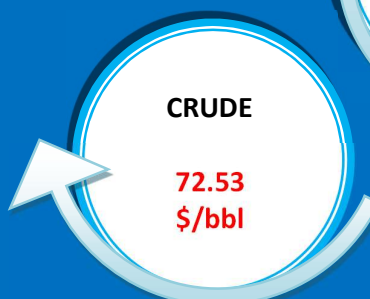
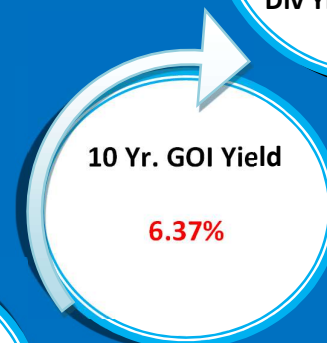
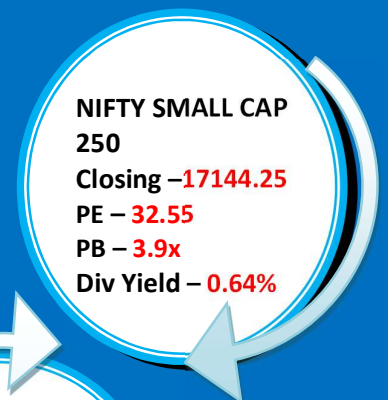
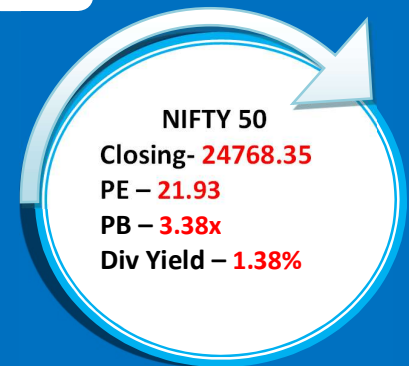


# MONTHLY REPORT

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# CONTENTS

- ✓ Macro Economic – Key Indicator
- ✓ Debt Market Review and Outlook
- ✓ Debt Funds Category Snapshot
- ✓ Equity Market Review and Outlook
- ✓ Equity Funds Category Snapshot
- ✓ Gold Review and Outlook



Data as on July 31<sup>st</sup>, 2025  
Source: Bloomberg

Indicators	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug-24	Jul-24
Sensex	-2.90%	2.65%	1.50%	4.37%	5.80%	-5.60%	0.80%	-7.30%	0.52%	-5.80%	2.35%	0.76%	3.43%
Nifty 50	-2.93%	3.10%	1.70%	4.25%	6.30%	-5.80%	-0.60%	-8.40%	-0.31%	-6.20%	2.28%	1.14%	3.92%
Nifty Midcap 150 Index	-2.85%	4.09%	6.10%	4.15%	7.61%	-10.40%	-6.14%	-4.90%	0.50%	-6.70%	1.50%	0.50%	5.84%
Nifty SmallCap 250 Index	-3.67%	5.73%	9.60%	1.93%	9.10%	-13.20%	-11.49%	-3.60%	-0.20%	-3.60%	1.30%	1.24%	4.89%
S&P 500 Index	2.17%	4.96%	5.50%	-1.10%	-5.80%	-1.40%	4.80%	2.10%	4.70%	-1.00%	2.00%	2.28%	1.13%
Nifty 50 EPS TTM (Rs)	1122	1092	1092	1078	1079	1075	1078	1069	1069	1021	1018	1016	991
Nifty 50 Price/Earnings (PE Ratio)	22	23	22	22	21	20	21	22	23	24	25	25	25
Nifty Midcap 150 (PE Ratio)	33	35	34	34	34	33	38	40	37	37	41	40	40
<b>India Economic Indicator</b>													
Bank Credit Growth (YoY%)	9.82%	9.59%	9.75%	11.59%	10.31%	10.85%	11.46%	11.28%	11.15%	12.13%	13.35%	13.48%	13.87%
Bank Deposit Growth (YoY%)	10.15%	10.37%	9.96%	11.40%	9.94%	10.54%	10.84%	11.50%	11.21%	12.33%	11.18%	10.88%	11.28%
<b>Debt Market Indicator</b>													
RBI Repo Rate (%)	5.50	5.50	5.50	6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50
G-sec 10 year Yield (%)	6.37	6.32	6.29	6.36	6.58	6.70	6.70	6.76	6.75	6.85	6.75	6.86	6.93
Corp Bond 10 Yr AAA Yield (%)	7.19	7.11	7.03	7.08	7.17	7.17	7.17	7.24	7.40	7.34	7.31	7.45	7.48
Corp Bond 10 Yr AA Yield (%)	8.06	7.96	7.79	7.81	7.92	7.92	7.92	8.04	8.09	8.03	8.04	8.12	8.12
Corp Bond 10 Yr A Yield (%)	9.37	9.30	9.18	9.36	6.70	6.70	6.70	9.73	9.79	9.78	9.75	9.88	9.95
Corp Bond 5 Yr AAA Yield (%)	6.81	6.85	6.79	6.96	7.34	7.34	7.34	7.46	7.36	7.52	7.50	7.62	7.56
Corp Bond 1 Yr AAA Yield (%)	6.42	6.70	6.63	6.89	7.71	7.71	7.73	7.78	7.63	7.63	7.69	7.76	7.65
CD 1 Yr (%)	6.29	6.33	6.55	6.79	7.62	7.62	7.65	7.63	7.55	7.46	7.76	7.63	7.57
<b>Commodity &amp; Currency</b>													
Gold Price (USD)	3,290	3,303	3,289	3,289	3,085	2,858	2,798	2,625	2,643	2,744	2,635	2,503	2,448
Gold (Rs/10gm)	98,068	95,676	95,058	93,928	88,691	84,789	81,798	75,913	76,400	79,181	75,051	71,679	69,046
Crude(\$)	72.53	67.61	63.90	63.12	74.74	73.18	76.76	74.64	72.94	73.16	71.77	78.80	80.72
INR/1 USD	87.60	85.75	85.58	84.50	85.46	87.51	86.62	85.60	84.49	84.08	83.80	83.87	83.73
INR/1 EURO	100.15	100.52	96.94	96.01	92.08	90.98	89.95	89.20	89.22	91.39	93.77	92.95	90.65
<b>Flows</b>													
FII-Equity (Rs.cr)	-17741	14590	19860	4223	-3973	-34574	-72,677	16,437	-22,602	-91,934	49,793	11,678	27,957
FII-Debt (Rs.cr)	-234	-6121	19615	-25993	37789	10517	12041.06	13,375	-968	-5,978	19,225	16,421	21,863
MF-Equity (Rs.cr)	43720	45519	67642	18063	6579	35394	55073.23	28,138	35,633	32,561	32,264	31,685	20,601
MF-Debt (Rs.cr)	-33716	-30911	-104054	-23854	-81165	-95817	-51536.26	-56,887	-32,395	-36,396	-36,890	52,470	-6,612

Source: Bloomberg, W2W Research

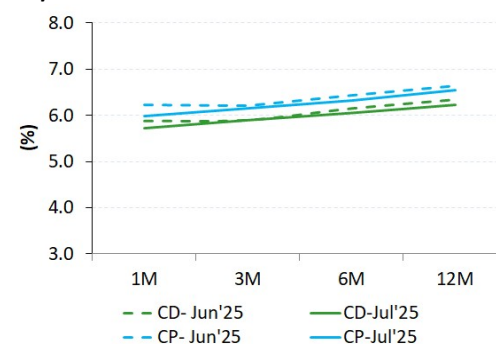
**Summary:-**

- As of 31<sup>st</sup> July 2025, Nifty 50 was trading at a PE of 21.93x and Nifty Midcap 150 was trading at a PE of 33.8x.
- India's CPI inflation in June 2025 dropped to 2.10%, compared to 2.82% in May 2025. Meanwhile, India's WPI inflation decreased to -0.13% in June 2025, compared to 0.39% in May 2025, largely driven by sharp declines in food and fuel prices.
- Bank credit growth rose to 9.82% year-over-year as of 30 July 2025, compared to 9.59% year-over-year in June 2025. However, the growth of bank deposits reduced to 10.15% year over year.
- GST collections rose to 1.96 lac cr in July 2025 as compared to Rs. 1.85 lac cr in June 2025.
- India's Manufacturing PMI rose to 59.1 in July 2025 from 58.4 in June. India's Services PMI increased slightly to 60.5 in July 2025 from 60.4 in June 2025.

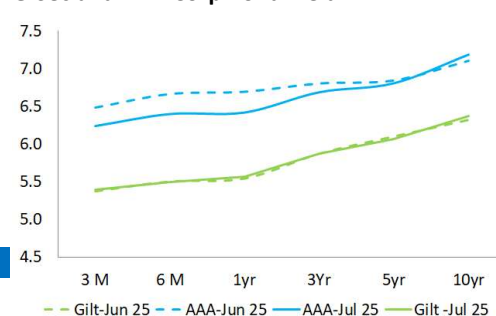
## Debt Market Review

- US 10-year Treasury yield rose to 4.36% by 15 bps in July due to stronger-than-expected inflation and persistent fiscal pressures, including concerns over tariffs and rising U.S. debt issuance, inching up term premiums. Delayed Fed rate cuts added to the upward pressure on yields.
- Long-duration yields surged with Germany's 30-year yield reaching a 21-month high at 3.26% and 10-year yield rising by 9 bps to 2.69% driven by concerns over increased government borrowings amid expanded defence and infrastructure spending. The UK 10-year Gilt yield fell to 4.57% by the month end over concerns on British economic conditions and monetary policy easing.
- China's 10-year bond yield rose from 1.64% to 1.73% as the PBOC maintained a 'moderately loose' monetary stance, with its benchmark 7-day reverse repo rate at 1.4%, balancing low nominal growth against strong real GDP growth. However, the ongoing deflationary concern and sluggish growth kept yields range bound.
- Japan's 10-year government bond yield rose to 1.56% in July from 1.43% in June, driven by election-related fiscal uncertainty and concerns over potential populist policies, including increased spending and tax cuts.
- In July 2025, Indian government bond yields edged higher as the RBI tightened liquidity through variable rate reverse repos (VRRR), dampening hopes of imminent rate cuts. External trade pressures and a cautious monetary policy outlook weighed on market sentiment. Despite retail inflation falling to its lowest in over six years, the benchmark 10-year bond yield rose by 5 basis points, closing the month at approximately 6.37%.
- Foreign investors pulled out Rs 234 crore from the debt market in July 2025, compared to an outflow of Rs 6,121 crore in June 2025.
- India's retail inflation declined marginally to 2.10% in June 2025, the lowest level since January 2019. The sharp decline was largely driven by a 1.06% drop in food prices. India's WPI inflation dropped into negative territory, registering a -0.13% driven by sharp declines in food and fuel prices. IIP slowed to a 10-month low of 1.5% in June 2025, down from 1.9% in May. This slowdown was driven by the mining sector, which saw its worst performance in 58 months, and by contractions in the electricity and primary goods sectors.

CD/CP Rate



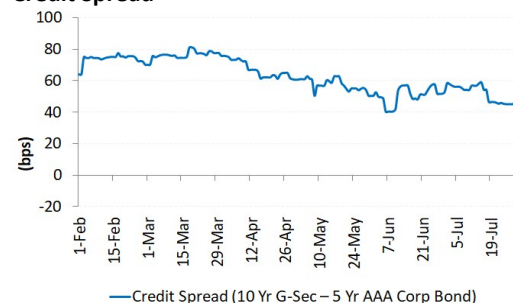
G-Sec and AAA Corp Bond Yield



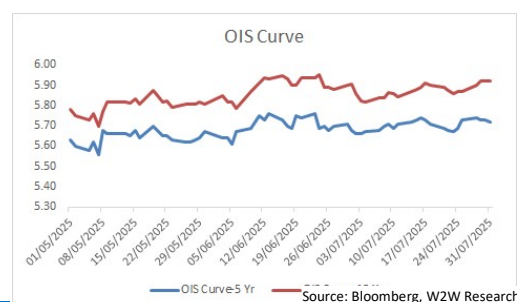
## Debt Market Outlook

- The U.S. economy is currently navigating a period of persistent inflation and widening fiscal deficit. The Fed has maintained its interest rate at current levels while signaling close monitoring of economic conditions amid tariff uncertainties and its impact on inflation. Meanwhile, the 10-year U.S. Treasury yield, which is hovering around 4.3% - 4.5%, may decline if monetary easing materializes.
- The Eurozone is currently experiencing modest growth amidst global trade uncertainties and internal challenges. Inflation remains aligned with the ECB's 2% target, supporting expectations for a pause in policy rate adjustments. Robust credit fundamentals are underpinning strength in European bond markets, although external risks such as the potential impact of U.S. tariffs and political uncertainty within the region remain key concerns.
- China's economy is showing a mild recovery, with 4.8% GDP growth projected this year, driven by strong exports and fiscal support; its rising exports to non-US markets are also fueling disinflation across much of Asia, even as it contends with industrial overcapacity and weak domestic demand. The 10-year government bond yield is expected to remain range bound in August 2025 and may decline further by year-end, driven by uncertainty around trade deals and structural challenges to economic growth.
- Japan's economy is experiencing modest growth with real GDP projected to expand by 0.7% for the year driven by resilient domestic demand and wage growth. The BoJ has paused rate hikes to evaluate the impact of the US-Japan trade deal on growth and inflation. Rising food prices have contributed to a more optimistic view that the overall inflation outlook will remain balanced. Japan's 10-year government bond yield may edge slightly higher in late 2025, reflecting slowing growth and a stable inflation environment.
- On the domestic front, August is likely to offer a constructive environment for Indian debt markets as yields are likely to remain flat or experience a modest uptick, to 6.50% as macro conditions remain favorable, backed by the RBI MPC kept the repo rate unchanged at 5.5% with the 'neutral' policy stance continues even as the tariff situation continues to evolve. However, despite ongoing geopolitical tensions, the central bank has retained its GDP growth forecast for the current fiscal year at 6.5%, signaling confidence in domestic resilience, and CPI inflation forecast for 2025-26 has been revised downward to 3.1%, from the earlier estimate of 3.7%.
- Meanwhile, the measures from RBI to suck out excess liquidity from the system through VRR (Variable Repo Rate) and VRRR (Variable Rate Reverse Repo) auction, which may add upward pressure on yields.

Credit Spread



OIS Curve



## Investment Strategy

- The MPC's change in stance and guidance of limited space, market expectations have broadly converged to the possibility of an elongated pause. The cumulative transmission of rate cuts so far in the cycle, along with terminal rate expectations, will also influence the direction of market yields.
- Short-tenor high-grade bond funds continue to offer higher accrual, wider spreads, and an optimal risk/reward profile, presenting opportunities over the coming months and into the next year.
- **Funds investing in AAA & AA rated bonds maintaining duration of 2 to 4 years are preferred for locking-in yields. This includes categories such as Banking & PSU funds, Corporate Bond funds, Short Duration and Target Maturity funds.**



### Equity Market Review

- In July, U.S. equities rose, with the S&P 500 gaining 2.5% to close at 6,339.39, despite global uncertainty. Strong corporate earnings and optimism over trade talks with China drove the rally. The FOMC kept interest rates steady at 4.25–4.50%, hinting at possible cuts later in the year if inflation eases. However, consumer inflation rose to 2.7% and core inflation hit 2.9% in June 2025, fueled by geopolitical tensions and the inflationary effects of Trump's proposed tariffs
- European markets gained on hopes of a US-EU trade deal, lifting the Euro Stoxx 50 by 2%. The ECB held its rate at 2%, cautiously avoiding future rate cut promises due to tariff concerns. The FTSE All-Share rose 4.4%. Inflation in Europe jumped to 3.6% in June, the highest since January 2024. Despite this, the Bank of England kept rates at 4.25%, suggesting that cuts may be forthcoming later this year.
- Hang Seng gained over 3.5% in July, driven by the US–China tariff truce as more durable, though policymakers continued to ease liquidity through medium-term lending facility (MLF) injections. Japan's Nikkei 225 rose around 3% in July, supported by a weaker yen and strong earnings from exporters.
- Nifty closed below 25,000 at around the 24,768.35 level, and Sensex ended at 81,185.58 after hitting highs earlier in the month due to the weak earnings, global political tensions, and FII withdrawals. However, the combination of resilient domestic demand, supportive monetary policy, and focused institutional buying ensured that the correction remained contained.
- Nifty Midcap 100 dropped nearly 0.83%, and the Nifty Smallcap 250 fell approximately 0.91% on July 31 amid intense trade jitters over a looming 25% U.S. tariff. Sectoral performance for the month was dampened by Shipbuilding (-15.81%) and Manufacturing (-10.36%), followed by Aviation (-9.67%), and Trading (-9.44%), while Hospitality (+5.26%) and consumer durables (+4.52%) gained for the month.

### Equity Market Outlook

- In the month of August, the US equity market may remain optimistic; however, short-term volatility and continued choppiness due to uncertainty around trade policies, especially potential tariffs by US President Trump, may raise the risk of inflationary pressure, lowering the expectations of the rate cut by the Fed in September 2025. While, strong corporate earnings and subdued inflation may support long-term growth, risks tied to geopolitical tensions and fiscal policy may remain.
- European market is expected to experience a modest recovery, with August potentially shaping up to be constructive, provided fiscal support remains intact and global trade tensions subside. The UK market in August 2025 shows a mixed outlook. Interest rate cuts and optimism in certain sectors provide encouraging signs, yet persistent inflation, slow economic growth, and global trade tensions remain hurdles. Despite these challenges, the FTSE 100 may trend toward the 9,000 level by year-end
- In August, positive momentum in the Japanese market may be fueled by structural reforms, rising consumer spending driven by wage growth, compelling equity valuations, and strengthening US–Japan trade relations. While policy ambiguity and global trade tensions present potential headwinds, the market index is likely to remain stable or trend slightly upward.
- Chinese market in August 2025 may face challenges related to domestic demand, the property sector downturn, and external trade tensions, the government's commitment to strategic investments in technology, high-tech manufacturing, and emerging markets like green energy, along with efforts to stabilize the economy, may offer potential growth opportunities. Careful monitoring of policy shifts, market signals, and geopolitical dynamics will be crucial for navigating this complex environment.
- On the domestic front, the equity market is navigating a mixed landscape this August, marked by cautious optimism, sectoral divergence, and macroeconomic crosswinds. Strong domestic demand, resilient corporate earnings, and policy support may continue to support the markets. Meanwhile, the RBI MPC hit pause on the ongoing rate cut cycle, maintaining the repo rate at 5.50%. This move comes in the backdrop of the US imposing steep tariffs on Indian exports and the resulting pressure on the Rupee.

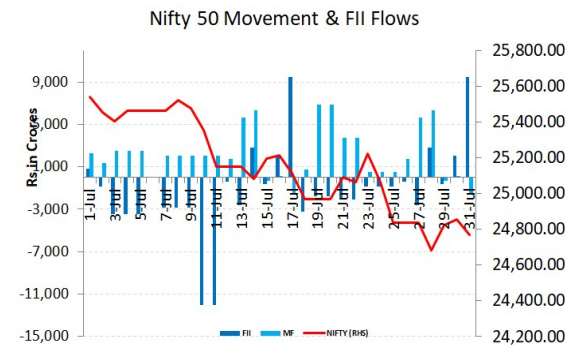
### Investment Strategy

- Elevated valuations and slowing corporate profits are reversing buyer-seller incentives in Indian equities. Given India's unexpectedly high tariff exposure, capital flows may remain volatile, especially as domestic demand remains subdued. The government's policy response will be pivotal in countering these challenges.
- The medium-term outlook for India's economy appears cautiously optimistic. With favorable monsoons, recovery in the rural economy on the back of high crop prices, better output, lower input costs and state welfare schemes would drive domestic consumption in 2025
- **Given the high valuations of midcaps & small caps and current market volatility, large caps are likely to remain attractive from the risk-reward perspective. Hence, funds with a large-cap bias including Large cap, Multi-cap & Flexi-cap would be an ideal investment choice from a medium-term perspective. For aggressive to moderate investors with a short to medium-term horizon, we suggest diversifying into Multi Asset Allocation and Balanced Advantage Funds.**

### Indices Performance

Index	31-Jul-25	31-Jul-24	Change	% Chg
<b>India</b>				
Sensex	81,186	81,741	-555.8	-0.7%
Nifty 50	24,768	24,951	-182.8	-0.7%
<b>US</b>				
Dow Jones	44,131	40,843	3288.2	8.1%
Nasdaq	21,122	17,599	3523.1	20.0%
<b>EC</b>				
FTSE 100	8,368	9,133	-764.8	-8.4%
<b>Asia</b>				
Nikkei 225	39,102	41,070	-1968.0	-4.8%
Hang Seng	17,345	24,773	-7428.7	-30.0%
Shanghai Comp	2,939	3,573	-634.5	-17.8%
Bovespa	133,071	127,652	5419.0	4.2%
RTS	1,142	1,078	131993.5	12249.5%
<b>Other</b>				
MSCI WORLD	3,572	4,076	-504.5	-12.4%
MSCI EM	1,085	1,243	-158.5	-12.7%
MSCI EM Asia	687.34	592.29	95.1	16.0%

### Nifty 50 Price & FII and MF flows



### Sector Performance

Sector Index	31-Jul-25	31-Jul-24	Change	% Chg
BSE Auto	52,901	60,185	-7284.1	-12.1%
Bankex	62,100	58,866	3233.8	5.5%
BSE CD	59,472	60,929	-1457.5	-2.4%
BSE CG	68,237	75,640	-7403.5	-9.8%
BSE FMCG	22,507	20,567	1940.2	9.4%
BSE HC	40,519	45,372	-4853.0	-10.7%
BSE IT	41,707	34,809	6898.3	19.8%
BSE Metal	30,886	32,771	-1885.4	-5.8%
BSE Oil	26,797	32,563	-5766.5	-17.7%
BSE Power	6,698	8,442	-1743.9	-20.7%
BSE PSU	19,066	22,814	-3747.7	-16.4%
BSE Real	7,082	8,540	-1457.9	-17.1%
BSE TEC	17,195	19,088	-1892.9	-9.9%

## GOLD, SILVER, OIL & CURRENCY

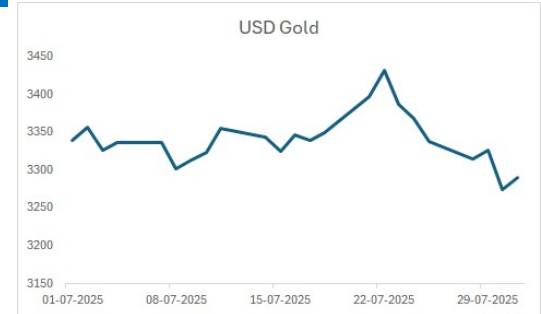
### Review

- Gold prices in July 2025 exhibited a largely bullish trend, reflecting ongoing global uncertainties, investor risk aversion, and macroeconomic shifts. Gold prices closely tracked global trends, although rupee fluctuations and local demand conditions added further complexity. Prices touched a high of approximately Rs. 1,00,250 per 10 grams in the third week of July, reflecting strong international cues and limited supply. However, by the end of the month, gold in India saw a slight cooling-off, settling near Rs. 9,830 per gram.
- In July, Silver prices maintained its bullish trajectory with fresh highs witnessed both globally and in India at Rs. 1,14,000/kg. The rally was underpinned by industrial demand, strategic investor shift, and structural supply constraints. Industrial demand surged, particularly from green energy, solar panels, and semiconductor/AI applications. Continued production shortages globally and soaring industrial demand created a persistent supply-demand imbalance, pushing prices. As a result, this structural demand lent support to silver prices throughout July, and silver significantly outperformed gold during the month.
- In July, Brent crude showed modest strength due to improving macro sentiment, progress in US-EU trade talks, and potential supply disruptions tied to geopolitical tensions, even amid mounting inventory concerns, despite rising output from OPEC+. At the end of the month, Brent trading near \$70, supported by geopolitical dynamics and trade optimism, yet tempered by concerns over rising supply and softening demand growth.
- In July 2025, USDINR strengthened from around ₹85.60 at the start and ended near ₹87.60-87.70 by the month's end, reflecting a convergence of trade risk, capital outflows, and a stronger dollar index. However, modest RBI FX intervention limited the rise in the pair. Despite improving inflation trends domestically, these factors failed to offset downward pressure on the Indian rupee. Dollar index was at 100.04, trading near its highest level since mid-May.

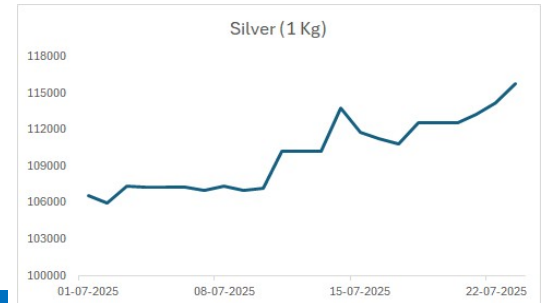
### Outlook

- Gold prices are expected to remain strong in August 2025, buoyed by a combination of factors including continued global economic uncertainty, central bank demand, and upcoming festive demand in India. The weakening Indian Rupee makes gold imports more expensive and, consequently, pushes up domestic gold prices. Gold prices are expected to trade in the range of approx. ₹96,000 - ₹99,000 per 10 grams.
- The Silver market in August 2025 has been influenced by a combination of factors, including global economic conditions, industrial demand, and investor sentiment. Silver's role in the green energy transition, particularly in solar panels, as well as its use in electronics and 5G technology, continues to fuel demand. A weaker dollar and anticipated interest rate cuts in the US could make silver more attractive to international investors. Silver prices could reach 1,25,000 per kg level.
- The USDINR is expected to remain volatile in August, driven by global economic shifts, US policy moves, and domestic factors. Geopolitical tensions and trade war risks may strengthen the dollar, while reduced RBI intervention could heighten rupee fluctuations. Weak capital flows and a widening current account deficit may pressure the rupee, though moderating inflation, narrowing fiscal deficit, and stable GDP growth (6.5%) could limit depreciation. Strong FDI inflows and healthy forex reserves offer support. USDINR is likely to remain in the range of 87.00 to 88.00.
- The crude oil market in August 2025 may remain mixed, leading to a largely fluctuating but overall declining price trend. Increased tensions, like heightened U.S. sanctions on Russian oil or a new "maximum pressure" campaign against Iran, could reduce global oil supply by up to 1 million barrels per day (bpd), potentially pushing Brent prices temporarily higher. Crude oil prices may remain within 65 to 75 level.

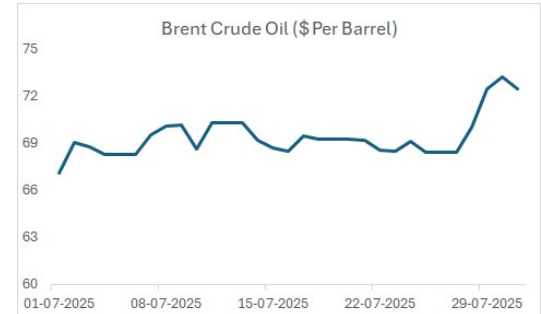
### International Gold Prices



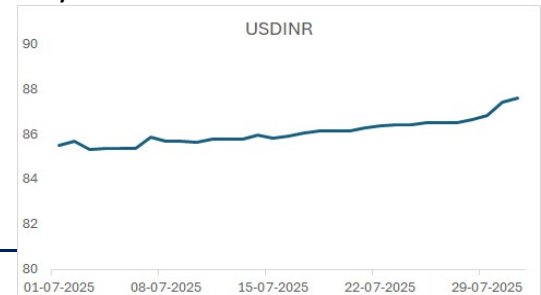
### Silver Prices:



### Crude Oil Prices



### USD/INR



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