

EQUITY MARKET UPDATE

August 2025

Global Market Update

Indices	Index Movement in Jul-25	Current PE	10 Yr Average
*US	0.1	23.4	19.0
UK	4.2	13.7	14.5
Japan	1.4	19.0	19.6
Hong Kong	2.9	11.8	11.3
Singapore	5.3	12.9	14.2
China	2.4	11.3	8.8

Data Source: Axiscap Research & Crisil Research; Data till July 31, 2025. PE: Price to Equity Ratio. *US Dow Jones Industrial Average is considered.

- US economy contracted annualised 0.5% in Q1CY25, compared with 2.4% growth in Q4CY24. Fed left the rates unchanged at 4.25%–4.50% for a fifth consecutive meeting in Jul-25, as policymakers take a cautious stance to fully evaluate economic impact of President's policies
- Eurozone economy expanded 1.5% in Q1CY25 compared to 1.2% in Q4CY24. ECB kept interest rates unchanged in Jul-25, marking end of its easing cycle after eight consecutive cuts. Main refinancing rate remains at 2.15%, while lending rate remained unchanged at 2.40% and the deposit facility rate at 2.00%
- UK economy grew by 1.3% in Q1CY25 compared to 1.5% expansion in Q4CY24.
- Japanese economy contracted by 0.2% Q1CY25 compared to revised 2.2% growth Q4CY24. BoJ kept its key short-term interest rate unchanged at 0.5% during its Jul-25 meeting
- PBoC key lending rates in Jun-25. One-year LPR was held steady at 3.0%, while the five-year LPR, which guides mortgage rates, remained unchanged at 3.5%.

(Source: CRISIL Research. US: United States, ECB: European Central Bank; PBoC: People's Bank of China; UK: United Kingdom; GDP: Gross Domestic Product, BoJ: Bank of Japan)

Indian Market Update

Indices	Index Movement in July-25	Current PE	10 Yr Average
BSE Sensex	-2.9	23.6	24.2
BSE Small Cap	-2.3	33.5	36.1
BSE Auto	-1.1	29.0	27.0
BSE Bankex	-3.2	15.4	21.4
BSE Capital Goods	-5.7	46.6	38.0
BSE Consumer Durables	-0.5	80.0	54.9
BSE FMCG	1.6	43.1	37.7
BSE Healthcare	2.5	46.5	31.2
BSE IT	-8.7	26.1	22.0
BSE Metals	-2.6	15.2	13.0
BSE Mid Cap	-2.3	35.7	29.6
BSE Oil & Gas	-3.8	12.3	12.0
BSE PSU	-4.8	11.5	11.9
BSE Realty	-7.3	55.1	46.3

Data Source: Axiscap Research & Crisil Research; * Data till July 31, 2025 is considered

INDEX PERFORMANCE:

- Indian equity markets snapped a four-month win in Jul-25, with US tariffs, a strengthening USD, weak domestic earnings and heavy foreign fund outflows exerting tremendous pressure. As a result, both benchmark indices saw losses. While BSE Sensex ended at 81,186 points, 2.9% lower from Jun-25, Nifty 50 also shed 2.9% to close at 24,768 points
- During the last few trading sessions, 25% tariffs from US government, weak Q1 numbers, weak cues from Asian markets and a rise in Brent crude prices, further dimmed investor sentiment
- Encouraging US jobs data at the beginning, indications of easing domestic inflation and global growth optimism after the US announced trade deals with Japan and Philippines capped losses.
- Fall was broad-based, with almost all key sectoral indices, barring two, seeing losses on-month. Biggest losers during Jul-25 were BSE IT index, which saw 8.7% decrease, and BSE Teck index 8.2%. Both indices were impacted by weak earnings, uncertainty over US trade tariffs, heavy profit booking in blue-chip stocks, weak trend in Asian and European markets and weak client spending guidance. BSE Realty index, which lost nearly 6% value, followed.

(Source: BSE and Crisil Research, US: United States)

INFLATION:

CPI inflation cooled down to 2.10% on-year in Jun-25 from 2.82% in May-25

India's WPI inflation cooled down to -0.13% in Jun-25, compared with 0.39% in May-25

(Source: CRISIL Research; CPI: Consumer Purchase Index; WPI: Wholesale Price Index)



Indian Market Update

Flows	July-25	June-25	May-25
*FPI (Net Purchases / Sales) (Rs Cr)	17,740	14,590	19,860
MFs (Net Purchases / Sales) (Rs cr)	44,328	42,682	46,958

Earnings Growth (%) (Consolidated)	FY25E	FY26E	FY27E
Sensex	3.8	13.8	14.7

Macro Indicators	Latest Update	Previous Update
GDP (YoY%)	7.4% (4QFY25)	6.4% (3QFY25)
IIP (YoY%)	1.5% (June 2025)	1.2% (May 2025)
Crude (\$ bbl)	71.7 (July 31)	66.7 (June 30)
Core Sector Growth (YoY%)	1.7% (June 2025)	1.2% (May 2025)
#Trade Deficit (\$ mn)	-18,780 (June 2025)	-21,881 (May 2025)
Current Account Deficit (\$ bn)	13.5 (4QFY25)	-11.5 (3QFY25)

Note: Data Source: Axiscap Research and Crisil Research; *Sourced from NSDL Data till July 31, 2025 is considered. CAD: Current Account Deficit; GDP: Gross Domestic Product; IIP: India Industrial Production; FPI: Foreign Portfolio Investment; MF-Mutual Fund; E-Estimate; FY: Financial Year. #Only merchandise Trade balance has been considered



DOMESTIC & GLOBAL DEVELOPMENTS:

- India's GDP growth accelerated to 7.4% in the Q4FY25, compared with a revised growth of 6.2% in the Q3FY25, pushing the FY25 GDP to 6.5%
- In terms of gross value added, the economy grew 6.8% vs 6.5%
- Indian GDP growth is estimated at 6.5% in FY26 vs 6.5% in FY25 and 9.2 in FY24
- Income tax cuts, lower inflation and the RBI's rate cuts are expected to support growth in fiscal 2026, assuming a normal monsoon and lower crude oil prices. Rate cuts by the RBI, lower inflation and softer crude oil prices are expected to lead to a mild softening of yields next fiscal.
- DII's picked up equities worth Rs 48.760 billion till July 29, compared with Rs 66.96 billion till June 30, 2025, which supported the market. FIIs sold equities worth Rs 17.74 crore in Jul-25, following buying of Rs 14.59 billion in Jun-25
- Weak domestic Q1 earnings dampened sentiment. Dimming hopes of the possibility of a deal between India and US before Aug-25 and US levying 25% tariffs on India and countries buying oil from Russia led to persistent foreign fund outflows

(Source: Crisil Research and NSDL. DII: Domestic Institutional Investor, FY: Financial year; GDP: Gross Domestic Product; FPI: Foreign Portfolio Investment)



Outlook & Triggers

Global Update: US equity markets rally continued in July 2025 due to earnings resilience, optimism around trade negotiations and the passage of President Donald Trump's "One Big Beautiful Bill" but tariff headwinds loom. During the month, the S&P 500 rallied 2.2% while the Nasdaq 100 rallied 2.4%.

In the UK, benchmark FTSE index rallied 4.2% boosted by positive corporate updates from heavyweights. European benchmark Stoxx 600 index trimmed its monthly gain, ending 0.9% higher in July 2025 due to slump in auto, miner stocks amid tariff announcements. China equities also managed to rise amid trade-talks between China-US and increase in clarity on tariffs. The Shanghai Composite index rose 3.7% in July 2025.

India Update: 1QFY26 net income of the Nifty-50 Index came in as expected; however, downbeat guidance from management dented sentiments (Source: Kotak). Equities were impacted as investors interpreted the U.S.'s proposed 25% tariff and unspecified penalties, set to take effect Aug 1, 2025. FPIs turned negative after three months of continued inflows; FPIs sold Rs.17,741 crore in July 2025 compared to purchase of Rs.14,590 crore in June 2025. (Source: NSDL)

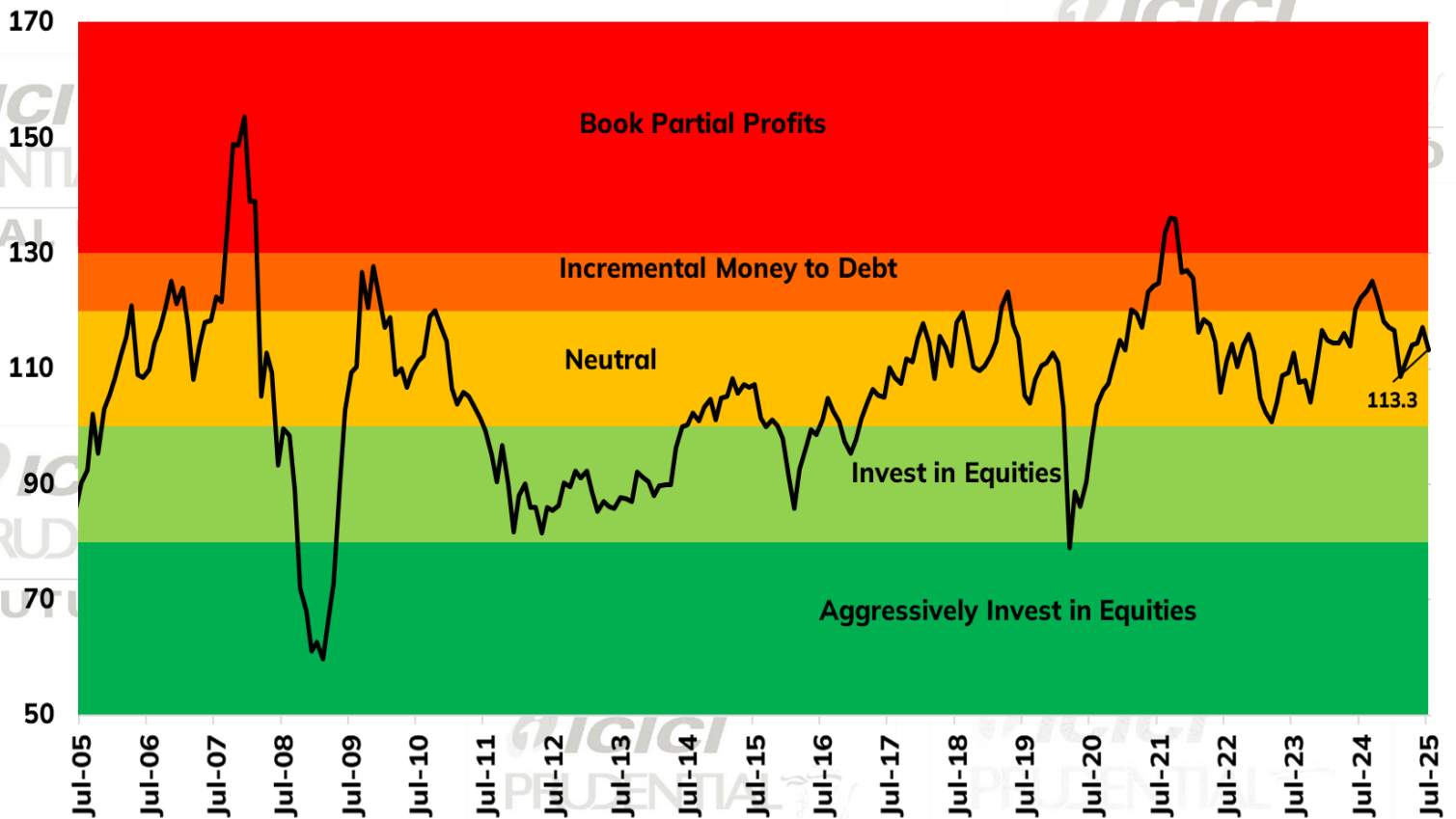
Market barometers BSE Sensex and NSE Nifty50 rallied 2.9% on-month in July 2025. Sector-wise, BSE Healthcare (+2.5%), BSE FMCG (+1.6%) and BSE Consumer Durables (-0.5%) were leaders, whereas, BSE Infotech (-8.7%), BSE Realty (-7.3%) and BSE Capital Goods (-5.7%) were laggards. (Source: BSE)

Our view going forward:

- Global macros at this point of time are more challenging which may impact global growth
- Contrary to this, India's fundamental attributes are robust and sustainable – Clean balance sheets, a structural increase in consumption, unwavering domestic demand, and fiscal prudence. Hence, long term structural story remains intact
- Recent RBI actions like liquidity injection; key policy rate cuts, large dividend to the Govt. are positive for India's business cycle and in-turn may result in India growth and corporate earnings to pick-up.
- So, investors with a long-term view can remain invested in equity markets
- However, due to high valuations the fresh investments should be done in a prudent manner.
- Mid-cap and Small-cap valuations continue to remain high.
- Also we believe at this point, middle of the road approach should be followed as most of the asset classes are fully valued
- Therefore, we recommend investing in (a) Hybrid & Multi Asset allocation schemes and (b) staggered investment in large cap schemes or schemes with flexible investment mandate that can take high large cap exposure.



Equity Valuation Index



Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio. G-Sec – Government Securities. GDP – Gross Domestic Product, Data as on July 31, 2025. Equity Valuation Index (EVI) is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall equity market valuations. The AMC may also use this model for other facilities/features offered by the AMC and any other factor which the AMC may add/delete from time to time.

Our Recommendation

Market is expected to remain volatile due to various macro situations. Hence we recommend schemes with flexibility to invest across Asset Classes, Market Cap & Sectors/ themes

Asset Allocation Flexibility

HYBRID

1. ICICI Prudential Equity & Debt Fund
2. ICICI Prudential Multi-Asset Fund
3. ICICI Prudential Balanced Advantage Fund
4. ICICI Prudential Equity Savings Fund
5. ICICI Prudential Asset Allocator Fund (FOF)

Flexibility across Marketcap/Sector/Theme

1. ICICI Prudential Business Cycle Fund
2. ICICI Prudential Flexicap Fund
3. ICICI Prudential Thematic Advantage Fund (FOF)

SIP/STP Strategy

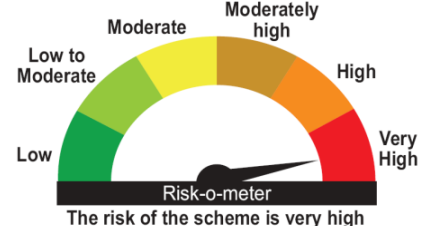
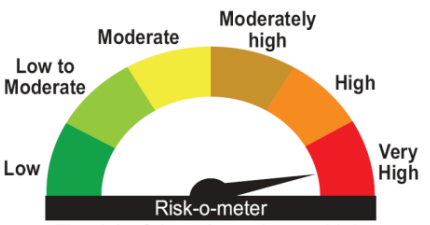
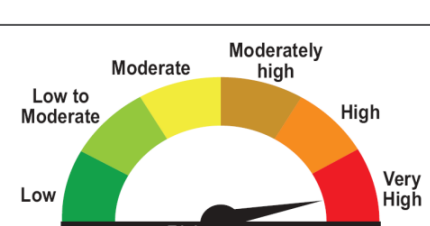
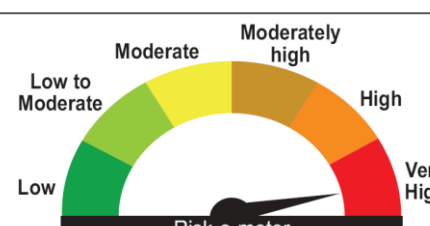
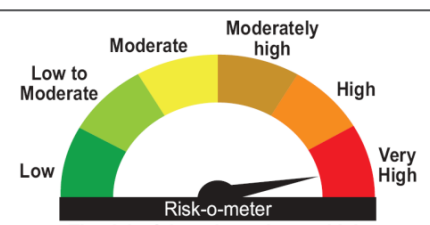
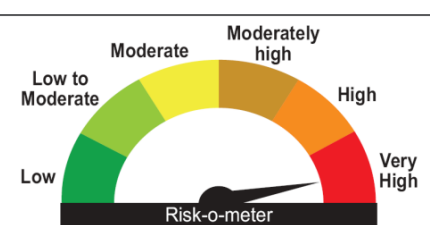
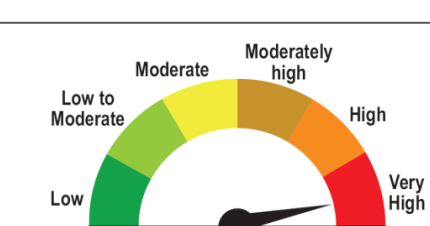
Continue SIP/STP as the long term structural story of India remains intact, strongly recommend ICICI Prudential Booster STP#

Recommended Schemes

1. ICICI Prudential Value Fund (erstwhile ICICI Prudential Value Discovery Fund)
2. ICICI Prudential India Opportunities Fund
3. ICICI Prudential Large & Mid Cap Fund
4. ICICI Prudential Multicap Fund
5. ICICI Prudential ELSS Tax Saver Fund
6. ICICI Prudential Focused Equity Fund

*ICICI Prudential Booster Systematic Transfer Plan (STP) is a facility where in unitholder (s) can opt to transfer variable amount(s) from designated open ended Scheme(s) of ICICI Prudential Mutual Fund to the designated open ended Scheme(s) of ICICI Prudential Mutual Fund. This feature does not in any way give assurance of the performance of any of the Schemes of ICICI Prudential Mutual Fund or provide any guarantee of returns through Transfer plans. Booster STP allows Investors to transfer the amount to Target Scheme basis the EVI calculated and corresponding Trigger Value to the same. Please read the terms & conditions in the application form before investing or visit www.iciciprumpf.com. SIP: Systematic Investment Plan, STP: Systematic Transfer Plan. None of the aforesaid recommendations are based on any assumptions. These are purely for reference and the investors are requested to consult their financial advisors before investing. Investors may please note that they will be bearing the recurring expenses of the relevant fund of funds scheme in addition to the expenses of the underlying schemes in which the fund of funds scheme makes investment.

Scheme Riskometers

<p>ICICI Prudential Multi-Asset Fund (An open ended scheme investing in Equity, Debt and Exchange Traded Commodity Derivatives/units of Gold ETFs/units of Silver ETFs/units of REITs & InvITs/Preference shares) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term wealth creation • An open ended scheme investing across asset classes. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>
<p>ICICI Prudential Value Fund (erstwhile ICICI Prudential Value Discovery Fund) (An open ended equity scheme following a value investment strategy.) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term wealth creation • An open ended equity scheme following a value investment strategy. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>
<p>ICICI Prudential Business Cycle Fund (An open ended equity scheme following business cycles based investing theme) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term wealth creation • An equity scheme that invests in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>
<p>ICICI Prudential Flexicap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term wealth creation • An open ended dynamic equity scheme investing across large cap, mid cap and small cap stocks <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>
<p>ICICI Prudential Balanced Advantage Fund (An open ended dynamic asset allocation Fund) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital appreciation/income • Investing in equity and equity related securities and debt instruments. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>
<p>ICICI Prudential Focused Equity Fund (An open ended equity scheme investing in maximum 30 stocks across market- capitalisation i.e. focus on multicap) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term wealth creation • An open ended equity scheme investing in maximum 30 stocks across market-capitalisation. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>
<p>ICICI Prudential Equity & Debt Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term wealth creation solution • A balanced fund aiming for long term capital appreciation and current income by investing in equity as well as fixed income securities. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>The risk of the scheme is very high</p>

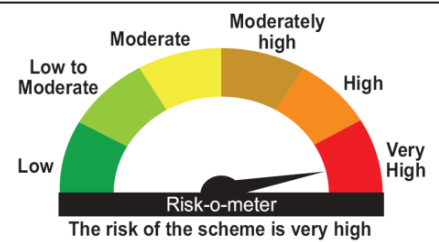
Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on June 30, 2025. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

Scheme Riskometers

ICICI Prudential Large & Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks) is suitable for investors who are seeking*:

- Long term wealth creation
- An open ended equity scheme investing in both large cap and mid cap stocks

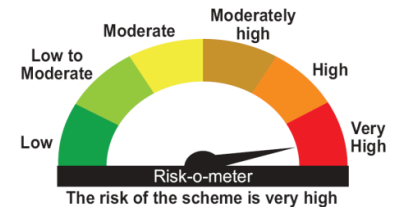
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential India Opportunities Fund (An open ended equity scheme following special situations theme) is suitable for investors who are seeking*:

- Long term wealth creation
- An equity scheme that invests in stocks based on special situations theme

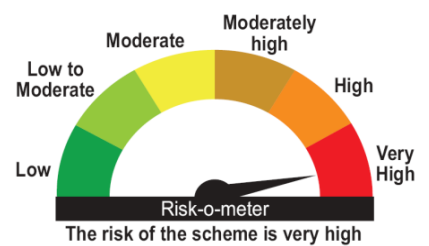
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Multicap Fund (An open ended equity scheme investing across large cap, mid cap, small cap stocks) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended equity scheme investing across large cap, mid cap and small cap stocks

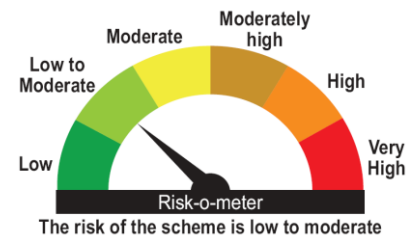
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Equity Savings Fund (An open ended scheme investing in equity, arbitrage and debt) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended scheme that seeks to generate regular income through investments in fixed income securities, arbitrage and other derivative strategies and aim for long term capital appreciation by investing in equity and equity related instruments.

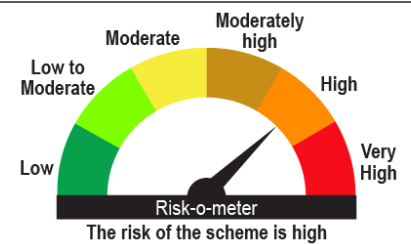
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Asset Allocator Fund (FoF) (An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETFs/ schemes) is suitable for investors who are seeking*:

- Long term wealth creation
- An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETF/schemes.

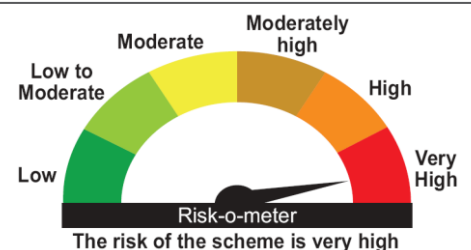
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Thematic Advantage Fund (FOF) (An open ended fund of funds scheme investing predominantly in Sectoral / Thematic schemes.) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended fund of funds scheme investing predominantly in Sectoral / Thematic equity oriented schemes

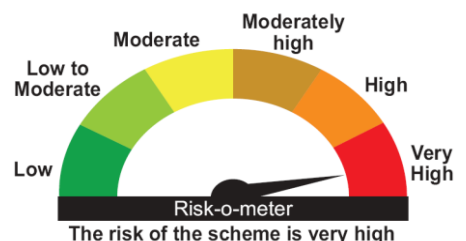
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ICICI Prudential ELSS Tax Saver Fund (Erstwhile ICICI Prudential Long Term Equity Fund (Tax Saving)) (An open ended Equity Linked Savings Scheme with a statutory lock in of 3 years and tax benefit) is suitable for investors who are seeking*:

- Long Term wealth creation solution
- An Equity Linked Savings Scheme that aims to generate long term capital appreciation by primarily investing in equity and related securities and provides tax benefit under section 80C of Income Tax Act, 1961.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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Disclaimer

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

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