

24 July 2026

Key International events:

President Donald Trump said in a social media post that **generic drug manufacturers will have two years to move production to the US or face a 100% import duty from August 2028. That levy would then double a year later, to 200%, in August 2029.**

The University of Michigan said that **US Consumer Sentiment Index jumped to 54.4 in July 2026 from 49.5 in June 2026. Economists had expected the index to rise to 51.3.** With the bigger than expected increase, the consumer sentiment bounced further off the record low set in May 2026 and reached its highest level since hitting 56.5 in February 2026.

The US Fed said that **Industrial Production of US crept up by 0.1% MoM in June 2026, matching the uptick seen in May 2026.** Economists had expected industrial production to rise by 0.2% MoM. The report showed both mining and utilities output grew by 0.4% MoM during the month, while manufacturing output was unchanged.

World Bank chief economist Indemit Gill told Reuters that **escalating hostilities between the United States and Iran could reignite inflation, drive interest rates higher and knock global growth back to as low as 1.3% YoY in CY26, down from 2.9% YoY from CY25.** He also said that global headline inflation would reach 4.5% YoY in CY26.

The Governing Council, led by **ECB President Christine Lagarde, held the deposit rate steady at 2.25%, the refinancing rate at 2.40% and the marginal lending rate at 2.65%.** Policymakers acknowledged that the situation remains highly uncertain as the full impact of the energy shock caused by the Middle East conflict is yet to be felt. Meanwhile, remarks from the ECB chief heavily sided towards an interest rate hike in the upcoming session in September 2026.

Eurostat confirmed that **Eurozone inflation slowed to a three-month low in June 2026. Inflation softened to 2.8% YoY from 3.2% YoY in May 2026.** This was the lowest rate since March and matched the flash estimate released on July 1, 2026.

The European Central Bank reported that **the Current Account Surplus of Eurozone rose to EUR 25 bn in May 2026 from EUR 17 bn in May 2025, the surplus was EUR 26 bn.** The Euro area current account surplus increased in May 2026 on higher primary income.

Data from the UK Office for National Statistics showed that **the Consumer Price Index of UK climbed 2.6% YoY in June 2026, slower than the 2.8% YoY increase in May 2026.** Prices were expected to climb 2.7% YoY. UK Consumer Price Inflation slowed to the lowest since March 2025 on transport and food prices in June 2026.

The People's Bank of China left its one-year loan prime rate unchanged at 3.0%. Similarly, the five-year LPR, the benchmark for mortgage rates, was retained at 3.50%. The bank had reduced its both LPRs by 25 bps in October 2024 and 10 bps each in May 2025. China maintained its loan prime rates unchanged for the fourteenth consecutive month, as widely expected.

The Japan's Ministry of Finance said that **Japan posted a Merchandise Trade Deficit of 406.91 bn yen in June 2026.** That missed forecasts for a shortfall of 120.0 bn yen following the 391.8 bn yen deficit in May 2026.

Key Domestic events:

The United States has imposed a 10% tariff on goods imported from India and 16 other countries as part of its efforts to combat the use of forced labour in the production of such items. US Trade Representative Jamieson Greer announced the new tariffs on 60 countries under Section 301 of the Trade Act, a day before the expiration of 10% additional levies on all countries.

According to Reserve Bank of India, **the flow of money from overseas Indians into non-resident Indian (NRI) deposit schemes dropped 29.25% YoY to USD 1.33 bn in the April-May period of FY27, from USD 1.88 bn in the corresponding period of FY26.**

According to RBI's monthly economic report, **India's economy remains resilient, but the Iran war and a deficient monsoon could pose risks to the outlook.**

Rating agency ICRA said that **India's economy likely expanded in the range of 6.4-6.6% YoY in Q1 FY27, despite elevated energy prices and limited input availability weighing on the margins of key sectors, after economic output exceeded expectations in the previous quarter.**

According to a World Trade Organisation (WTO) report, **India is aiming to increase its share of global merchandise exports from about 1.8% in 2024 to around 10% by 2047.** To promote exports, India maintained various duty exemption, remission, and rebate schemes. Export promotion is also emphasised in the Viksit Bharat vision, intended to help India sustain high long-term growth and boost competitiveness.

The World Trade Organisation (WTO) said that **India will need to address structural challenges, including high trade costs, regulatory complexity, infrastructure gaps and barriers to deeper global integration, to sustain strong economic growth and achieve the Viksit Bharat vision of becoming a developed country by 2047.**

An International Monetary Fund official said that **India's GDP growth in FY27 faces key downside risks from a widening war in the West Asia that is driving up oil prices and a monsoon weakened by the El Nino weather effect.** Asia's third-largest economy imports almost 80% of its oil needs, making it vulnerable to energy shocks that could hurt growth and stoke inflation.

The Ministry of Commerce and Industry told Parliament that **the Production-Linked Incentive (PLI) schemes across 14 key sectors attracted investments of Rs 2.4 trillion and generated 1.45 mn jobs by the end of FY26.** Cumulative exports under the schemes jumped 280% to Rs 15.2 trillion in FY26 from Rs 4 trillion in FY24.

The finance ministry has assigned FCNR (B) deposit mobilisation targets to individual state-run banks through September 30, 2026 the deadline for the Reserve Bank of India's (RBI's) concessional swap scheme. **Overall foreign exchange inflows via concessional swap facilities for fresh Foreign Currency Non-Resident (Bank) FCNR (B) deposits, External Commercial Borrowings (ECBs) and Overseas Foreign Currency Borrowings (OFCBs) have reached USD 20.72 bn in the five weeks since the window opened on June 8, 2026.**

According to data released by the Ministry of Commerce and Industry, **growth in India's nine core sectors accelerated to a five-month high of 5% YoY in June 2026 from 3.2% YoY in May 2026** in the first print of a revamped Index of Core Industries (ICI) with a new base year of 2022-23, as sharp growth in iron ore, electricity and coal offset persistent weakness across the petroleum-based industries.

As per a report by CareEdge Ratings, **India's net FDI inflows will likely rebound in FY27 reaching USD 15 bn, supported by healthy gross inflows and moderation in growth of repatriation outflows amid policy measures.** The report also noted that India's capital account closed FY26 on a weak note, with the surplus narrowing sharply to USD 1.9 bn from USD 16.6 bn in FY25 and USD 89.5 bn in FY24.

Deloitte India projected **India's economy to grow at 6.5-6.8% YoY in FY27, with growth expected to strengthen in H2 FY27** supported by festive demand, monetary easing, and a gradual stabilisation in global conditions.

According to the commerce ministry data, **during April-May 2026, exports rose 16.09% YoY to USD 88.91 bn. The data also showed that the country's exports to Asean (Association of South East Asian nations) jumped 66.9% YoY to USD 10.5 bn from USD 6.3 bn a year ago.** Asean and African regions emerged as the biggest contributors to India's export growth during the first two months of FY27.

According to a Business Standard poll of 10 economists, **leading economists have sharply lowered their forecast for India's Current Account Deficit (CAD) for FY27 to an average of around 1.3% of GDP, from about 1.8% a month ago, as easing crude oil prices and resilient exports improve the country's external outlook.**

Equity Round up: BSE Sensex opened at 78,151. It made a weekly high of 78,283 and a low of 75,474 before closing 2,092 points lower at 76,060.

Events to watch out for the next week:

International Events

1. US FOMC Rate Decision on 29 Jul'26
2. US GDP for Q2 CY26 A on 30 Jul'26
3. China Industrial Profits for June 2026 on 27 Jul'26

Domestic Events

1. Forex Reserves for week ended 24 July 2026 on 01 August 2026
2. Industrial Production for June 2026 on 28 Jul'26
3. Manufacturing PMI for June 2026 on 28 Jul'26

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	76,060	-2.68
Nifty 50	23,767	-2.33
BSE 100	25,373	-1.93
BSE 200	11,145	-1.83
Nifty Midcap 150*	22,685	-1.23
Nifty Smallcap 250*	17,601	-2.23
BSE FMCG	18,294	0.49
BSE HC	49,396	-0.79
BSE IT	27,714	-1.81
BSE Auto	59,774	0.10
BSE BANKEX	64,297	-2.87
BSE CG	77,369	-0.96
BSE CD	62,892	-0.78
BSE Oil & Gas	26,058	-1.80

* BSE Midcap and BSE Small Cap indices data is not available for 24th July '26 so included Nifty Indices.

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.94% 2036)	6.84%	9 bps
Interbank Call	5.28%	(-) 8 bps
INR/USD	96.57	0.30%
Gold (Rs/10gm)	1,43,781	1.86%

Taken during market hours, 10 Year G-Sec (6.94% 2036) and Interbank Call as on 23 July '26

World Indices	Closing	% Change WoW
Dow Jones*	51,712	-1.60
Nasdaq*	25,138	-2.88
FTSE	10,676	1.13
DAX	24,975	0.83
Hang Seng	24,963	1.63
Nikkei	64,611	0.73
Bovespa*	1,76,724	1.67
Indonesia Jakarta	6,196	0.34

* Data as on 23 July '26

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	781.0	764.3	16.7
DIIIs	842.0	758.8	83.2

Data for FPI from 17 July 2026 to 23 July 2026. Data for DII from 10 July 2026 to 17 July 2026.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,767	23,830	63

*July 2026 Expiry

Disclaimer: This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. HDFC Bank Limited ("HDFC Bank") does not warrant its completeness and accuracy. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument / units of Mutual Fund. Recipients of this information should rely on their own investigations and take their own professional advice. Neither HDFC Bank nor any of its employees shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. HDFC Bank and its affiliates, officers, directors, key managerial persons and employees, including persons involved in the preparation or issuance of this material may, from time to time, have investments / positions in Mutual Funds / schemes referred in the document. HDFC Bank may at any time solicit or provide commercial banking, credit or other services to the Mutual Funds / AMCs referred to herein.

Accordingly, information may be available to HDFC Bank, which is not reflected in this material, and HDFC Bank may have acted upon or used the information prior to, or immediately following its publication. HDFC Bank neither guarantees nor makes any representations or warranties, express or implied, with respect to the fairness, correctness, accuracy, adequacy, reasonableness, viability for any particular purpose or completeness of the information and views. Further, HDFC Bank disclaims all liability in relation to use of data or information used in this report which is sourced from third parties.

HDFC Bank House, 1 st Floor, C.S. No. 6 \ 242, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Phone: (91)-22-66527100, ext 7111, Fax: (91)-22-24900983 \ 24900858

HDFC Bank Limited is an AMFI Registered Mutual Fund Distributor (ARN 0005) and SIF Distributor, APMI Registered PMS Distributor.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision.