

Stock markets rebound in early trade mirroring rally in global peers; Sensex climbs 177 points

MUMBAI, JULY, 02: Equity benchmark indices Sensex and Nifty rebounded in early trade on Tuesday after falling in the previous trading session, amid a rally in global markets.

Moreover, buying in blue-chip stocks -- Reliance Industries and HDFC Bank -- also added to the markets optimism during the initial trade.

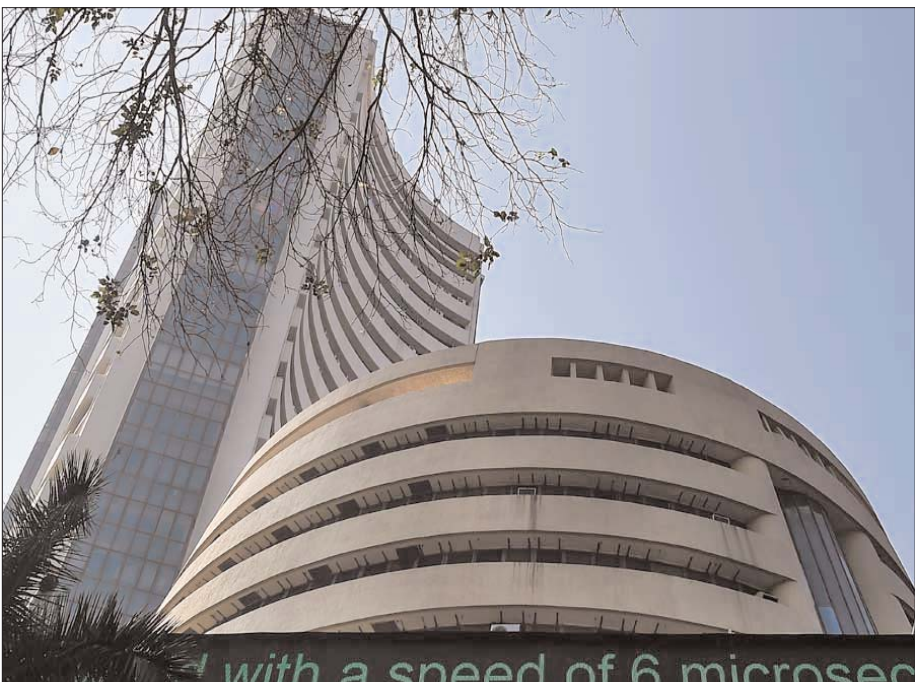
The 30-share BSE Sensex climbed 177.79 points to 83,784.25 in early trade. The 50-share NSE Nifty went up by 51.2 points to 25,568.25.

From the Sensex firms, Asian Paints, Bharat Electronics, UltraTech Cement, Reliance Industries, HDFC Bank and HCL Tech were among the gainers.

However, Trent, Axis Bank, Eternal and Tata Steel were among the laggards.

In Asian markets, South Korea's Kospi and Shanghai's SSE Composite index were trading in the positive territory while Japan's Nikkei 225 index quoted lower.

The US markets ended



higher on Monday.

"With the mother market US setting new record highs, the global equity market mood is positive. West Asian geopolitics is no longer a threat to global economy or markets.

Strong macros of the Indian economy can facilitate increasing fund flows into

Indian equity," VK Vijayakumar, Chief Investment Strategist, Geojit Investments, said.

Going forward, the market is likely to be influenced by developments on the tariff front, he added.

Global oil benchmark Brent crude dipped 0.24 per cent to USD 67.61 a barrel.

Foreign Institutional Investors (FIIs) offloaded equities worth Rs 831.50 crore on Monday, according to exchange data.

In the previous trade, the Sensex dropped 452.44 points or 0.54 per cent to settle at 83,606.46. The Nifty declined 120.75 points or 0.47 per cent to 25,517.05.

MUMBAI, JULY 02: The Reserve Bank of India on Monday expressed concerns that the domestic financial system, despite its resilience, could be impacted by external spillovers.

"Growing trade disruptions and intensifying geopolitical hostilities could negatively impact domestic growth outlook and reduce the demand for bank credit, which has decelerated sharply. Moreover, it could also lead to increased risk aversion among investors and further corrections in domestic equity markets, which, despite the recent correction, remain at the high end of their historical range," RBI said in its financial stability report.

The central bank has projected the real GDP to grow at 6.5 per cent in FY26, the same as in FY25, supported by buoyant rural demand, revival in urban demand, an uptick in investment activity on the back of above-average capacity utilisation, the government's continued thrust on capex and congenial financial conditions. However, the global developments could have a



downside impact on growth, the central bank said.

"The headwinds from protracted geopolitical tensions, elevated uncertainty and trade disruptions, and weather-related uncertainty pose downside risks to growth. Moreover, deceleration in global growth will act as a drag on domestic output. It is estimated that a 100 basis points (bps) slowdown in global growth can, ceteris paribus, pull down India's growth by 30 bps," RBI said.

The central bank said that scheduled commercial banks have continued to record an improvement in asset quality with gross and net non-performing assets (NPA) ratio falling to "multi-decadal lows" of 2.3 per cent

and 0.5 per cent as on March 31, 2025.

However, the RBI's stress tests show that the aggregate gross non NPA ratio of 46 banks may marginally rise from 2.3 per cent in March 2025 to 2.5 per cent in March 2027 under the baseline scenario and to 5.6 per cent and 5.3 per cent under an adverse scenario 1 and an adverse scenario 2, respectively. Adverse scenario 1 assumes a volatile global environment with heightened geopolitical risks and escalation of global financial market volatility, while adverse scenario 2 assumes a synchronised sharp growth slowdown in key global economies, with spillovers through trade and financial channels as well as market

fragmentation.

The RBI also said that despite the solid performance of the banks they could face near term pressures. The easing monetary policy cycle could impact the net interest margin as the growing share of the loan book is linked to the external benchmark-based lending rate, which is reset more frequently with a change in repo rate. Term deposits, which are also growing, have fixed contractual rates that change less frequently.

"The recent 100 bps cut in the cash reserve ratio, however, will cushion this impact by releasing funds for banks and reducing their costs," the RBI said.

Public sector banks' gross NPAs from the credit cards portfolio inched up to 14.3 per cent in March 2025 against 12.7 per cent six months ago, the RBI said in a report on Monday.

Their private sector rivals seem to be performing much better, with the GNPA in the credit card receivables category staying stable at 2.1 per cent over the same period, the RBI said in its half-yearly Financial Stability Report (FSR

Passenger vehicle sales drop in vehicle dispatches in June amid slowdown in domestic market

NEW DELHI, JULY 02: Maruti Suzuki and Hyundai Motor India reported a double-digit drop in vehicle dispatches in June amid a demand slowdown in the domestic market.

Maruti Suzuki, the country's largest car maker, said its total domestic passenger vehicle (PV) dispatches to dealers dipped 13 per cent to 1,18,906 units last month compared with 1,37,160 units a year ago.

"The slowdown in PV sales is largely due to a sharp decline in the smaller segment cars. Historically, PV sales used to grow at 1.5 times the GDP growth. But now, even



after 6.5 per cent GDP growth, the car market is nearly flat," MSI senior executive officer Rahul Bharti said, attributing the fall to affordability.

Hyundai Motor India dispatches to dealers in the domestic market declined 12 per cent to 44,024 units in June compared with 50,103 units in the year-ago period.

Mahindra & Mahindra reported an 18 per cent increase in sales of utility vehicles to 47,306 units in the domestic market last month against 40,022 units a year ago. Tata Motors said its PV sales, including EVs, in the domestic market, were down 15 per cent to 37,083 units compared with 43,524 units in the year-ago month.

Toyota Kirloskar Motor said its sales increased 5 per cent year-on-year to 28,869 units in June.

JSW MG Motor India reported monthly sales of 5,829 units in June, registering a 21 per cent year-on-year growth.

Luxmi Group acquires 80% stake in UK's Brew Tea Co in first overseas retail venture

NEW DELHI, JULY 02: The Luxmi group has picked up an 80 per cent stake in a UK-based seller of orthodox teas, marking the first acquisition by the Calcutta-based company of an overseas tea retailer.

Established in Manchester, Brew Tea Co, which sells premium whole-leaf (orthodox) teas through a direct-to-consumer subscription model in the UK, will now be majority owned by the Luxmi group, even as the present management of the British firm will continue to run the business.

"Working with the founders of Brew Tea to align our shared vision of bringing farm-fresh, premium teas directly to consumers is a meaningful step forward for Luxmi Tea," Rudra Chatterjee, managing director of Luxmi Group, said.

The Luxmi group has



grown over the years by strategic buyouts of estates in India and Africa. In FY25, it produced 35 million kilos of tea, including 10 million kg in Rwanda, Africa. In India, the bulk of the production is from Assam, even as the crown jewel of the Chatterjee family-owned enterprise is in Bengal, the celebrated Makaibari garden in Darjeeling.

The group currently de-

rives roughly 20 per cent of its revenue from branded tea sales, with the remainder coming from bulk exports to third parties. The acquisition of Brew Tea Co, founded by Phil and Aileen Kirby, marks a step in increasing the share of premium branded teas within the portfolio -- an area that offers stronger margins and greater long-term value.

Chatterjee emphasised

that Brew Tea Co, which now reaches over 10,000 homes across the UK, would continue to independently source the best teas.

"We see this partnership not just as a commercial opportunity, but as a way to deepen our understanding of the consumer -- insights that will inform how we grow as producers and create sustained value for all our stakeholders," Chatterjee said.

"Sourcing from estates that share our values -- with care for people, land and craftsmanship -- is what makes our tea taste as good as it does. This partnership will allow us to strengthen those relationships at the source," Phil Kirby said.

Brew Tea's focus on the orthodox variety comes at a time tea production has steadily moved towards CTC, catering to the global demand for bagged teas.

Bengal government approves occupancy certificate of ITC Infotech's campus at New Town

KOLKATA, JULY 02: The Bengal government has approved the occupancy certificate of ITC Infotech's campus at New Town.

Bengal chief minister Mamata Banerjee on Tuesday said that the ₹1,200-crore project is expected to become operational soon, generating direct employment for more than 5,000 professionals.

"Glad to share that the occupancy certificate is being issued by NKDA for ITC's world-class IT & ITES campus in Action Area III of New Town, spread over 17 acres allotted by our WBHIDCO," Banerjee said in a post on X.

An occupancy certificate, issued by the local authority, typically certifies that the



building has been constructed according to approved plans and complies with the relevant building codes, safety regulations and

local bylaws.

The chief minister said that the campus will comprise three buildings -- a high rise office tower, a busi-

ness support centre and a dedicated knowledge centre -- covering an area of 14.5 lakh square feet of already built-up space.

"With this milestone, operations are expected to commence shortly, further accelerating Bengal's rise as a preferred destination for investments by leading national and international digital and technology-driven enterprises," the chief minister said.

"Bengal clearing these projects is good news for employment generation," said S. Radhakrishnan, president, Salt Lake Sector V Stakeholders' Association and director, Infinity Group.

Sona Comstar to manufacture EV magnets in India amid China export curbs

NEW DELHI, JULY 02: Sona Comstar, India's biggest importer of rare earth magnets, plans to locally manufacture the critical components used in electric vehicles, tapping into a government push to incentivise their production at home as China restricts their exports.

China, which produces around 90 per cent of the world's rare earth magnets, put restrictions in April on their exports as part of its response to US tariffs. While the US and China signed a deal this month to speed up approvals of rare earth exports, governments and companies globally are scrambling to look for alternatives.

India, which has the world's third-largest car market and its fifth-largest reserves of rare earths, is



working on a new programme to incentivise magnet production locally to wean off China.

Gurgaon-based Sona Comstar, officially known as Sona BLW Precision Forgings, is the first company in India to announce plans to make magnets domestically after the government's programme became public.

"Being the largest im-

porter of rare earth magnets, we are the single largest affected party in the country. We have to look at India's self-sufficiency on magnets and are working with the government on it," Sona Comstar CEO Vivek Vikram Singh told Reuters in an interview.

The company, which supplies gears and motors to car makers such as Tesla and

Stellantis imported 120 metric tonnes of magnets from China in the last financial year.

Singh said the company will look at the Indian incentives once they are finalised, and other factors, to determine its investment in local manufacturing. He said the company has the funds for local manufacturing, citing its five-fold increase in revenue to more than \$400 million over the past five years.

Any plans to mine and process rare earths would take years to develop, so will not provide an immediate solution to reducing reliance on China. Sona Comstar itself had plans to import 200 tonnes of magnets this year to meet the growing needs of its EV customers, which make up about a third of its revenue, Singh said.

Tesla sales fell sharply in Q2 as Elon Musk backlash, competition chipped away at company's dominance

NEW DELHI, JULY 02: Sales of Tesla electric cars fell sharply in the last three months as boycotts over Elon Musk's political views continue to keep buyers away, a significant development given expectations that anger with the company's billionaire CEO would have faded by now.

The company reported a 13% plunge in sales on Wednesday in another sign that Musk's embrace of US President Donald Trump and far-right politicians in Europe has had a deep and enduring hit to Tesla's brand appeal.

ADVERTISEMENT

The new figures also suggest that Tesla could disappoint when it announces second quarter earnings later this month. In the first three months of this year, net income fell 71%.



Sales fell to 384,122 in April through June, down from 443,956 in the same period last year. During this period, Musk formally left the Trump administration as a cost-cutting czar and hopes rose that sales would recover.

Sales of the Models 3 and Y totalled 373,728, above the estimate of 356,000 from Wall Street analysts. Tesla shares rose about 1.5% in

early trading.

Tesla is also facing stiff competition from other electric makers, especially in Europe where China's BYD has taken a bite out of its market share.

Musk has acknowledged that his work as head of the Department of Government Efficiency and his embrace of European far-right candidates have hurt the com-

pany. But he attributed much of the sales plunge to customers holding off while they waited for new versions of Tesla's best selling Model Y, and recently predicted a major turnaround in sales.

The new figures come as the company is focusing less on coming out with new models and more on robots, self-driving technology and robotaxis ferrying passengers around without anyone behind the wheel.

Tesla is in the midst of a test run of robotaxis in Austin, Texas, that seems to have gone smoothly for the most part.

But it also has drawn the scrutiny of federal car safety regulators because of a few mishaps, including one case in which a Tesla cab was shown on a widely shared video heading down an opposing lane.

Markets end lower; HDFC Bank, foreign fund outflows drag; Sensex drops 287 points

NEW DELHI, JULY 02: Benchmark indices Sensex and Nifty pared early gains to end lower on Wednesday, dragged down by selling pressure in HDFC Bank, L&T and Reliance Industries shares ahead of the impending US tariff deadline.

Flight of foreign capital from markets and a mixed trend in global equities impacted sentiments, traders

said.

After the initial euphoria, the BSE Sensex later lost momentum and ended 287.60 points or 0.34 per cent lower at 83,409.69. During the day, it dropped 546.52 points or 0.65 per cent to 83,150.77.

The 50-share NSE Nifty declined by 88.40 points or 0.35 per cent to settle at 25,453.40.

From the Sensex pack, Bajaj Finserv, Larsen & Toubro,

Bajaj Finance, HDFC Bank, Bharat Electronics and Kotak Mahindra Bank were among the major laggards.

However, Tata Steel, Asian Paints, UltraTech Cement, and Trent were the biggest gainers.

"Mixed global cues, particularly ahead of the impending tariff deadline, are driving investor caution. Market attention is gradually shifting to crucial Q1 earnings,

which have high expectations.

"Underlying trends such as robust macroeconomic fundamentals and increased government expenditure continue to support market resilience. However, being at the breach level of the recent rally, a cautiousness is expected to continue in the near term," Vinod Nair, Head of Research, Geojit Investments Limited, said.