; then it is very likely that indices may see new highs in July
➢ L&T bets big time on solar power and battery storage projects	➢ L&T has added 20 GW in renewable EPC with focus spread across India, Saudi Arabia, UAE, as well as Uzbekistan ➢ A mix of battery and solar projects emerge at the state level with large scale battery and solar parks at national level
➢ US and Israel conducted joint raids on Iranian nuclear facilities on Sunday	➢ The US has claimed that its bunker busters did deep damage to most of the key nuclear facilities owned by Iran ➢ There seems to be some progress on peace talks as the situation in West Asia appears to have mellowed down
➢ Warren Buffett's Berkshire Hathaway has been a net seller for 10 quarters	➢ In this period, Berkshire Hathaway has sold stocks to the tune of $175 billion, even as markets have remained bullish ➢ One downside is that Berkshire now sits on a cash pile of $350 billion, but still does not see attractive opportunities to buy

➢ After oil, India is struggling to meet its domestic requirements of copper	➢ Against the annual demand for 1.80 million tonnes of copper, India domestically produces just about 10% to 15% quantity ➢ India now plans to invite global copper giants like Codelco and BHP to set up copper smelters and refiners in India
➢ India could see a dual boost of nearly ₹80,000 crore to its divestment plan	➢ This will be substantially higher than the budgetary target for disinvestment proceeds for FY26 at just ₹47,000 crore ➢ While LIC will see a 3% stake sale; in the case of IDBI Bank, it will be a strategic sale, which will include asset monetization