



leveraged
growth

Monthly Snapshot

December 2025

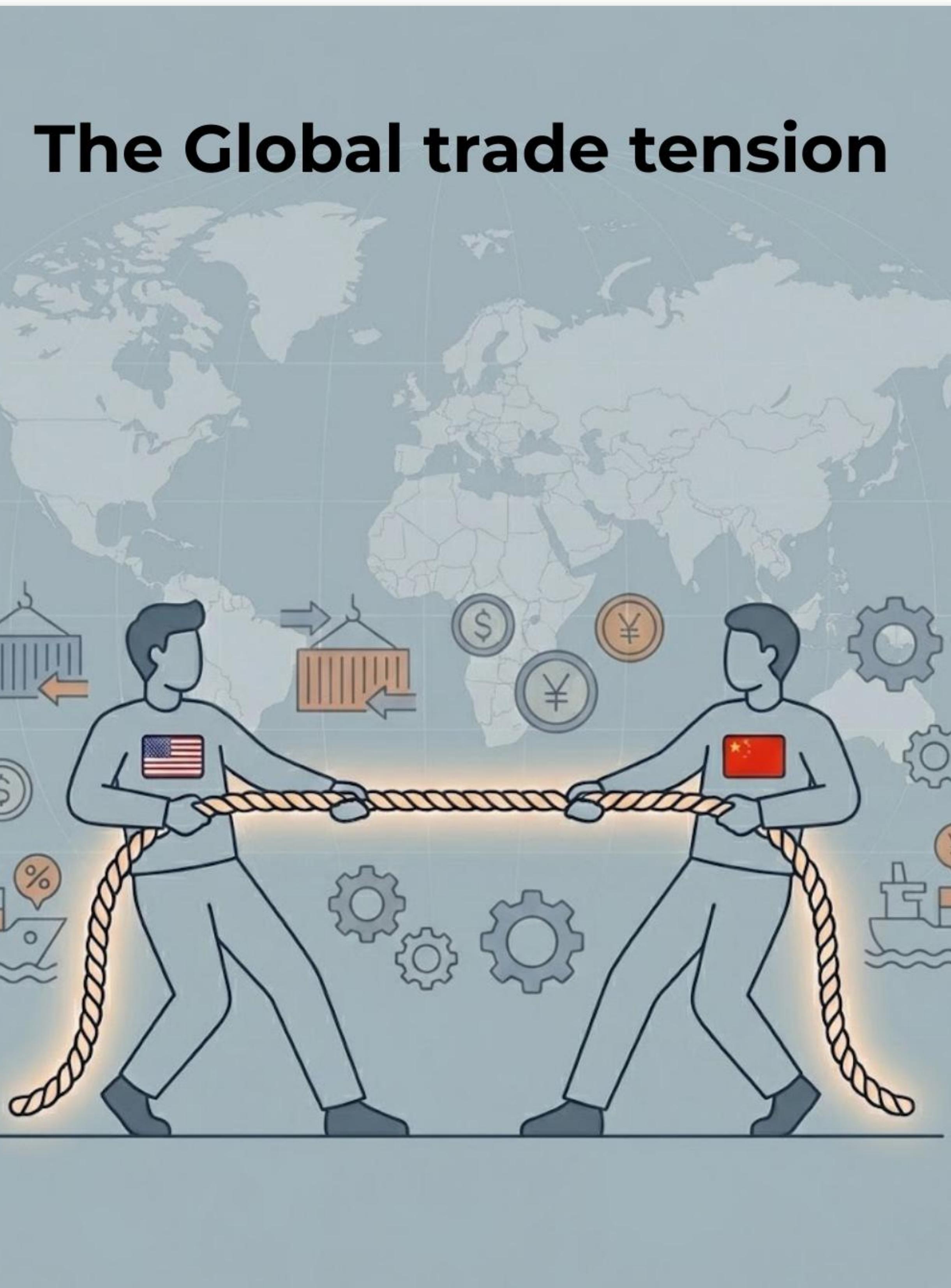
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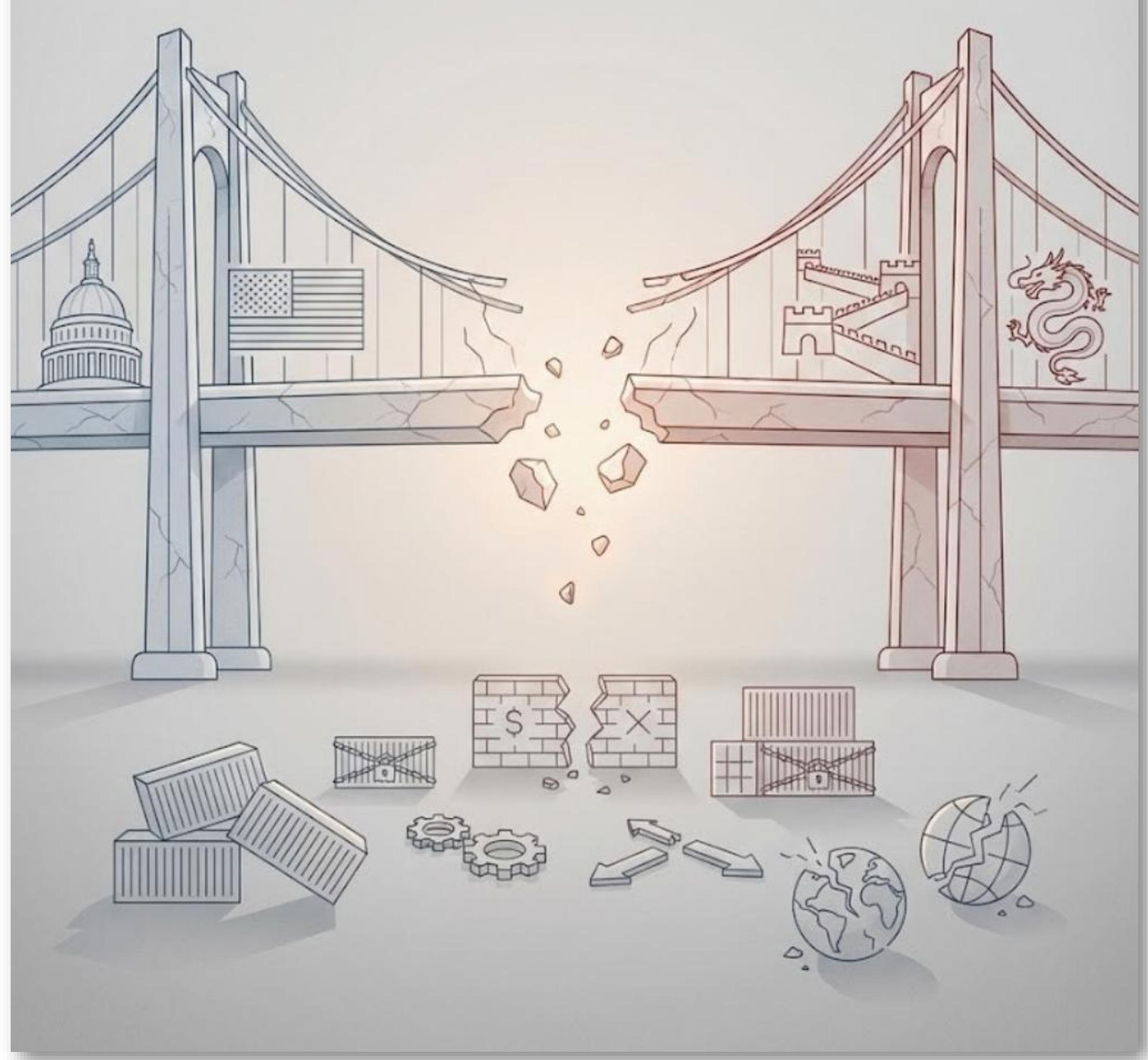
GLOBAL

When Economic Superpowers Stop Playing Fair

The global economy is entering a fragile phase, not due to a lack of demand or capital, but because the two largest economies, the U.S. and China, are prioritizing domestic interests over international cooperation. The U.S. has tightened trade access with higher tariffs and strategic restrictions, creating unpredictability for exporters. This shift impacts labor-intensive sectors in emerging markets, where exports drive employment and income growth. Meanwhile, China continues to pursue exports aggressively, leveraging its scale, pricing power, and state support, intensifying global competition. This is not merely a trade dispute but a structural shift that disrupts supply chains, compresses margins, and raises uncertainty for cross-border investment decisions. Globalization is no longer fading; it is being actively reshaped. The ripple effects are already evident in slowing trade growth and rising economic anxiety. If these trends persist, the pressure on emerging markets will intensify, deepening the challenges they face in this new global environment.



How Trade Tensions Between Superpowers are Fragmenting the Global Economy

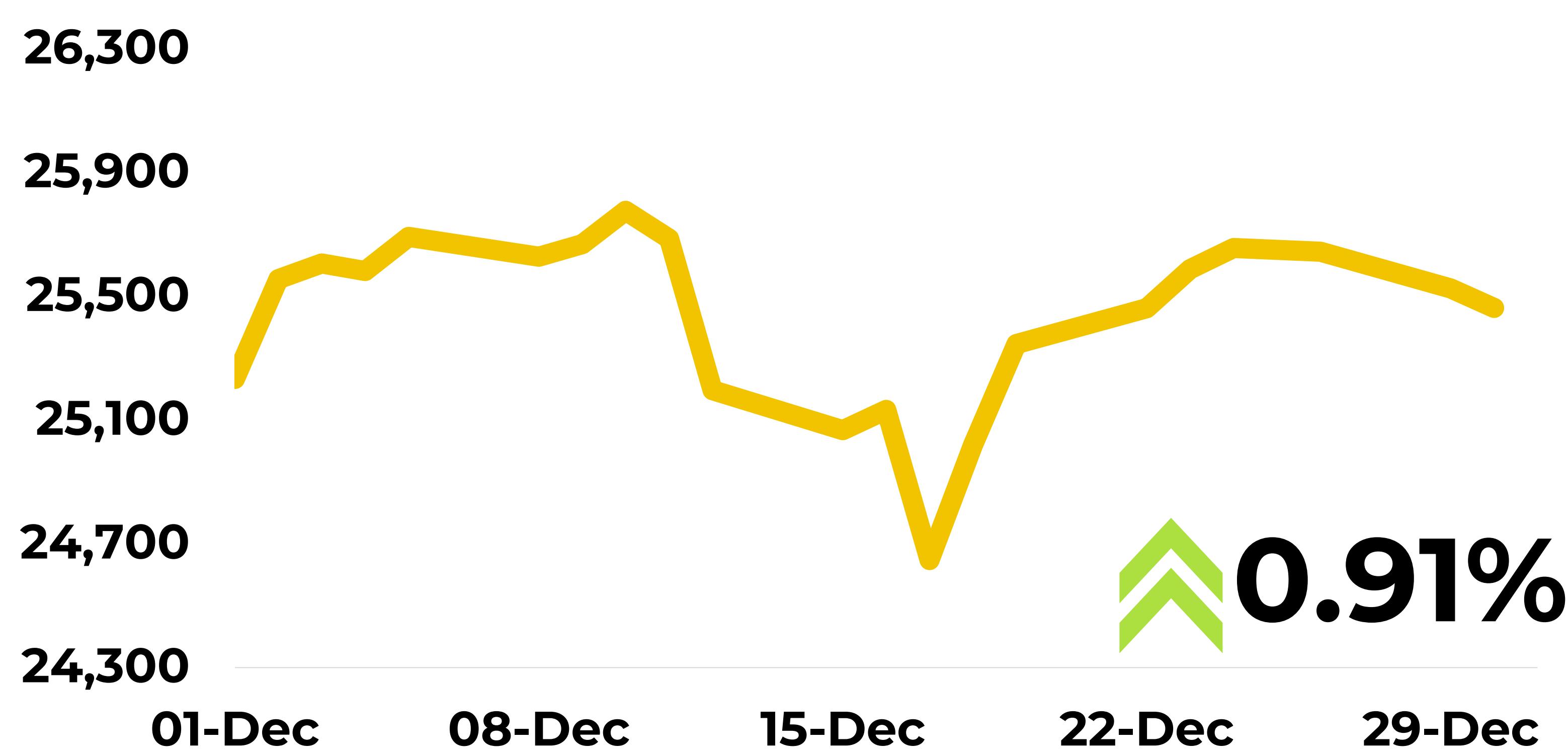


The Hidden Cost of a Fragmented World Economy

The bigger risk lies not in individual policy moves, but in what they collectively signal. When the world's largest economies abandon cooperation, the global system loses its stabilizing force. Trade becomes transactional, trust erodes, and long-term growth takes a backseat. The result is a fragmented economic order where uncertainty prevails. Developing economies are especially vulnerable. Restricted market access, volatile tariffs, and shifting supply chains complicate planning for exporters and investors. Capital flows become cautious, currencies face pressure, and central banks make defensive policy choices. What was once a predictable framework has become a maze of competing interests. This fragmentation also carries social costs. Slower trade growth leads to fewer jobs, weaker wage growth, and delayed development outcomes. The impact is gradual but persistent, hindering recovery. For corporate leaders and policymakers, diversification is essential. Supply chains must be resilient, markets broadened, and geopolitical risks factored into every strategic decision. The key now is how swiftly economies adapt.

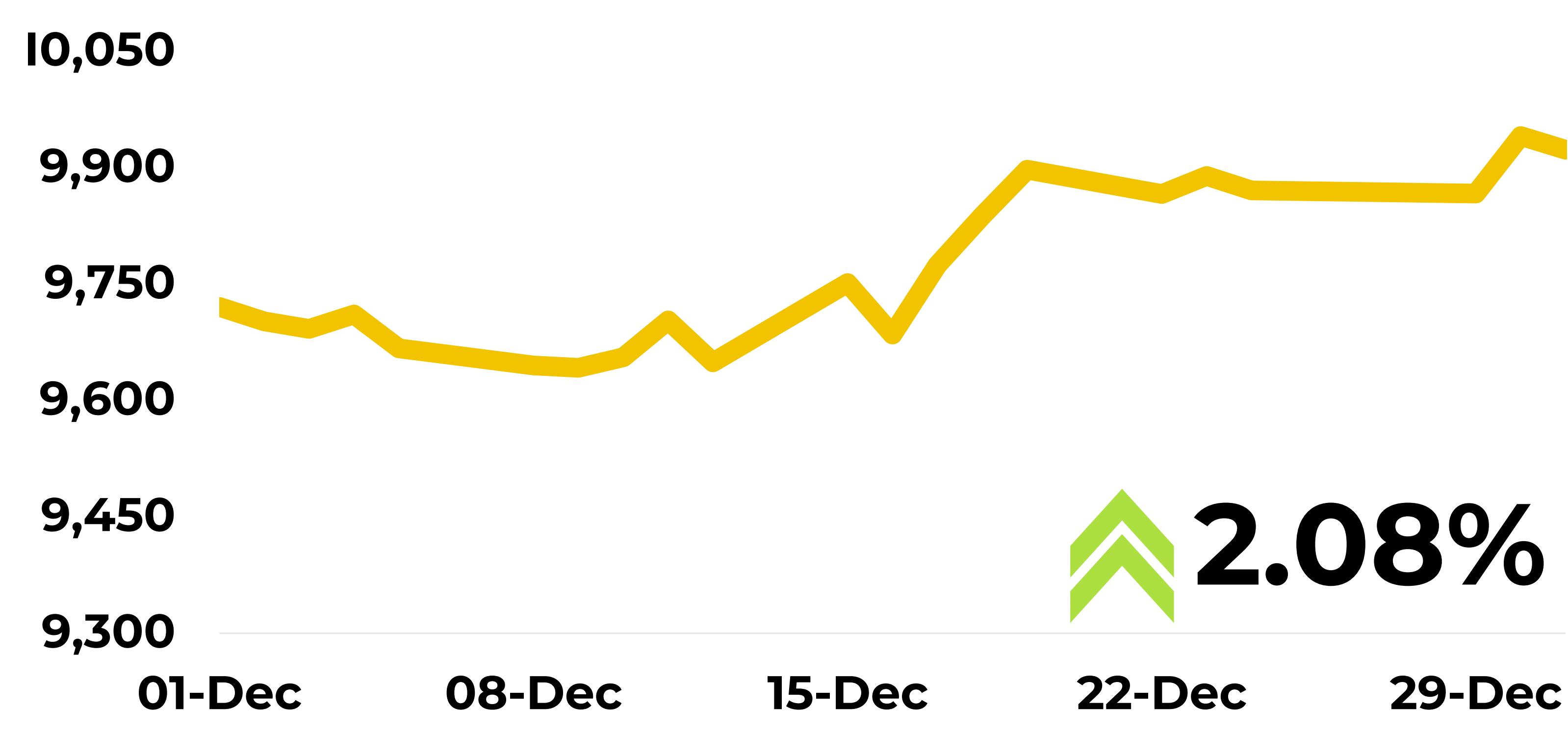
GLOBAL INDICES

Nasdaq 100 (in USD)



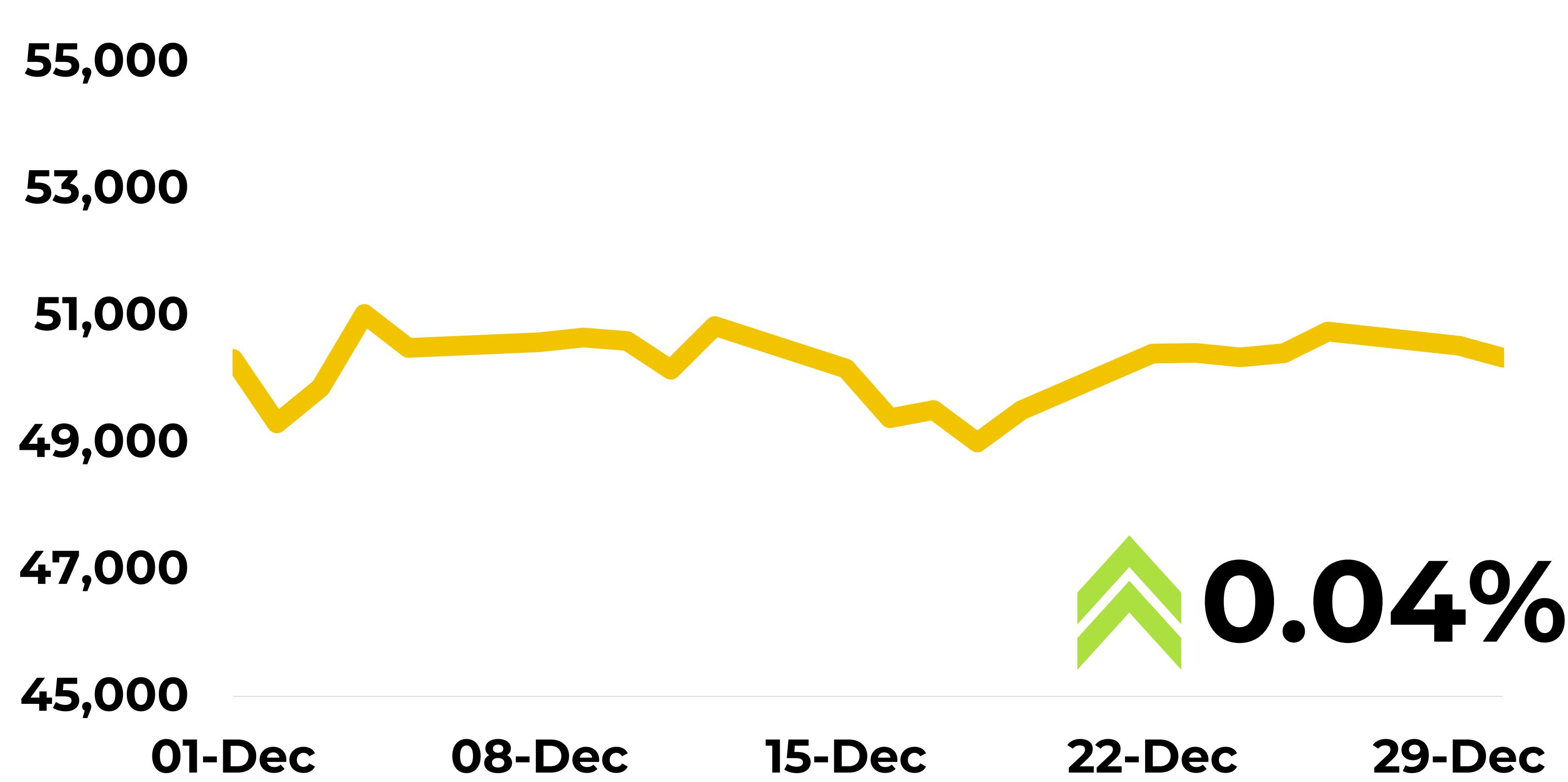
The Nasdaq 100 rose 1% in December 2025, closing near 25,462, amid strong domestic growth and shifting geopolitical dynamics. The index benefitted from "triple tailwinds": enterprise AI demand, narrowing yield differentials, and a market rotation favoring U.S. tech amid Trump's tariff adjustments. Tesla and Nvidia gained 5.6% and 4.2%, driven by data center expansion. Year-end rebalancing flows affirmed growth durability, setting the stage for a strong 2026 recovery.

FTSE100 Index (in GBP)



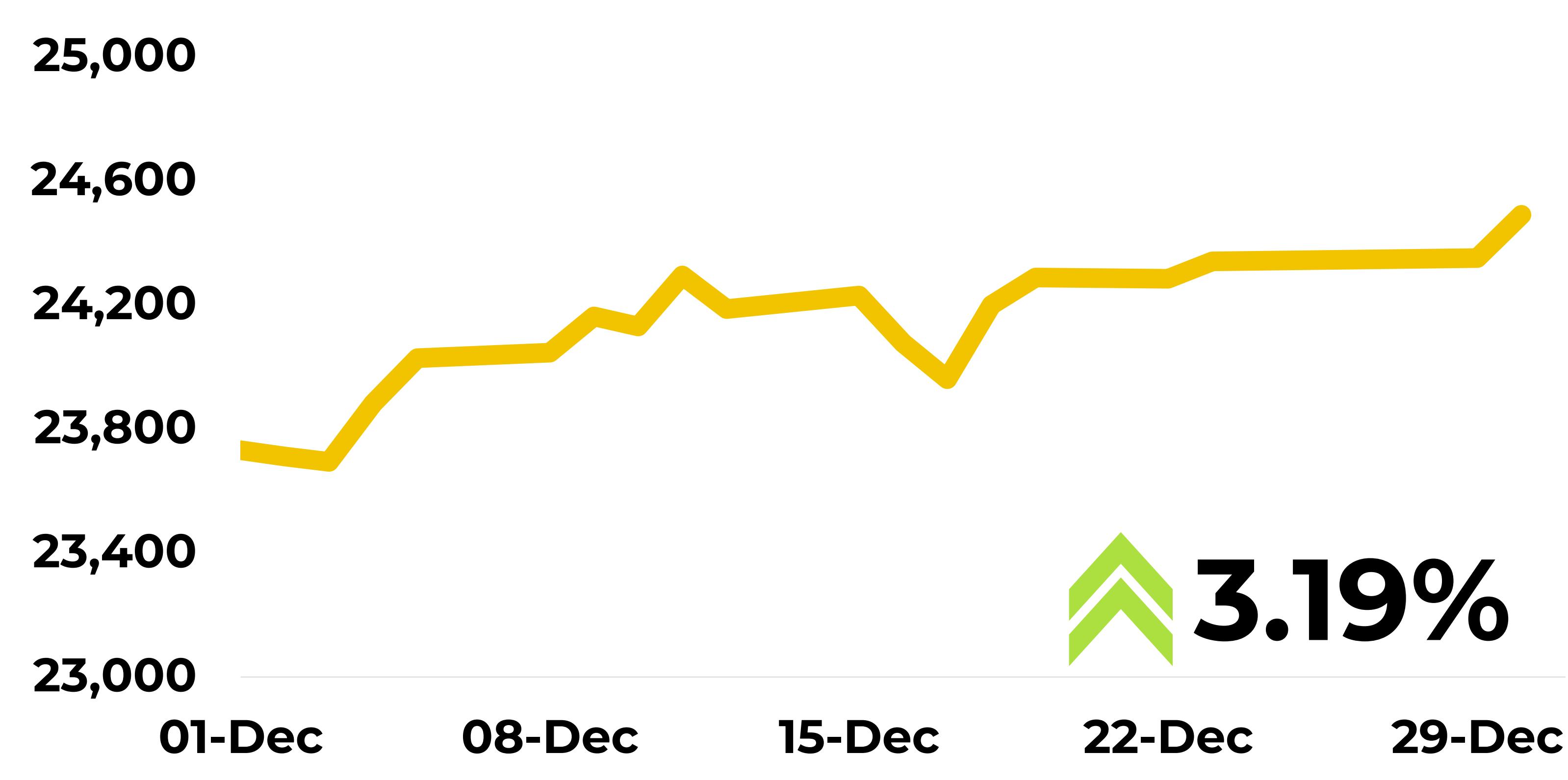
The FTSE 100 saw pure gains in December, led by Fresnillo and other precious metals miners, supported by rising gold prices amid US tariff concerns and geopolitical tensions. A weaker British pound, below \$1.35, boosted exporters, benefiting cyclical sectors like banks. Rolls-Royce rose on defence and aviation demand, while Next declined. British Land's inclusion in the index rebalancing added stability, enhancing the index's dividend appeal.

Nikkei225 (in JPY)



In December 2025, the Nikkei 225 advanced modestly, driven by resilient corporate earnings in exporters like Toyota and easing US trade tensions. SoftBank rallied on AI investments, while Taisei surged on higher capex and government infrastructure spending. However, Sony dropped 8% amid profit-taking. The Bank of Japan raised its policy rate by 25bps to 0.75%, the highest since 1995, supporting equity upside for exporters. Investors now eye Prime Minister Takaichi's policy steps to bolster economic growth.

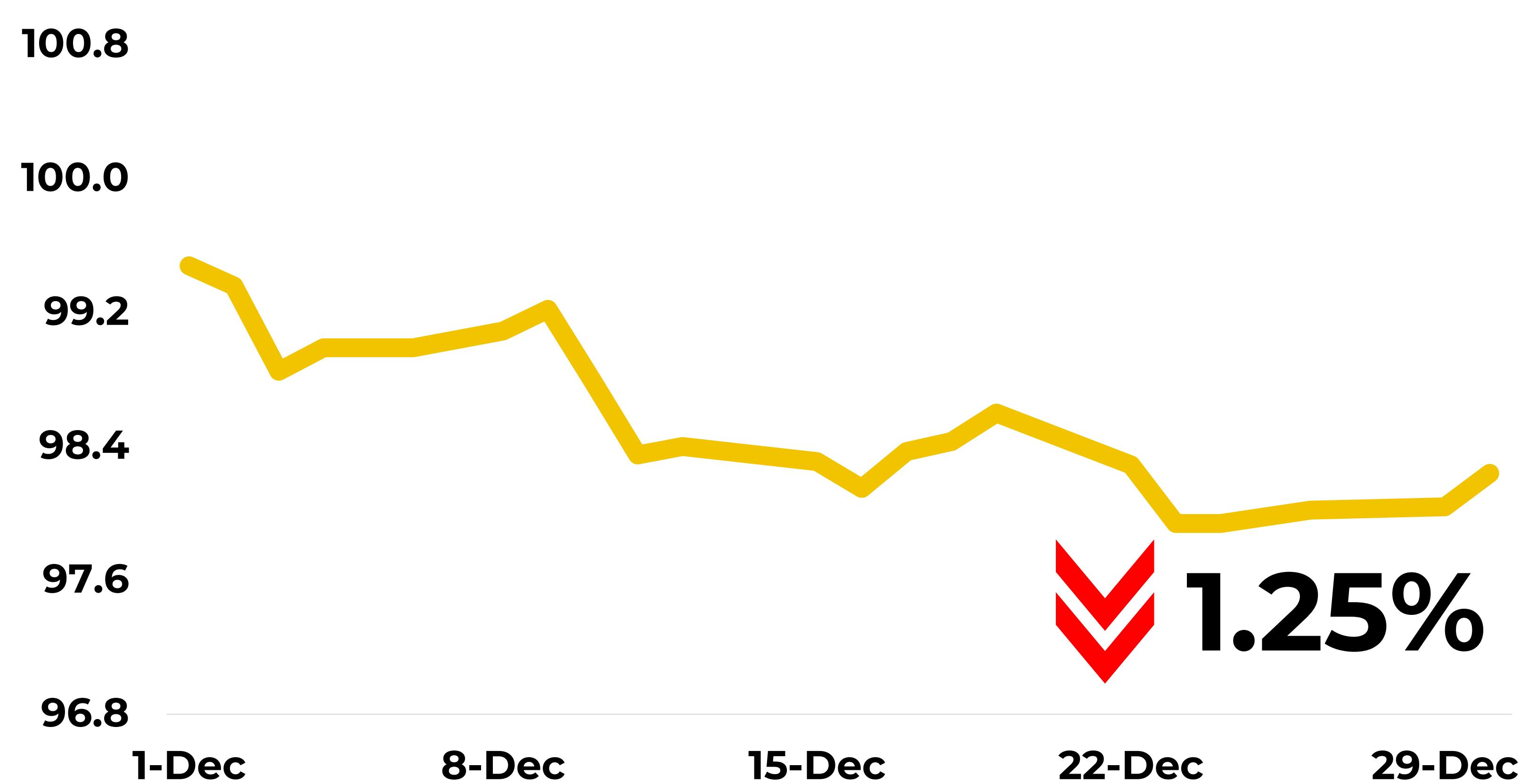
DAX Performance Index (in EUR)



In December 2025, the DAX rose by 3%, despite holiday-thinned volumes and a flat Q3 GDP. Strong performance in export-driven sectors like automobiles and industrials benefited from a weaker euro, while Siemens Energy and Rheinmetall surged on order backlogs. Tech and defence stocks rallied on AI and geopolitical concerns. Deutsche Bank saw gains from higher yields and M&A activity. Quarterly rebalancing and commodity-driven advances in chemicals and machinery sustained momentum, highlighting the index's attractive valuations.

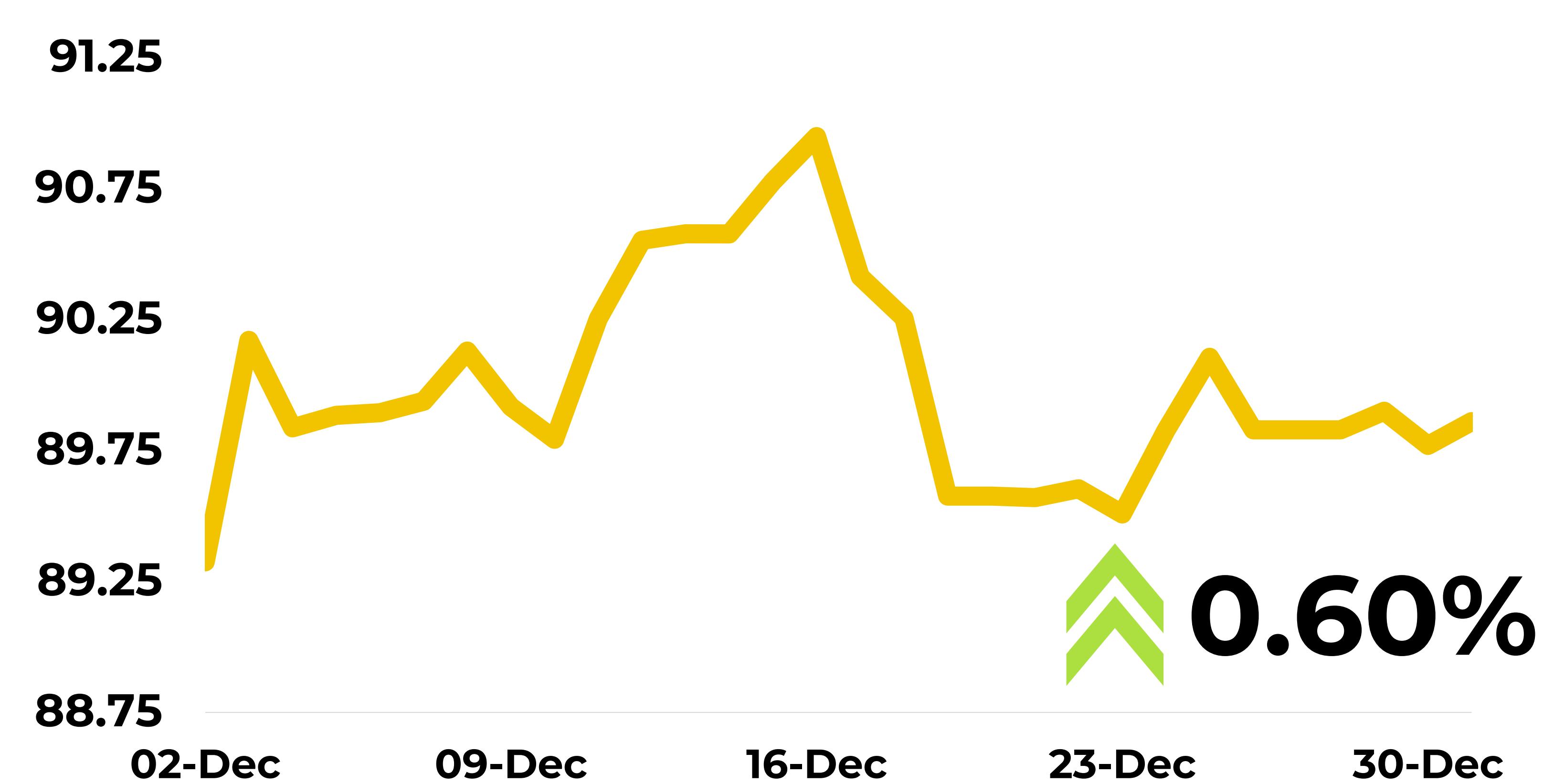
CURRENCY

US Dollar Index (USD)



In December 2025, the US Dollar Index (DXY) fell by around 1%, reflecting reduced safe-haven demand amid stabilizing global risk appetite and holiday-thinned forex volumes. Hawkish signals from the Federal Reserve tempered rate cut expectations, while persistent US inflation from import duties clashed with dovish ECB pivots and BOJ rate hikes, weakening the dollar against the euro and yen. Year-end repatriation flows provided brief support, but EM currencies gained from non-US growth. Crude oil volatility widened the US trade deficit, and FOMC minutes underscored policy patience.

USD/INR Currency Pair

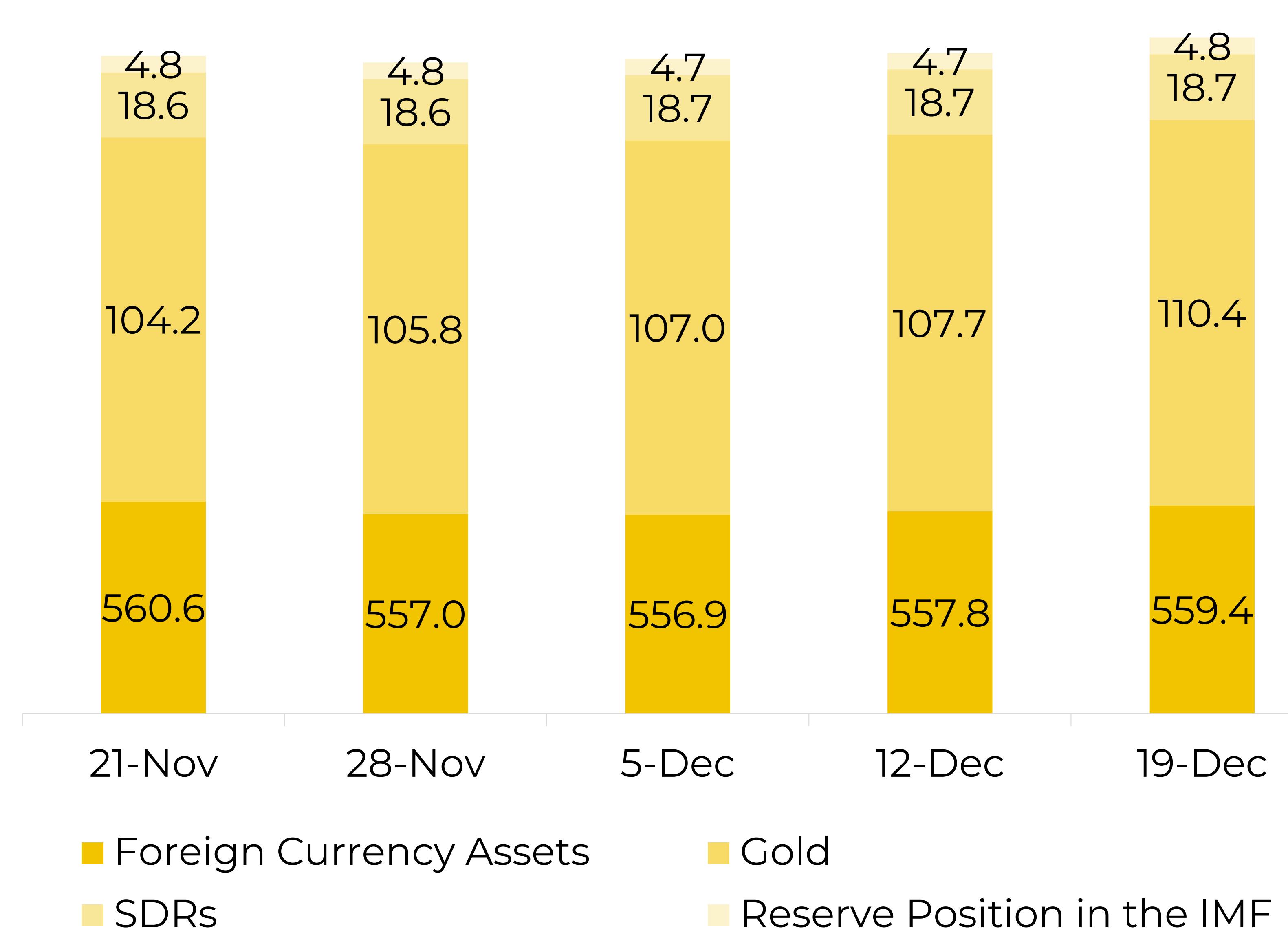


In December 2025, the USD/INR pair appreciated modestly, fluctuating between 89.255 and 91.082, driven by holiday-thinned forex volumes and RBI interventions. A hawkish US Federal Reserve outlook and persistent inflation strengthened the dollar, pressuring the rupee despite robust Indian FDI inflows and forex reserves above \$693 billion. The RBI defended the 90.50 threshold with dollar sales. FII outflows, rising crude imports, and Middle East tensions widened India's current account deficit, but services exports and stable bond yields supported the rupee's resilience.

India's Forex Reserve

India's foreign exchange reserves rose to \$693.3 billion by December 19, 2025, driven by gains in gold amid rising global bullion prices. Foreign Currency Assets (FCA) fluctuated as the RBI intervened to stabilize the rupee near 89.5-90/\$, amid FII outflows exceeding ₹30,000 crore and a Dollar Index above 98. Strong services exports and remittances narrowed the current account deficit to 1.3% of GDP. Gold reserves rose to \$110.3 billion, supported by geopolitical tensions and safe-haven demand. Special Drawing Rights (SDRs) increased to \$18.7 billion. The RBI's dollar management, combined with weak Q2 earnings and muted capex, cushioned volatility, maintaining reserve adequacy at 11 months of imports, despite FII selling pressures.

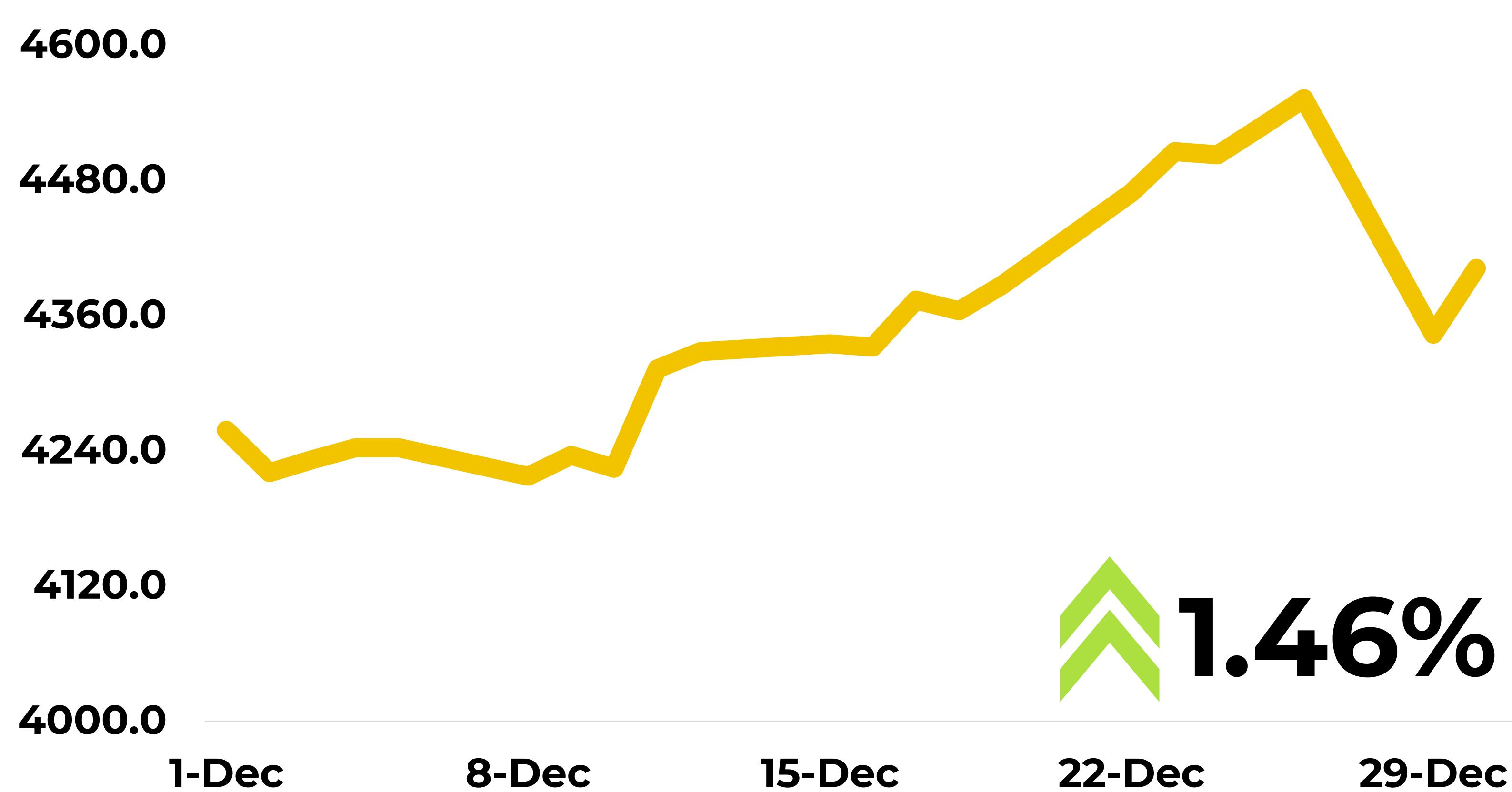
FOREX Reserve (USD Bn)



Source: Investing.com

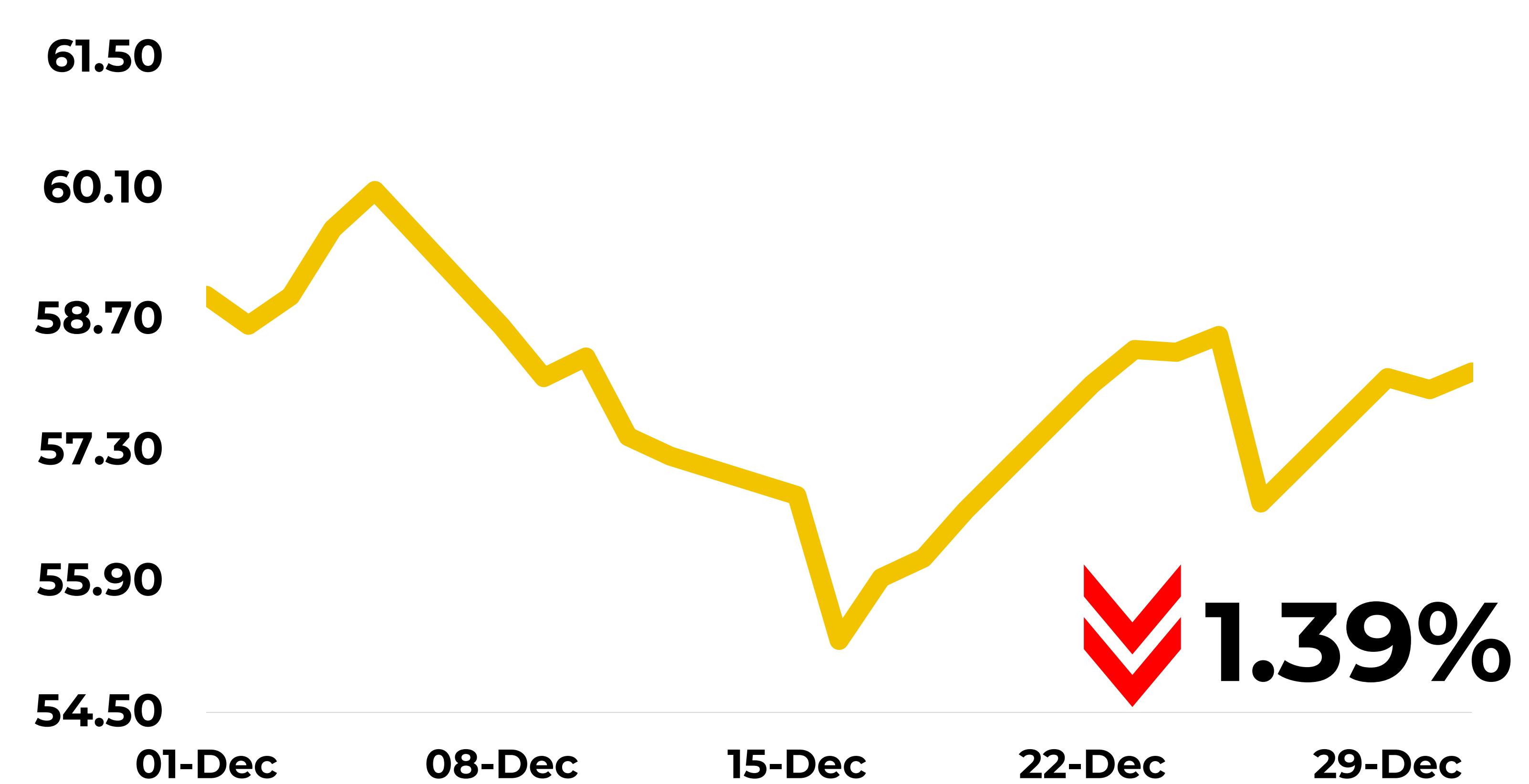
COMMODITIES

Gold Futures Price (in \$)



Amid persistent geopolitical tensions in December 2025, gold prices advanced as safe-haven demand surged. Reports of President Putin's reassessment of peace talks following alleged Ukrainian strikes on his residence dampened hopes for a Russia-Ukraine peace deal. Trump's warnings on Iran and Venezuela further escalated tensions. Strong central bank buying and ETF inflows supported the rally, alongside expectations of US Federal Reserve rate cuts. Physical demand from India and China during the festive season reinforced gains, positioning gold for its strongest annual performance since 1979.

Crude Oil Futures Price (in \$)

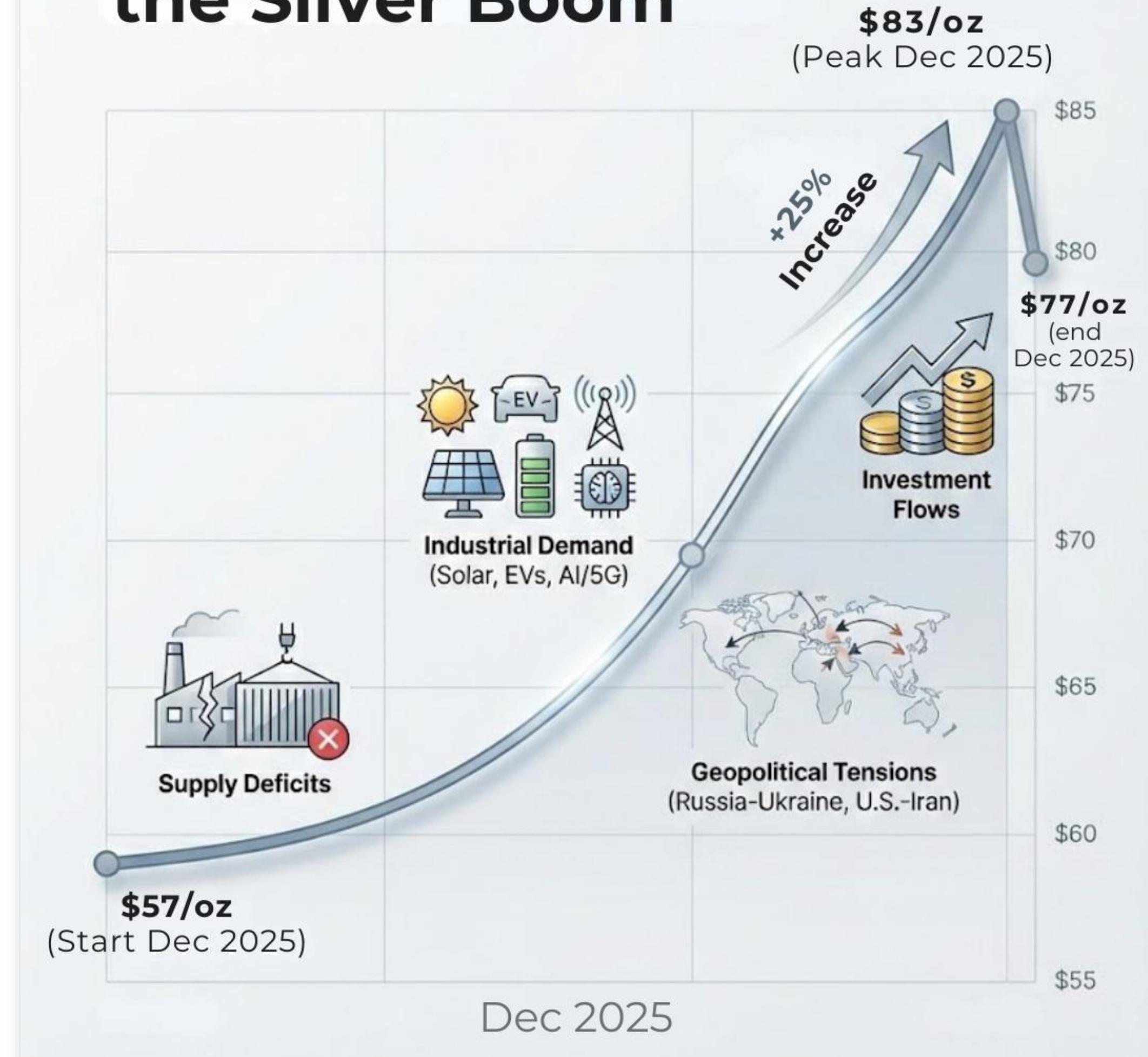


In December 2025, WTI crude oil futures declined by 1%, settling at \$58 per barrel, driven by concerns over a looming supply glut. Higher OPEC+ and non-OPEC output outpaced subdued global demand growth. Geopolitical premiums, including US blockades on Venezuelan oil and Middle East instability, provided intermittent support but were outweighed by rising US inventories, which showed a 1.7 million-barrel increase. The market watched an upcoming OPEC+ meeting, which may pause Q1 2026 supply hikes. Softening demand from China and India extended crude's fifth consecutive monthly loss.

The Surge in Silver

Silver prices surged by 25.71% in December 2025, rising from \$57 per ounce to a peak of ~\$83 before closing at \$77 on December 29. This rally was driven by ongoing physical supply deficits, marking the fifth consecutive year of market imbalance due to mine disruptions, declining exchange inventories, and China's export restrictions on the metal. Industrial demand soared for solar panels, electric vehicles (EVs), AI data centres, and 5G applications, further tightening the market. Investment flows reversed prior ETF outflows, contributing to sustained buying pressure. Additionally, silver benefited from safe-haven flows as gold rallied amid geopolitical tensions, particularly with Russia-Ukraine peace talks stalling and US warnings on Iran. Despite a late ~7.75% daily pullback from profit-taking near record highs, the softening US Dollar Index helped ease pricing pressures, solidifying silver's strong performance in a structurally tight market.

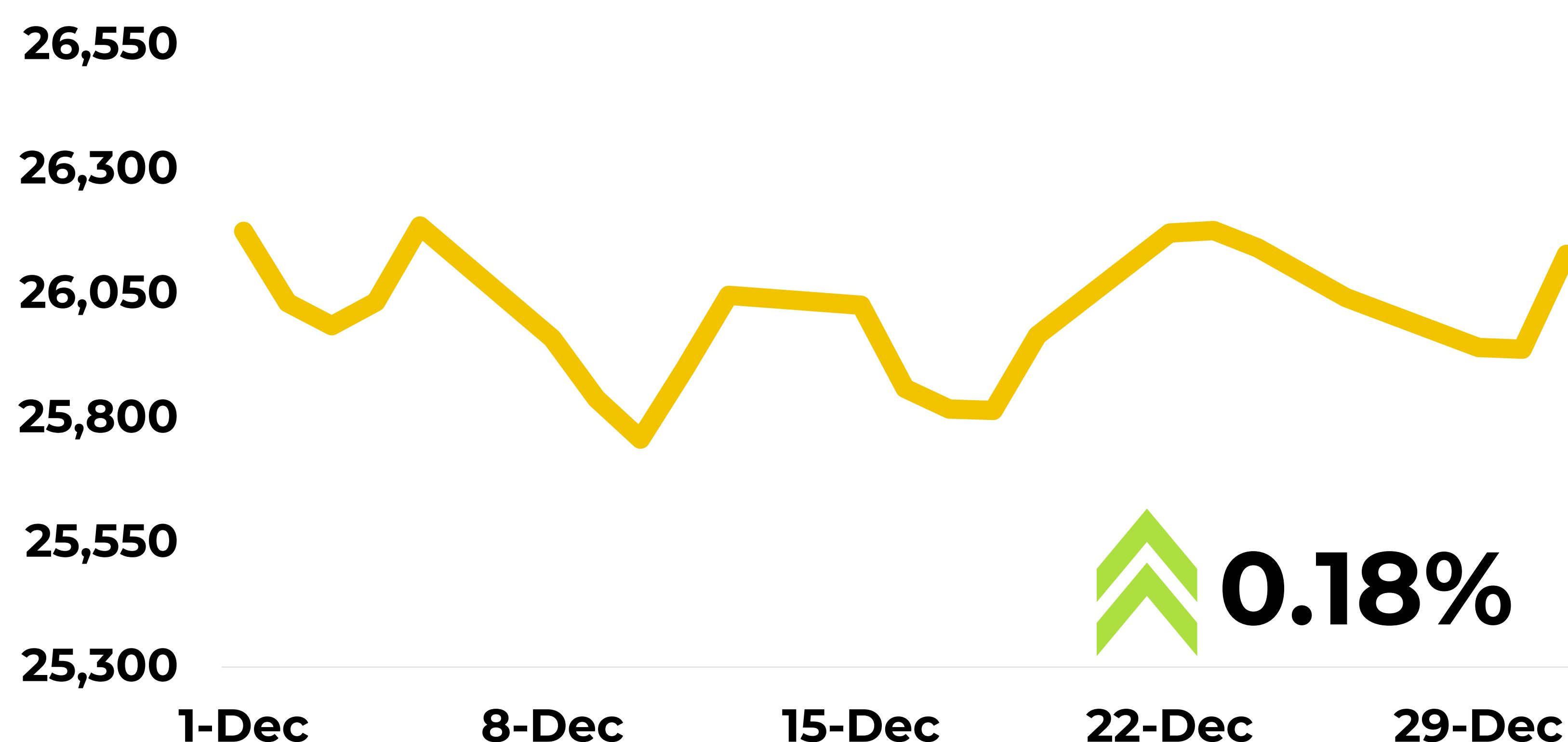
How Supply Deficits, Industrial Demand, and Geopolitics Fuel the Silver Boom



Source: Trading Economics

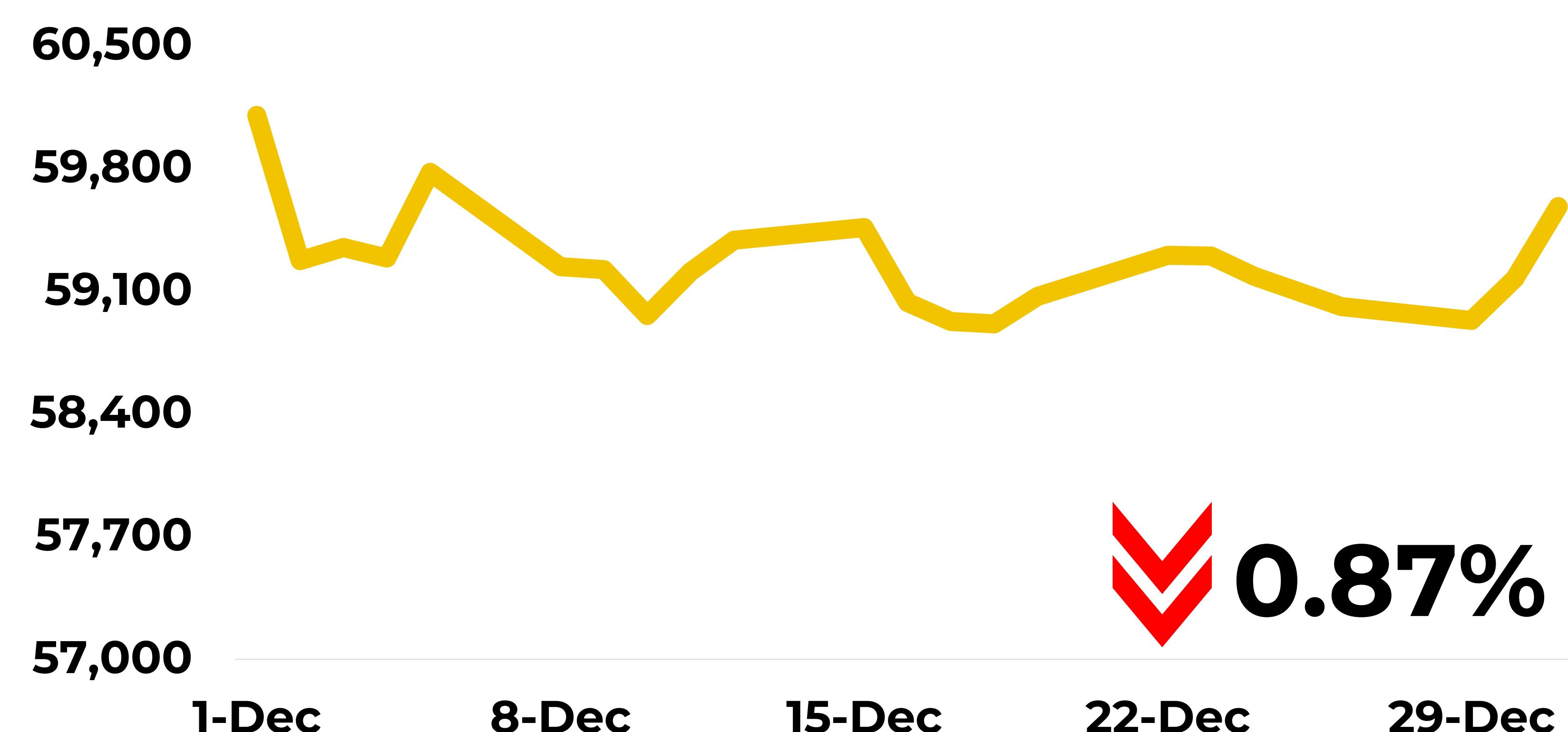
INDIAN INDICES

NIFTY 50



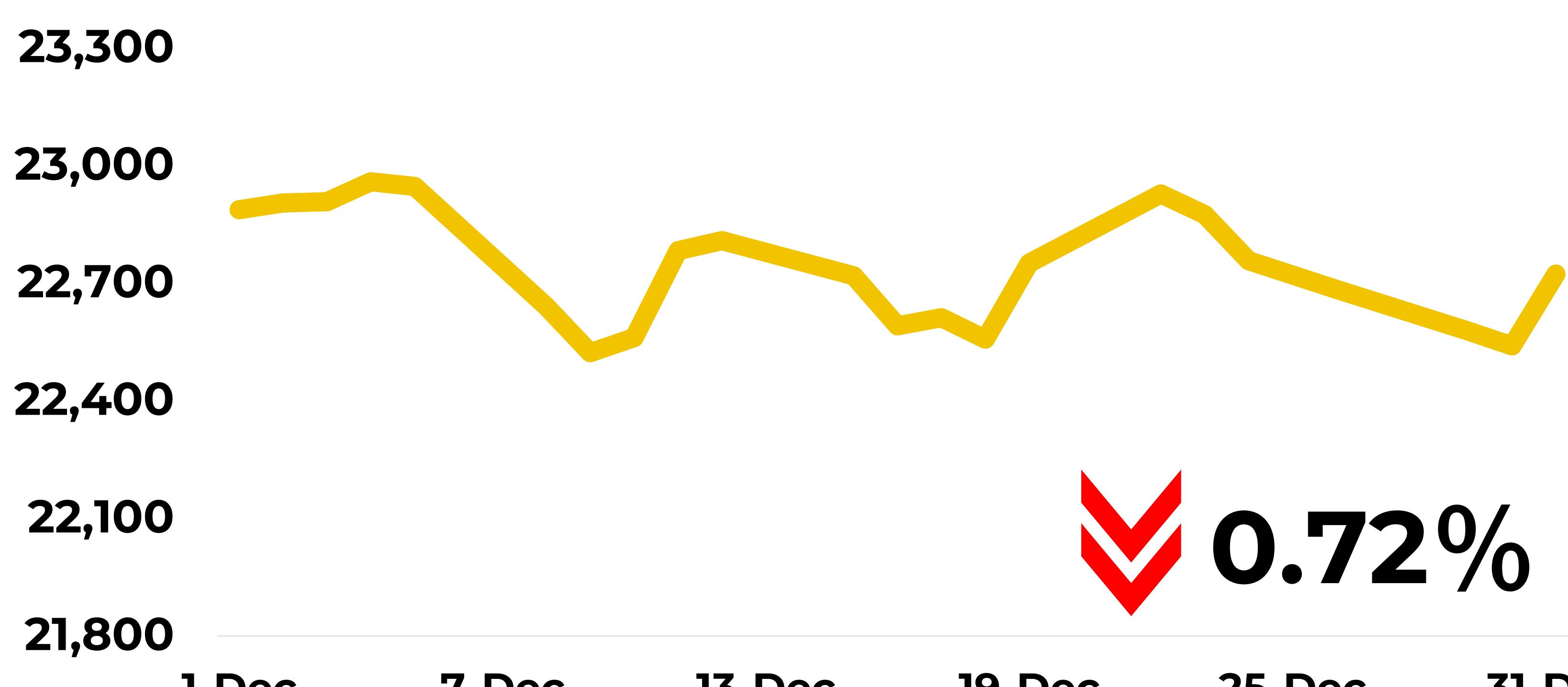
In December 2025, the Nifty 50 closed with a modest 0.18% decline, reflecting a cautious stance among institutional investors as the year ended. The primary driver was a record ₹3.06 lakh crore FII outflow, intensified by year-end rebalancing and derivatives expiry. The index struggled to stay above the 26,000 level, pressured by rupee volatility. However, a late surge in Metals and Energy, aided by a safeguard duty on steel imports, helped stabilize the index at 26,129.

NIFTY Bank



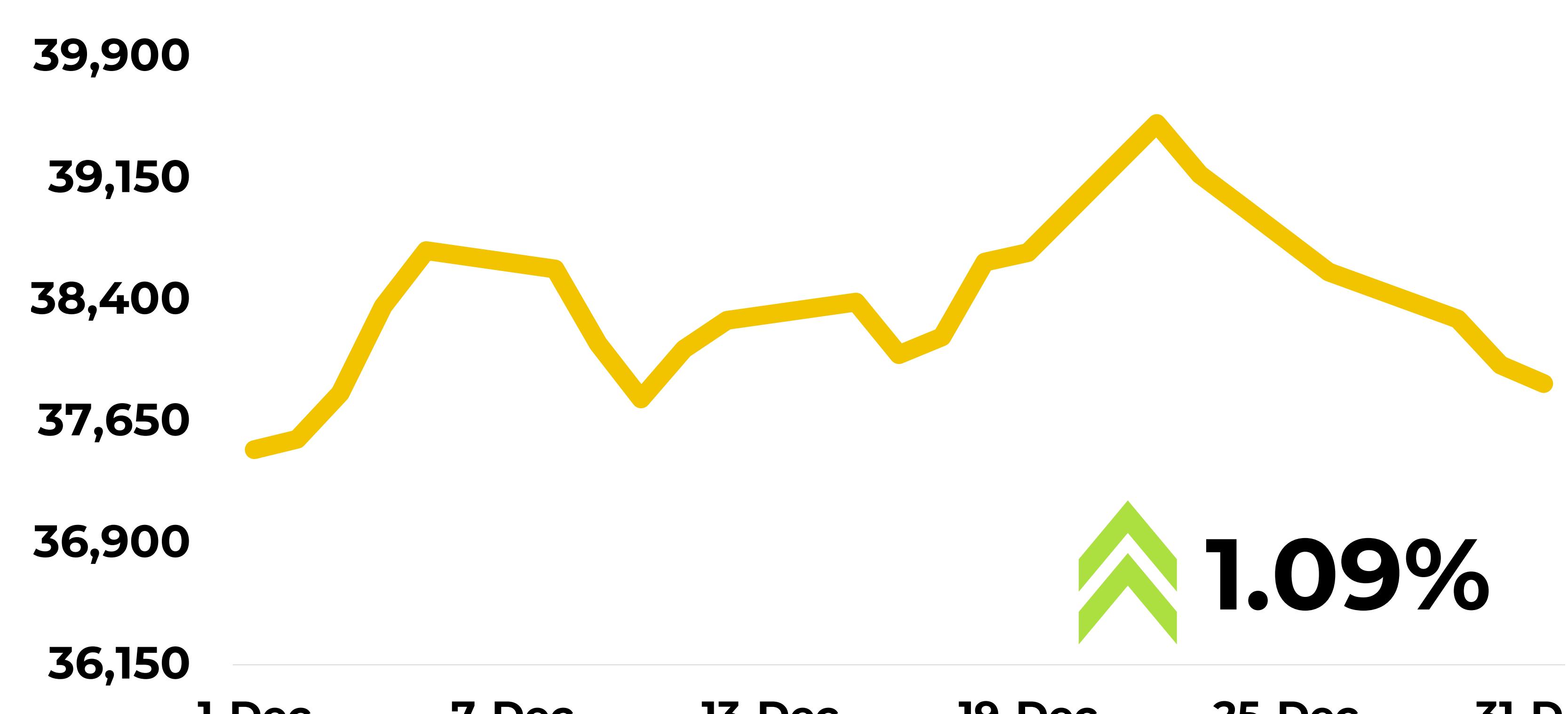
Nifty Bank closed December 2025 at 59,581.85, showing resilience despite volatility. The RBI's 25bps repo rate cut to 5.25%, along with a ₹1.45 trillion liquidity infusion, eased funding costs. The RBI's Trend and Progress report showed Indian banks' strongest position in decades, with bad loans at a multi-year low of 2.1%. Despite profit booking, PSU banks outperformed, driven by strong credit growth, stabilizing the index.

NIFTY Pharma



In December 2025, the Nifty Pharma index fell 0.72%, closing at 22,723.65, amid profit booking and low volumes. Despite this, the sector remained resilient, shifting from volume growth to high-value innovation, particularly in metabolic and obesity therapies. Focus on generics, strong exports, and a weaker rupee supported growth. Despite USFDA scrutiny, operational focus and global partnerships boosted confidence, highlighting the sector's shift toward innovation in 2026.

NIFTY IT



In December 2025, the Nifty IT index rose 1.28%, driven by expectations of a US Federal Reserve rate cut on December 10. This boosted sentiment, particularly for heavyweights like Tech Mahindra, Infosys, and TCS. The sector also benefitted from India's shift towards AI innovation, supported by the IndiaAI Mission and Global Capability Centres (GCCs). Despite challenges from H-1B visa reforms, robust hiring and AI integration helped the index outperform broader benchmarks.

Source: Investing.com

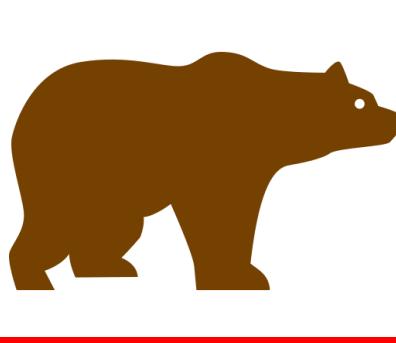
EQUITIES

Top Gainers | NIFTY50 | December'25



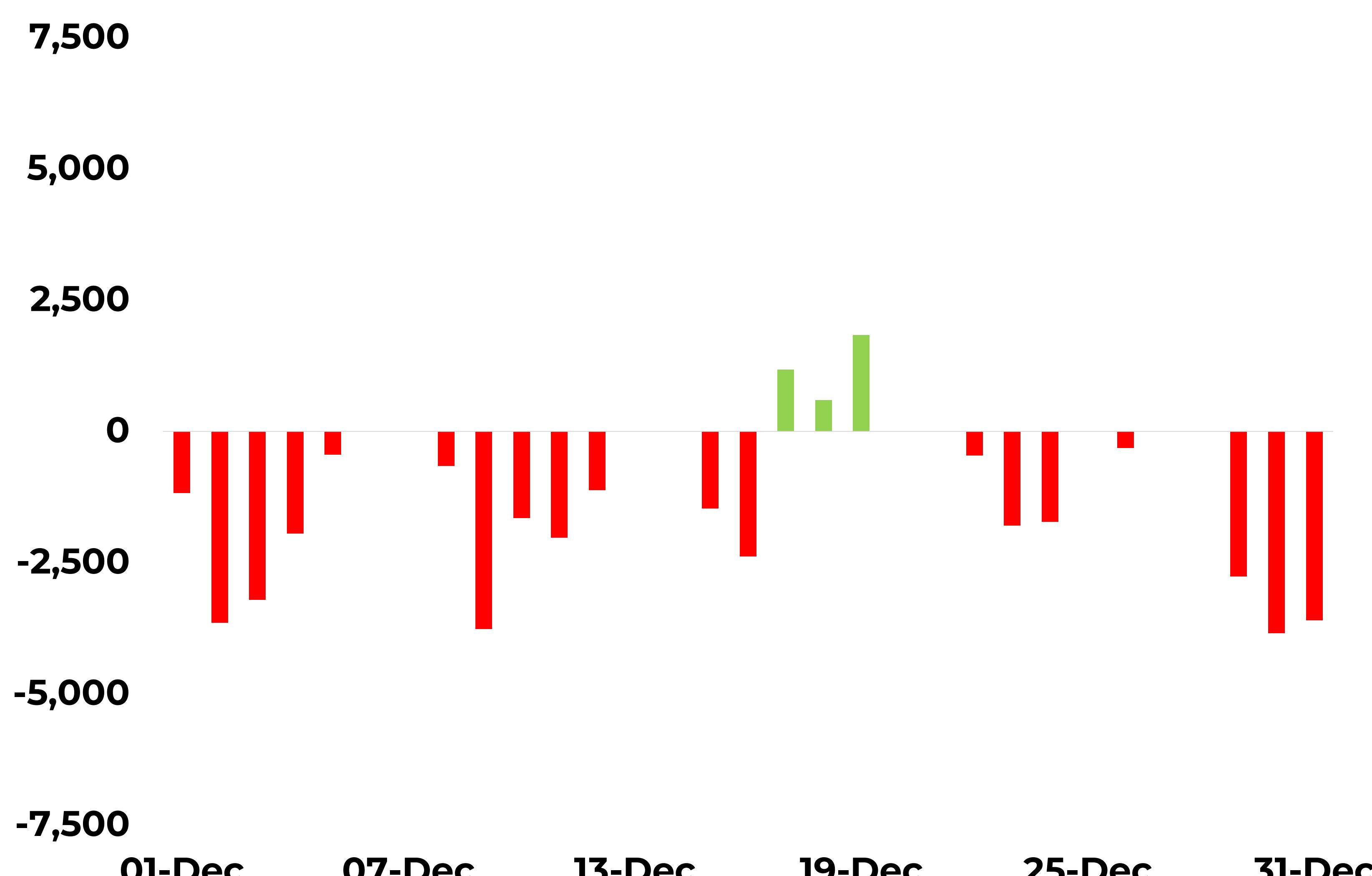
Company Name	Change (%)
Hindalco Industries Ltd.	9.4
Bharat Petroleum Corp Ltd.	8.5
Tata Steel Ltd.	6.8
UPL Ltd.	5.9
Wipro Ltd.	5.2

Top Losers | NIFTY50 | December'25

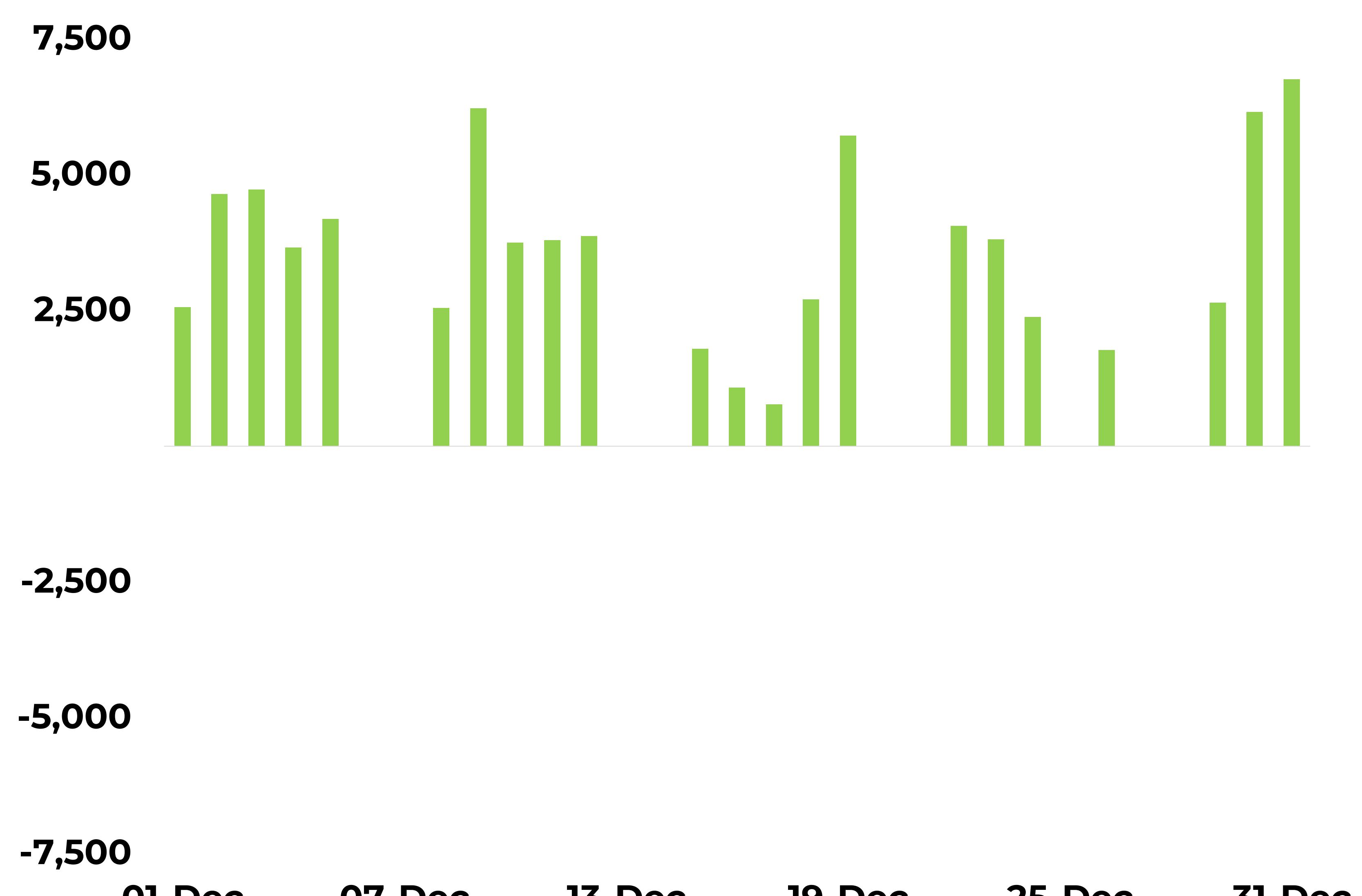


Company Name	Change (%)
Hero Motocorp Ltd.	8.3
Hindustan Unilever Ltd.	6.0
Sun Pharma Industries Ltd.	4.9
Adani Ports Ltd.	4.0
Asian Paints Ltd.	3.4

FII Net Investment

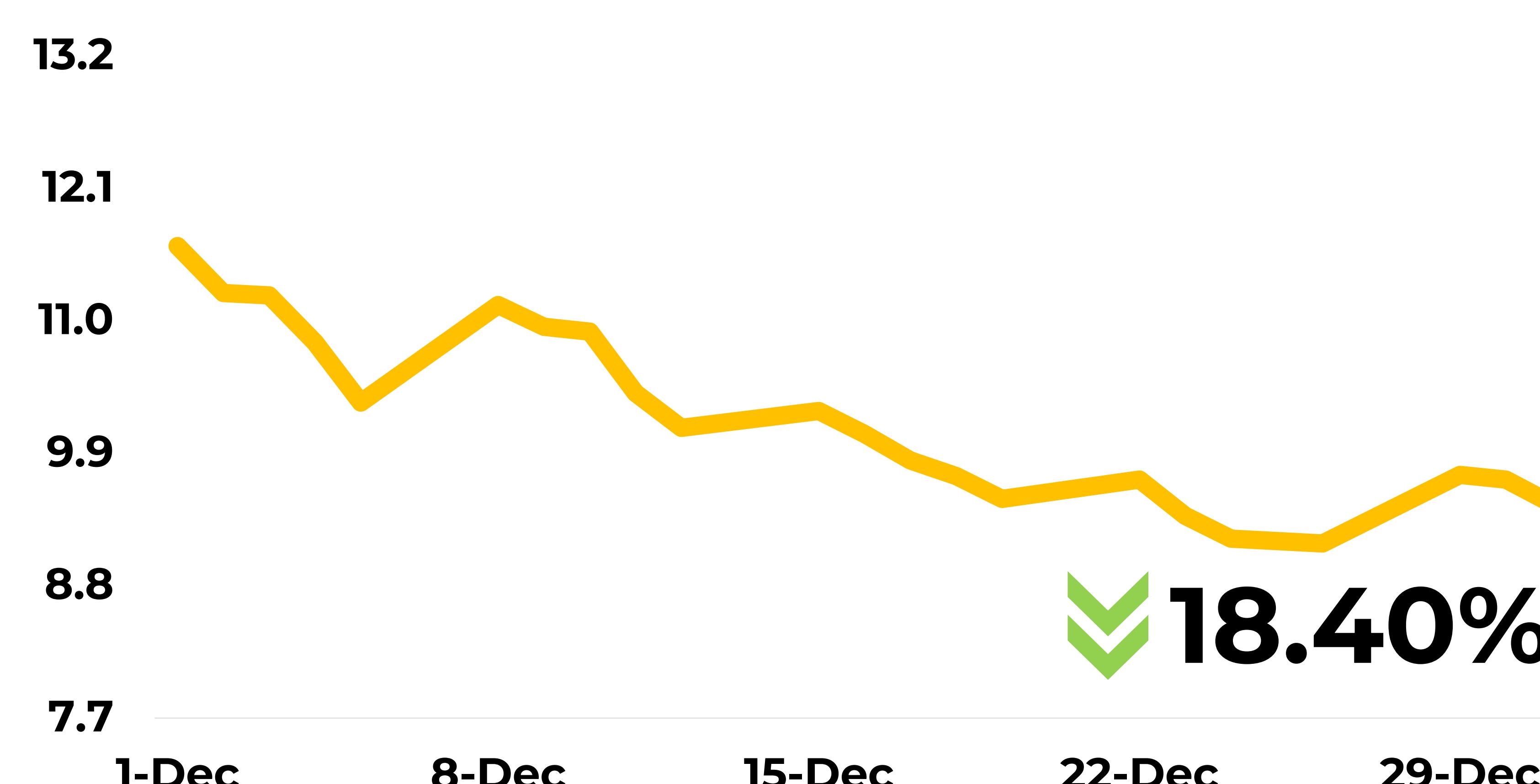


DII Net Investment



In December 2025, FIIs sold ₹30,000 crore of Indian equities, part of over ₹3 lakh crore in annual outflows. This marked the sixth consecutive month of net outflows, driven by stretched valuations and weak Q2 earnings, with only 17% of companies reporting growth. A weakening rupee, stricter FPI tax rules, and ongoing US-India trade talks added to the pressure. DIIs absorbed the selling with ₹73,000 crore invested via SIP and insurance inflows, stabilizing the market.

India VIX



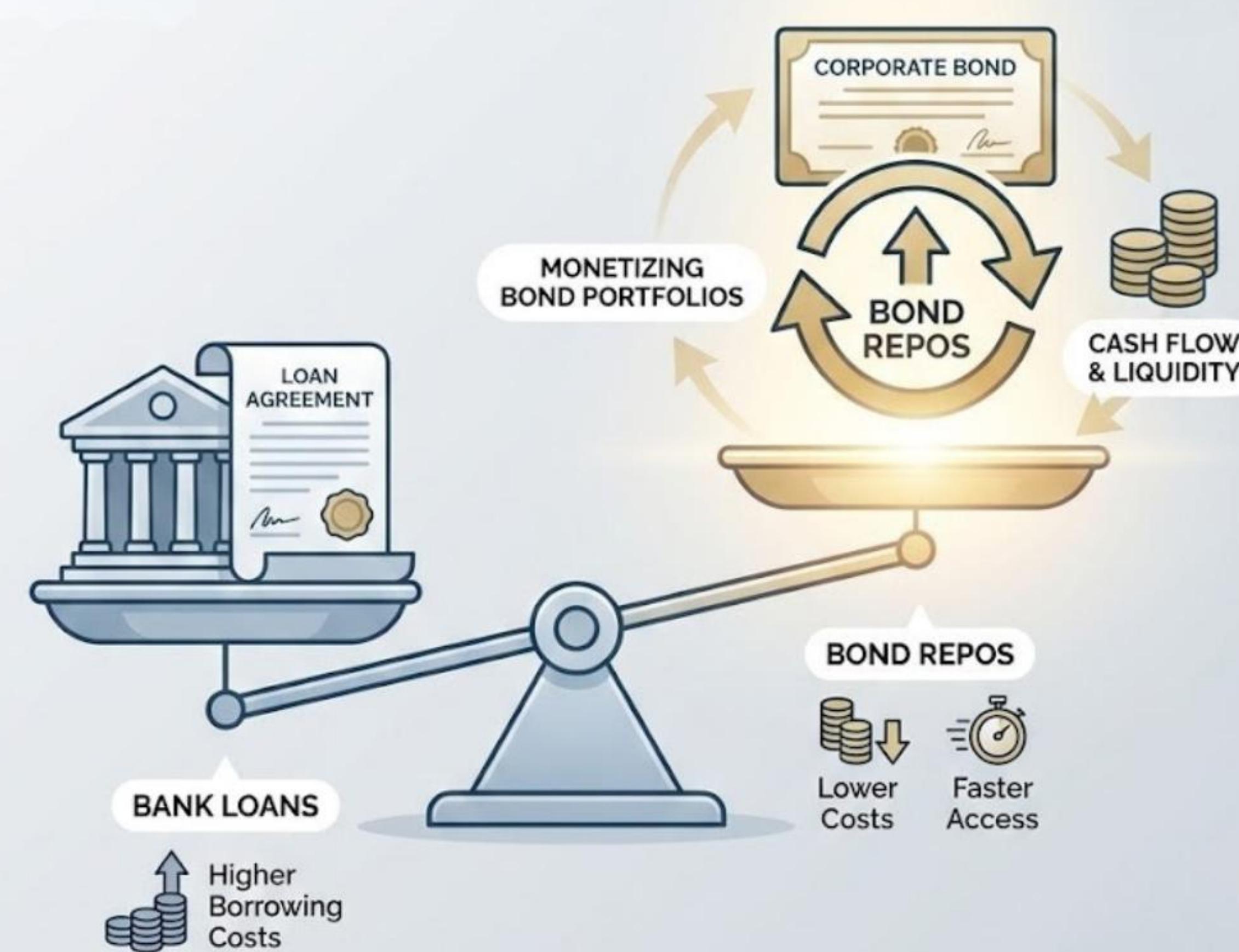
In December 2025, India VIX dropped to a two-year low of 8.86, ending the month around 9.5, reflecting reduced volatility. Domestic support, driven by DIIs' net purchases of ₹73,000 crore and record SIP inflows, countered FII outflows of ₹30,000 crore, stabilizing the Nifty above 26,000. The RBI's repo rate stability at 5.25% amid 0.71% inflation boosted sentiment, while global cues and low VIX readings underscored market resilience despite domestic challenges.

Source: NSE India

The Silent Shift in Corporate Borrowing

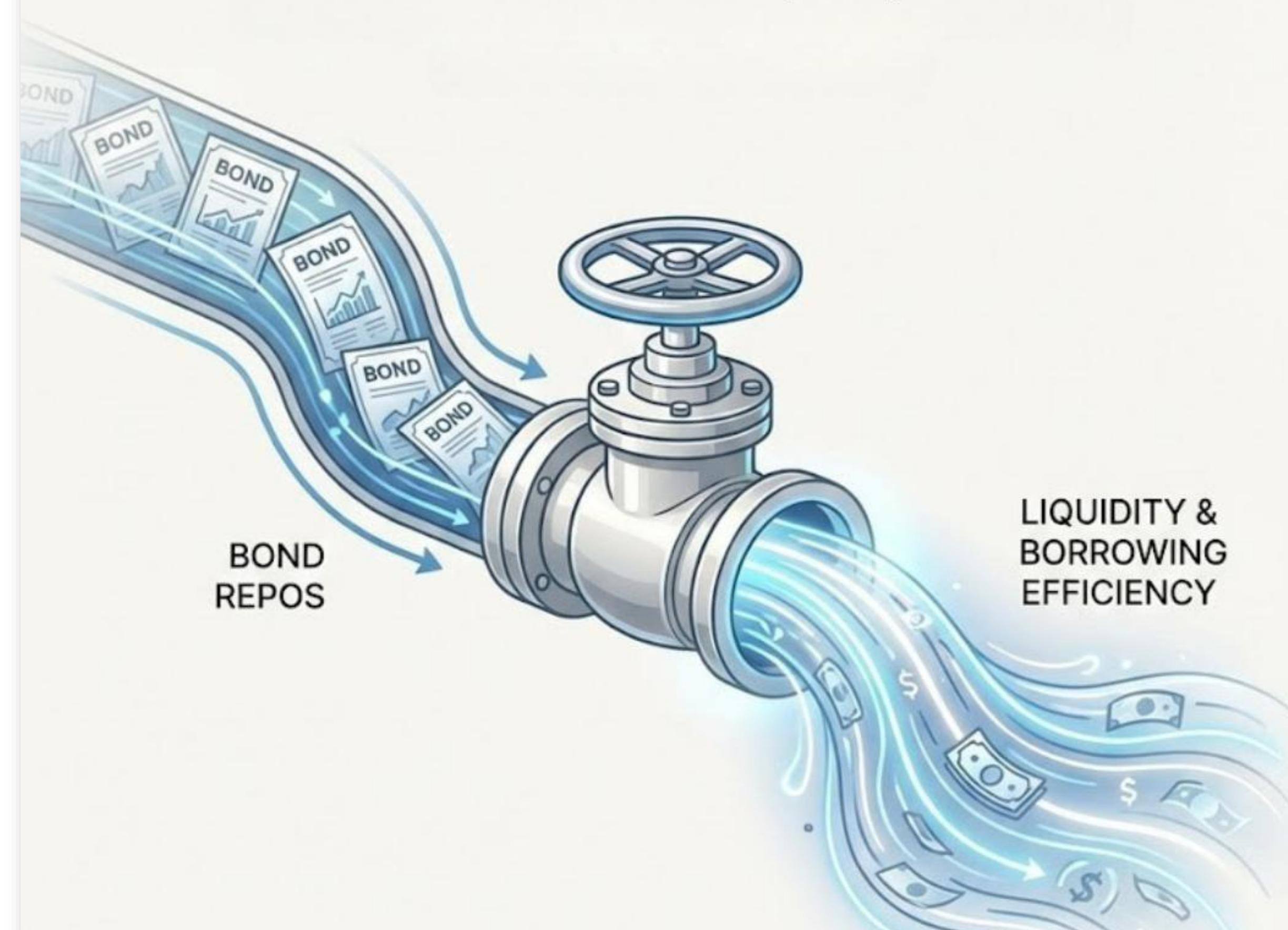
Corporate India is quietly changing how it manages short-term liquidity, and the bond repo market is emerging as the unlikely hero. Instead of rushing to banks or issuing fresh short-term debt, companies are increasingly borrowing against their existing corporate bond holdings. Average daily volumes in corporate bond repos have surged sharply in recent months, reflecting a growing preference for this cost-efficient funding route. The appeal is simple: lower borrowing costs and faster access to cash. Repo rates against high-quality corporate bonds are only marginally higher than government repo rates, making them cheaper than most short-term corporate loans. For treasury teams under pressure to optimise cash flows amid tight financial conditions, bond repos offer a clever workaround. This also highlights that bank credit growth to corporates remains muted, even as companies require flexibility to manage working capital and operational expenses. Instead of waiting for traditional credit lines, firms are monetising their bond portfolios. What once sat passively on balance sheets is now becoming an active liquidity lever, marking a subtle but essential evolution in corporate finance behaviour.

How Corporate India is Turning to Bond Repos for Cost-Effective Liquidity



The Liquidity Safety Valve

Leveraging bonds for efficient borrowing and enhanced liquidity



Impact on Markets, Banks, and Strategy

The growing reliance on corporate bond repos is more than a short-term tactical move; it signals a structural shift in how Indian companies think about funding. By using repos, firms avoid increasing leverage through fresh borrowing and sidestep the time and cost involved in issuing new debt. For highly rated corporations with substantial bond holdings, this tool is becoming a liquidity safety valve. In the broader debt market, rising repo activity improves bond market depth and price discovery, encouraging greater participation by institutional investors. However, it also raises questions for banks. As corporates bypass traditional loans, banks may face pressure on credit growth and margins, pushing them to rethink lending strategies. From a strategic standpoint, the message is clear: treasury management in India is becoming more sophisticated. Companies are no longer dependent on one funding channel - they are blending markets, instruments, and balance-sheet assets to stay agile. If interest rates remain volatile and credit conditions are tight, corporate bond repos may no longer be a niche tool; they could become a mainstream pillar of short-term corporate financing.

EVENTS ARCHIVE

12 December 2025

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Indian Events



Slower Output Growth

October output growth slowed to 0.4%, driven by declines in mining (1.8%) and electricity (6.9%).



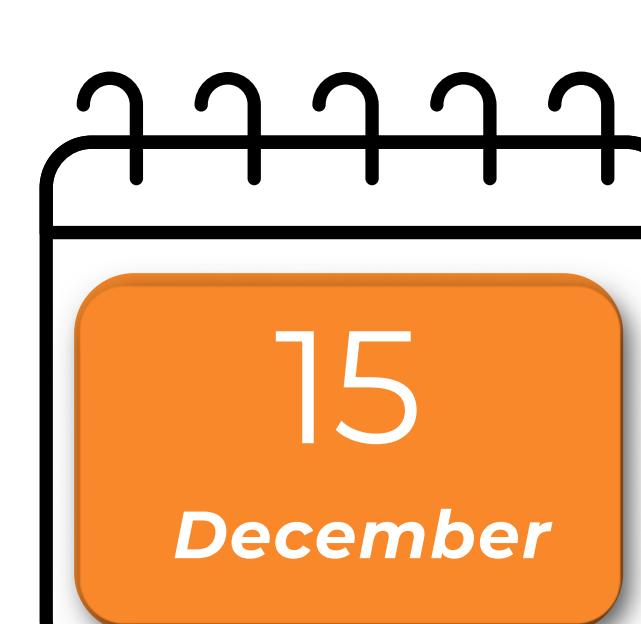
RBI Rate Cut

RBI cut the repo rate by 25bps to 5.25%, supporting growth amid moderating inflation.



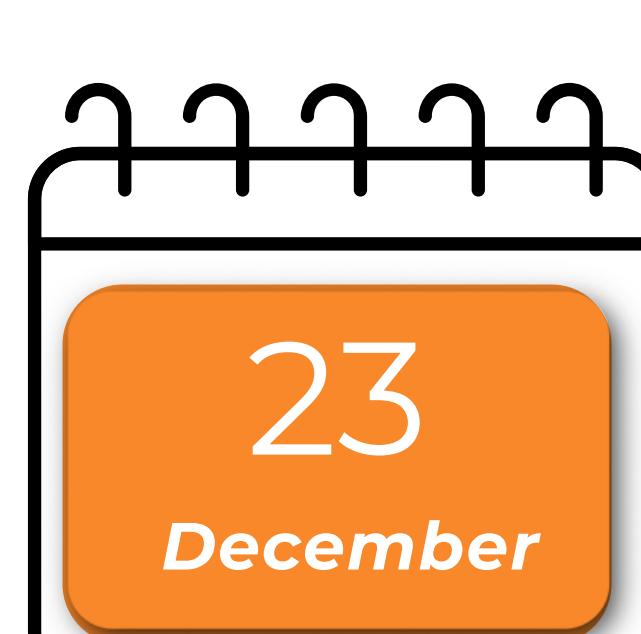
CPI Inflation Stable

CPI rose to 0.71% in November, staying below RBI's 2% target with deepening food deflation.



Trade Deficit Narrowing

India's trade deficit narrowed to \$24.53B in November, driven by strong export growth of 19.37%.



RBI Liquidity Boost

RBI infuses ₹3 trillion via OMOs and \$10B forex swap to ease liquidity.

Global Events



China's Economic Shift

China announces proactive fiscal policy and loose monetary stance, focusing on consumption amid tariff risks.



US Jobs Data

US added 64,000 jobs in Nov, but unemployment rose to 4.6% due to federal job cuts.



UK CPI Moderation

CPI fell to 3.2%, the lowest in 8 months, with services inflation moderating to 4.4%.



Ruble Strengthens

Central bank cuts key rate to 16%, ruble strengthens to 76-78 per USD.



Russia's Tech Gap Strategy

Putin directs Sberbank to collaborate with China on AI to close the technology gap.

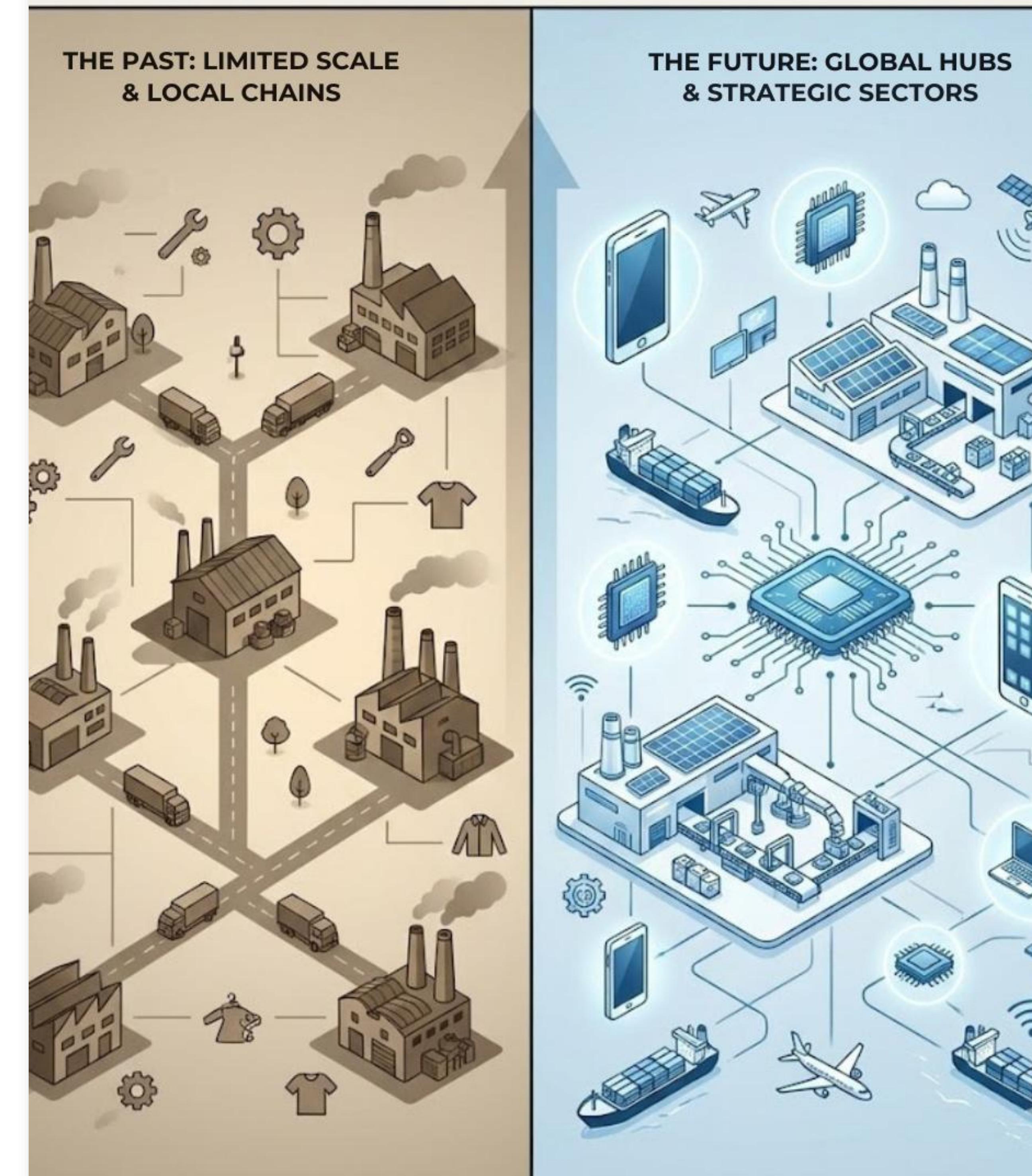
SMART READS

India's Manufacturing Evolution

India is at a critical juncture in its manufacturing journey, as global supply chains shift and companies diversify from concentrated production hubs. India is emerging as a credible alternative, especially in sectors like electronics, batteries, semiconductors, and clean energy. Manufacturing, particularly in smartphones, showcases this transition. India has moved from pilot projects to substantial scale, attracting global suppliers and contract manufacturers, reflecting growing confidence in the country's ability to deliver reliability, cost efficiency, and policy stability. This progress is driven by both strong exports and domestic demand, offering manufacturers scale and downside protection. Unlike China, which built its manufacturing dominance over decades through integrated industrial clusters, India is not attempting to replicate China's model but is instead carving out its own version aligned with its demographic advantages, market size, and strategic positioning. The real challenge, however, lies in converting this intent into durable industrial capacity, as the country seeks to build a manufacturing base that can stand the test of time and global competition.

From Scale to Strategy: India's Manufacturing Evolution

Transforming India into a Global Manufacturing Powerhouse



THE SUPPLY CHAIN REVOLUTION: INDIA'S PATH TO MANUFACTURING EXCELLENCE



Execution Will Define 2026's Success

India's manufacturing push faces a real test beyond factory announcements and investment commitments. Long-term success hinges on execution, ecosystem development, and localising key components. While assembly volumes are rising, true value creation will come from building a robust supplier network, integrating technology, and advancing high-value components. Electronics exemplifies this shift, where the focus must move beyond assembly to include design and specialised manufacturing to ensure competitiveness. Similar challenges exist in semiconductors and battery manufacturing, where capital intensity and global coordination are critical. Additionally, labour dynamics are changing, with automation and skill intensity on the rise. Job creation will rely more on training and productivity than on low wages alone, placing pressure on education systems and industry collaboration. While 2026 may not see India surpass China in manufacturing scale, it could mark the year India demonstrates its ability to build resilient, competitive, and globally integrated manufacturing on its own terms.

SMART READS

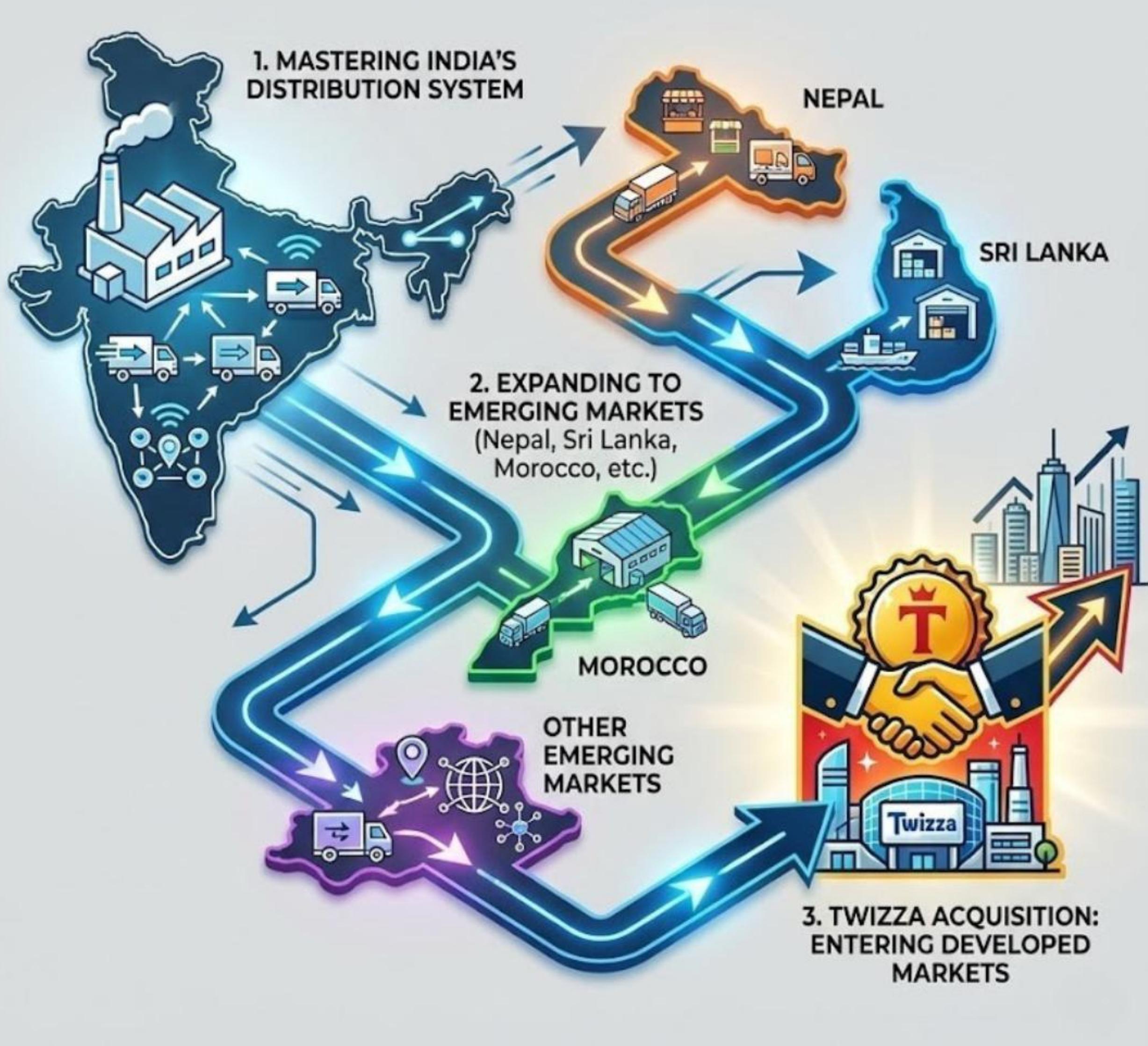
Dominating Markets Through Distribution Mastery

Varun Beverages built one of India's most powerful beverage empires not through flashy marketing or celebrity endorsements, but by mastering something far less glamorous: distribution. The company understood something most beverage players miss in FMCG, distribution beats everything. While competitors chased brand campaigns and product launches, Varun Beverages obsessed over the boring, invisible work that actually wins markets—getting products to every corner store, every kirana shop, every remote retailer faster and cheaper than anyone else. The company didn't just franchise PepsiCo brands; it reimagined what franchising could be by owning the entire value chain. It invested heavily in bottling plants, warehousing networks, cold storage infrastructure, and last-mile delivery systems that gave it complete control over costs, speed, and market penetration. This backward integration meant Varun Beverages wasn't dependent on third parties or vulnerable to supply chain disruptions—it controlled everything from production to the final shelf. And it executed this playbook with ruthless efficiency across India, building such deep distribution density that even large competitors couldn't match its reach or economics.



Brand Focus: Varun Beverages'

Road to Profitable Growth



Expanding Through Operational Excellence

Once Varun Beverages perfected its distribution-first model in India, expansion became less about risk and more about replication. The company successfully took this proven system to Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, and now South Africa through the Twizza acquisition. These were strategically chosen markets where logistical complexities deter many players, yet Varun thrives. The company's operational excellence, rather than heavy marketing budgets, was key in these markets, where infrastructure gaps created opportunity. Additionally, the strong PepsiCo relationship provided instant brand credibility, making Varun Beverages PepsiCo's infrastructure arm in emerging markets. The Twizza acquisition signifies the maturity of this approach—entering South Africa, a developed market, with confidence. Varun's competitive advantage lies not in geography, but in its transferable system of supply chain mastery and execution discipline. This expansion model highlights how operational excellence is a repeatable formula for success across continents, making growth feel less like ambition and more like inevitability.

SMART READS

Building a Legacy of Indian Denim Excellence

Launched in 1980, Flying Machine was India's first homegrown denim brand, emerging at a time when only smuggled jeans were available in the country. Arvind not only created a product but sparked a cultural movement. By 1994, Flying Machine had become a market leader, establishing a dedicated following and defining an entire generation's relationship with denim. The brand succeeded because Arvind understood the Indian consumer's need for quality denim that fit local body types, rather than just international styles. Flying Machine innovated with Indian fits and offered affordable, aspirational fashion at accessible prices. Over the next 40 years, the brand navigated market downturns, competition from global players, and changing consumer preferences not by constantly reinventing itself, but by staying true to its core identity as a youthful, trendy, and affordable denim brand. The brand's longevity underscores the importance of heritage. Flying Machine carries decades of brand equity, consumer trust, and cultural relevance. Arvind's decision to take full ownership reflects its commitment to preserving this heritage, ensuring long-term strategic focus without external interference.



How Arvind Fashions is Streamlining Its Portfolio to Drive Profitability



Arvind Fashions' Focus on Power Brands

Arvind Fashions learned a painful but valuable lesson about brand management: more isn't always better. At its peak, Arvind housed more than a dozen international and domestic brands, which gave it scale but also stretched capital, inflated royalty outflows, and diluted management focus. Post-COVID, Arvind accelerated portfolio cleanup and exited multiple sub-scale brands, including Gant, Nautica, Elle, IZOD, GAP, Newport, and Ruf & Tuf, pivoting toward a profitability-first framework focused on power brands. The Flying Machine buyback fits perfectly into this refined strategy-Arvind is betting on fewer, stronger brands it can control completely and nurture long-term. The company now focuses on U.S. Polo Association, Tommy Hilfiger, Calvin Klein, Arrow, and Flying Machine, where it can deploy capital strategically, build category extensions like footwear and innerwear, and maintain consistent brand narratives. By bringing Flying Machine fully in-house, Arvind signals that heritage brands with deep consumer connections deserve complete ownership, not shared governance. This isn't about a single transaction-it's about strategic clarity that prioritizes brand integrity, long-term thinking, and freedom to make bold moves.

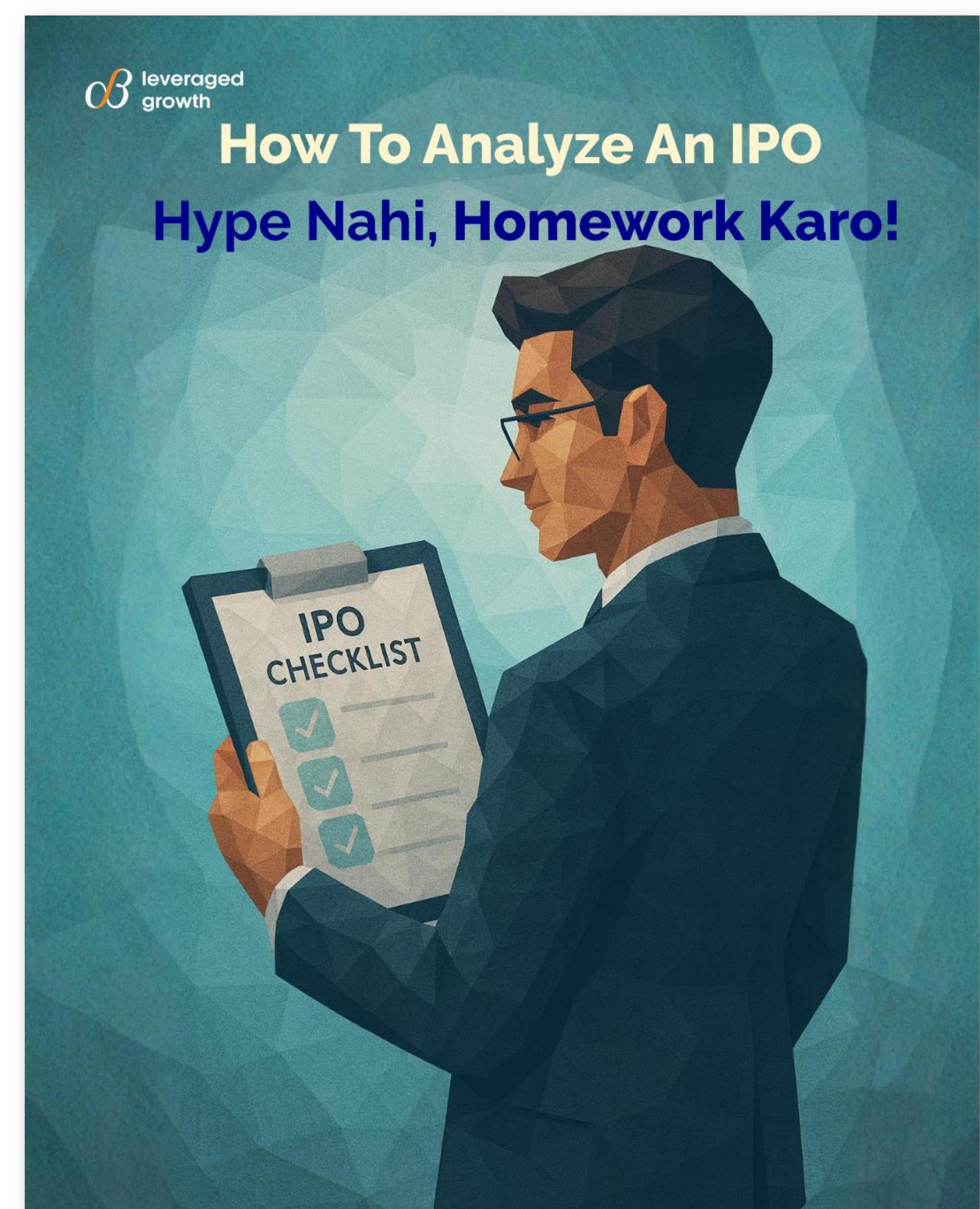
COVERAGE OF THE MONTH

A Look at Our Best LinkedIn Posts



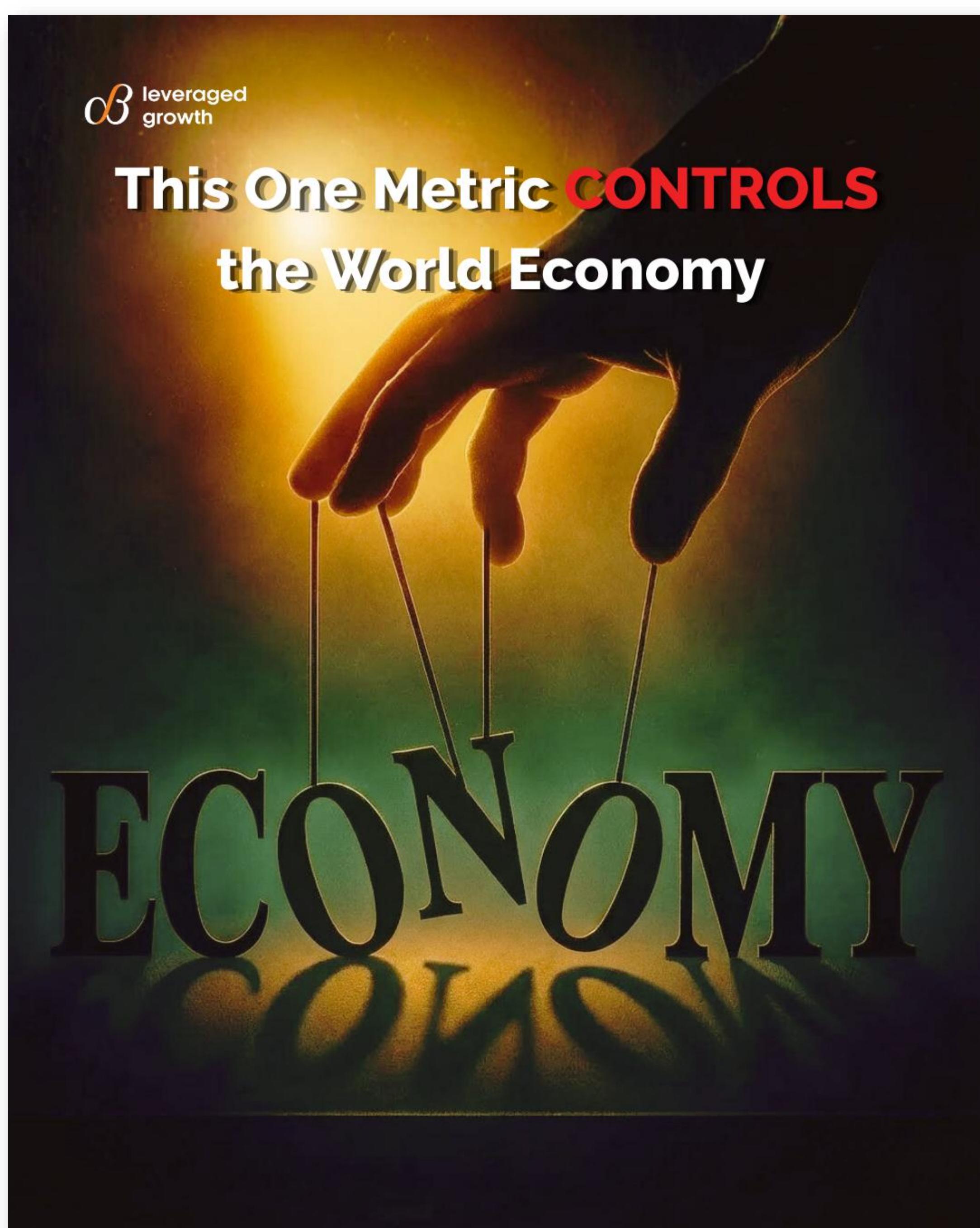
Curious about which countries hold the largest gold reserves? The answer might surprise you. Find out how much gold the top nations are sitting on and what this means for the global economy. [Read more.](#)

Explore Our Blog for Valuable Insights

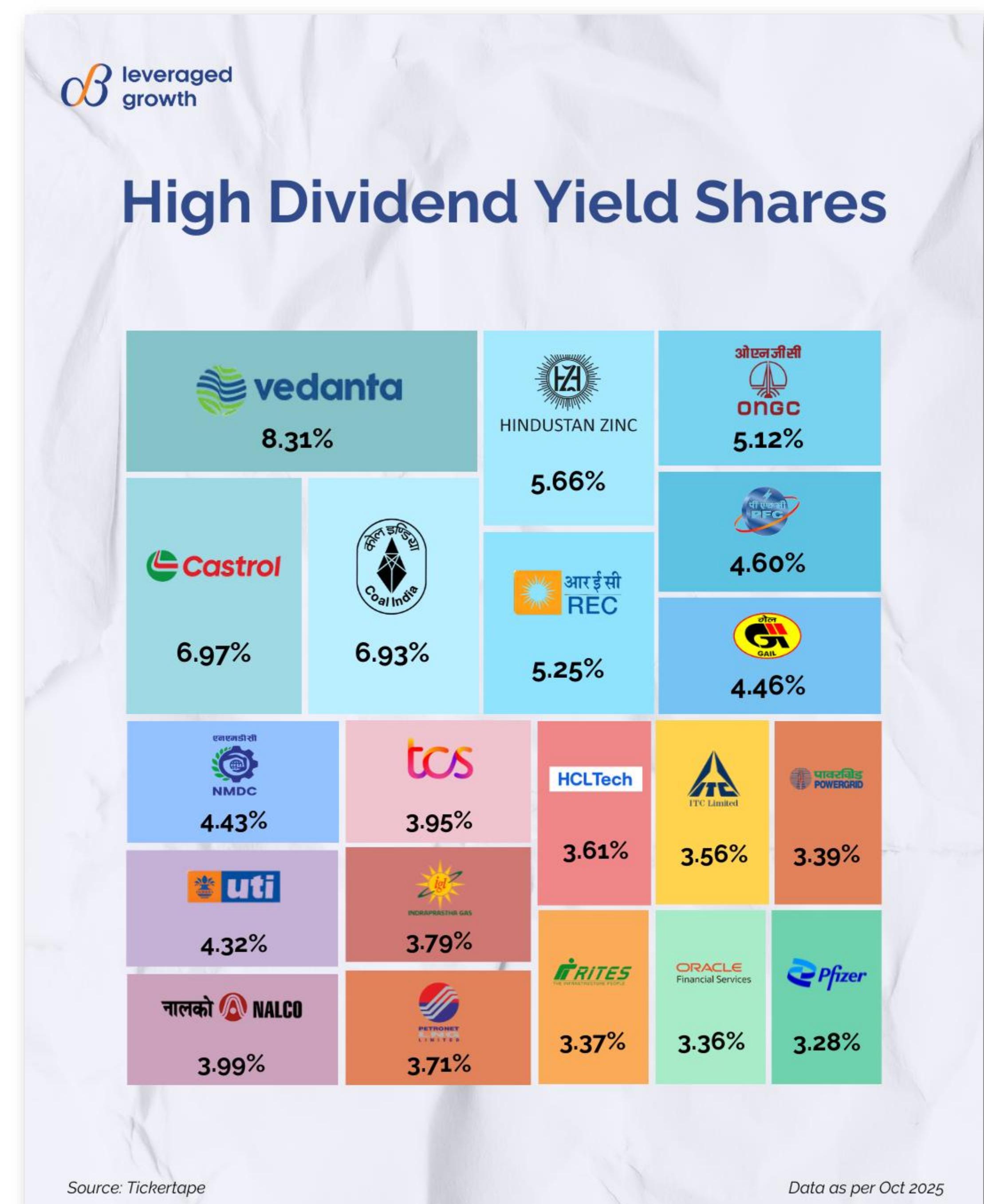


IPOs seem straightforward, but do you know what to look for? It's more than just buzz; understanding the numbers, strategy, and risks is crucial. Want to dig deeper? [Dive into our blog.](#)

Our Most Impactful Instagram Posts



There's one metric that drives the entire global economy, but what is it? It's not what you think. Curious? [Click here to explore](#) the crucial metric that shapes everything.



Wondering which stocks offer the highest dividends? The leaderboard has shifted, and some familiar names are leading the pack. [Click here to discover.](#)

PINION POLL

"As we forge ahead in the shared quest for progress and prosperity, it is essential that we nurture inheritance, build on it, and pass it on to future generations."

- S. JAISHANKAR
External Affairs Minister

"It (trade deal with Oman) unlocks nearly universal duty-free access for Indian goods in the Omani market, expands services commitments across key high-growth sectors, and ensures greater mobility for Indian professionals."

- PIYUSH GOYAL
Commerce and Industry Minister

"When I reflect on the technology story of 2025, what stands out is how decisively India moved from experimenting with AI to putting it to work across core sectors of the economy."

- PUNEET CHANDOK
President, Microsoft India and South Asia

About Us

Leveraged Growth is a boutique financial consulting firm and strategic growth partner. Operating across verticals: **Research Advisory, Financial Marketing, Consulting, and Corporate Training**. We deliver tailored solutions to global corporations and startups. From institutional-grade research to impactful financial storytelling, our team functions as an agile extension of your business - bridging the gap between strategy and execution.



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