Leveraged Growth

MONTHLY REPORT

FEBRUARY 2025

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GLOBAL

UK Finance Powers Green Growth

The UK government is joining forces with the financial sector to boost economic growth and tackle climate change at home and in the Global South. Minister for Development Anneliese Dodds announced the partnerships at the London Stock Exchange, highlighting the sector's expertise. A key initiative is an investment of up to £100mn in the MOBILIST program, which supports businesses focused on achieving the UN's Sustainable Development Goals (SDGs). This program aims to help these businesses list on stock exchanges, including London, attracting further private investment. Through these partnerships, the government aims to unlock investment opportunities and promote sustainable economic growth overseas. The government has also launched an inquiry into the use of AI in banking and financial services to explore how the UK's financial services sector can take advantage of the opportunities in AI while mitigating risks. These collaborations seek to combine investment in future technologies with the City of London's experience to address global challenges and foster a sustainable future.

Sanctions Shake India's Oil Game

New U.S. sanctions targeting Russia's oil trade are creating upheaval in global energy markets and forcing India to reassess its supply strategy. The U.S. has sanctioned 183 vessels, including shadow fleet tankers, and key Russian oil companies. This action aims to reduce Russia's revenue from its war in Ukraine. The sanctions have already impacted Russian oil flows, particularly from Pacific and Arctic ports, potentially curtailing nearly 1.5 million barrels a day. Indian refiners, who had been increasing Russian oil purchases, are now seeking alternative supplies from the Middle East, Africa, and the U.S. Despite the disruptions, Russia insists the sanctions shouldn't hinder its oil trade with India. As Indian refiners navigate these challenges, they are looking to secure long-term contracts with traditional suppliers while adjusting to rising costs and logistical hurdles. The situation is further complicated by potential U.S. actions on Iranian oil exports, adding more uncertainty to the global oil landscape and increasing concerns over price volatility and energy security worldwide.

BC Bets Big on Minerals

British Columbia (BC) is accelerating 18 critical mineral and energy projects, valued At $20bn, in response to potential US tariffs. The province aims to reduce reliance on the U.S. and secure its position as a stable supplier of critical minerals. Premier David Eby highlights the opportunity to build new relationships globally. The Mining Association of British Columbia welcomes the move, emphasizing the need for efficient permitting to boost job creation and economic reconciliation with First Nations. The fast-tracked projects include Eskay Creek Gold + Silver, Highland Valley Copper Expansion, Red Chris Expansion, and Mount Milligan Copper and Gold. However, concerns remain about potential deregulation and impacts on First Nations. Mining Watch Canada expresses caution, while a Simon Fraser University study suggests economic factors, not regulation, are the primary cause of project delays. The study indicated that almost half of the mines approved since 1995 have not been built. Despite the push, the success of these projects hinges on economic viability.

AI Alliance for a Better Future

A transformative global initiative, initiated by France, India, Germany, and Finland, has been announced to develop accountable Artificial Intelligence (AI) with an initial corpus of $495mn. This initiative aims to address the growing need for ethical AI practices and ensure that technology serves the public interest. The announcement was made during the AI Action Summit held in Paris, where representatives from 60 countries signed a joint statement advocating for inclusive and sustainable AI development. The focus is on making AI accessible, trustworthy, and safe while fostering international collaboration. Key themes include promoting AI for industrial growth, enhancing labor market development, and fostering innovation in education. The initiative also emphasizes building AI capacity in developing nations to bridge the technological divide. As global leaders recognize the transformative potential of AI, this initiative represents a significant step towards establishing a framework for responsible AI deployment. By prioritizing ethical considerations, the project aims to harness AI's capabilities for societal benefit while addressing safety and governance challenges.

INDIA INC.

RBI Eases Repo Rate

Recently, the RBI implemented a 25 basis point reduction in the repo rate, bringing it down to 6.25%. This marks the first rate cut since 2020 and is expected to ease borrowing costs, benefiting home loan borrowers and boosting housing demand across sectors. The decision is expected to strengthen economic growth and improve market sentiment, facilitating easier access to funding for business expansion and infrastructure projects. The real estate sector will likely gain significantly, as reduced interest rates can boost demand for residential and commercial properties. Lower borrowing costs are anticipated to increase demand for home loans, making housing more accessible and driving growth within the sector. Industries reliant on credit, such as manufacturing and infrastructure, are also likely to benefit, as lower interest rates make capital more affordable. Overall, the RBI's policy shift aims to positively impact homebuyers and developers, fostering higher sales, increasing investments, and initiating new projects. This strategic move seeks to stimulate economic growth while maintaining control over inflation, ensuring long-term financial stability and resilience.

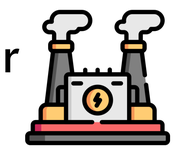
Driving Innovation Through R&D

In Budget 2025-26, the Indian government has allocated a significant ₹20,000cr to encourage private sector-driven Research and Development (R&D). Economic Affairs Secretary Ajay Seth has urged India Inc. to utilize these funds effectively by submitting high-quality proposals. This initiative aims to promote innovation and enhance the nation's technological prowess. By prioritizing R&D in key sectors, the government seeks to make India a leader in global innovation. Strategic investments in R&D are expected to drive economic growth and foster advancements in industries such as energy, manufacturing, and technology. Furthermore, the focus on areas like energy transition, biotechnology, and nuclear technology is in line with India's goal to be at the forefront of sustainable development. With the private sector playing a pivotal role, the government is optimistic that the funds will help India become a global hub for cutting-edge research, a competitive player in the international market, and a leader in fostering technological self-reliance.

India Hit by U.S. Tariffs

In a significant policy shift, President Donald Trump has announced the levy of reciprocal tariffs on countries with substantial trade barriers, explicitly naming India among the primary targets. This move aims to counteract what the U.S. administration perceives as unfair trade practices that disadvantage American exports. India, often criticized for its high tariff rates on products like motorcycles and agricultural goods, could face increased duties on its exports to the U.S. Key sectors such as pharmaceuticals, textiles, and information technology might be affected. In anticipation of these measures, India has expressed a commitment to increasing imports of U.S. goods, aiming to address trade imbalances and enhance bilateral trade. This includes potential tariff reductions and the resolution of specific disputes. The policy's introduction could heighten trade tensions, increasing the risk of retaliatory measures. Consequently, India may seek to diversify its export markets and strengthen regional trade partnerships to reduce reliance on the U.S., mitigating the potential economic impact of these tariffs.

India's Power Export Ambition



India is on track to become a major exporter of power equipment, with growing global interest in the country's manufacturing capabilities. The government is fully committed to supporting the power industry through robust policy frameworks, access to raw materials, and cutting-edge testing infrastructure. This support aims to position India not only to meet its domestic energy needs but also to emerge as a key player in the global power equipment market. India's power sector is centered on clean energy, grid modernization, and sustainable solutions. Initiatives such as ELECRAMA 2025 help align industry leaders with national goals while driving technological advancements. A new World Utility Summit (WUS) was also launched to foster global partnerships in energy transition, AI-driven solutions, and decarbonization strategies, underlining India's role in the global energy transition. With the Make in India initiative and a strong manufacturing ecosystem, India is poised to redefine the global power landscape, strengthening its position as a leader in clean energy innovation and sustainable power solutions.

GOVT. POLICIES

Empowering MSMEs for Economic Growth

The Union Budget 2025-26 introduces vital measures aimed at boosting India's Micro, Small, and Medium Enterprises (MSMEs), which are crucial to the nation's economic growth. The budget focuses on enhancing credit access, promoting digitalization, and supporting budding entrepreneurs. Significant updates include increasing investment and turnover limits, offering improved credit guarantees for MSMEs, and a new credit card scheme for micro-enterprises. The budget also emphasizes sector-specific growth, with initiatives for industries like footwear, leather, and toys, which are expected to generate millions of jobs and boost exports. Additionally, a ₹10,000cr Fund of Funds will be set up to support startups. MSMEs contribution to India's total exports has steadily grown, rising from 43.59% in FY23 to 45.79% in FY25 (up to May 2024). The proposed reforms aim to expand their global footprint further, positioning India as a leading manufacturing hub. These forward-looking measures will equip MSMEs to enhance their competitiveness, innovate, and create sustainable growth opportunities, fostering economic resilience.

India Unleashes Growth with Deregulation

Positioning India as a top investment destination, Prime Minister Narendra Modi highlighted significant reforms at the Invest Madhya Pradesh, Global Investors Summit 2025. He announced discussions with states to establish a Deregulation Commission to simplify regulations and create a business-friendly ecosystem to attract global investors. The Prime Minister emphasized key policy measures, including streamlining the customs duty structure and a time-bound assessment process. He stated that India's reform momentum over the past decade has strengthened global confidence, with the World Bank predicting the country will remain the world's fastest-growing economy in the coming years. Unveiling 18 new policies by the Madhya Pradesh government, the Prime Minister called the state a rising investment hub. He credited the "double-engine" government for MP's rapid growth in electric vehicles, agriculture, and minerals. MP offers immense potential with its skilled workforce, strong infrastructure, and investor-friendly environment. He declared, "This is the right time to invest in Madhya Pradesh."

Amendment Challenges Real Estate Norms

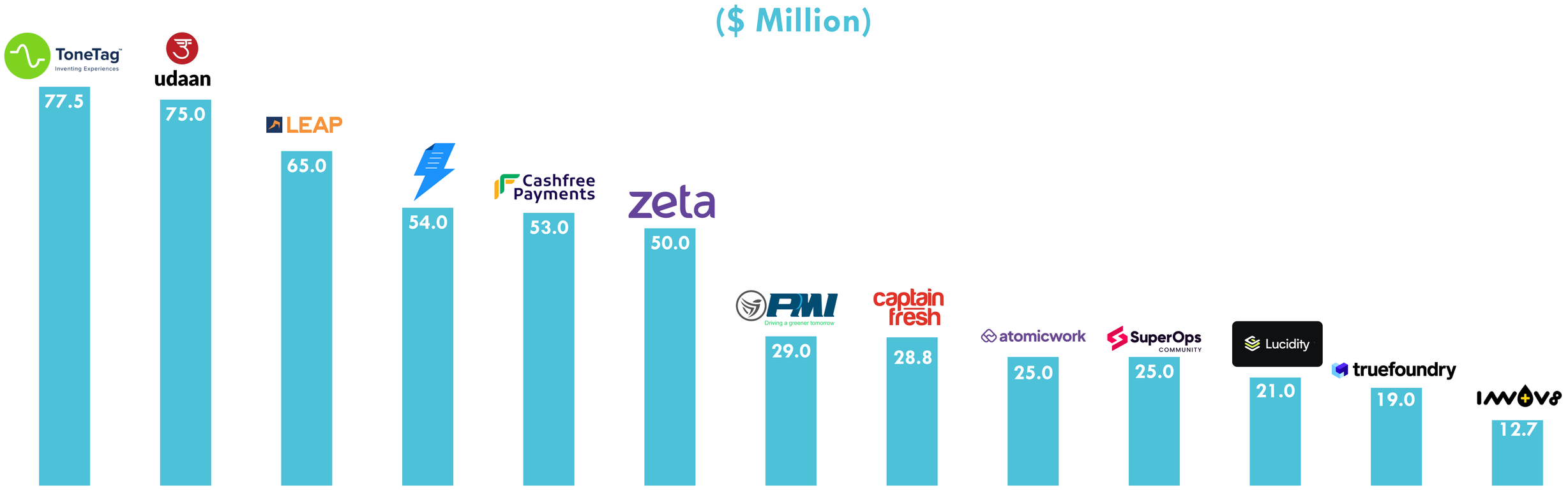
The Supreme Court's October 2024 ruling in the Safari Retreats case relieved real estate developers by permitting Input Tax Credit (ITC) on construction expenses for leased properties. However, the subsequent proposal of a retrospective amendment in the Finance Bill 2025 and a pending review petition by the revenue department have introduced significant uncertainty in the real estate sector. Experts note that while the amendment aims to align statutory language and eliminate ambiguities, its retrospective application raises concerns about tax predictability and compliance burdens. Legal professionals emphasize that ITC eligibility hinges on interpreting statutory provisions and the specific nature of a taxpayer's business activities. In light of the government's intent to block ITC, businesses are advised to conduct legal assessments of their ITC positions and prepare for litigation or reassessment of tax liabilities. The final resolution of this issue is poised to set a critical precedent for GST compliance within the real estate industry. Proactively analyzing past transactions and anticipating future legal developments are essential for businesses to mitigate financial risks.

Unified Time, Unified Nation

The Indian government is considering key changes to its bankruptcy laws to address lengthy insolvency proceedings and low recovery rates. The Insolvency and Bankruptcy Board of India (IBBI) is finalizing proposals to streamline court processes to speed up resolutions and improve lender recoveries. Public consultation on these reforms is set to conclude soon, though the deadline may be extended based on feedback from stakeholders. Despite a 330-day resolution mandate, cases frequently exceed this limit, averaging 821 days as of December - 35% longer than the previous fiscal year. According to RBI data, this delay erodes asset values, contributing to a drop in recovery rates from 46% in 2018-19 to 28% in 2023-24, making investors increasingly cautious. Proposed reforms include joint hearings for interconnected businesses, faster creditor dispute resolution, and enhanced interim financing to protect asset values. Experts believe these measures will boost India's bad debt management industry and attract private credit funds, improving the overall efficiency of insolvency processes and strengthening investor confidence in India's financial ecosystem.

START-UPs

Major Funding Raised by Startups for the Period 26th Jan'25 to 22nd Feb'25 ($ Million)



Source: Inc42

In February 2025, 72 Indian startups raised $744mn, based in Bangalore led by fintech and enterprise tech. Increased investor confidence, favorable government policies, and rising demand for digital solutions fueled the funding surge. Early-stage funding grew 35%, reinforcing market optimism.

Hair Originals Loads in Funds

Jitendra Sharma always believed that India could lead the global hair extensions market. In 2019, he co-founded Hair Originals, a brand committed to ethically sourced, 100% human hair extensions. His vision was simple: to help people enhance their hair without chemicals or surgeries. Fast forward to today, and Hair Originals has just secured a whopping $5mn in Series A funding, backed by Anicut Growth Fund, 12 Flags Consumer Holdings, and Lenskart's Peyush Bansal. The startup, which gained fame on Shark Tank India, is now ready to scale like never before. With this fresh infusion, the company plans to take its "Try at Home" services to 40 cities, open 25–30 experience centers, and expand globally. Already working with 1,400+ salons, Hair Originals is turning heads in India and North America. From a bold idea to a booming business, the company's impressive growth proves that great hair and success start with the proper roots. They are continuously innovating to provide the best hair solutions to customers worldwide.

Akasa Air's Bold Expansion

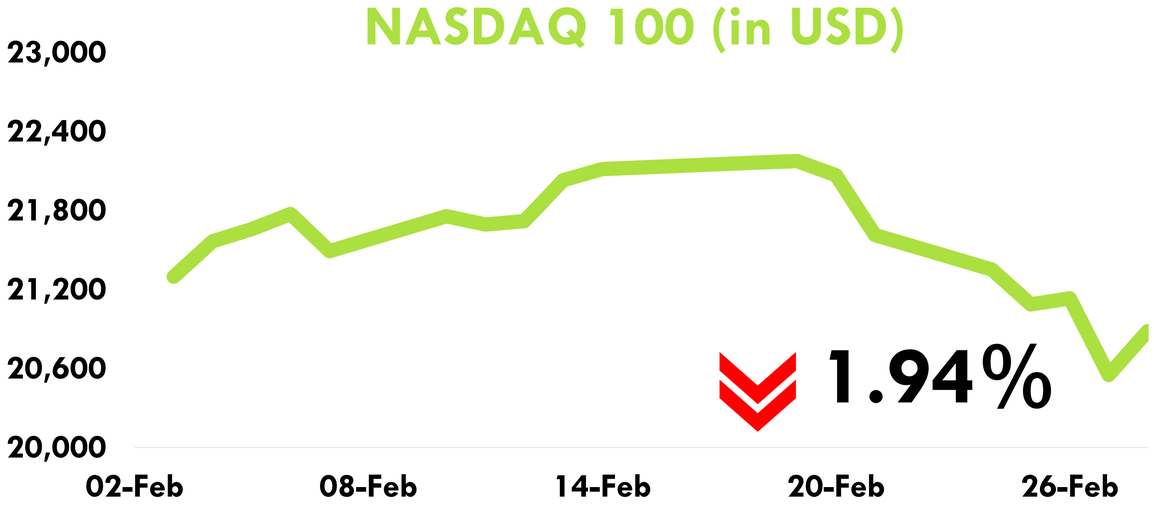
Akasa Air, backed by Rakesh Jhunjhunwala's family is raising ₹1,100cr from investors, including Premji Invest, Claypond Capital, and 360 ONE Asset. The Jhunjhunwala family holds a 45.97% stake and has also committed additional funding for expansion. The raised capital will support Akasa's growth plans, including international expansion, customer experience enhancement, and technology investments. The airline aims to become one of the top 30 airlines globally by 2030, fostering a strong work environment for top talent and prioritizing operational excellence. The CEO emphasized that these investments are a vote of confidence in Akasa's vision and long-term strategy, while the CFO highlighted the financial strength to weather challenges. The agreements are pending regulatory approval, and the airline is actively expanding its fleet, focusing on improving connectivity across regions. The funding will solidify Akasa's position in India's highly competitive aviation market, ensuring sustainable long-term growth.

ToneTag Secures Funding

In the heart of Bengaluru, ToneTag, a digital payments startup, has revolutionized how we think about transactions. Founded in 2014, the company developed a unique sound-based payment system that eliminates the need for physical hardware, allowing secure online and offline transactions through soundwaves. This innovation has attracted major players like Google, Amazon, and Indian banks like SBI and ICICI. Recently, ToneTag raised $78mn in funding from Ravi Dharamshi's ValueQuest Scale Fund, venture capital firm Iron Pillar, and existing investor Elevate Capital. This new capital will fuel the company's plans to scale operations within India and internationally. With over 30 million daily interactions, ToneTag is tapping into the growing demand for digital payments. As more devices connect to the internet, the company envisions voice-based transactions, like those through Amazon Echo, playing a significant role in its future. With a team of 90, ToneTag is set to redefine digital payments with seamless, sound-based transactions.

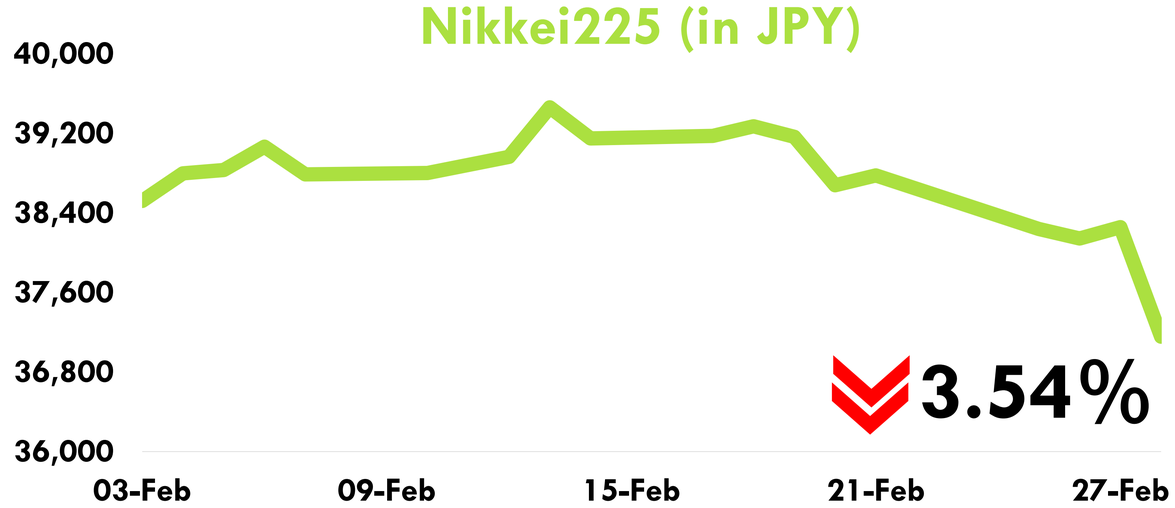
GLOBAL INDICES

NASDAQ 100 (in USD)



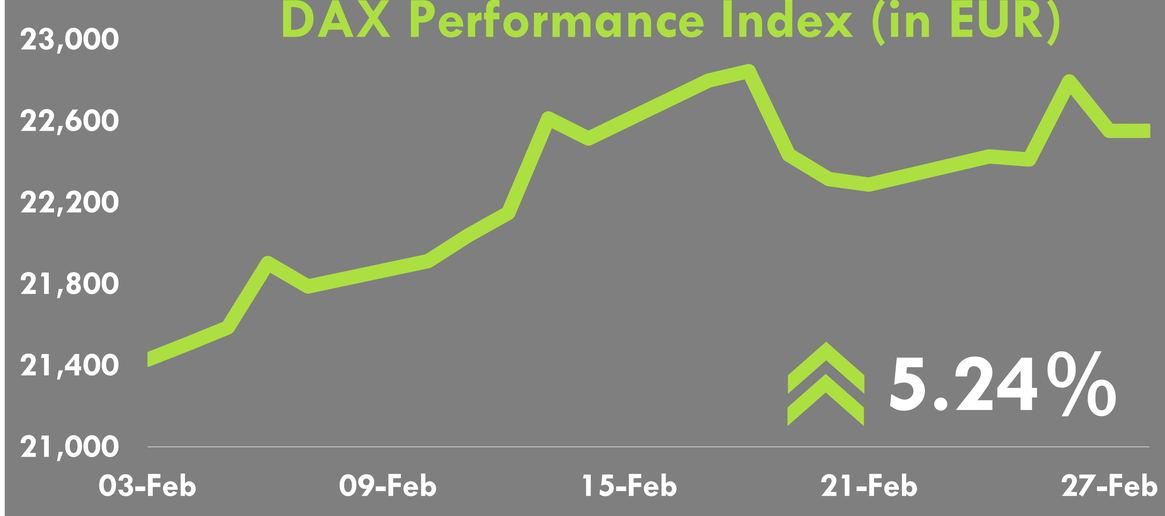
The NASDAQ 100 declined in February 2025 amid volatility, as mega-cap tech stocks lagged and economic concerns grew. Nvidia's drop, despite strong earnings, weighed on the index. President Trump's tariffs on Canada and Mexico, rising jobless claims, weak consumer confidence, and disappointing retail sales fueled fears of a slowdown, driving investor caution and market losses.

Nikkei225 (in JPY)



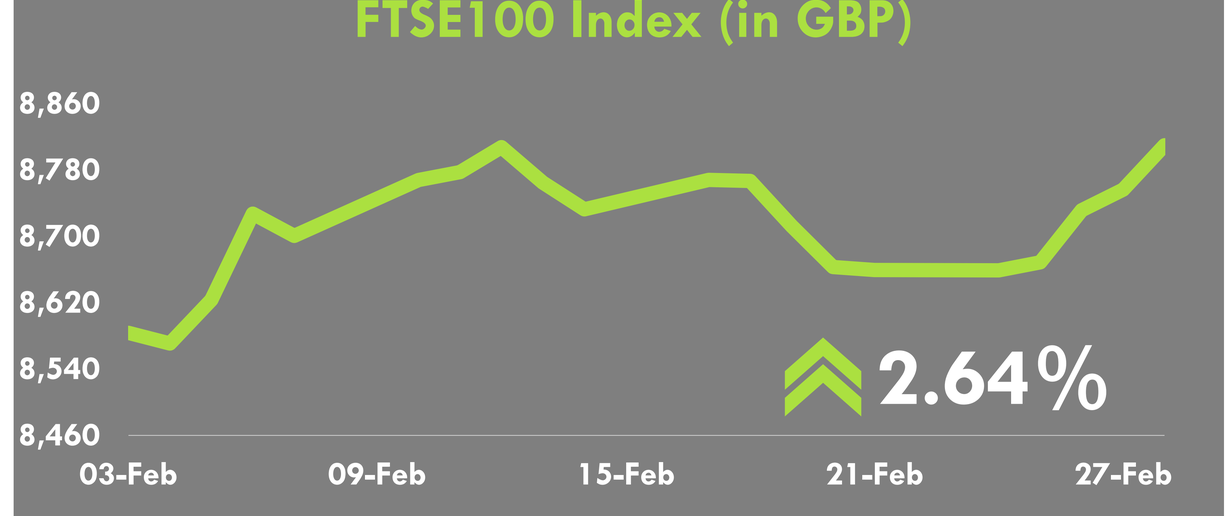
Japan's Nikkei 225 dropped 3.5% in February 2025 amid trade tensions and tech sector volatility. Early losses came from U.S. tariff threats, while global trade concerns added pressure. By month-end, Nvidia's decline hit chip stocks like Advantest, pushing the index to a five-month low. Despite occasional rebounds, investor sentiment remained cautious, reflecting economic uncertainties and external market

DAX Performance Index (in EUR)



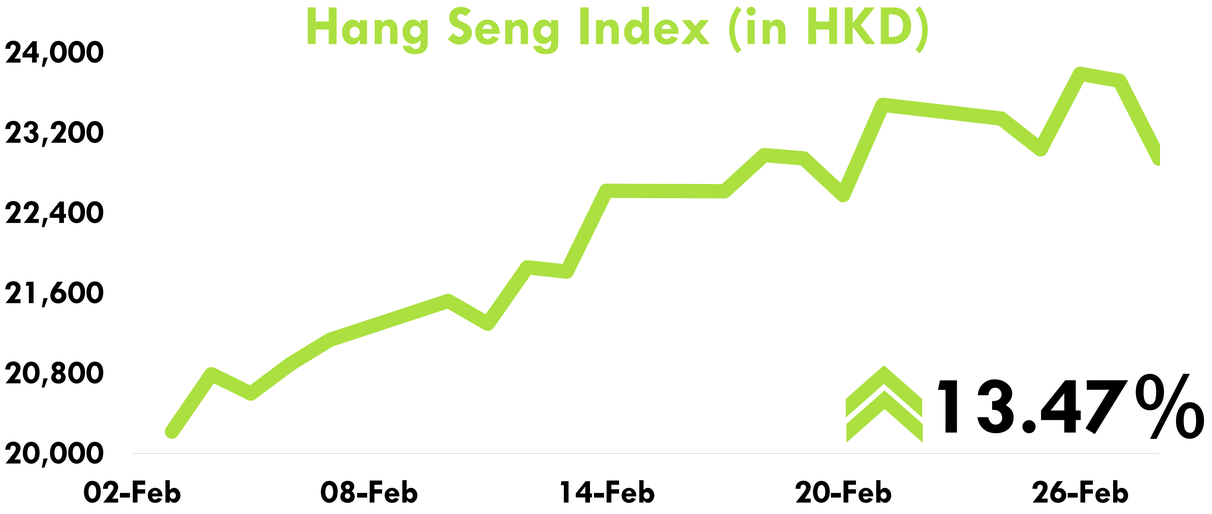
The DAX Performance Index rose to record highs in the month of February 2025 despite economic concerns. Strong tech performance, led by SAP's AI-driven growth, boosted gains. Favorable global trends and lower interest rates attracted investors. Additionally, the DAX's correlation with international markets, particularly the Hang Seng Index, contributed to its strong performance.

FTSE100 Index (in GBP)



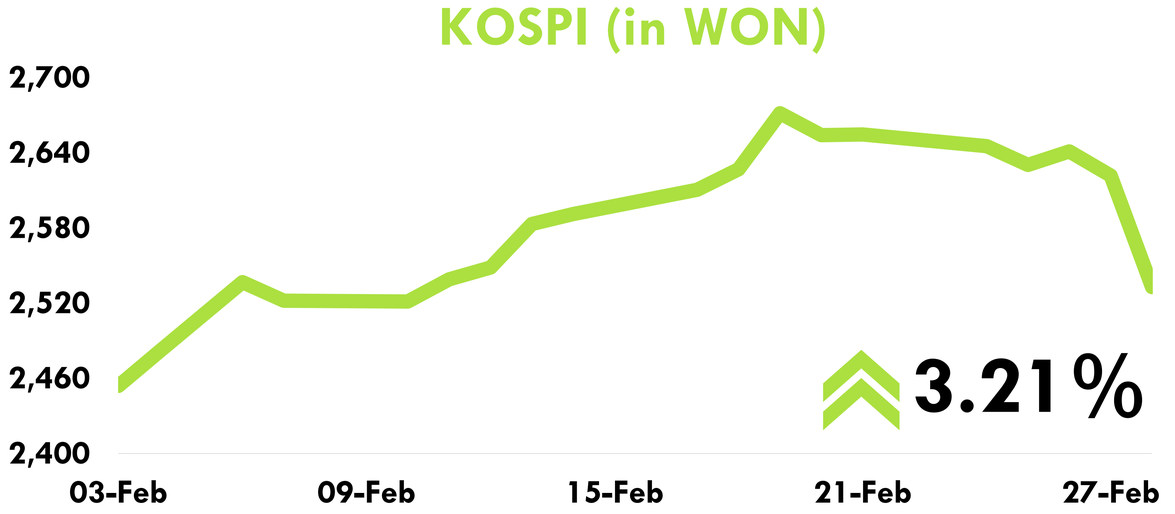
The FTSE 100 rose 2.6% in February 2025, reaching new all-time highs. Key drivers included strong corporate earnings (e.g., AstraZeneca), expectations of Bank of England rate cuts, and strong healthcare and basic resources sectors. Global market strength, attractive valuations, and external factors like a stronger dollar and M&A interest supported the rally.

Hang Seng Index (in HKD)



The Hang Seng Index rose in February 2025 by 13.5% but faced volatility from tech swings. AI optimism and strong earnings drove gains, while Xiaomi and Kuaishou declines triggered pullbacks. China's military drills hurt sentiment, but central bank stimulus provided stability. Despite bullish trends, overbought signals hinted at a retreat, and Hong Kong's AI-focused budget's impact.

KOSPI (in WON)

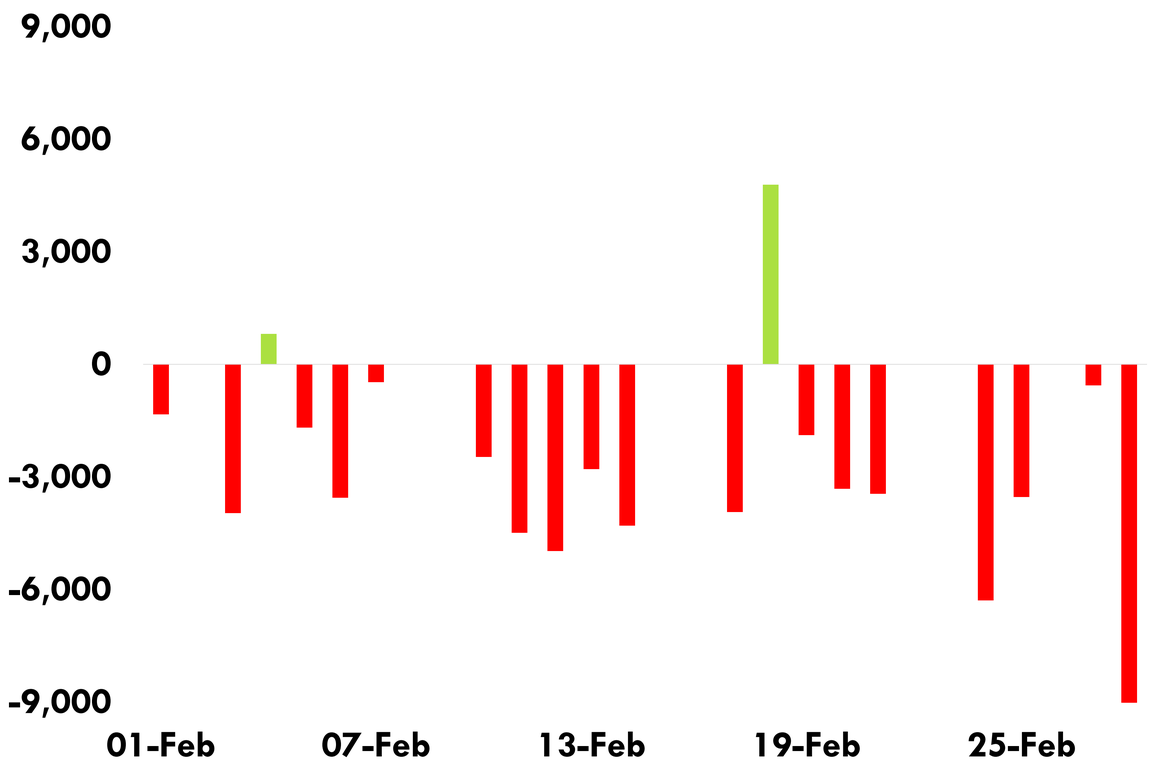


The KOSPI index fluctuated in February 2025 but gained 3.2%. Economic concerns grew as the Bank of Korea cut its growth forecast. Interest rate reductions boosted sentiment, while declines in battery makers added volatility. Global trends, inflation worries, and currency fluctuations impacted export-driven stocks, influencing market performance throughout the month.

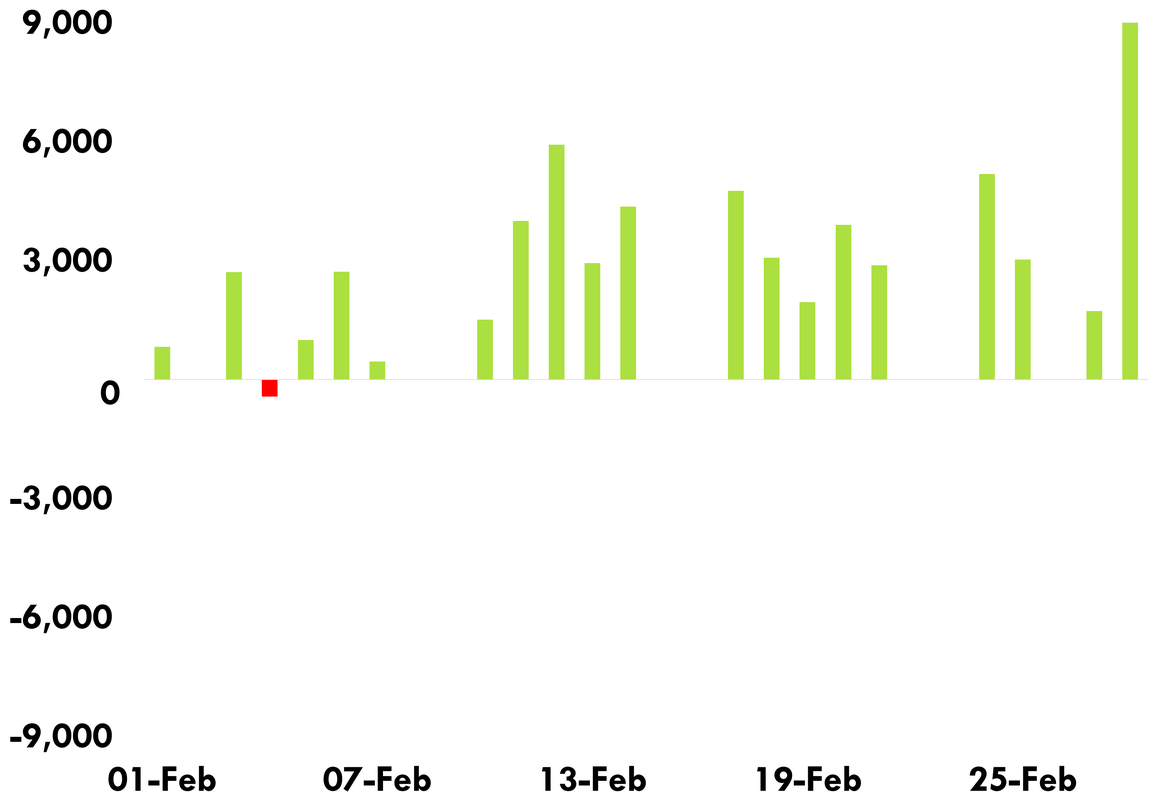
Source: Investing

EQUITIES

FII Net Investment in February'25 (₹ Crores)



DII Net Investment in February'25 (₹ Crores)



Source: Moneycontrol

In February 2025, FIIs sold ₹30,588cr worth of Indian equities, bringing total outflows for the year to ₹1.1 lkh cr. High valuations and weak corporate earnings drove this sell-off, pressuring market indices and leading to a 4% YTD decline in Nifty. The rupee also weakened, marking its fifth consecutive monthly drop. Despite these challenges, DIIs continued their strong buying activity, helping stabilize the market. Analysts expect this divergence between FIIs and DIIs to persist, influenced by global economic conditions and shifting investor sentiment.

Gadchiroli Set for Industrial Boom

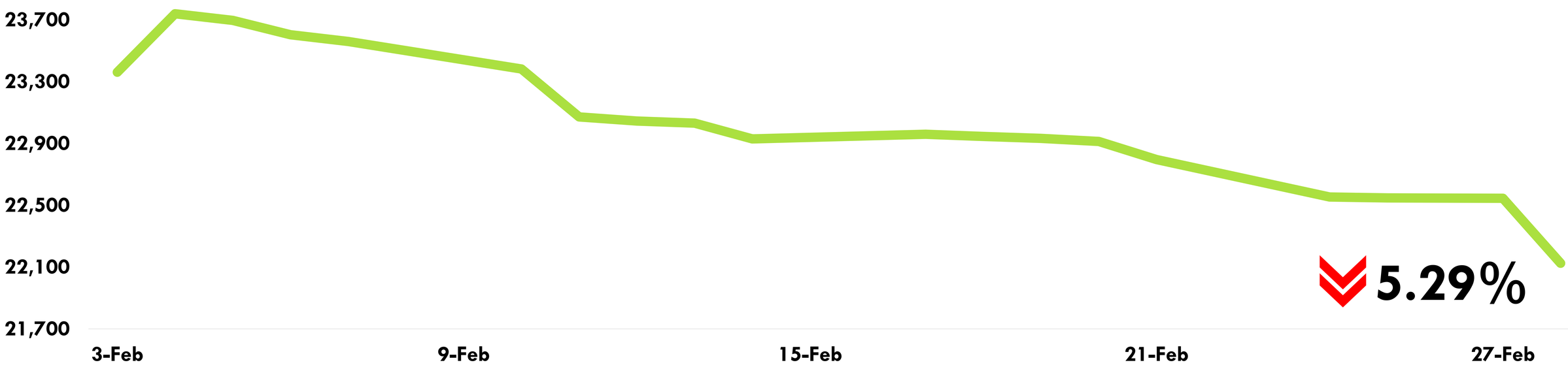
JSW Group Chairman Sajjan Jindal has announced a massive investment of ₹1 lkh cr to establish a steel plant in Maharashtra's Gadchiroli district. This mega project, unveiled at the 'Advantage Vidarbha' conclave in Nagpur, is expected to be the world's largest and most eco-friendly steel plant. The plant will have a production capacity of 25 million tons and is anticipated to be developed over the next seven to eight years, with the first phase set to be operational in four years. Gadchiroli, known for its vast iron ore reserves, is now set to become a central steel manufacturing hub. Maharashtra's Chief Minister emphasized that this project will accelerate regional industrial growth and uplift the local economy. Union Minister Nitin Gadkari highlighted the plant's role in transforming Gadchiroli from a Naxal-affected area into an industrial powerhouse. This investment is expected to generate thousands of jobs, boost infrastructure, and improve regional connectivity, making Vidarbha a crucial player in India's steel industry. The project reflects India's commitment to industrial expansion and sustainable development.

Index	3rd Feb'25 (In ₹)	28th Feb'25 (In ₹)	Change (%)	Trend
NIFTY Auto	23,327	20,498	⬇ 12.1	
NIFTY Bank	49,211	48,344	⬇ 1.8	
NIFTY Consumer Durables	38,918	34,458	⬇ 11.5	
NIFTY Financial Services	23,132	23,028	⬇ 0.5	
NIFTY FMCG	57,420	50,689	⬇ 11.7	
NIFTY IT	42,314	37,318	⬇ 11.8	
NIFTY Media	1,609	1,386	⬇ 13.9	
NIFTY Metal	8,155	8,219	⬆ 0.8	
NIFTY Oil & Gas	10,206	9,591	⬇ 6.0	
NIFTY Pharma	21,362	19,813	⬇ 7.2	

Source: NSE

NIFTY50

NIFTY50 February'25 (in ₹)



Source: NSE India

In February 2025, the Nifty 50 index declined by 5.3%, driven by weak corporate earnings and high valuations. Foreign investors withdrew funds amid global trade uncertainties, particularly U.S. tariff concerns, adding to market pressure. This marked Nifty's fifth consecutive monthly loss, contributing to a 15% drop from its September peak. Despite volatility, domestic investors provided some support, helping limit deeper losses as market sentiment remained cautious throughout the month.

Godrej Properties' Big Expansion

Godrej Properties acquired 12 land parcels between April and December of this fiscal year, aiming to develop housing projects worth ₹23,450cr. This strategic move includes outright purchases and partnerships with landowners, reflecting its aggressive business expansion and long-term growth vision. The Chairperson highlighted the strong performance in the December quarter, with new projects totaling nearly ₹11,000cr in booking value. Surpassing their initial guidance of ₹20,000cr, the company plans further land acquisitions this quarter. With a strong focus on premium housing and large-scale urban development, Godrej Properties aims to achieve ₹30,000cr in new business development this fiscal year, reinforcing its position as India's dominant real estate player.

SAIL's Big Bet on Rail Expansion

Steel Authority of India Ltd (SAIL) has announced plans to invest $800mn in establishing a new rail mill, reflecting confidence in the country's increasing rail demand. This decision comes despite the absence of confirmed orders from its primary customer, Indian Railways. The Chairman highlighted that SAIL has been in discussions with Indian Railways for seven years to anticipate future requirements, enabling strategic production planning. The new facility aims to enhance SAIL's capacity to meet anticipated demand, bolstered by the government's growth-oriented policies. Currently, SAIL produces rails at the Bhilai Steel Plant and manufactures forged wheels at the Durgapur Steel Plant. This calculated investment demonstrates SAIL's proactive response to market conditions and dedication to meeting India's growing infrastructure demands.

Top Gainers | NIFTY50 | February'25

Company Name	Change (%)
Hindalco Industries Ltd.	10.5
Bajaj Finserv Ltd.	4.3
Tata Steel Ltd.	4.1
HDFC Bank Ltd.	3.2
Axis Bank Ltd.	2.6
JSW Steel Ltd.	1.8
Bajaj Finance Ltd.	1.2
Kotak Mahindra Bank Ltd.	1.0
UPL Ltd.	0.4
NTPC Ltd.	0.1

Top Losers | NIFTY50 | February'25

Company Name	Change (%)
LTIMindtree Ltd.	19.4
Mahindra & Mahindra Ltd.	18.5
Tata Consultancy Services Ltd.	14.4
Hero MotoCorp Ltd.	14.1
Titan Company Ltd.	14.1
ITC Ltd.	13.1
Eicher Motors Ltd.	12.8
Power Grid Corp. of India Ltd.	11.6
Bajaj Auto Ltd.	11.5
Wipro Ltd.	11.5

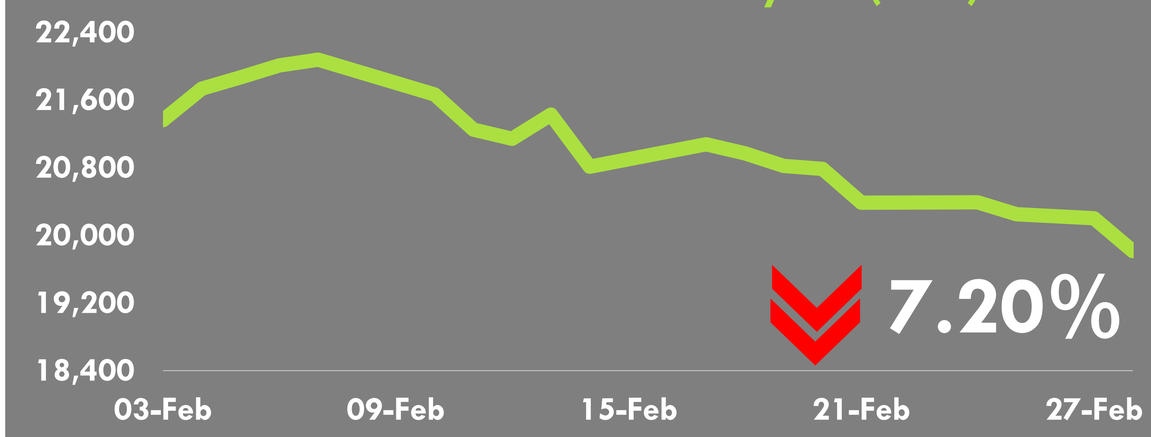
Source: NSE

SECTOR UPDATES

Pharma Sector

The Nifty Pharma sector declined 7.2% in February 2025 amid US tariff concerns, FDA scrutiny, and rising costs. Indian drugmakers faced stiff US competition, pressuring margins, limiting growth, and increasing operational challenges. Natco Pharma was the top loser, plunging 33.6% due to regulatory challenges and weak earnings. Analysts suggest resolving compliance issues, diversifying markets, and improving efficiency to restore investor confidence.

NIFTY Pharma February'25 (in ₹)

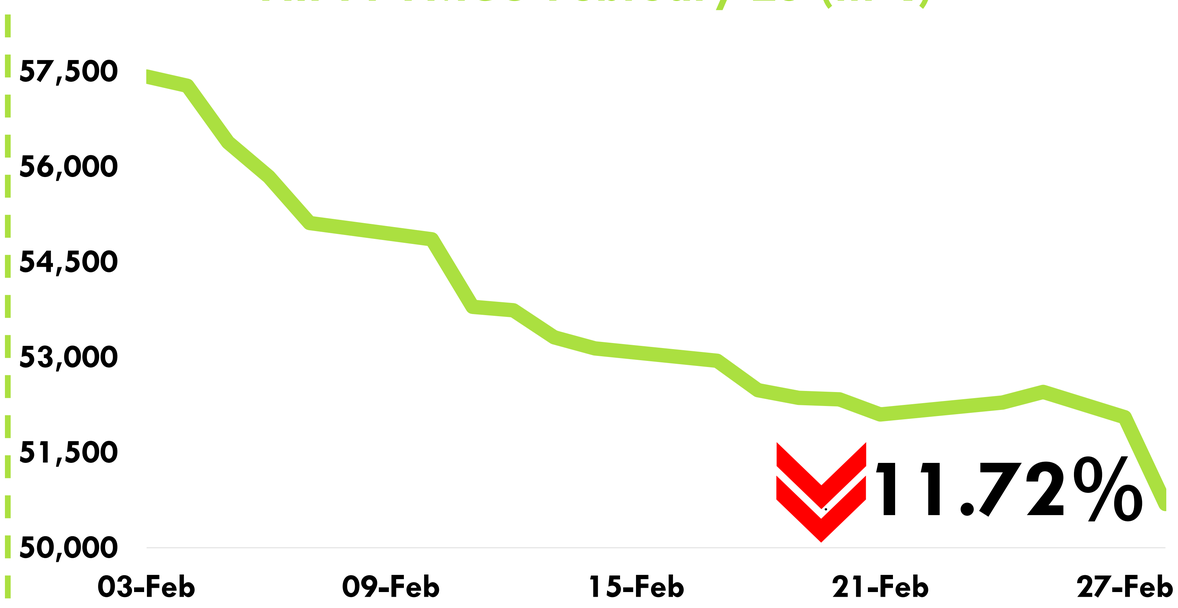


Source: NSE

FMCG Sector

In February 2025, the Nifty FMCG index declined by 11.7%, extending its losses amid weak urban demand and inflationary pressures. This marked the index's longest losing streak since February 2011, reflecting ongoing sectoral challenges. Varun Beverages' stock hit a one-year low due to acquisition delays. Rising input costs led companies to implement selective price hikes and shrinkflation strategies to protect margins. Increased foreign investor sell-offs and cautious consumer sentiment further pressured the sector, while sluggish rural recovery added to concerns, keeping the market outlook subdued.

NIFTY FMCG February'25 (in ₹)

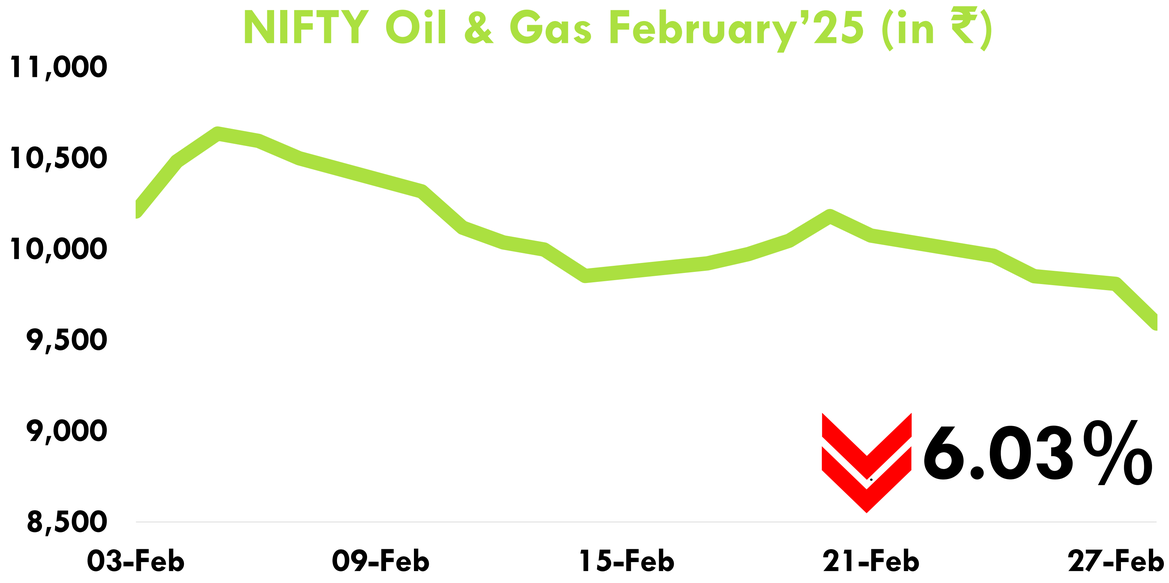


Source: NSE

Oil and Gas Sector

In February 2025, the Nifty Oil & Gas index declined by 6%, marking its longest monthly losing streak. The sector faced pressure from volatile crude prices, a global economic slowdown, and persistent foreign fund outflows. Weaker refinery margins and geopolitical tensions further dampened investor sentiment. Despite government plans to expand strategic oil reserves and support energy transition initiatives, concerns over demand recovery and policy uncertainties were present. Stabilizing crude prices and sustained policy support could improve long-term growth prospects.

NIFTY Oil & Gas February'25 (in ₹)

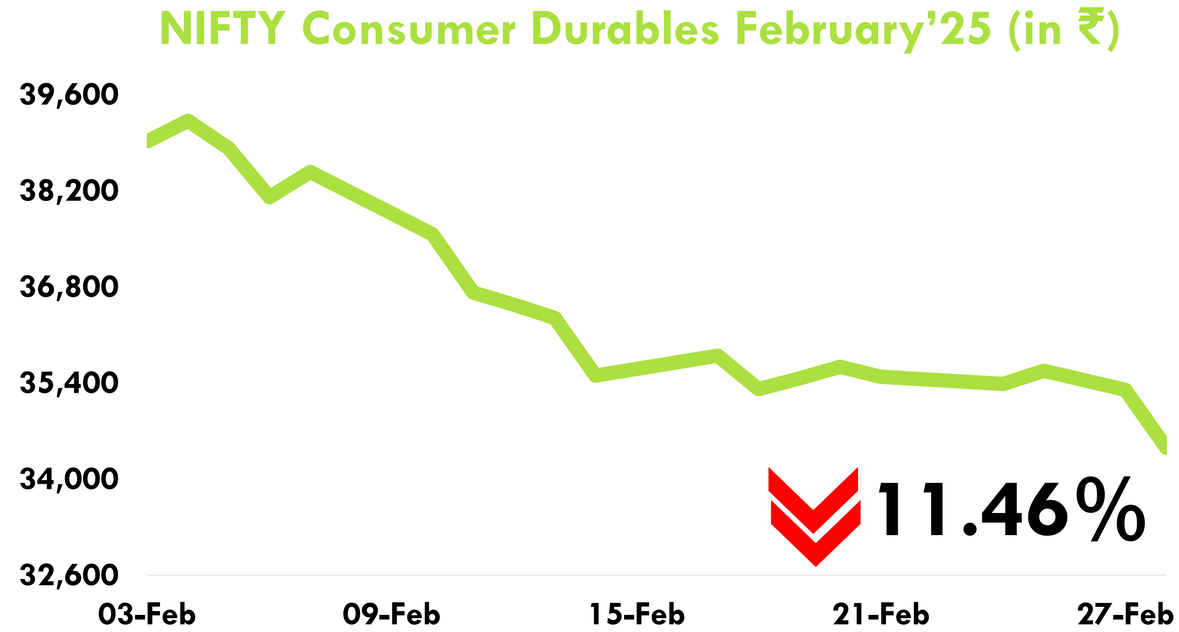


Source: NSE

Consumer Durables Sector

The Nifty Consumer Durables index plunged 11.5% in February 2025, weighed down by weak consumer sentiment, rising costs, and inflationary pressures. Relaxo Footwears Ltd. was the biggest loser, dropping 21.65% due to weak demand and rising input costs, while Dixon Technologies (India) Ltd. limited losses to 3.80%, supported by stable order flows and improved operational efficiency. Market volatility, consumer sentiment, and demand revival remain crucial for future recovery.

NIFTY Consumer Durables February'25 (in ₹)



Source: NSE

SECTOR UPDATES

Telecom Sector

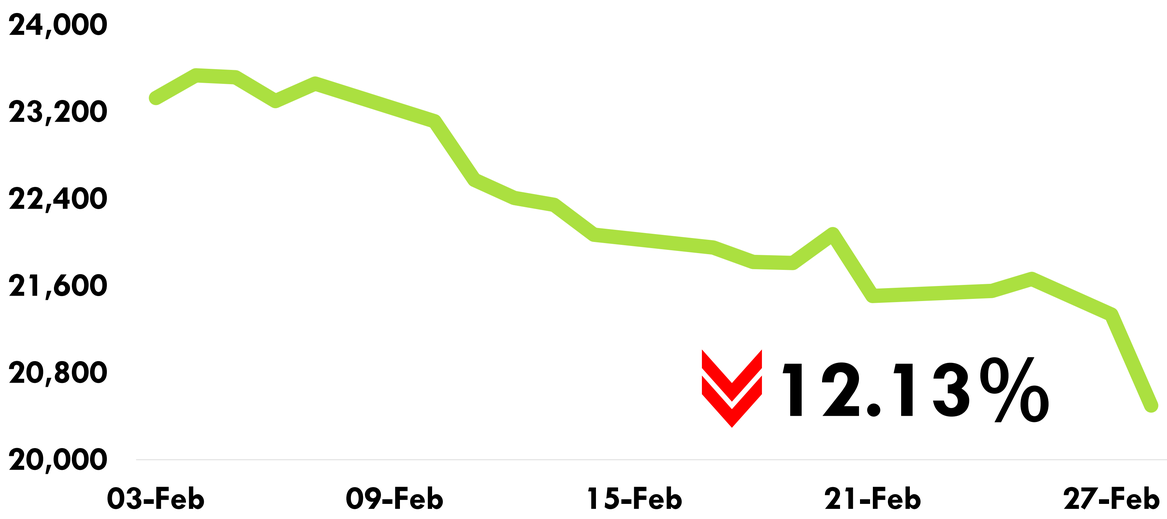
In February 2025, India's telecom sector experienced significant growth. The Union Budget 2025-26 allocated ₹22,000cr to the BharatNet project to enhance rural broadband connectivity. Additionally, a 50% reduction in customs duty on carrier-grade Ethernet switches is expected to lower costs for broadband expansion and data center projects. Collaborations with international entities, such as the UK's SONIC Labs, are set to advance Open RAN and 6G technologies. These initiatives are supposed to collectively bolster investor confidence.

Addition During November'24 (Lakhs)

Auto Sector

India's auto sector faced mix of few challenges and opportunities in February 2025. The government's Union Budget introduced incentives for Electric Vehicle (EV) manufacturing, including tax exemptions on critical minerals, aiming to boost local production. However, the anticipated entry of Tesla into the Indian market intensified competition, causing concern among domestic automakers. Additionally, a $1.4bn tax dispute involving Volkswagen highlighted regulatory complexities. These factors contributed to the decline in the Nifty Auto Index by 12.1% this month.

NIFTY Auto February'25 (in ₹)

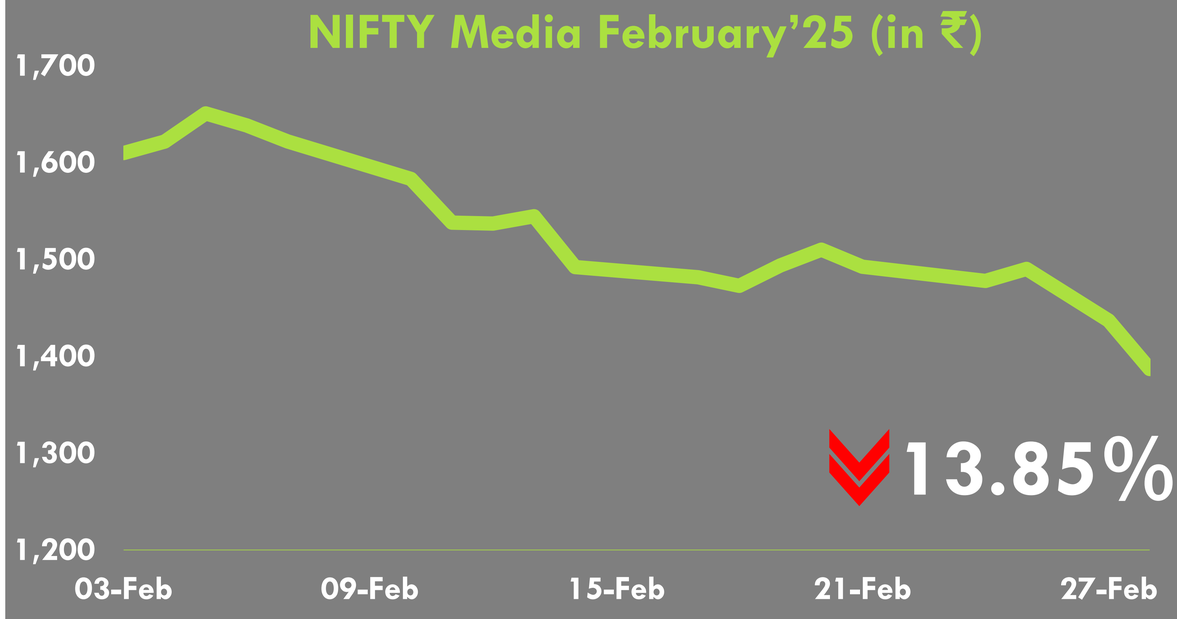


Source: NSE

Media Sector

In February 2025, India's media sector faced challenges, leading to a decline in the Nifty Media Index by 13.9%. Despite significant mergers, such as the $8.5bn Disney-Reliance deal, the industry grappled with a sharp reversal in the stock market, with major indices losing substantial value. Additionally, the Union Budget 2025-26 introduced tax cuts, with expectations of double-digit growth due to an expanding middle class indirectly supporting the media and entertainment industry. However, rising competition and regulatory hurdles continued to pressure sector performance.

NIFTY Media February'25 (in ₹)

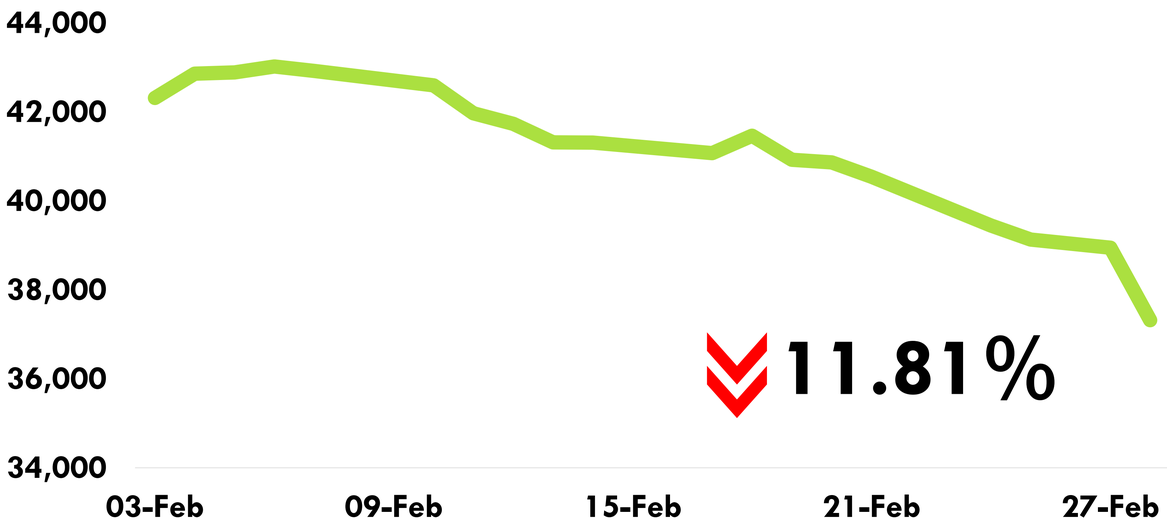


Source: NSE

IT Sector

India's IT sector faced a significant decline of 11.8% in February 2025. The index was influenced by weak U.S. economic data and rising inflation, which raised concerns over corporate spending in key export markets. Additionally, the adoption of generative AI is expected to boost productivity by up to 45% over the next five years, though concerns over job losses, regulatory challenges, and market volatility persist. These mixed factors, coupled with fluctuating demand, contributed to the sector's varied equity market performance.

NIFTY IT February'25 (in ₹)

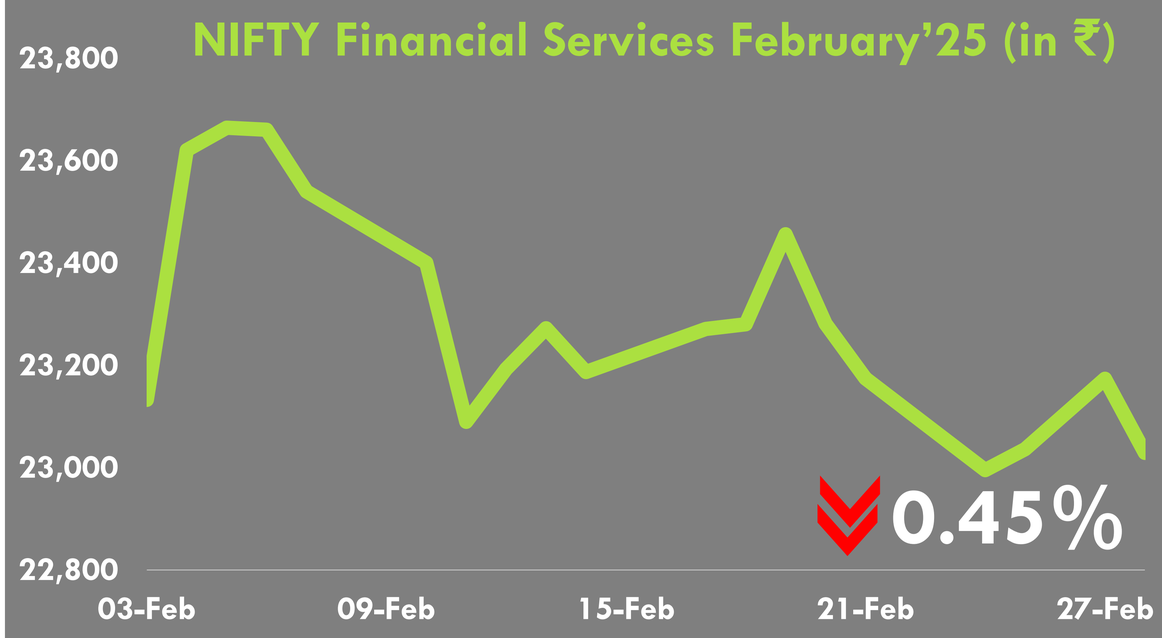


Source: NSE

SECTOR UPDATES

Financial Services Sector

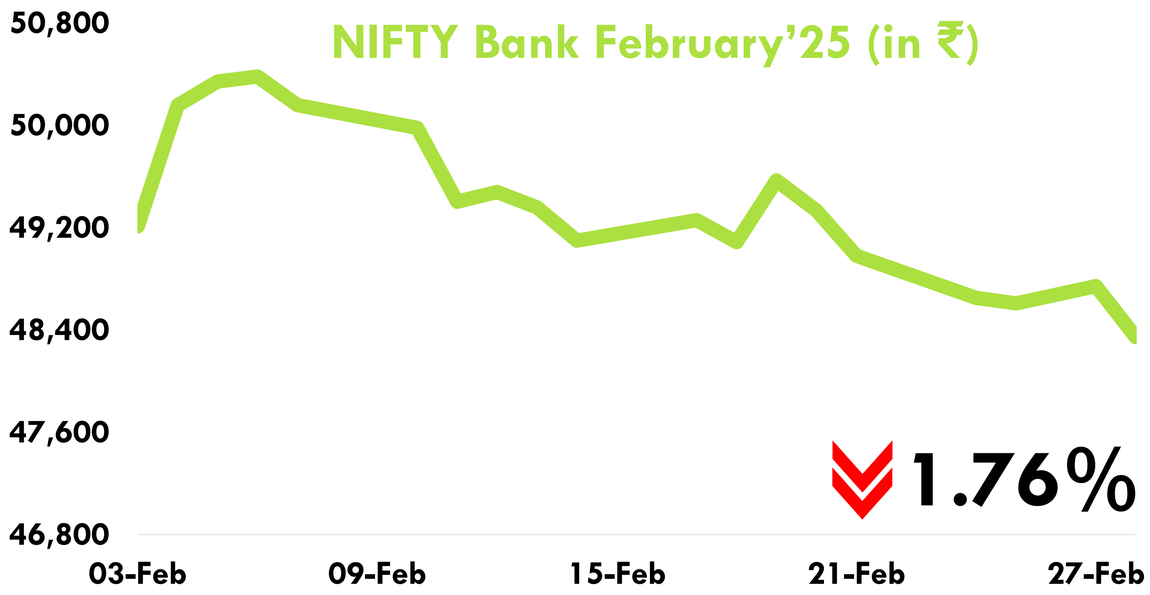
In February 2025, the Nifty Financial Services Index declined by 0.5%, with foreign portfolio investors offloading $3.5bn worth of financial stocks, accounting for 31% of total foreign selling in Indian markets. Concerns over high valuations, the impact of higher U.S. interest rates, and tariff risks contributed to weak investor sentiment. Despite liquidity measures from the Reserve Bank of India offering temporary support, foreign selling continued, dampening the sector's performance.



Source: NSE

Banking Sector

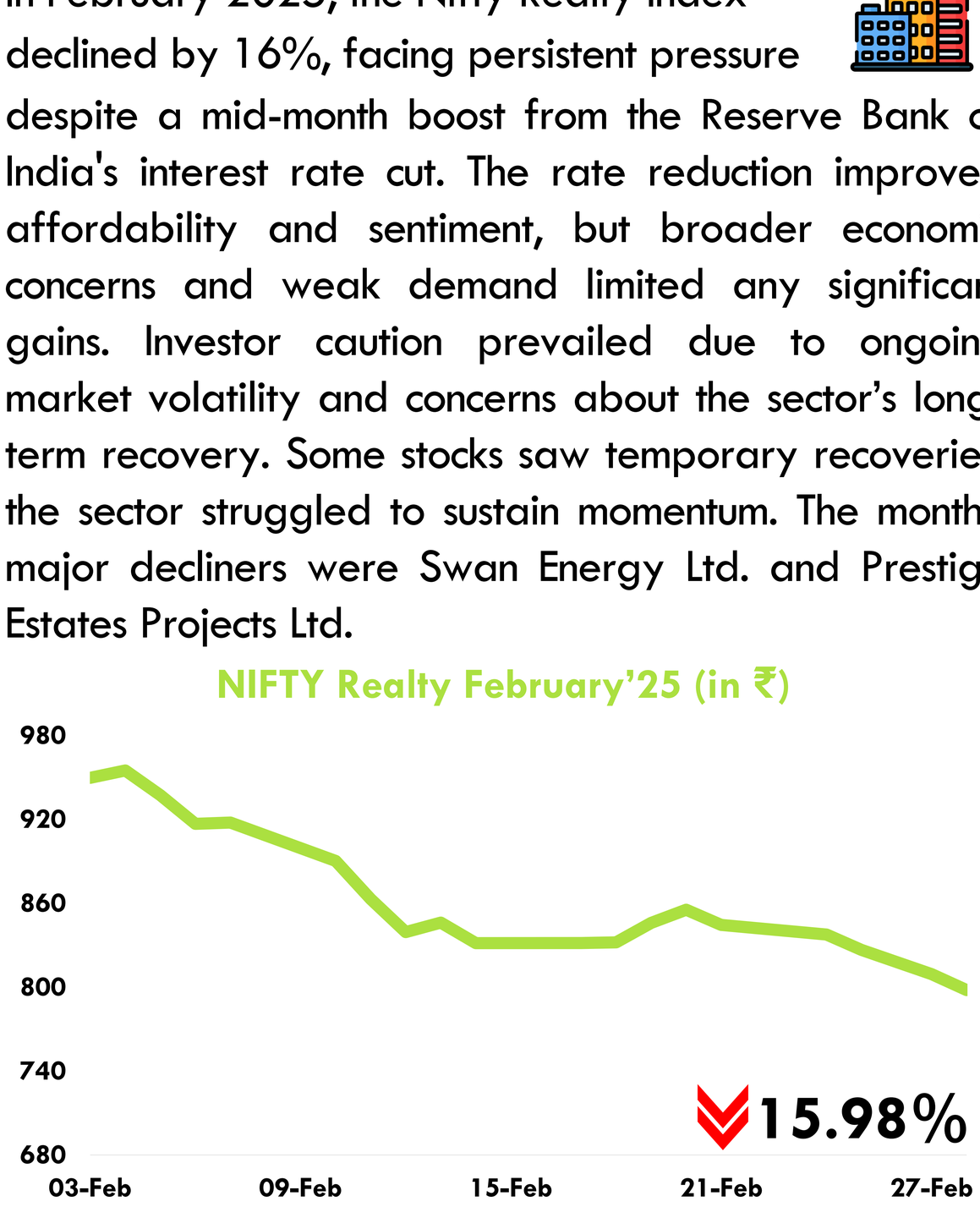
In February 2025, India's banking sector declined by 1.8%. Weak earnings from major lenders like Axis Bank reflected sluggish loan growth and asset quality concerns. The Reserve Bank of India's tighter lending norms on unsecured loans slowed credit expansion, while global economic uncertainties and foreign investor outflows worsened sentiment. Although late-month liquidity measures by RBI provided relief, broader macroeconomic challenges kept the market cautious. The RBI's decision to stagger new banking regulations aims to help banks adjust.



Source: NSE

Realty Sector

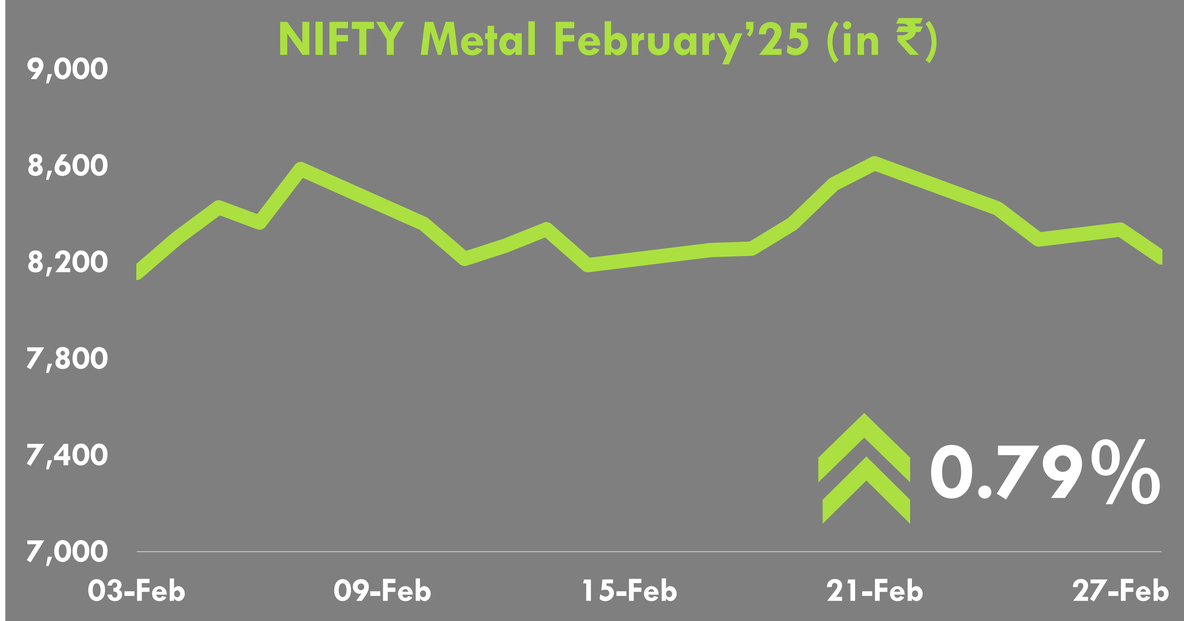
In February 2025, the Nifty Realty Index declined by 16%, facing persistent pressure despite a mid-month boost from the Reserve Bank of India's interest rate cut. The rate reduction improved affordability and sentiment, but broader economic concerns and weak demand limited any significant gains. Investor caution prevailed due to ongoing market volatility and concerns about the sector's long-term recovery. Some stocks saw temporary recoveries, the sector struggled to sustain momentum. The month's major decliners were Swan Energy Ltd. and Prestige Estates Projects Ltd.



Source: NSE

Metal Sector

In February 2025, the Nifty Metal Index gained 0.8%, supported by easing concerns over U.S. trade curbs on China and strong domestic demand. Despite initial challenges from U.S. tariffs on steel and aluminum, the sector rebounded as investors focused on stable metal pricing, improved operational resilience, and robust domestic infrastructure growth. Key stocks like Jindal Steel and JSW Steel performed well, driven by demand optimism in construction, manufacturing, and infrastructure development, particularly in urbanization projects. Additionally, the recovery in global metal prices and government policy support further bolstered investor confidence.



IPO

Powering Growth And Sustainability

Solarium Green Energy Limited specializes in providing comprehensive solar solutions. The company offers a range of services, including the design, engineering, procurement, construction, testing, commissioning, operation and maintenance of solar systems for several projects. The company has launched an IPO to raise ₹105cr by issuing 55 lakh shares. The price band for the IPO has been set between ₹181 and ₹191 per share. The issue saw demand, with retail subscriptions at 5.07 times, Qualified Institutional Buyers (QIBs) at 8.51 times, and Non-Institutional Investors (NIIs) at 18.04 times. The proceeds from the IPO will primarily be used to meet the company's working capital requirements and support general corporate activities, bolstering its position in the rapidly growing solar energy market. Solarium's shares debuted at ₹202, a remarkable 5.76% premium, reflecting strong market optimism about the company's growth potential.

Eleganz IPO Misses Mark

Founded in 1996, Eleganz Interiors Limited specializes in providing interior solutions for a wide range of sectors, including corporate offices, laboratories, and airport lounges. The company competes for domestic tenders from major domestic and multinational firms, project management consultants, and international property advisors, offering design and build as well as general contracting services. In February 2025, Eleganz Interiors launched its much awaited IPO with the goal of raising ₹78.07cr by issuing 60.05 lakh equity shares priced at ₹130 per share. The IPO was met with an overwhelming response, with a subscription rate of 30.65 times overall. The retail portion was subscribed 21.44 times, Qualified Institutional Buyers (QIB) subscribed 24.45 times, and Non-Institutional Investors (NII) subscribed 60.42 times. The shares made a weak debut, listing at ₹122 on NSE SME, at a discount of 6.15 percent as compared to its IPO price of ₹130. The company will use the IPO proceeds to reduce outstanding debt, support working capital needs, and fund general corporate purposes, including strategic investments, business expansion, and overall operational growth initiatives.

Ajax IPO Sparks Investor Interest

Ajax Engineering Limited, founded in 1992, is India's leading concrete equipment manufacturer. The company provides a wide range of products, including self-loading concrete mixers (SLCMs), batching plants, transit mixers, boom pumps, concrete pumps, slip-form pavers, and 3D concrete printers. To facilitate the sale of shares by existing stakeholders, Ajax Engineering has launched an IPO to raise ₹1,269.35cr through an offer for the sale of 2.01 crore equity shares. The IPO price band is set between ₹599 and ₹629 per share. Since this offer is entirely for sale, the proceeds will be directed to the selling shareholders. Among them, Kedaara Capital, a key investor, aims to divest its entire holding of 74.37 lakh shares. Ajax Engineering's share price ended the listing day at ₹593.40 on NSE, a 5.66% discount to the IPO price of ₹629, and at ₹595.60 on BSE, a 5.31% discount. Despite the weak debut, analysts remain optimistic about the company's long-term prospects, citing the growing demand.

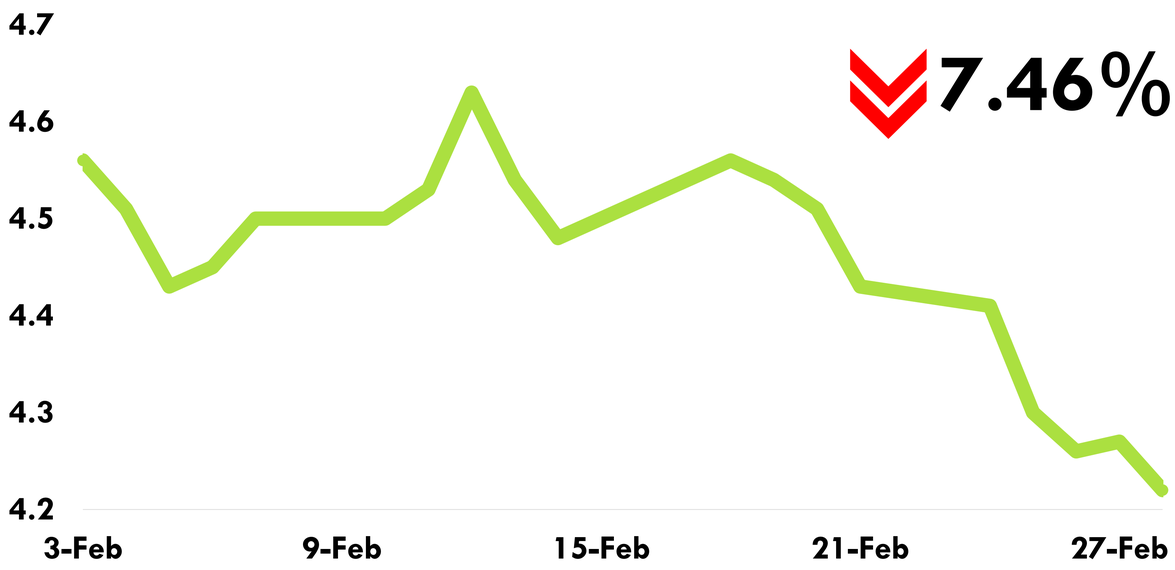
Upcoming IPOs	IPO Size (Approx.)
Balaji Phosphates Limited	₹ 50.11 Cr.
NAPS Global India	₹ 11.88 Cr.

Hexaware's Big IPO Leap

Hexaware Technologies, a prominent global IT services and consulting firm, is preparing for an IPO to raise ₹1,269.35cr. Established in 1990, the company provides a wide range of IT services, including application development, IT infrastructure services, cloud-based solutions, and enterprise solutions. It primarily caters to banking, insurance, and healthcare industries, operating in over 25 countries. The IPO is an Offer for Sale (OFS) of 2.01 crore equity shares, with a price band set between ₹599 and ₹629 per share. The offer will not result in any fresh issuance of shares, meaning the proceeds will be directed to the selling shareholders. The shares listed at ₹745.50 per share on the NSE, reflecting a premium of 5.30%. The strong listing reflects investor confidence in Hexaware Technologies' growth potential and market positioning.

FIXED INCOME

US 10 Year Treasury Yield February'25 (in %)



Source: US Department of the Treasury

In February 2025, U.S. Treasury yields experienced significant fluctuations, with the 10-year yield falling to 7.5% by the end of the month, its lowest level since December. The decline was driven by economic slowdown concerns, particularly after President Trump announced new tariffs on Canadian, Mexican, and Chinese imports, which heightened market uncertainty. Additionally, weaker consumer sentiment and inflation worries pushed investors toward safe-haven assets like Treasuries. Market movements also reflected expectations surrounding the Federal Reserve's upcoming policy decision. These developments underscore the bond market's sensitivity to both domestic policy shifts and global economic trends.

India's Bonds Turn Global Magnet

Foreign investors are aggressively buying Indian government bonds following the RBI's recent interest rate cut, which has enhanced market sentiment. In just a week, foreign investments in Indian debt surged by $2.1bn, surpassing the total purchases made over the last 19 weeks combined. The 25 basis point rate cut has boosted bond prices, making them more attractive to global investors seeking higher yields and stable returns. Additionally, India's inclusion in global bond indices, such as JPMorgan's emerging market debt index, has amplified foreign interest, with total investments now exceeding $20bn. The move signals growing confidence in India's economic stability, fiscal policies, and competitive returns compared to other emerging markets. Lower inflation, strong economic growth, and expectations of further monetary easing reinforce the appeal of Indian bonds. With increasing foreign inflows, the bond market is poised for greater liquidity, price appreciation, and long-term strength, solidifying India's position in the global financial landscape.

India's Green Bonds Lack Spark

India's sovereign green bonds, launched to finance eco-friendly projects, are encountering subdued investor interest. In recent auctions, bonds valued at ₹7,443cr remained unsold, compelling the Reserve Bank of India (RBI) to allocate them to primary dealers. This tepid demand is partly attributed to the minimal 'greenium' - the premium investors are willing to pay for green bonds over conventional ones - which in India's case is a mere 2-3 basis points, significantly lower than the global average of 7-8 basis points. Efforts to attract investors, such as permitting unrestricted participation from non-resident Indians and foreign portfolio investors, have yet to yield substantial results. Since the 2022-23 fiscal year, the government has raised approximately ₹53,000cr through eight green bond issuances, directing about half of the proceeds toward energy-efficient electric locomotives for Indian Railways. However, limited secondary market liquidity and the absence of a robust ecosystem for social impact funds further diminish the appeal of these bonds. To enhance demand, the government may need to offer better incentives, improve market liquidity, and strengthen the framework for responsible investing.

Inflation

India's retail inflation eased to 4.31% in January 2025, down from 5.22% in December, marking a five-month low. The decline was driven by falling food prices, particularly vegetables, bringing much-needed relief to households. With inflation now within the RBI's 2-6% tolerance range, concerns over aggressive rate hikes have diminished. In response, the RBI cut the repo rate by 25 basis points to 6.25% to support economic growth. This decline signals economic stability, boosting confidence in steady interest rates and benefiting both consumers and businesses alike.

Month	Inflation (%)
January'25	4.31
December'24	5.22
November'24	5.48
October'24	6.21
September'24	5.49

Source: MOSPI

RISK

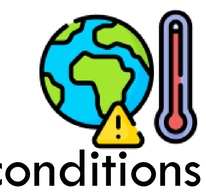
Federal Debt and Economic Risks

In recent years, rising federal debt in the United States has become a growing concern, with risks increasingly becoming apparent. High levels of debt could limit the government's ability to respond to economic crises, such as recessions or pandemics. As debt rises, so do interest payments, which could crowd out other critical government spending on health, education, and infrastructure. Furthermore, if investors perceive the debt as unsustainable, borrowing costs could increase, exacerbating the issue. A rise in debt could also result in lower economic growth, as resources are diverted toward servicing the debt rather than investing in productive areas. Moreover, excessive debt might lead to inflation, affecting the value of the currency. While some argue that debt can be manageable if used for investment in growth-promoting projects, the long-term risks remain significant. The debate continues on how to balance fiscal policies and ensure the federal debt does not undermine future generations' economic stability. Addressing these issues requires careful planning, prudent fiscal management, and maintaining investor confidence.

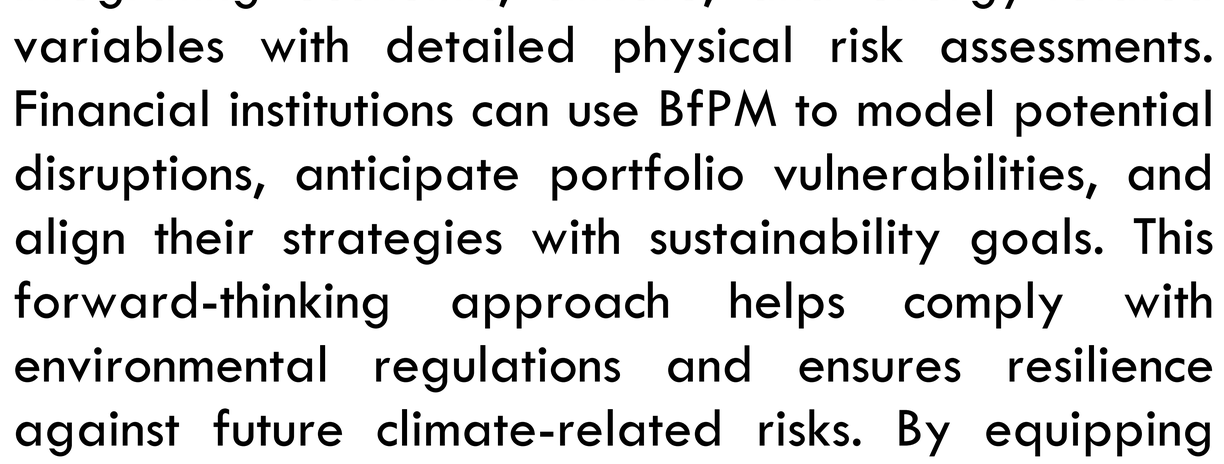
Musk's DOGE Access Sparks Financial Risk

Elon Musk's Department of Government Efficiency (DOGE) has recently gained access to the U.S. Treasury's payment systems, a move that has sparked significant concern among lawmakers and financial experts. Senator Ron Wyden has warned that this unprecedented access could jeopardize financial stability, potentially leading to a U.S. debt default and triggering a global crisis. The integration of DOGE into critical financial infrastructure has raised questions about oversight and conflicts of interest, especially given Musk's extensive business ventures. Treasury officials have initiated an audit to assess DOGE's involvement, aiming to ensure the integrity of national payment systems. As the situation develops, it underscores the balance between cost-cutting measures and the need for robust financial safeguards. The outcome will likely have far-reaching consequences for domestic and global economic landscapes. If risks are not managed properly, this could erode investor confidence and increase market volatility.

Capgemini's Approach to Climate Resilience



The financial sector faces significant risks from climate change, with extreme weather, regulatory shifts, and evolving market conditions threatening economic stability. Capgemini, in collaboration with Google Cloud, has introduced the Business for Planet Modelling (BfPM) program to address these challenges. BfPM utilizes cutting-edge technologies, including geospatial analytics, artificial intelligence, and vast climate datasets, to simulate various climate scenarios and assess their impact on financial institutions. This tool provides a comprehensive risk analysis framework by integrating economic, climate, and energy-related variables with detailed physical risk assessments. Financial institutions can use BfPM to model potential disruptions, anticipate portfolio vulnerabilities, and align their strategies with sustainability goals. This forward-thinking approach helps comply with environmental regulations and ensures resilience against future climate-related risks. By equipping financial organizations with data-driven insights, Capgemini fosters a more sustainable, risk-aware financial ecosystem, reinforcing the sector's ability to navigate the challenges of a rapidly changing climate landscape.



Source: NSE India

In February 2025, the India VIX, a key market volatility indicator, experienced notable fluctuations. The index started the month relatively stable, but by February 25, it had dropped by 5.03%, reaching 13.72, signaling a temporary dip in market volatility. However, the trend reversed towards the end of the month, with the India VIX climbing by 4.51% to 13.91 on February 28, as uncertainty in the market escalated. This rise in volatility was accompanied by a 6% drop in the Nifty 50 index, reflecting concerns over weak earnings reports, persistent foreign outflows, and global economic uncertainties. Overall, the India VIX declined by 3.07% during the month, highlighting the ongoing market uncertainty.

DERIVATIVES

Coinbase Launches Solana Futures

Coinbase is set to expand its cryptocurrency derivatives offerings with the launch of Solana (SOL) futures contracts on its Coinbase Derivatives platform, expected to begin trading on February 18, 2025. The exchange has filed for self-certification with the U.S. Commodity Futures Trading Commission (CFTC) to list these contracts, providing traders with new opportunities in the crypto market. The Solana futures will be available in two sizes: standard contracts representing 100 SOL (valued at approximately $24,000) and nano contracts representing 5 SOL (around $1,200). These contracts will be cash-settled monthly, allowing speculation on Solana's price movements without requiring ownership of the particular asset. Given Solana's higher volatility compared to Bitcoin and Ethereum, Coinbase plans to set position limits 30% lower than Bitcoin futures. This move aligns with the growing optimism in the crypto sector, fueled by regulatory advancements and increasing institutional interest. By introducing Solana futures, Coinbase aims to enhance market accessibility and diversify its offerings in derivatives.

RBI Enhances Hedging Tools

The RBI has announced plans to introduce bond forward contracts, enabling long-term investors, such as insurance funds, pension funds, and mutual funds, to better manage interest rate risks. These contracts allow investors to agree to purchase government securities at a predetermined future date and price, facilitating effective hedging against interest rate fluctuations. This initiative is expected to deepen the bond derivatives market, providing investors with more sophisticated tools to navigate interest rate cycles, enhance liquidity, and reduce market uncertainty. The RBI will soon release detailed guidelines on the implementation of these forward contracts. Additionally, the central bank plans to establish a working group to review trading and settlement timings in financial markets, aiming to enhance market efficiency, increase transparency, and encourage greater participation. These measures underscore the RBI's commitment to developing India's financial markets, strengthening investor confidence, and providing effective risk management tools to mitigate volatility and promote sustainable growth.

India's First Rain Derivatives Unveiled

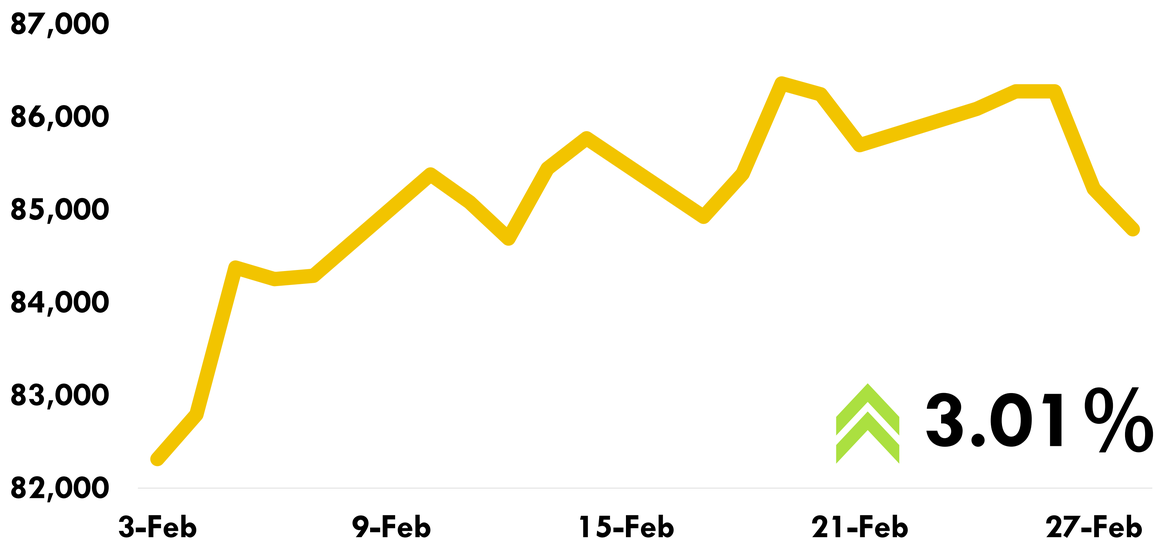
India is set to introduce its first rain-based derivatives, enabling businesses to hedge against adverse weather conditions. This initiative comes as climate change leads to increased weather unpredictability, impacting sectors like agriculture and energy. Weather derivatives are financial instruments that derive value from weather-related data, allowing companies to manage risks associated with unfavorable weather. For instance, farmers can protect against crop losses due to insufficient rainfall, while energy companies can mitigate risks from temperature fluctuations affecting power demand. Globally, weather derivatives have been trading on exchanges such as the Chicago Mercantile Exchange, with the market experiencing significant growth due to rising climate volatility. In India, the Securities and Exchange Board of India (SEBI) has paved the way for these instruments by including weather in the list of goods under the Securities Contracts (Regulation) Act, 1956. This development is expected to provide a valuable tool for Indian businesses to manage weather-related risks effectively.

NCDEX Enters Equity Market

The National Commodity & Derivatives Exchange (NCDEX) is set to enter the equity and equity derivatives markets, expanding beyond its traditional focus on agricultural commodities. Approved in its 155th Board Meeting on February 12, 2025, this strategic move involves an investment of ₹400-600cr. The initiative aims to create synergies between equity and agri-commodity segments, strengthening NCDEX's market position. Alongside this expansion, NCDEX reported its Q3 FY25 financial performance. The exchange posted a consolidated net loss of ₹11.61cr, widening from ₹10.91cr a year ago, though improving from ₹15.04cr in Q2 FY25. Revenue from operations declined 4.93% year-on-year to ₹21.59cr but saw a sequential rise of 10.6% from ₹19.52cr in the previous quarter. Despite financial challenges, this diversification signals NCDEX's intent to strengthen its market presence. The move into equities could enhance liquidity, attract broader participation, and support long-term growth, making NCDEX a more competitive player in India's financial landscape.

COMMODITIES

Gold Spot Price (in ₹ per 10 grams)



Source: MCX

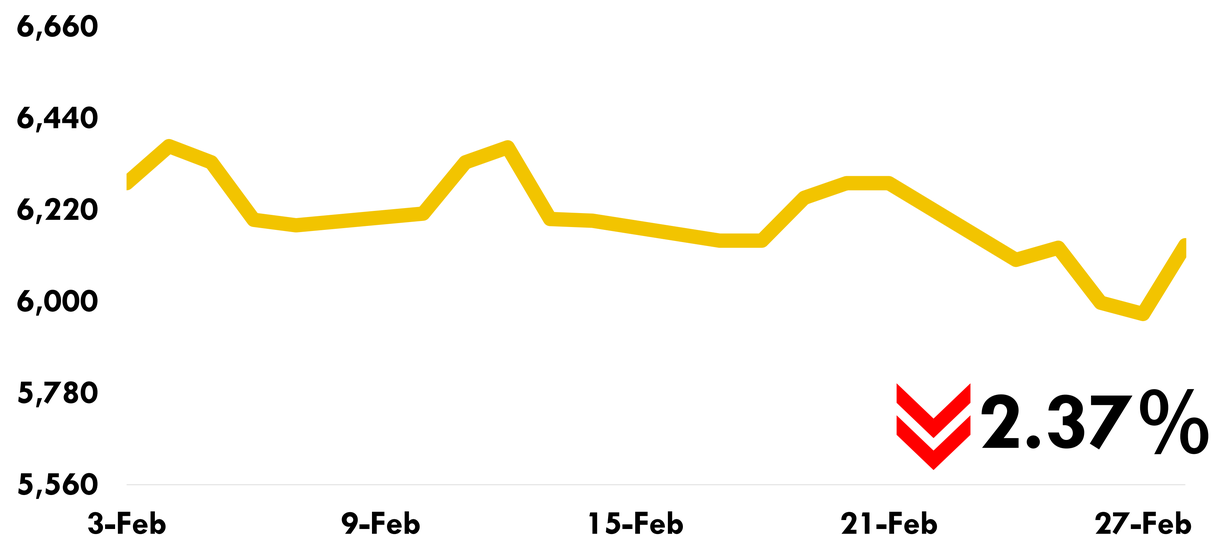
Gold prices have soared to record highs, driven by intense safe-haven demand.

As geopolitical tensions escalate and economic uncertainty deepens, investors are flocking to gold. In India, 24K gold surged to ₹85,470 per 10 grams, while international prices neared $2,950 per ounce. Central banks have bolstered their gold reserves, further fueling the rally. Despite high prices, gold ETFs continue to attract significant inflows. As a trusted safe-haven asset, it remains a beacon of security in turbulent times, underscoring its enduring appeal during periods instability. This trend is expected to continue as investors seek refuge from market volatility and inflationary pressures, solidifying gold's position as a store of value.

Broken Rice, Better Supply

The Union Ministry of Consumer Affairs, Food and Public Distribution has launched a pilot project to segregate broken rice from Food Corporation of India (FCI) stocks. The initiative aims to improve the quality of rice supplied to consumers while optimizing storage space. Punjab, Haryana, Telangana, and Andhra Pradesh have been selected for the project, where 10,000 tons of paddy will be milled to separate broken rice. Currently, paddy stocks can contain up to 25% broken rice after shelling. Under this initiative, 67 kg of rice will be recovered from every 100 kg of paddy, including 17 kg of broken rice. Of this, 10 kg will be sold to rice processing and ethanol industries, while the remaining 7 kg will be mixed with Public Distribution System (PDS) stocks. Puneet Goyal, Director of Food and Civil Supplies in Punjab, stated that the project could reduce storage space requirements by 15% while enhancing the quality of edible rice. However, the disposal of the segregated broken rice remains uncertain as millers await further instructions from the government regarding its utilization and sale.

Crude Oil Spot Price (in ₹ per barrel)



Source: MCX

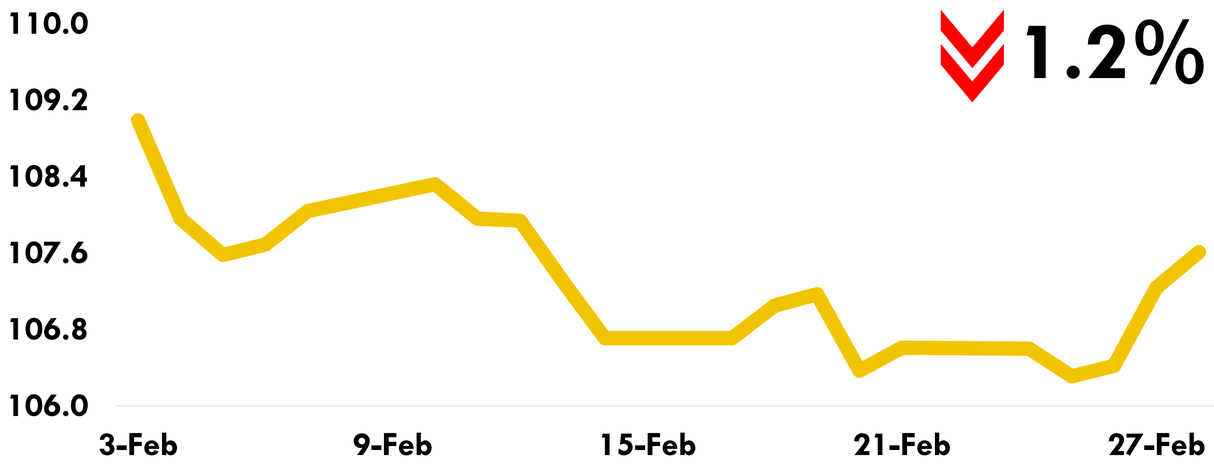
Crude oil prices remained under pressure in February 2025, with Brent crude falling to $74.2 per barrel, nearing yearly lows amid demand uncertainty and geopolitical shifts. The month started with minor price recoveries, but concerns over China's economic outlook and a lack of fresh stimulus measures kept prices subdued. Analysts expect oil markets to remain weak until mid-March, when China is set to announce new economic policies and its 2025 growth target.Meanwhile, US President Trump confirmed tariffs on Canadian and Mexican imports starting March 4, raising fears of weaker demand. However, new US sanctions on Iran's oil trade, along with EU and UK restrictions on Russian oil shipments, heightened supply concerns, keeping volatility in crude markets elevated.

Sugar Industry Faces Heat

India's sugar production is projected to decline by 12% to below 27 million metric tons (MMT) in 2025, a significant drop from 31.8 MMT the previous year. This dip is primarily due to increased diversion of sugarcane for ethanol production and reduced cane availability, particularly in Maharashtra. Despite the production decrease, sugar prices remain strong, exceeding ₹40,000 per ton in Uttar Pradesh. While revised ethanol prices have caused some sector disappointment, cane availability has recently improved in Maharashtra and Karnataka. Overall, 16.5 MMT of sugar was produced by January 31, 2025, a decrease from 18.8 MMT during the same period last season. The Indian Sugar Mills Association (ISMA) estimates sugar production to be 270 lakh tonnes, impacting both domestic supply and exports; however, lower yields may impact the sugar industry's profitability.

CURRENCY

US Dollar Index (USD)



Source: Investing

In February 2025, the U.S. Dollar Index fell by 1.2%, driven by Trump's tariff announcements on Mexican, Canadian, and Chinese imports, unsettling investors. A drop in U.S. consumer confidence and inflation concerns further weakened sentiment. Trade tensions, de-dollarization pressures, and global economic uncertainty limited the dollar's strength, highlighting its vulnerability to policy shifts, weaker economic data, and shifting investor sentiment in volatile markets.

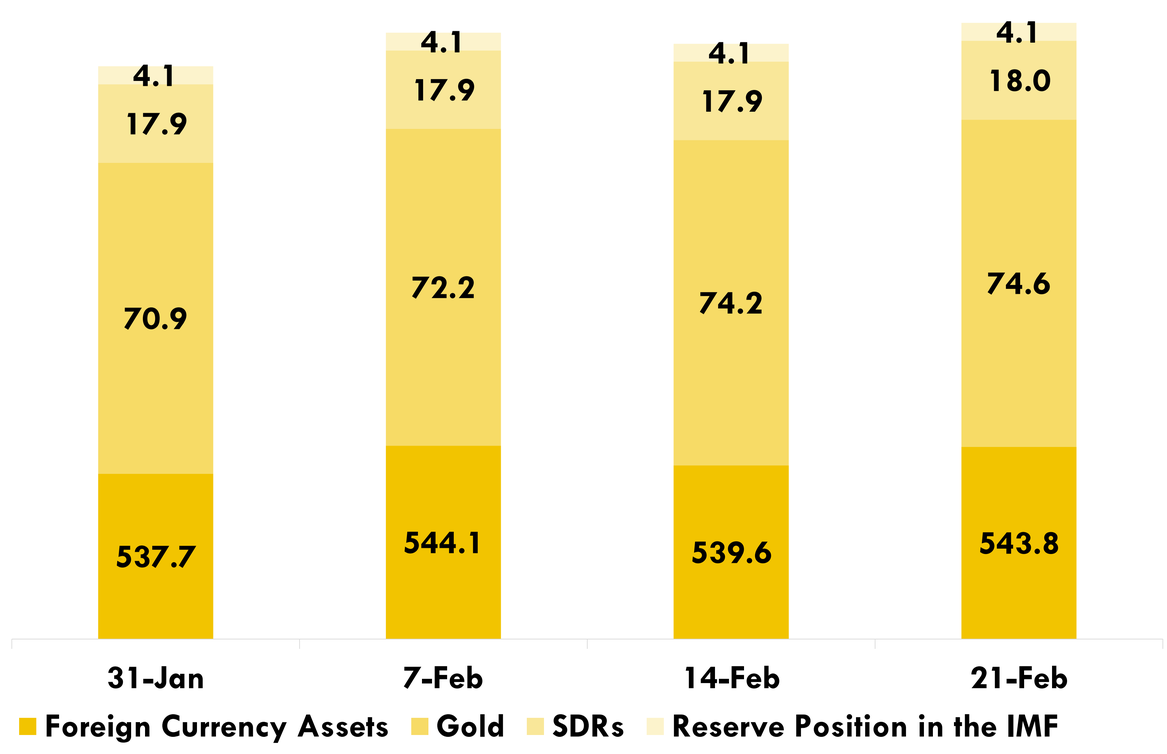
Market Decides Rupee's Fate

Finance Minister Nirmala Sitharaman clarified in the Lok Sabha that the rupee's depreciation is due to global factors, not deliberate devaluation. Between October 2024 and January 2025, the US Dollar Index surged by 6.5%, leading to a 2.9% rupee depreciation, which is less severe than other major Asian currencies, except the Hong Kong dollar. Factors such as $19.5bn in foreign portfolio investment outflows and a $31.8bn trade deficit in November 2024 added pressure on the currency. However, Sitharaman reassured that India follows a market-determined exchange rate, with no fixed target or intervention policy. While a weaker rupee can boost exports, it can also increase import costs, potentially impacting domestic inflation. She emphasized that the government continues to monitor the situation carefully.

India's Forex Reserves

In February 2025, India's foreign exchange reserves increased to $640.5bn, recovering from January's decline. The RBI intervened to stabilize the rupee amid global market volatility and capital outflows, supporting the currency against external pressures. Despite geopolitical uncertainties, trade disruptions, and shifting global interest rates, the central bank's efforts helped strengthen reserves. However, foreign investment fluctuations, inflation concerns, and economic risks continue to challenge financial stability. The RBI remains focused on liquidity management and currency stabilization, ensuring economic resilience amid a dynamic global financial landscape.

FOREX Reserve (USD Bn)



Source: RBI

Currency	2nd February'25	28th February'25	Change (%)	Trend
INR/USD	INR 86.5540	INR 87.4706	↑ 1.1	
INR/EUR	INR 89.6130	INR 90.7420	↑ 1.3	
USD/EUR	USD 1.0246	USD 1.0378	↑ 1.3	
JPY/USD	JPY 155.3630	JPY 150.6190	↓ 3.1	
CAD/USD	CAD 1.4717	CAD 1.4468	↓ 1.7	
USD/GBP	USD 1.2290	USD 1.2573	↑ 2.3	
USD/SEK	USD 0.0890	USD 0.0930	↑ 4.5	
USD/CHF	USD 1.0924	USD 1.1070	↑ 1.3	

Source: Investing

OTHER ASSET CLASSES

AIF Securities Reclassified for Growth

Alternative Investment Funds (AIFs) are pooled investment vehicles catering to institutional investors and ultra-high-net-worth individuals, investing in various asset classes, including startups and real estate. Among the AIFs, Category II AIFs is the largest segment, having over ₹9,76,000cr commitments and ₹3,44,000cr in funds raised. India's Budget 2025 has unveiled a significant tax reform that promises to boost the sector. Finance Minister Nirmala Sitharaman's proposal to reclassify securities held by AIFs in Category I and II as "Capital Assets" marks a significant step towards fostering growth in India's private capital markets. This change aligns AIFs with Foreign Portfolio Investors, ensuring that the profits generated from the sale of securities are now taxed as capital gains rather than business income. This move provides much-needed tax relief, as capital gains tax rates are typically more favorable than those for business income. The reform is poised to attract more global investments, particularly in infrastructure, venture capital, and startups, further strengthening India's position as a growing investment hub.

Strong Rebound Fuels Hotel Growth

The hotel sector is witnessing a strong resurgence, positioning itself for a sharp recovery in investment volumes. According to MSCI's Q3 2024 Capital Trends Global Report, global hotel transactions surged by 15% year-over-year in the first three quarters of 2024 - the highest growth among all property types. This upward trend is fueled by both cyclical and structural factors, making hotels an increasingly attractive option for institutional investors. Once considered an alternative asset, the hospitality sector is now cementing its place as a mainstream investment category. Patrick Saade, head of JLL's global hotel desk, attributes this transformation to the sector's post-pandemic rebound and its unique ability to adjust room rates in response to inflation, effectively mitigating the impact of rising interest rates. While hotel investments offer lucrative returns through operational efficiency, they also come with complexities that set them apart from other real estate assets. Success in this space requires more than just capital—it demands a deep understanding of hotel operations and market dynamics.

Venture Debt Surges as Startups Adapt

The venture debt market reached $53.3bn in 2024, nearly doubling from $27.4bn in 2023. This growth has been attributed to fewer but significantly larger deals, as later-stage startups increasingly turn to debt financing to sustain growth while avoiding equity dilution at lower valuations. Industry experts note a shift in funding dynamics. Marshall Hawks, senior market manager at Silicon Valley Bank, observed that requests for $100mn venture debt checks, once uncommon, have become more frequent. Additionally, the number of lenders in the space has grown, a trend partially linked to the collapse of Silicon Valley Bank in 2023. Market analysts suggest that slower top-line growth has made equity financing less accessible for many companies. Jeff Bede, head of growth capital at Orix USA, highlighted that venture debt provides an alternative path for startups struggling to meet venture capitalists' heightened expectations. Meanwhile, Patrick Lee, managing partner at Top Corner Capital, noted that stricter VC requirements have made fundraising more challenging, further driving interest in debt financing.

Hamilton Lane's Venture Fund Triumph

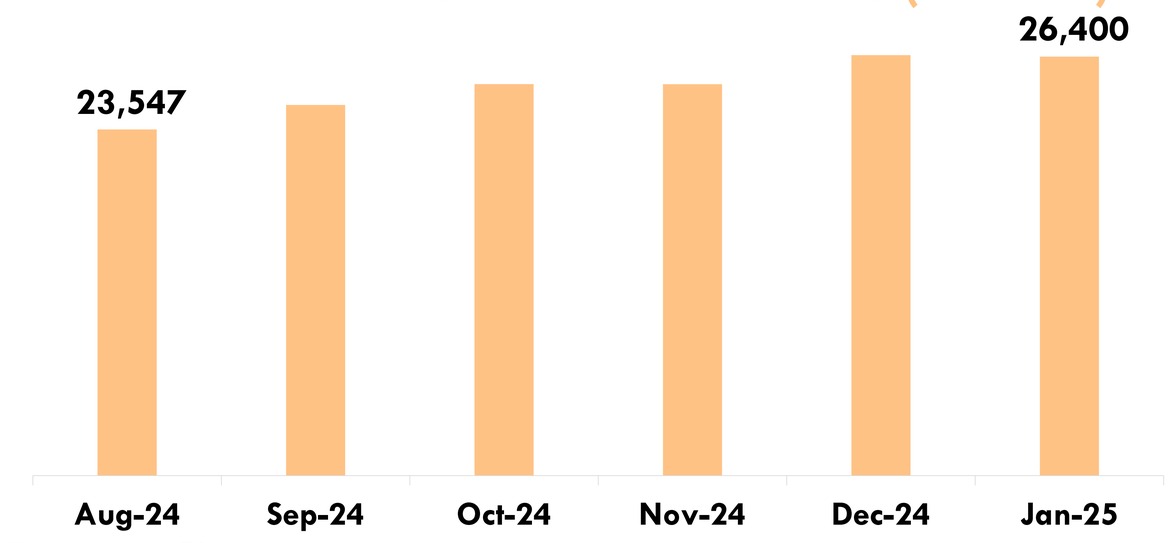
Hamilton Lane has closed its first-ever Venture Access Fund (VAF), raising $615.3mn, well above its initial $500mn target. The strategy's fund-of-funds portion will comprise 50% of investments in niche managers, 20% in emerging managers, and 30% in brand-name funds. The fund is designed to expose investors to top-tier venture funds and high-growth companies, utilizing a mix of primary and secondary investments to enhance returns and reduce early-stage volatility. According to Miguel Luina, Co-Head of Venture and Growth Equity at Hamilton Lane, the fund aims to capitalize on best-in-class venture managers, well-priced secondary transactions, and high-potential co-investments. The VAF attracted significant interest from institutional investors, including pension funds, financial institutions, and family offices, reflecting strong confidence in Hamilton Lane's venture strategy. The firm has been an active player in venture and growth equity for nearly 30 years, leveraging its deep network to gain access to high-quality investment opportunities.The fund's success highlights the growing demand for alternative investment strategies in today's dynamic market, attracting investors seeking diversification and higher returns.

AMC

Mutual Fund SIPs Show Strength

In January 2025, mutual fund SIP contributions reached ₹26,400cr, slightly below December's ₹26,459cr. This marks the second consecutive month with inflows surpassing ₹26,000cr, underscoring sustained investor commitment. The number of SIP accounts stood at 10.26 crore, marginally decreasing from 10.32 crore in December, yet still comprising a significant portion of the 22.91 crore total mutual fund folios. Despite market volatility, the mutual fund industry's AUM increased to ₹67.25 lkh cr in February from ₹66.93 lkh cr in December, reflecting robust investor confidence and a disciplined, long-term investment approach.

SIP Contribution Net Investments (in ₹ Cr.)

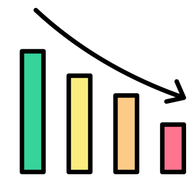


Source: AMFI

SEBI Tightens Mutual Fund Rules

The SEBI has amended mutual fund regulations, requiring AMCs to deploy funds collected through New Fund Offers (NFOs) within a specific timeframe. Effective from April 1, 2025, this move aims to enhance accountability, improve liquidity management, and ensure operational efficiency in the mutual fund industry. As per SEBI's recent notification, AMCs must allocate NFO funds within 30 days in line with the scheme's asset allocation plan. If they fail, investors can exit without an exit load, protecting them from delays. This rule prevents AMCs from holding excess funds while ensuring investors can invest in open-ended schemes at prevailing Net Asset Value (NAV). Another key change requires a portion of AMC employees' remuneration to be invested in the schemes they manage, aligning their interests with investors and fostering responsible fund management. These regulatory updates reinforce SEBI's commitment to transparency, investor protection, and a robust mutual fund ecosystem, making fund management more accountable and investor-friendly.

Equity Mutual Funds See Dip



In January 2025, equity mutual funds in India recorded inflows of ₹39,687cr, a 3.6% decline from December's ₹41,156cr. Despite this dip, all 11 equity mutual fund sub-categories attracted investments, highlighting continued investor confidence. Large-cap funds saw a remarkable 52.3% surge in inflows, reaching ₹3,063cr, marking the second-highest monthly inflow for this category. Small-cap funds remained strong, with inflows rising 22.5% to ₹5,720.9cr, while mid-cap funds recorded ₹5,093cr. Sectoral and thematic funds continued to lead, driven by targeted investment strategies, drawing strong investor interest. Flexi-cap funds also gained traction, providing investors with diversified exposure. The sustained interest in equities, even amid market fluctuations, reflects long-term wealth-building confidence. The data underscores the mutual fund industry's resilience, its ability to attract capital through diversified offerings, and the growing trust in equity markets as a viable investment avenue.

Angel One's New Fund Offer

Angel One Asset Management Company has launched its maiden New Fund Offer (NFO), the Angel One Nifty Total Market Index Fund, which was open for subscription until February 21, 2025. This open-ended scheme aims to replicate the Nifty Total Market Index, providing investors with exposure to 750 stocks across 22 sectors, covering large, mid, small, and micro-cap segments. The fund is designed to mirror the performance of the Nifty Total Market Total Return Index (TRI), ensuring a low-cost, passive investment strategy for long-term wealth creation. Investors can start with a minimum investment of ₹1,000, and no exit load is applicable. The fund offers SIP options in daily, weekly, fortnightly, monthly, and quarterly frequencies, allowing flexibility. It is managed by Mehul Dama and Kewal Shah. Alongside this index fund, Angel One has unveiled India's first Exchange-Traded Fund (ETF) tracking the same index - the Angel One Nifty Total Market ETF. This ETF offers investors a simplified way to diversify, eliminating the hassle of stock picking and active portfolio management while tapping into India's market opportunities.

M&A

Disney and FuboTV Join Forces

Disney and FuboTV have revealed significant merger, bringing together Hulu + Live TV and FuboTV to create the second-largest online pay-TV service in North America, just behind YouTube TV. The deal will see Disney holding a 70% majority stake, while the new entity will be led by Fubo CEO David Gandler. Both services will continue operating under their existing brands, offering an extensive mix of live sports, entertainment, and news content. As part of the agreement, Disney will provide Fubo with a $145mn loan and grant it rights to stream ABC, ESPN, and other Disney-owned channels. Additionally, the merger resolves legal disputes surrounding Venu Sports, a planned joint sports streaming service by Disney, Fox, and Warner Bros. Discovery. According to the deal, Fubo will receive a $220mn settlement, and the Venu Sports project will be scrapped. This move highlights the growing consolidation in the streaming industry as platforms seek to enhance content offerings and improve their competitive edge in the evolving digital landscape.

TRIUMPH's Takeoff in Private Equity Buyout

TRIUMPH Group, Inc., a leading aerospace and defense systems supplier has entered into a definitive agreement to be acquired by private equity firms Warburg Pincus and Berkshire Partners. The all-cash transaction is valued at approximately $3bn, with TRIUMPH shareholders receiving $26 per share, a 123% premium over its unaffected closing stock price and a 58% premium over the 90-day volume-weighted average before January 31, 2025. Upon completion, TRIUMPH will transition into a privately held company, jointly controlled by Warburg Pincus and Berkshire Partners. The acquisition is expected to enhance TRIUMPH's operational capabilities, strengthening its services in commercial and defense aviation. Headquartered in Radnor, Pennsylvania, TRIUMPH specializes in manufacturing, repairing, and overhauling aerospace components. The deal, subject to shareholder and regulatory approvals, is expected to close in the second half of 2025. This move aligns with the private equity firms' strategy to invest in high-growth aerospace businesses. Currently, no TRIUMPH-related M&A activities are reported in the Indian market.

Hyatt Expands with Playa Acquisition

Hyatt Hotels Corporation is set to acquire Playa Hotels & Resorts for $2.6bn, including debt, strengthening its presence in Mexico and the Caribbean. Playa operates 24 luxury, all-inclusive resorts across key tourist destinations, enhancing Hyatt's footprint in high-demand leisure markets. Hyatt already owns a 9.4% stake in Playa and offers $13.50 per share - a 40.5% premium over Playa's last closing price. The deal is expected to be finalized later this year, pending regulatory approvals. In line with its asset-light strategy, Hyatt plans to sell Playa's owned properties to third-party buyers, targeting $2bn asset sales by 2027. This approach aligns with Hyatt's focus on franchising and managing properties rather than owning them outright. However, S&P Global has revised Hyatt's outlook to negative, citing concerns over increased debt. Despite maintaining a 'BBB-' credit rating, S&P warns of risks if Hyatt fails to reduce leverage. This acquisition reinforces Hyatt's commitment to expanding its luxury offerings while maintaining financial flexibility.

TPG Powers Up with Altus Deal

TPG Rise Climate, the climate investment arm of private equity firm TPG, has announced an agreement to acquire Altus Power, Inc., a leading U.S. commercial-scale solar energy provider, in an all-cash transaction valued at approximately $2.2bn, including debt. Under the terms, TPG will purchase Altus Power's Class A common stock at $5.00 per share, representing a 66% premium over Altus's closing stock price prior to the company's announcement of a strategic review. This acquisition will result in Altus Power becoming a privately held company, with its shares delisted from the New York Stock Exchange. Major stakeholders, including Blackstone Credit and a subsidiary of CBRE Group, collectively holding about 40% of Altus's Class A common stock, have committed to support the transaction. The deal is expected to close in the second quarter of 2025, subject to customary regulatory approvals and shareholder consent. This move aligns with TPG Rise Climate's strategy to invest in scalable clean energy solutions that foster environmental sustainability, advance clean energy innovation, and accelerate the global transition to renewable energy sources.

STRATEGY

Costco's Secret to Retail Dominance

Costco's business strategy centers on a membership-based warehouse model, offering a curated selection of high-quality products at low prices. This approach fosters customer loyalty and generates consistent revenue through annual fees. By maintaining a limited product range, Costco streamlines operations and leverages bulk purchasing to negotiate better deals with suppliers. The company's cost leadership strategy focuses on minimizing expenses across all facets of the business. Costco achieves this by operating no-frills warehouse stores, reducing overhead costs, and employing a direct-to-consumer distribution model. A significant portion of Costco's profits derives from membership fees, allowing the retailer to maintain thin profit margins on products. This structure also cultivates a loyal customer base with high renewal rates. In addition to its core offerings, Costco attracts affluent customers by providing luxury items, such as high-end jewelry and electronics, at discounted prices. This strategy broadens its appeal and enhances perceived value among diverse demographics. By adhering to its foundational principles of cost efficiency, limited product selection, and membership-driven revenue, Costco has established itself as a dominant force in the global retail landscape.

Decathlon's Winning Playbook for Success

Decathlon, established in 1976, has become a global leader in sports retail by adopting a vertically integrated business model. This approach allows the company to oversee every aspect of its supply chain: from R&D to design, production, logistics, and sales, ensuring high-quality products at competitive prices. The company invests heavily in R&D, with dedicated teams working to create cutting-edge sporting goods. Decathlon's marketing strategy emphasizes affordability, quality, and customer-centricity. By offering own-brand products, the company maintains control over quality and pricing, making sports accessible to a broader audience. Their omnichannel presence, combining physical stores with a robust online platform, ensures a seamless shopping experience. Sustainability is integral to Decathlon's business model. The company has implemented initiatives like eco-design, repair workshops, and product rental schemes to promote a circular economy. These efforts not only reduce environmental impact but also resonate with environmentally conscious consumers. In summary, Decathlon's vertically integrated model, emphasis on innovation, customer-focused marketing, and commitment to sustainability have solidified its position as a dominant force in the global sports retail industry.

How Dior Stays Ahead in Luxury

Dior has masterfully blended tradition with innovation since its inception in 1947, establishing itself as a paragon of luxury fashion. The brand's marketing strategy focuses on exclusivity, craftsmanship, and cultural relevance, ensuring it remains timeless yet contemporary. Dior's commitment to quality is evident in its diverse offerings, from haute couture to iconic fragrances like "Miss Dior", "J'adore" & "Sauvage", each reflecting meticulous craftsmanship, heritage, and aspirational luxury. Strategic celebrity partnerships with global icons like Rihanna, Natalie Portman, and Jisoo have expanded Dior's appeal across generations, reinforcing its status as a cultural and fashion powerhouse. The brand also enhances consumer engagement through immersive exhibitions, such as "Christian Dior: Designer of Dreams," showcasing its rich history, design evolution, and artistic legacy. Beyond physical experiences, Dior embraces digital platforms, maintaining a strong presence on Instagram, TikTok, and YouTube, where high-quality visuals, influencer collaborations, and behind-the-scenes content foster an intensely loyal global community. This seamless integration of heritage storytelling with modern marketing ensures Dior remains influential and aspirational. By intertwining its storied legacy with cutting-edge strategies, Dior sets the gold standard in luxury branding, captivating longstanding patrons and new enthusiasts worldwide.

MARKETING & BRANDING

Chanel's Timeless Luxury Strategy

Chanel has solidified its position as a luxury powerhouse through marketing and branding that blend exclusivity, innovation, and storytelling. Founded by Coco Chanel in 1910, the brand transformed women's fashion with revolutionary products like the Little Black Dress, jersey fabric in womenswear, and the hands-free 2.55 bag. In 1974, when Chanel No. 5 faced declining sales, the brand strategically reduced retail outlets from 18,000 to 12,000 while increasing advertising. This controlled availability heightened consumer desire, reinforcing Chanel's elite status. Chanel's branding is deeply rooted in values-based marketing, focusing on storytelling rather than aggressive selling. Campaigns like Inside Chanel highlight the brand's heritage, while artistic films such as 'The Tale of a Fairy' subtly reinforce its elegance. With 60.1 million Instagram followers, Chanel effectively engages its audience. The brand also employs the BCG Matrix, prioritizing high-growth segments like perfumes and watches. Additionally, it embraces digital innovation with tools like the Chanel Lip scanner app, catering to younger consumers. By balancing tradition and modernity, Chanel continues to define luxury, blending timeless sophistication with contemporary relevance.

Turning Triangles into Cravings

Domino's India, in collaboration with Schbang, has launched an innovative campaign for Pizza Day, transforming everyday triangular shapes into tantalizing pizza reminders. This initiative plays on the psychological phenomenon where passionate enthusiasts perceive their favorite items everywhere, turning mundane objects into pizza prompts. The campaign creatively utilizes billboards casting slice-shaped shadows and newspaper pages with torn edges resembling missing pizza slices. On social media, an augmented reality filter allows users to convert any triangle into a virtual pizza slice, engaging a wide audience. This effort is a part of Domino's broader strategy to rejuvenate its brand image, aiming to resonate with Gen Z and young millennials. The 'It Happens Only with Pizza' campaign underscores Domino's commitment to being an integral part of everyday joyful moments, positioning itself as the go-to choice for memorable pizza experiences. By seamlessly integrating pizza imagery into daily life, Domino's not only celebrates Pizza Day but also reinforces its presence in the minds of consumers, ensuring that the thought of pizza is synonymous with Domino's indulgence, delight, and satisfaction.

Ed's Spicy Signature

Ed Sheeran has added a spicy twist to his career with the launch of his hot sauce brand, Tingly Ted's. The sauce is Sheeran's attempt to create a kitchen staple that rivals ketchup in both versatility and flavor. To promote Tingly Ted's, Sheeran surprised shoppers at a Sainsbury's in London Colney by swapping his pen for a bottle of hot sauce. Instead of signing traditional autographs, he created "sauceographs," drawing his signature onto cheese blocks, kitchen rolls, and even people's hands. This unexpected stunt left fans with edible keepsakes and a truly unforgettable experience. The event quickly went viral, with attendees sharing their "sauceographs" on social media. Some even listed them on auction sites, where bids poured in from eager collectors and die-hard fans, eager to own a unique Sheeran memento. But Sheeran didn't stop at autographs; he served pizza slices generously topped with Tingly Ted's, giving fans a taste of his new venture and encouraging them to experiment with it in their meals. He even chatted with shoppers, answering questions about the sauce's flavors and its creation process. Sheeran has long been passionate about hot sauce, saying that he has always wanted the perfect blend to be created - something that enhances every meal and makes food more exciting. His partnership with Kraft Heinz has made this dream a reality, offering two flavors: Tingly and Xtra Tingly. Now available in supermarkets worldwide, Tingly Ted's allows fans, food lovers, and spice enthusiasts alike to add a signature Sheeran kick to their favorite dishes, making everyday meals more flavorful and adventurous.

PINION POLL

"This is the time, the right time. This is also the right time for you to invest and expand investments in Madhya Pradesh."
- Narendra Modi,
Prime Minister

"By boosting our economic ties with India, we are not only creating more jobs and opportunities for Australians, we are advancing our shared interest in a peaceful, stable, and prosperous Indo-Pacific."
- Penny Wong,
Australian Foreign Minister

"In an era of conflicts and intense competition, you need trusted friends. For Europe, India is such a friend and a strategic ally."
- Ursula von der Leyen,
President, European Commission

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