



CIO Office Global Markets Weekly Kickstart

Rediscovering India

17 November 2025



U.S. Ends Longest Shutdown; Upcoming Data Will Guide December Rate Decision

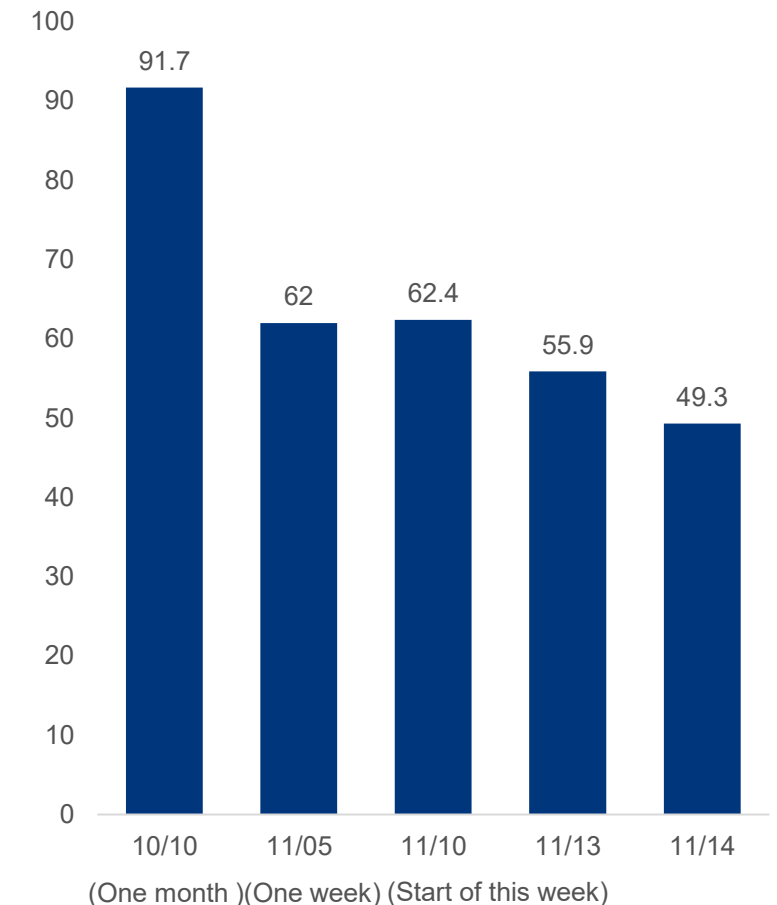
- ▶ The U.S. government's longest shutdown ended on Nov 9 after the Senate reached a funding agreement, later signed by President Trump. Republicans conceded on the Affordable Care Act to secure support from eight Democratic senators. The deal ensures federal funding through regular appropriations until Sept 30, 2026. The shutdown caused widespread disruption—including thousands of flight cancellations and ongoing federal employee layoffs. The CBO estimates the stoppage will shave 1% off 4Q25 GDP growth.
- ▶ The shutdown also delayed several key economic releases, setting up a wave of data in the second half of the month that will inform the Fed's Dec 9–10 policy meeting. However, markets remain concerned that October CPI, PPI, and PCE data may be incomplete due to disruptions in data collection. Weekly jobless claims from the Labor Department may also miss submissions from some states, increasing uncertainty around the Fed's upcoming rate decision.

Key Economic Data Affecting the Fed's Policy Decision Delayed (Jobs, PPI, PCE, etc.)

Data Item	Original Release Date	Expected Delay	Covered Month
Bureau of Labor Statistics (BLS)			
Employment Report (NFP, UR)	Oct 3	Expected mid-Nov	Sep
International Trade	Oct 8	Date TBD	Sep
CPI	Oct 15	Oct 24	Sep
PPI	Oct 16	Date TBD	Sep
JOLTS	Oct 20	Date TBD	Sep
Census Bureau			
Housing Starts & Building Permits	Oct 17	Date TBD	Sep
Durable Goods Orders	Oct 28	Date TBD	Sep
Bureau of Economic Analysis (BEA)			
GDP, Advance Estimate	Oct 30	Date TBD	Q3
PCE Price Index	Oct 31	Date TBD	Sep

Fed Watch: Probability of a 25 bps Cut in December Drops, Uncertainty Rises

Probability of a 25 bps Rate Cut, %

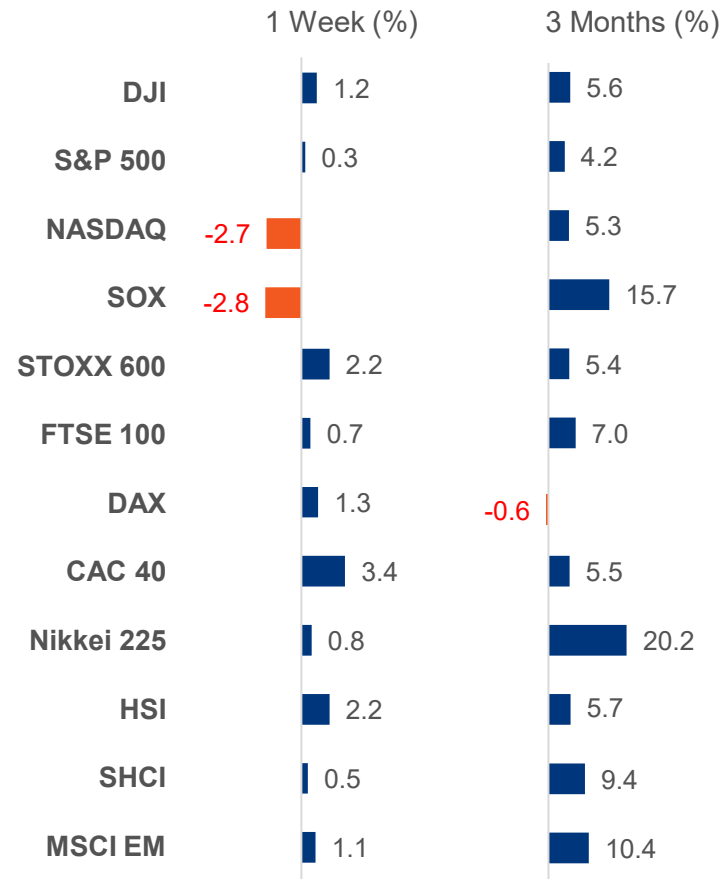


Market Recap

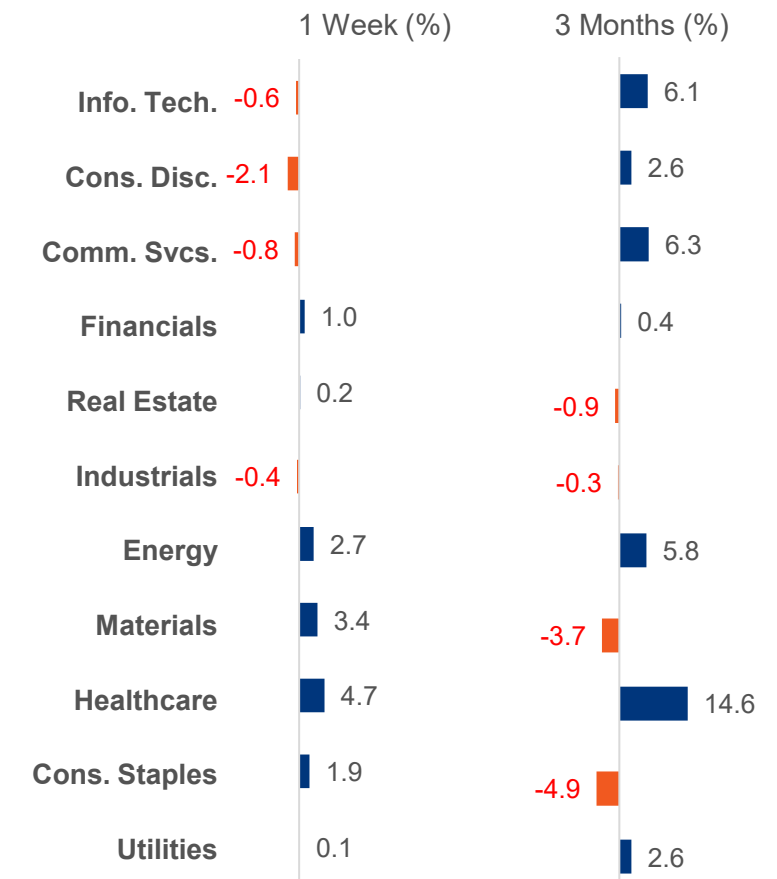
Wave of Data Releases Raises Uncertainty, Pressuring High-Valuation U.S. Tech

- ▶ President Trump signed the negotiated funding bill, ending the longest U.S. government shutdown and briefly lifting global market sentiment. However, concerns quickly resurfaced as a large backlog of unreleased economic data increased uncertainty. Several Fed officials also emphasized the need for caution. Fed Watch shows the probability of a 25 bps December cut sliding rapidly below 50%, signaling heightened uncertainty—placing high-valuation tech stocks under the most pressure. Adding to sentiment weakness, SoftBank announced a full exit of its Nvidia holdings early in the week, followed by ARK reducing Tesla exposure. Rising “AI bubble” concerns dragged the Philadelphia Semiconductor Index and Nasdaq lower, with Information Technology, Consumer Discretionary, and Communication Services leading declines.
- ▶ International markets initially reacted positively to optimism over the U.S. reopening. European equities outperformed on strong corporate earnings—particularly in financials—while ECB officials noted controlled inflation and stronger-than-expected growth. All three major European indices advanced, with France up 3.4% outperforming due to its higher financial-sector weighting. In Asia, Alibaba’s launch of its Qianwen initiative—aimed at building a top-tier AI assistant to compete with OpenAI—helped support Hong Kong equities.

Regional Index Performance (%)

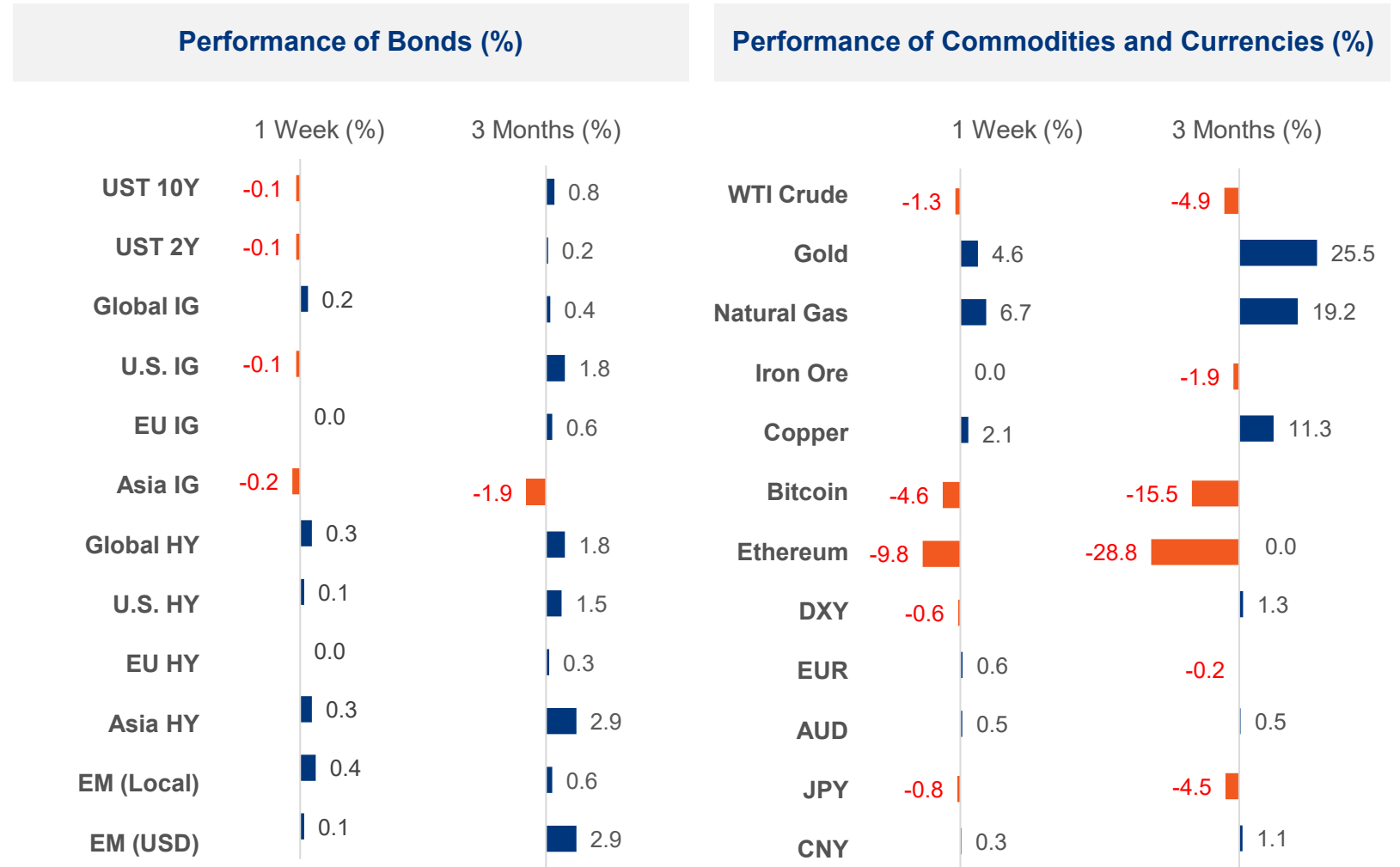


U.S. Sector Index Performance (%)



Uncertainty Around Upcoming U.S. Data Lifts Gold While Treasuries Weaken

- ▶ With several key economic releases still pending and Fed officials striking a cautious tone, the probability of a 25 bps cut in December has quickly fallen below 50% in rate futures. This pushed U.S. Treasury and IG bond yields higher. Even so, global bond markets remain constructive on the broader U.S. easing cycle, as short-term uncertainty does not alter the medium- to long-term path toward rate cuts. Steady corporate earnings continue to support credit performance, while EM local-currency bonds outperformed on ongoing EM rate cuts and a softer USD.
- ▶ Gold has strengthened this year, and rising uncertainty alongside a weaker USD has revived safe-haven demand, lifting prices back toward prior highs. Central banks continue to build gold reserves, and geopolitical tensions remain elevated—both reinforcing a constructive medium- to long-term outlook. In contrast, digital assets have softened over the past three months amid broader corrections in high-valuation names, with Bitcoin breaking below the key USD 100,000 level during the week.



Source: Bloomberg, 14 Nov 2025

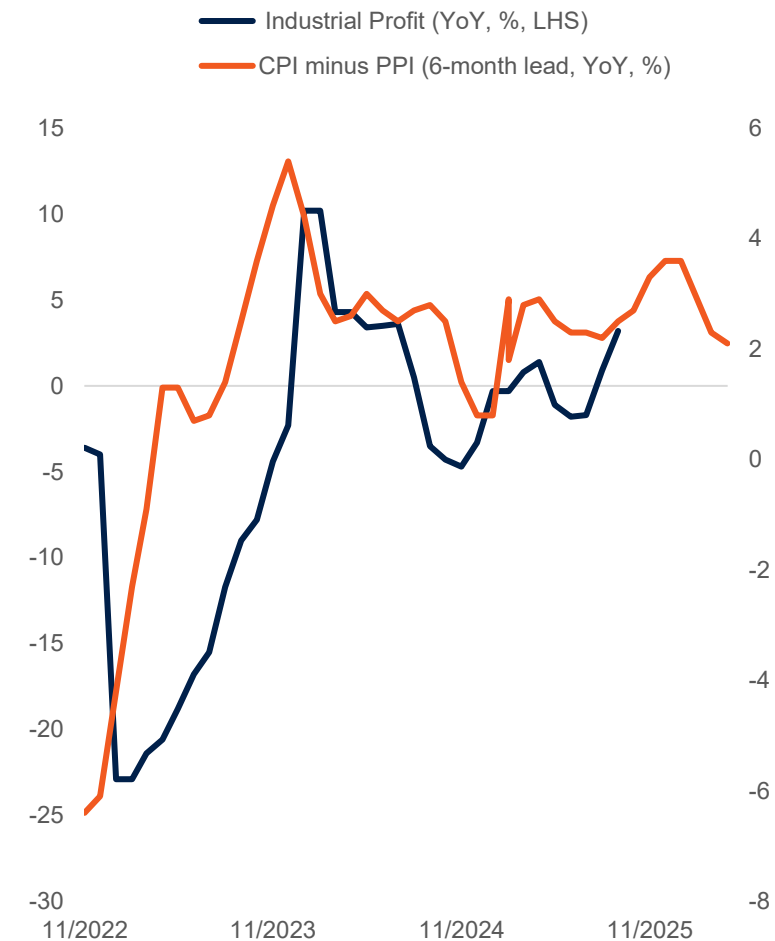
China CPI Beats Expectations; Consumer–Producer Price Gap May Support Corporate Margins

- ▶ China's October CPI and core CPI rose 0.2% and 1.2% YoY respectively, with core inflation continuing its upward trend. Headline CPI, including food and energy, reached its highest level since February. Meanwhile, PPI fell 2.1% YoY, though the decline narrowed.
- ▶ The gap between consumer and producer prices often reflects corporate margin dynamics. Mining and manufacturing show a wide divergence in profits for September, with mining down 29.3% YoY while manufacturing rose 9.9% YoY. As manufacturing represents nearly 75% of total industrial output, it helped lift overall above-scale industrial profits by 3.2% YoY. Upstream sectors focused on raw materials face significant price pressure and excess capacity—factors that benefit mid- and downstream industries.
- ▶ China's manufacturing sector remains resilient, and industries closer to end-consumer demand continue to benefit from moderate CPI and retail sales growth, widening PPI-linked profit margins. Externally, U.S.–China tensions eased following Trump's visit to Asia, reducing export pressure. Betting markets now assign a 75% probability that the U.S. Supreme Court overturns tariff policies, which could increase near-term export uncertainty but may also motivate firms to accelerate shipments during the ceasefire window.

Core Inflation Rises to a Recent High



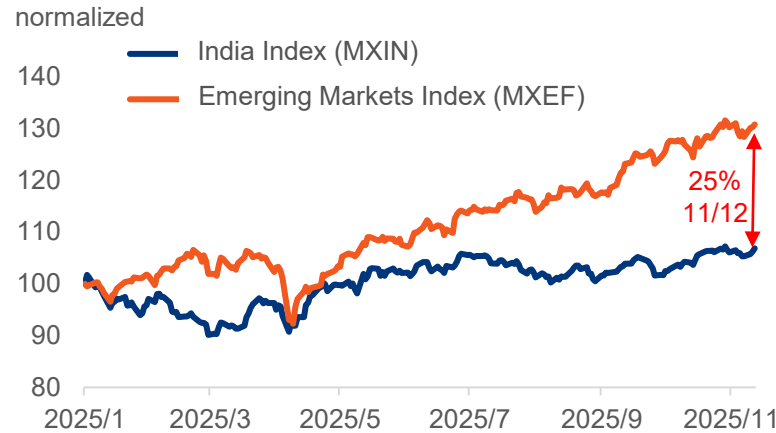
CPI–PPI Gap Supports Corporate Profitability



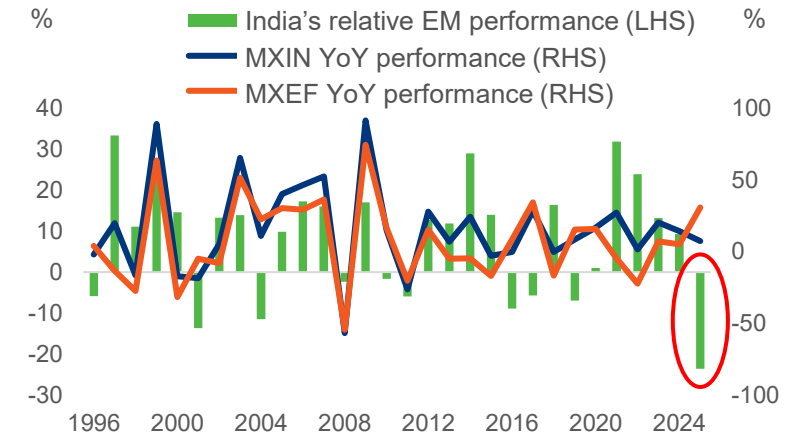
India Lags EM This Year, but Earnings Expectations Rebound Post-Results

- ▶ India has significantly underperformed other emerging markets this year. As of Nov 12, the MSCI India Index trails the MSCI EM Index by about 25%. Over the past 30 years, MSCI India typically outperforms EM by around 5%. Yet YTD returns show MSCI India up 7.3% versus EM's 30.9%—the largest single-year underperformance in three decades.
- ▶ The gap stems mainly from repeated earnings downgrades for Indian corporates earlier this year, pushing valuations higher. Geopolitical factors—including India's continued imports of Russian oil and higher U.S. H1B visa costs for Indian applicants—added pressure, prompting sustained FII outflows. Foreign investors have sold nearly USD 16bn YTD, reversing from more than USD 10bn net inflows at the 2024 peak.
- ▶ Recently, earnings have rebounded following results, and forward profit expectations for next year have been revised upward. This supports valuation normalization and may attract flows from investors rotating out of high-valuation markets.

India Lags MSCI EM Sharply YTD



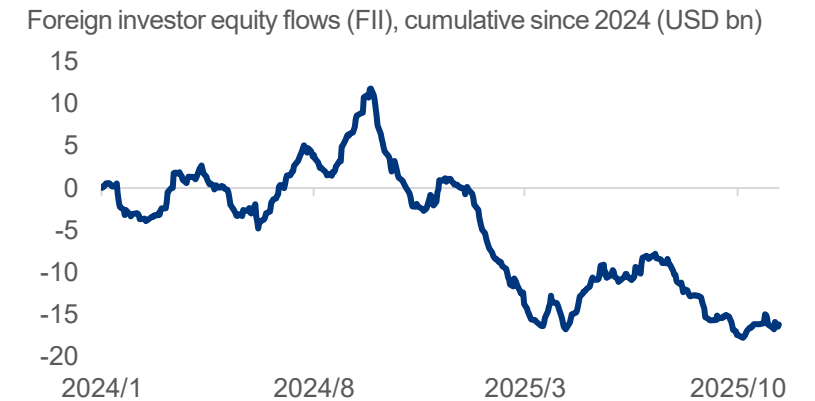
India Posts Its Largest Underperformance in 30 Years



India Earnings Rebound From Lows; 2026 Forecasts Revised Higher



Foreign Equity Outflows Exceed USD 27bn Since Last Year's Peak

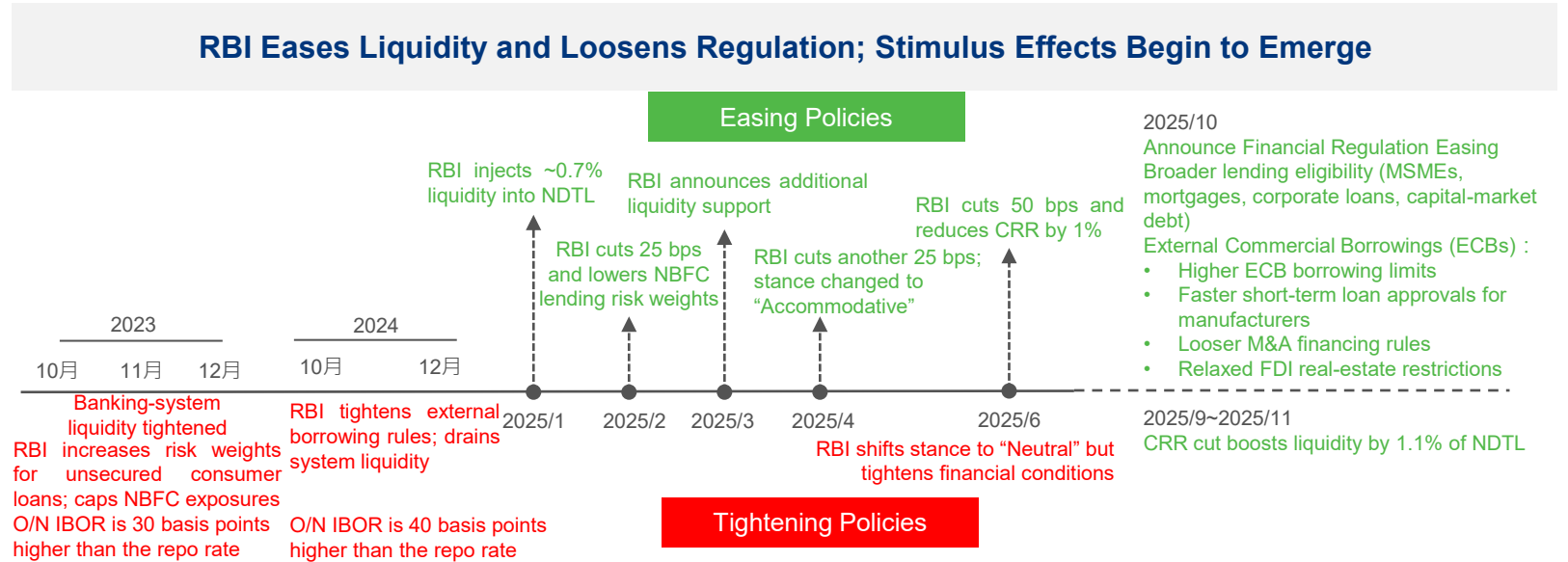


Source: Bloomberg, Goldman, KGI

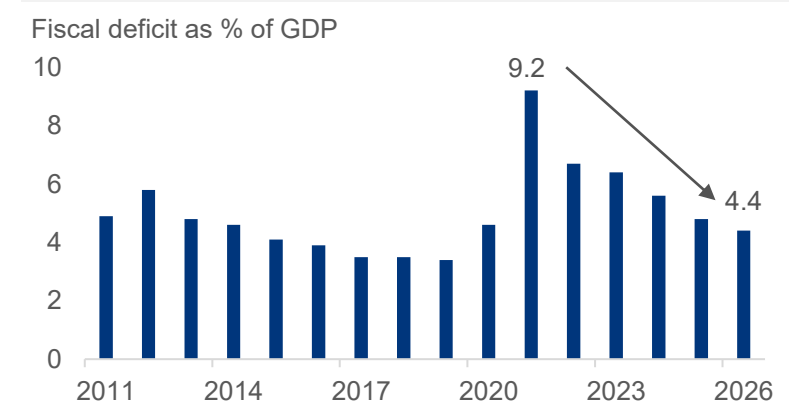
RBI Easing and Fiscal Improvement Support India's Macro Outlook and Corporate Fundamentals

- ▶ The Reserve Bank of India has delivered four 25 bps cuts in 2025—its fastest easing cycle in a decade (excluding the pandemic)—while introducing measures to improve banking liquidity and relax financial regulation. Given the lagged effect of monetary transmission, economists expect looser financial conditions to support a recovery in economic growth over the next two years. Goldman Sachs forecasts India's nominal GDP growth to return to double digits, driving a rebound in corporate revenue.
- ▶ On the fiscal front, the drag from years of consolidation is fading. India's central government deficit has been steadily improving, falling from over 8% of GDP in FY2021 to an expected level near 4% by FY2026. Stronger public finances should enhance the government's policy capacity going forward.
- ▶ After a year-long downward earnings revision cycle, corporate profits are now showing signs of recovery. With policy-driven regulatory easing, improving fiscal fundamentals, and a macro backdrop poised to re-accelerate, India's market stands to benefit—especially given underweight global positioning and recent valuation normalization.

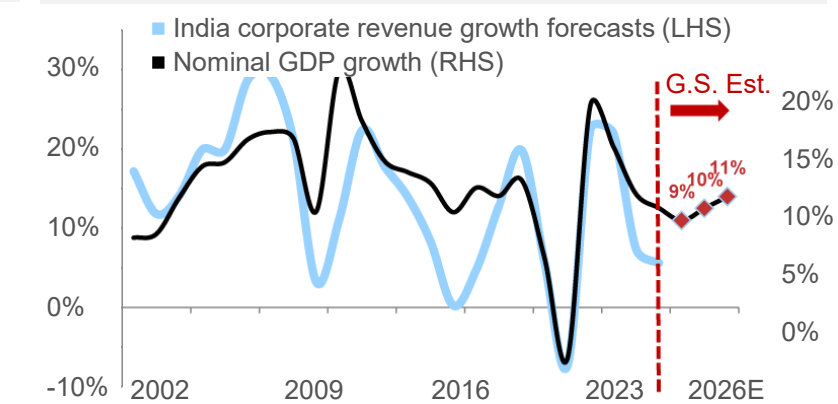
Source: Bloomberg, Goldman, KGI



Government Deficit as % of GDP Improves; FY2026 Deficit to Narrow Further



Nominal GDP Expected to Return to Double-Digit Growth in 2026, Supporting Revenues



Asset Strategy

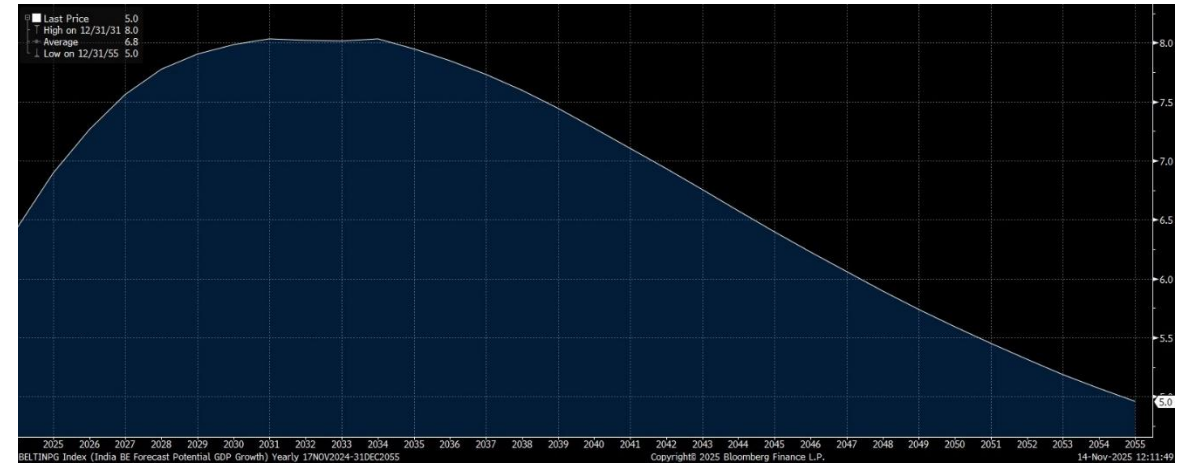
Asset Type	Market View	Preferred Assets
Equities	<ul style="list-style-type: none"> ◆ U.S.–China trade sentiment has improved, and President Trump’s signing of the funding bill ended the longest U.S. government shutdown. While equities and bonds have already priced in the short-term reopening boost, a wave of delayed data releases is approaching, and uncertainty remains around how these will influence the Fed’s policy path. U.S. earnings have been broadly positive, yet valuation concerns persist, adding pressure to markets at elevated levels. We recommend balanced sector allocation and maintaining liquidity flexibility. Investors may add high-quality equities, while long-term investors should continue accumulating AI-related and tech names on pullbacks. ◆ In Europe, equities remain attractively valued versus the U.S., with the U.K. and Germany better positioned against trade headwinds. In Japan, Prime Minister Sanae Takao’s confirmation and improving wage momentum support equity performance, enhancing diversification benefits within global portfolios. 	<p>Strategy: Use high-quality equities to navigate short-term volatility. Long-term: Accumulate AI and tech stocks on dips</p> <p>Regions: Europe, U.K., Japan, and New Asia Tech Stocks</p>
Bonds	<ul style="list-style-type: none"> ◆ With growth slowing and the labor market cooling, the yield curve has steepened. Investors should focus on locking in yields through sovereign and investment-grade bonds, favoring A-rated or higher industry leaders. Sectors offering stronger risk-adjusted spreads include financials, utilities, and industrials. ◆ A weaker USD also supports diversification into non-USD IG bonds, such as EUR- and SGD-denominated issues. 	<p>Duration: Short to medium-term Treasuries and high-grade bonds for yield lock-in</p> <p>Sector: Financials, industrials, and utilities favored for higher-quality yield</p>
Forex	<ul style="list-style-type: none"> ◆ Market uncertainty remains elevated, and the probability of a 25 bps U.S. rate cut by year-end has declined, pushing short-term flows out of the USD and into other currencies. With the easing cycle intact, the USD is expected to stay structurally weak over the medium to long term. ◆ Among non-USD currencies, the yen may be volatile in the near term following Sanae Takao’s appointment but should gradually strengthen as growth and rate hikes materialize. The euro and the pound are positioned for a choppy upward trend. 	<p>USD: Weak, consolidating</p> <p>EUR, JPY, GBP: Gradual upside with swings</p>
Commodity	<ul style="list-style-type: none"> ◆ The USD’s medium- to long-term weakness, lower rates from Fed cuts, lingering inflation risks, and fiscal-deficit pressures— together with continued central-bank and market gold buying—support a constructive medium- to long-term outlook for gold. Short-term pullbacks offer opportunities to accumulate on dips. 	<p>Gold: Medium- to long-term bullish</p>



India to Maintain Strong Economic Growth in the Coming Years

- ▶ On Nov 12 (ET), President Trump signed a temporary federal funding bill, ending the 43-day U.S. government shutdown—the longest in history. A full return to normal operations may take several days to over a week.
- ▶ Due to the shutdown, October nonfarm payrolls and CPI data were not released.
- ▶ President Trump indicated the U.S. will eventually cut tariffs on Indian goods. A U.S.–India trade agreement is approaching, aiming to deepen economic and security ties, boost U.S. energy exports, and support Indian investment in key U.S. sectors.
- ▶ According to Moody's, India is set to remain the fastest-growing economy in the G20, supported by government spending, export diversification, and strong consumer demand. Real GDP is expected to grow 7% this year, followed by 6.4% and 6.5% in 2026 and 2027. Robust domestic consumption and infrastructure investment remain India's key growth drivers.

Bloomberg India GDP Growth Forecast (2024–2055)



ICICI Bank Limited (IBN US)

Closing Price US \$31.15

Target Price US \$35

ICICI Bank provides savings, loans, cards, insurance, investments, mortgages and online banking services to customers globally.

Resilient Macro Backdrop Supports Long-Term Credit Demand

India remains one of the fastest-growing major economies, with Moody's and the RBI expecting GDP growth of 6.5% through 2027, supported by strong infrastructure spending, tax-driven consumption, and easing inflation. Recent VAT reductions on essentials and discretionary goods should lift household spending and credit demand, helping offset tariff headwinds from the U.S. ICICI stands to benefit directly from improving domestic liquidity and rising demand across retail, SME and trade finance segments.

RBI Liquidity Easing and Policy Support Strengthen ICICI's Lending Capacity

The RBI's relaxation of liquidity coverage ratio requirements has released substantial capital back into the banking system, improving sector-wide liquidity by roughly 600 bps. With another 25 bps rate cut expected in December, the monetary environment remains supportive of faster loan growth heading into FY2026.

Tariff Headwinds Easing; Export-Linked Credit Cycle May Recover

India's export sector has been pressured by elevated U.S. tariffs, but recent discussions point to possible tariff reductions. The government's USD 5.1bn export-support package will directly benefit trade-related borrowers and allow ICICI to capture rising working-capital demand as exporters stabilize. With external risks easing and domestic support rising, ICICI is well positioned to benefit from improving export finance activity and ongoing consumption strength.

FY26 Q2 Results Show YoY Improvement

FY26 Q2 revenue rose 2.21% YoY to USD 3.31bn, beating consensus by USD 55.27m. EPS came in at USD 0.39, above expectations by USD 0.03. Deposits grew 7.7% YoY and domestic loans increased 10.6%. Net income rose 5.2% YoY, also ahead of expectations.

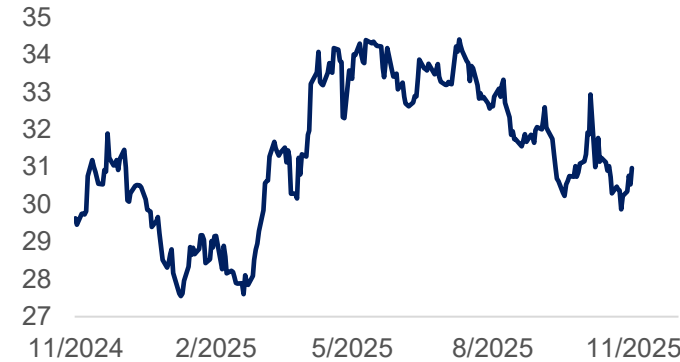
Valuation Consensus

Bloomberg's 12-month average target price is USD 39.8, with a high of USD 42 and a low of USD 38.2.

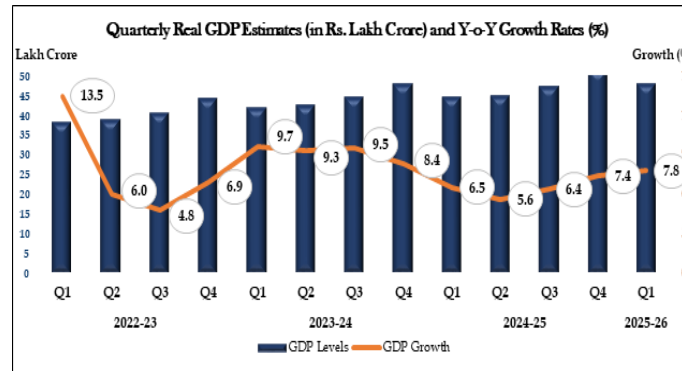
Source: Bloomberg, MoSPI

1-Year Price

(USD)



India Quarterly Real GDP

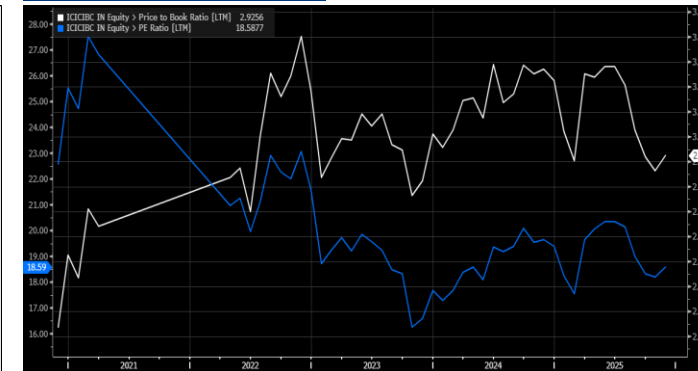


Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	22.8	18.9	84.1	10.3	13.6
EBITDA (%)	49.2	54.1	35.4	43.5	44.7
EPS(USD)	0.60	0.75	0.84	0.83	0.94
Net Profit Margin(%)	38.2	41.0	43.1	42.2	41.8

Source: Bloomberg; 2026/27F are market estimates

P/E & P/B



MakeMyTrip (MMYT)

Closing Price US \$76.21

Target Price US \$90

MakeMyTrip Ltd. provides online travel services, allowing users to research and plan trips and book flights, hotels, packages, trains, buses, car rentals, and access travel insurance.

Macro Acceleration Boosts Travel Consumption

India is expected to maintain 6.5–6.7% GDP growth through 2027, supported by infrastructure spending, stable consumption, VAT cuts, easing inflation, and a potential RBI rate cut in December. Lower VAT, rising disposable income, and a rapidly expanding middle class are driving discretionary spending—including travel. As India remains the fastest-growing major economy and the second-fastest-growing travel market in Asia-Pacific, MakeMyTrip benefits from sustained growth in both domestic and outbound travel demand.

Surgingly Outbound Tourism Supports Growth

India’s outbound travel market continues to accelerate and is projected to reach USD 61.7bn by 2033, growing 11–15% annually. By 2027, India is expected to become the world’s fifth-largest outbound travel market, supported by rising incomes, improved air connectivity, and stronger preference for international leisure travel.

AI Enhances Platform Efficiency

MakeMyTrip’s AI initiatives have materially improved conversion rates, planning behavior, and customer stickiness. More than 25,000 daily conversations and repeat interactions within 90 days of trips show deep integration into the pre-travel workflow. AI-driven assistance enhances efficiency, cross-selling, and itinerary personalization—key drivers of margin expansion and continued market-share gains.

FY26 Q2 Results Miss Expectations Valuation Consensus

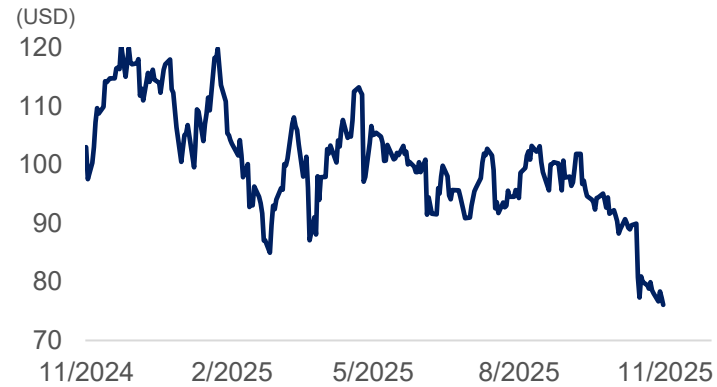
FY26 Q2 revenue rose 8.7% YoY to USD 229.34m, missing estimates by USD 32.91m. GAAP EPS was –USD 0.06, below expectations of +USD 0.25.

Valuation Consensus

Bloomberg’s 12-month average target price is USD 113.78, with a high of USD 123 and a low of USD 104.

Source: Bloomberg

1-Year Price

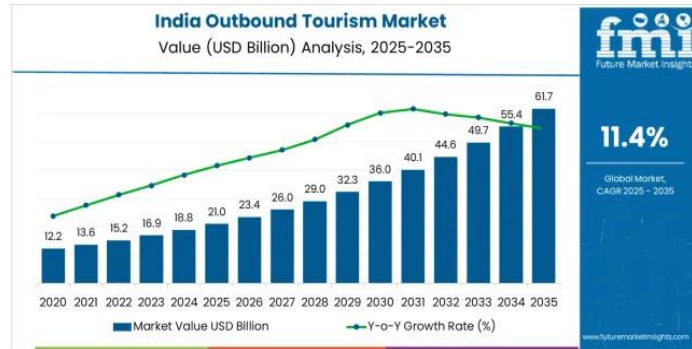


Financials

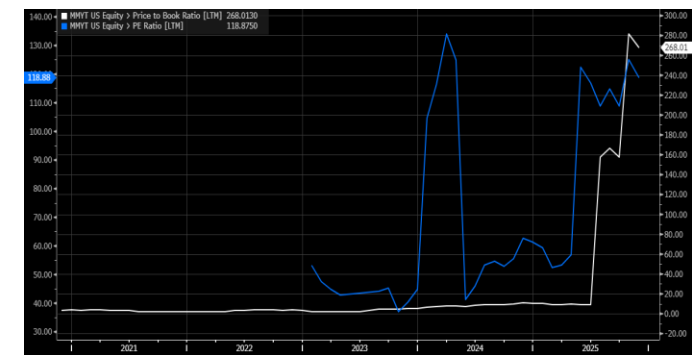
	2023	2024	2025	2026F	2027F
Revenue Growth(%)	95.1	32.0	25.0	16.9	20.3
EBITDA (%)	8.6	11.9	15.2	17.8	20.1
EPS(USD)	-0.10	1.75	0.84	1.66	1.88
Net Profit Margin(%)	-1.9	27.8	9.8	16.6	13.9

Source: Bloomberg; 2026/27F are market estimates

India Outbound Tourism Market



P/E & P/B



Appendix

Key Economic Data / Events

► Nov 2025

10

Monday

- Eurozone Nov Sentix Investor Confidence (Act:-7.4 Est:-4.0 Prev:-5.4)

11

Tuesday

12

Wednesday

- Japan Oct Machine Tool Orders YoY (prelim) (Act:16.8% Prev:11.0%)

13

Thursday

- U.S. Weekly Initial Jobless Claims (Act:- Prev:-)
- U.S. Oct CPI YoY (Act:- Est:3.0% Prev:3.0%)
- U.S. Oct Core CPI YoY (Act:- Est:3.0% Prev:3.0%)
- Japan Oct PPI YoY (Act:2.7% Est:2.5% Prev:2.8%)

14

Friday

- U.S. Oct Retail Sales MoM (Est:-0.2% Prev:-)
- U.S. Oct PPI YoY (Est:2.5% Prev:-)
- Eurozone 3Q GDP YoY (revised) (Est:1.3% Prev:1.5%)
- China Oct Retail Sales YoY (Act:2.9% Est:2.8% Prev:3.0%)
- China Oct Industrial Production YoY (Act:4.9% Est:5.5% Prev:6.5%)

17

Monday

- Japan 3Q GDP YoY (prelim) (Est:-2.4% Prev:2.2%)
- Japan Sep Industrial Production MoM (final) (Prev:-1.5%)

18

Tuesday

- U.S. Oct Industrial Production MoM (Est:0.0% Prev:-)
- Earnings: HD, MDT

19

Wednesday

- U.S. Oct Housing Starts (Prev:-)
- Eurozone Oct CPI YoY (final) (Prev:2.1%)
- Eurozone Oct Core CPI YoY (final) (Prev:2.4%)
- Japan Oct Exports YoY (Est:1.1% Prev:4.2%)
- Japan Sep Core Machinery Orders MoM (Est:2.5% Prev:-0.9%)
- Earnings: LOW, TJX

20

Thursday

- U.S. Weekly Initial Jobless Claims (Prev:-)
- U.S. Oct Existing Home Sales (Est:4.09m Prev:4.06m)
- Eurozone Nov Consumer Confidence (prelim) (Prev:-14.2)
- Taiwan Oct Export Orders YoY (Prev:30.5%)
- Earnings: NVDA, PANW, WMT

21

Friday

- U.S. Nov S&P Global Manufacturing PMI (prelim) (Prev:52.5)
- U.S. Nov Michigan Consumer Sentiment (final) (Prev:53.6)
- Eurozone Nov Manufacturing PMI (prelim) (Prev:50.0)
- Japan Oct Nationwide CPI YoY (Est:3.0% Prev:2.9%)
- Japan Nov S&P Global Manufacturing PMI (prelim) (Prev:48.2)
- Earnings: INTU

Source: Bloomberg

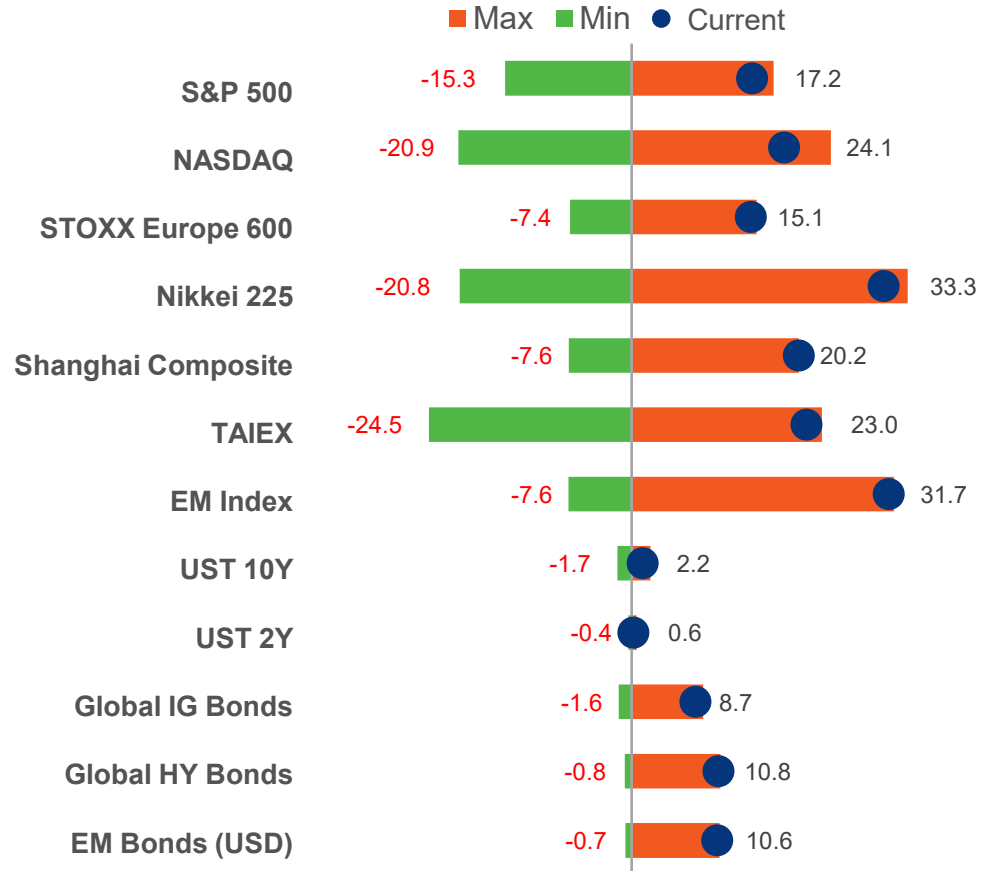
Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Expectation	
						Revenue	EPS
2025/11/13	Cisco Systems Inc (CSCO)	14.77B	14.9B	0.98	1	V	V
2025/11/13	Walt Disney Co/The (DIS)	22.75B	22.5B	1.05	1.11		V
2025/11/14	Applied Materials Inc (AMAT)	6.68B	6.8B	2.11	2.17	V	V

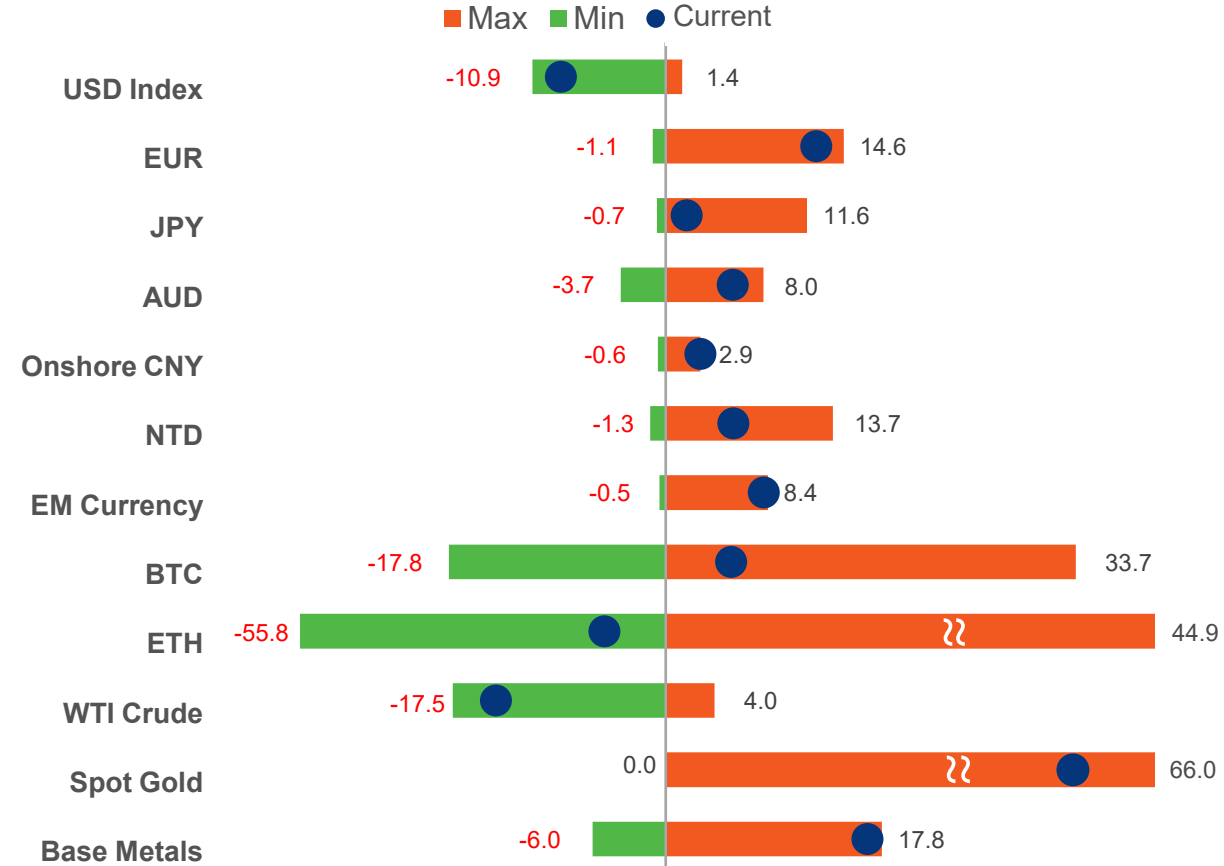
Source: Investing.com

YTD Major Market / Asset Performance

Equities & Bond Markets YTD Performance (%)

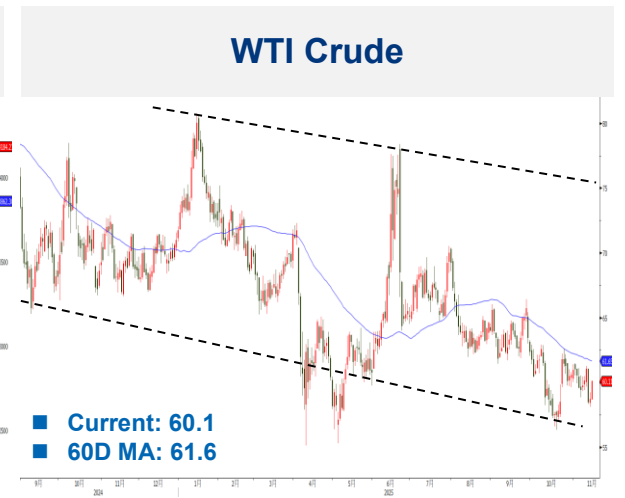
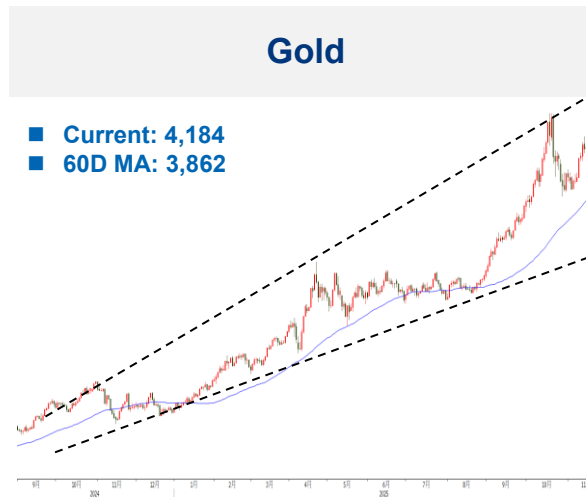
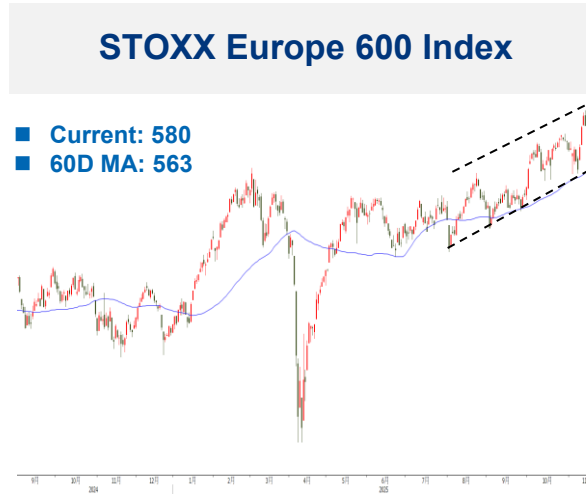


Currencies and Commodities Market YTD Performance (%)



Source: Bloomberg, 14 Nov 2025

Technical Analysis



Source: Bloomberg, 14 Nov 2025

Market Monitor

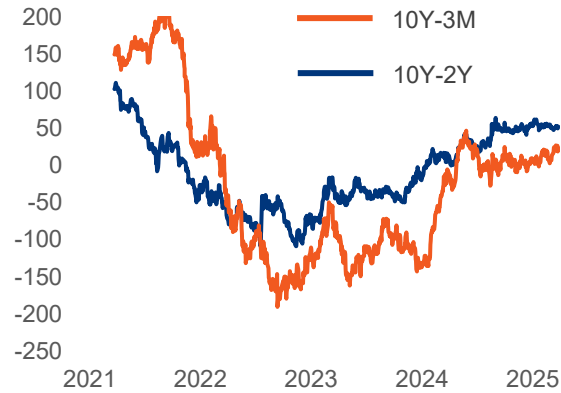
U.S. CPI YoY (%)



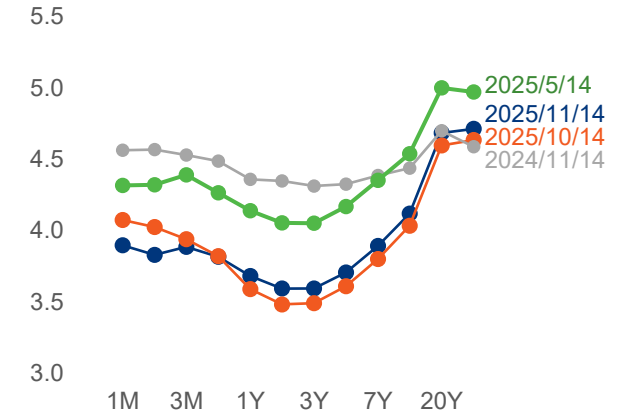
U.S. 10-Year Treasury Yield (%)



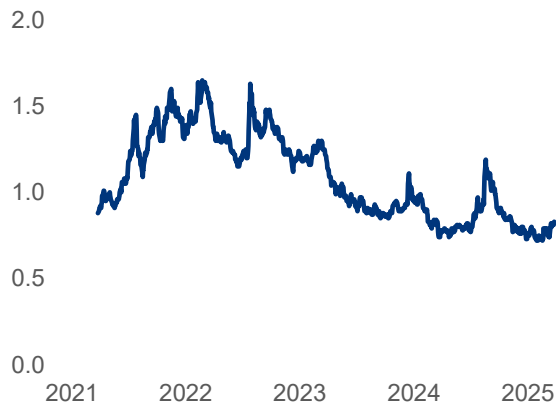
U.S. Treasury Yield Spread (bps)



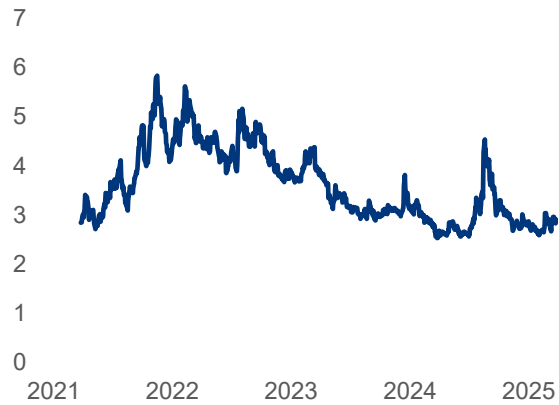
U.S. Treasury Yield Curve (%)



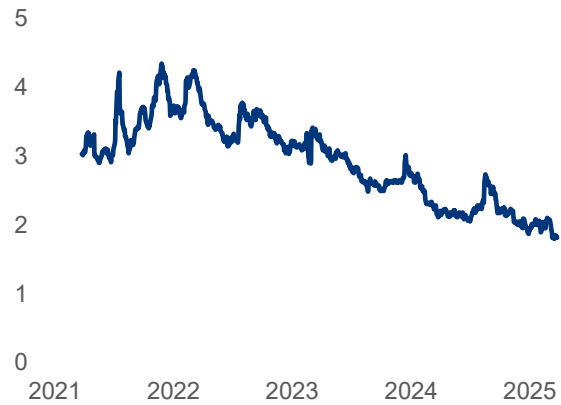
USD IG Credit Spread (%)



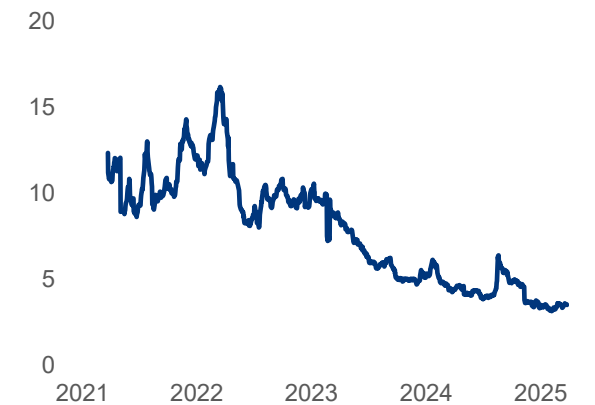
USD HY Credit Spread (%)



USD EM Credit Spread (%)



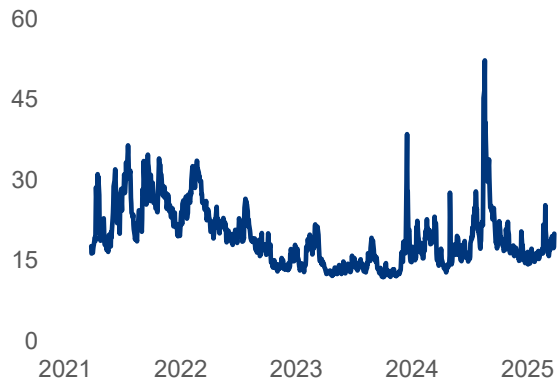
USD Asia Credit Spread (%)



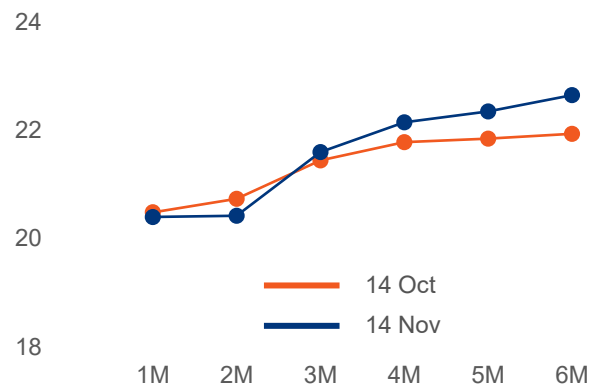
Source: Bloomberg, 14 Nov 2025

Market Monitor

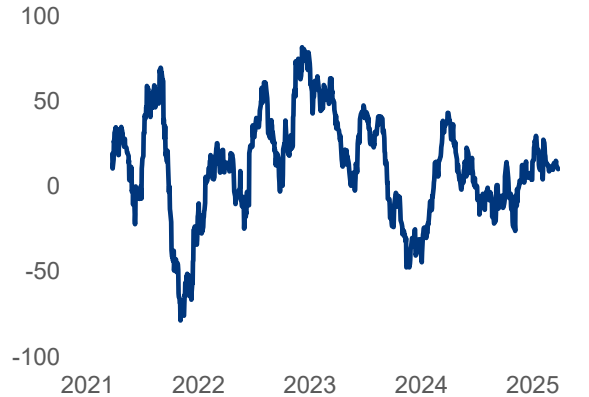
VIX Index



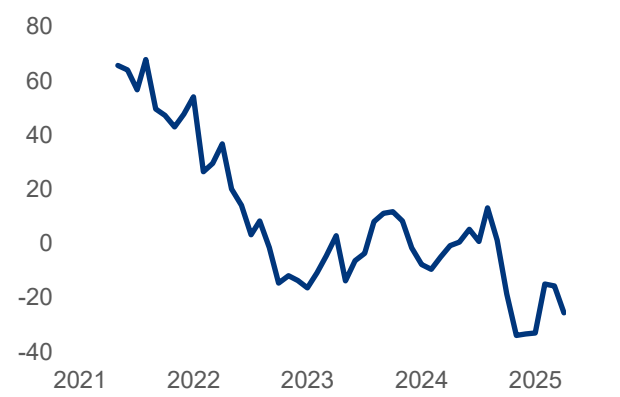
VIX Term Structure



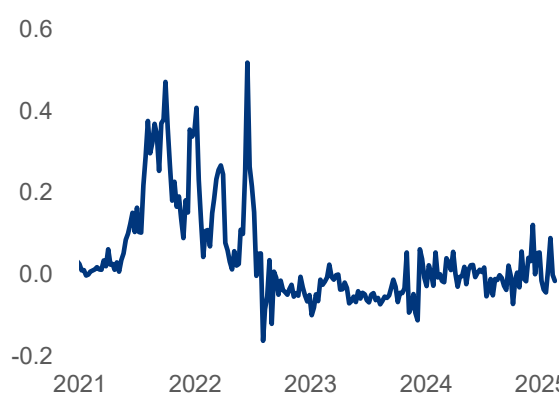
U.S. Citi Economic Surprise Index*



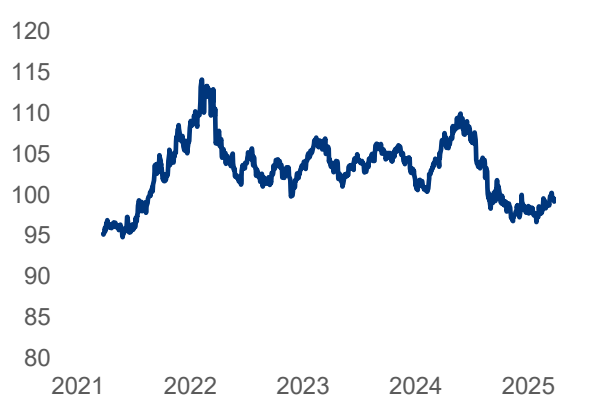
U.S. Citi Inflation Surprise Index*



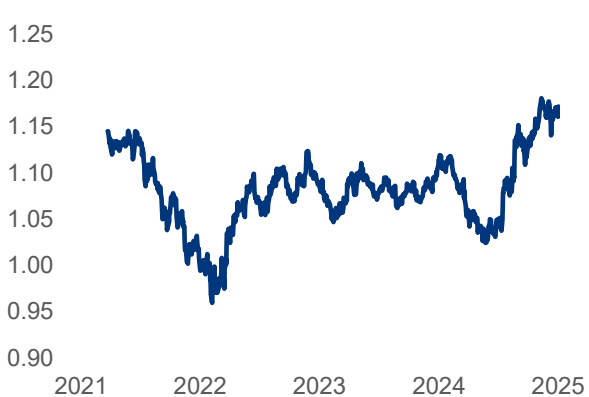
TED Spread (bps)



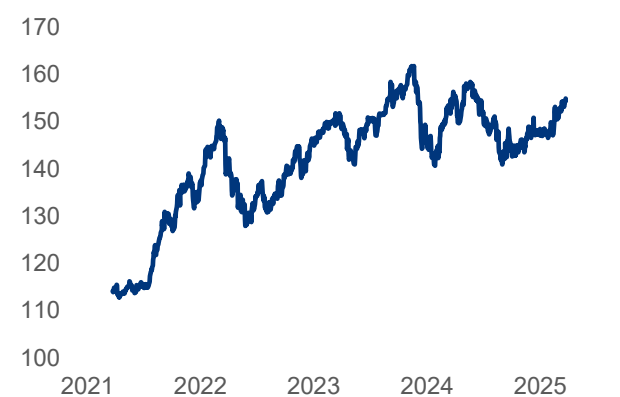
U.S. Dollar Index



EUR to USD



USD to JPY



Source: Bloomberg, 14 Nov 2025 *The Citi Economic/Inflation Surprise Index measures the deviation between economic data/actual inflation and market expectations. A rising index indicates economic improvement/inflation exceeding market expectations.

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