2025

Quarterly Market Outlook

Research Desk: Naik Financials

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Equity Markets between July to Sep 2025

The equity market movement during Q3 (July-Sep) was **rangebound with a downward bias**.

Nifty 50 traded within a broad range of roughly **1,380 points – between 24,400 and 25,800** – during the quarter. It **declined by approx. -3.6% between July to Sep 2025**.

Source: www.tradingview.com, Internal

Overview

The quarter was marked by steady domestic momentum in India while periodic global shocks kept volatility elevated.

Favorable domestic cues marked by easing inflation, better than expected GDP growth (7.8%), credit rating upgrade for India, dovish monetary policy by RBI through revised growth and inflation estimates and GST reforms introduced by government improved overall investor sentiment.

However, US tariff policy shocks including additional tariffs on India for using Russian oil, H1B visa fee hike and 100% tariff on patented Pharma kept markets volatile.

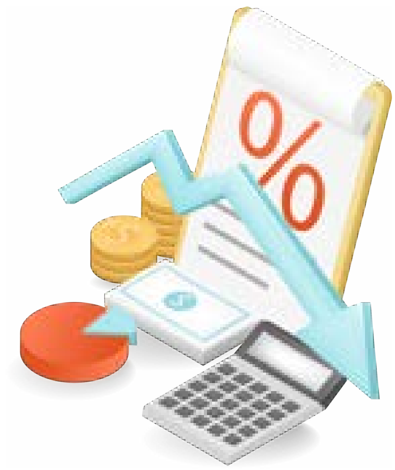
Global uncertainty led to outflows by FIIs while a robust DII inflow continued to support markets.

Source: www.tradingview.com, Internal

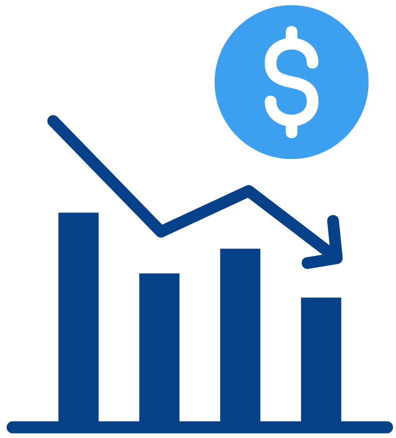
Factors affecting markets

GLOBAL FACTORS

- **FED Policy –** Inflationary pressure due to tariffs made Federal Reserve adopt a cautious approach by keeping interest rates steady for a prolonged period. However, weak economic data and rising risks to US job market prompted the central bank to **cut interest rates by 25bps** in September.



- **Weak US Dollar** - A softer dollar environment intermittently supported emerging market flows and commodity prices.



- **US Tariff Policy** – US tariff and trade rhetoric continued to create jitters in equity markets globally.

Source: ,www.reuters.com, Internal

Factors affecting markets

DOMESTIC FACTORS

- **Easing Inflation –** Inflation in India continued to ease consistently and settle within RBI's tolerance band of 2-4% prompting the Central Bank to continue focusing on pushing growth in the economy.

- **GST Reforms –** Government in an effort to provide further impetus to consumption rolled out next generation GST reforms thereby improving overall consumer sentiment.

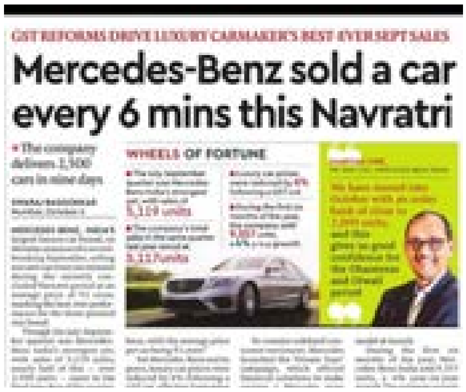
- **RBI Monetary Policy –** RBI's dovish/neutral stance and upward revision in growth forecasts reinforced positive domestic sentiment.

- **Record DII inflows –** Robust inflows by DIIs provided structural support to the market during bouts of volatility.

Source: www.moneycontrol.com, www.reuters.com

How is India's economy poised?

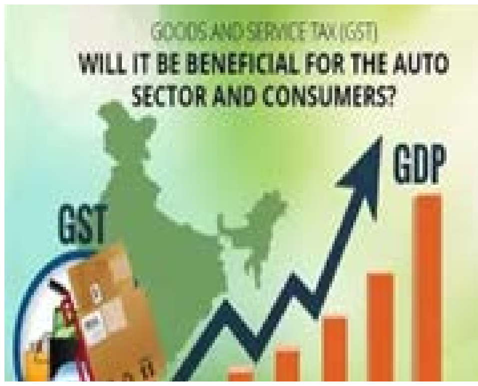
- **GST 2.0 -** Government of India launched GST 2.0 in September marking one of the biggest tax reforms in India since the introduction of GST in 2017. The new and revised GST 2.0 aims to **simply tax structure, reducing compliance burdens, making essential goods & services more affordable** thereby **putting more money in the hands of consumers**.



Mercedes-Benz sold a car every 6 mins this Navratri

- **Strong Consumption Push -** Supportive government policies, rising disposable incomes and targeted fiscal measures are likely to give **much needed push to Domestic Consumption** further boosting consumer confidence particularly in select consumption driven sectors.

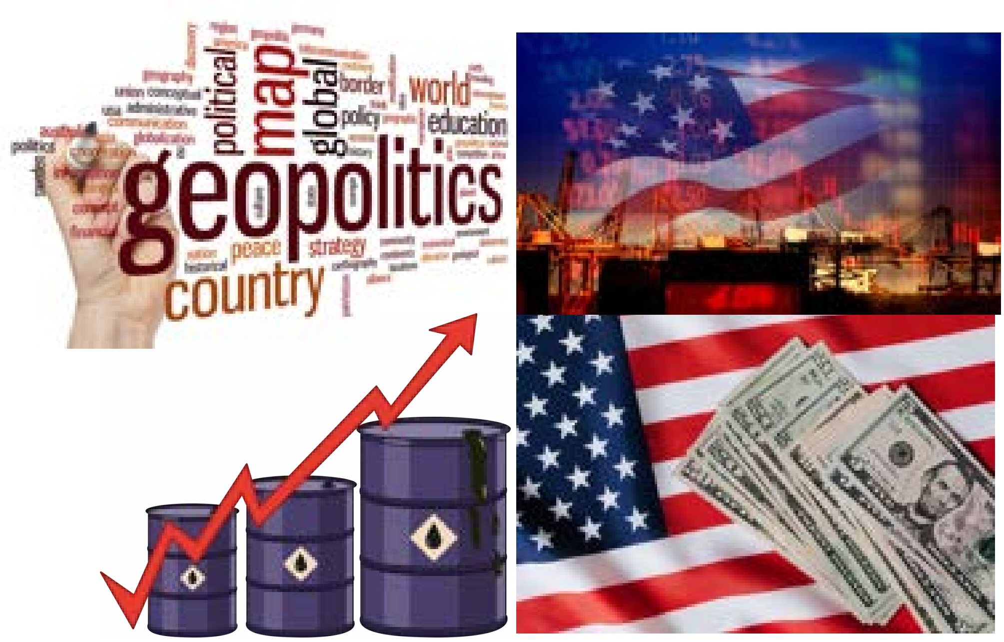
- **Revised GDP Forecast –** India's GDP forecast has been **revised to 7.8% for FY 25-26** making it outperform major global players. This revision signifies strong investment activity, potential healthy corporate earnings momentum and steady policy support.



- **Easing Inflation –** Inflation in India has **consistently been falling** in the last 1 year despite intermittent upticks due to food price shocks. Softening inflation not only improves real household purchasing power but also **gives the RBI room to maintain a pro-growth stance**.

Source: www.moneycontrol.com, www.reuters.com

Possible Headwinds



- **Geopolitical Uncertainty –** Resurgence of geopolitical flare ups due to conflicts or diplomatic rifts is likely to impact global risk sentiment.

- **Trade wars -** The ongoing back-and-forth tariff moves led by the US, may reignite global trade tensions and add to volatility in equity markets.

- **Rise in Crude Oil Prices –** Unexpected rise in crude oil prices remains a key macro risk with ripple effects on inflation and currency.

- **Stronger Dollar –** A stronger US dollar often tends to tighten global liquidity, affecting commodity prices and tigering capital outflows from emerging markets. Pressure on rupee could lead to a rise in import costs.

Our Strategy

DEBT

For investments in Debt products, you may choose from the following options

- Investing in **Short-term or Corporate Bond** schemes offered by Mutual Funds with an **average maturity of 2-3 years**.
- **Fixed Deposits** offered by **AAA-rated companies** or buying **Corporate Bonds** through the secondary market, **maturing within 2 -3 years**.

EQUITY

For investments in Equity, you may opt to do the following

Stagger investments through the **STP** route of **6-8 months**.

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