

## Pharmaceutical Sector: Strong and Resilient

- The **Nifty Pharma index rose ~11.5%** between July 2024 and June 2025, notably beating the Nifty 50 (~5.7%) and most other major sectors [PwC+15indiamacroindicators.co.in+15The Times of India+15](#).
- **Monthly growth** in April 2025 was ~~7.8% YoY in pharma sales~~ (₹19,711 crore), underscoring healthy demand and solid pricing dynamics [The Times of India](#).
- The broader pharmaceutical market grew ~8.4% in FY24-25, driven by chronic therapy demand domestically and strong exports from generic makers like Sun Pharma, Cipla, and Dr Reddy's [Jainam Broking Ltd+14Business Standard+14Reuters+14](#).
- The **India-UK free trade agreement** is likely to boost pharma exports through tariff relief and regulatory ease, strengthening prospects in UK/an OECD markets [The Economic Times+1The Economic Times+1](#).
- Dr. Reddy's posted record quarterly revenue in Q1 FY26 (+11%) and profit rose modestly ~2%, with strong momentum in European generics (up 142%) [Wikipedia+15Reuters+15The Times of India+15](#).

Overall, pharma continues to demonstrate **consistent earnings growth**, resilience in macro downturns, and favorable policy tailwinds.

## IT Sector: Under Pressure, Mixed Signals

- The **Nifty IT index is down ~14% year-to-date in 2025**, making it the worst-performing sector so far. Large-cap IT names like TCS, Infosys, and HCL have dropped sharply—TCS down ~21%, trading ~30% below its 52-week high [India Infoline+1The Economic Times+1](#).
- Earnings are being squeezed by slowing discretionary spending, macroeconomic headwinds, and increasing US tariffs or regulatory uncertainties. Companies are engaging in cost control, delayed raises, and difficult deal negotiations [The Economic TimesThe Times of India](#).
- Although IT exports are forecast to grow ~15-20% annually over the medium term (e.g. via India-UK trade deals), the short-term outlook remains subdued due to near-term deal pipeline weakness and margin compression [The Economic Times+1The Times of India+1](#).
- According to analysts, revenue and earnings growth is expected to stay weak during 2025-26, with a possible turnaround only in late FY26—suggesting a consolidation phase in IT stocks [indiamacroindicators.co.in+15The Economic Times+15The Times of India+15](#).

# Key Sector Stats

| Metric                   | Pharma                    | IT   |
|--------------------------|---------------------------|--|
| Index Performance (1 yr) | 11.5%                     | -14% (Nifty IT YTD)                        |
| Sales Growth FY25        | ~8-8.4%                   | ~3-5%                                      |
| Earnings Trend           | Positive, steady          | Weak, margin pressure                      |
| Export Momentum          | Rising (US, UK futures)   | Mixed – some growth, some headwinds        |
| Outlook                  | Stable growth + tailwinds | Under stress; cautious medium-term outlook |