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Economic & Business

1. Global Economic Outlook: Moderation Amidst Geopolitical Tensions & Protectionism

Slowing Global Growth: Global GDP growth, which stabilized at 2.8% in 2024, is projected to decline to 2.6% in 2025 and 2.5% in 2026. This moderation is attributed to ongoing geopolitical tensions, rising protectionist policies, and tighter financial conditions.

US and China Slowdown: The US economy is forecast to expand by just over 2% in 2025, while China's growth is expected to slow to around 4.6% due to a prolonged property downturn, demographic drag, and renewed trade tensions.

Eurozone Subdued: The European Commission now expects eurozone GDP to grow by just 0.9% in 2025 (down from 1.3%), heavily impacted by the reintroduction of US trade tariffs. Germany's export dependence and Austria's sharp downgrade highlight regional vulnerability.

Inflation Dynamics: G20 headline inflation is projected to ease from 6.2% to 3.6% in 2025, but rising goods inflation (driven by food costs) and growing protectionism have pushed inflation expectations higher in several countries. US inflation is projected to pick up to 3.9% in 2025 due to increased import costs.

2. India's Economic Resilience and Growth Trajectory

Strong Growth Amidst Global Headwinds:

Despite significant global headwinds like geopolitical tensions and trade policy uncertainties, India continues to be a "global bright spot" and the fastest-growing large economy.

GDP Growth Projections:

EAC-PM (Economic Advisory Council to the Prime Minister): Predicts India's economy to grow at 6.5% in FY26 (2025-2026), driven by low inflation (due to good monsoon and benign interest rates), strong domestic demand, and rising government capital expenditure.

RBI (Reserve Bank of India): Projects Real GDP growth for 2025-26 at 6.5%.

IMF and World Bank: Have slightly lower projections for FY26, slashing India's growth forecasts to 6.2% and 6.3% respectively, citing the uncertain global environment and trade tensions.

Inflation Under Control: India's CPI headline inflation in June stood at 2.10%, the lowest since January 2019, with food inflation at -1.06%. RBI projects average inflation at 3.7% for FY26.

Robust External Sector: India's foreign exchange reserves stood at USD 697.9 billion as of June 20, 2025, covering over 11 months of goods imports. Total exports reached a record USD 824.9 billion in 2024-25, with non-petroleum merchandise exports growing by 6.0%.

Investment Climate: Gross FDI inflows rose 14% in FY25, indicating India remains an attractive investment destination. Government's capital expenditure push is expected to crowd in private investment.





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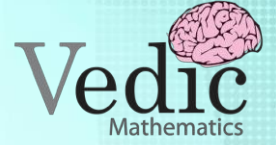
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Policy Focus: India is actively engaging with new markets through free trade agreements (FTAs) to build resilience, with talks in advanced stages with the EU and US. Continued investment in infrastructure and ease of doing business are key for accelerating growth to 7-8% annually.

3. International Trade and Business Dynamics

Global Trade Update (UNCTAD, July 2025): Global trade expanded by an estimated \$300 billion in the first half of 2025, growing at 1.5% in Q1 and projected 2% in Q2. However, it faces mounting headwinds in the second half of 2025 due to persistent policy uncertainty, geopolitical tensions, and slowing global growth.

Digital Market Concentration: Digital markets have become increasingly concentrated, with the top five digital multinational enterprises accounting for 48% of global sales (up from 21% in 2017). NVIDIA, Microsoft, Apple, Amazon, and Alphabet are among the world's most valuable companies. The rapid expansion of generative AI is further consolidating Big Tech's dominance. UNCTAD calls for stronger competition law enforcement.

China's Trade Resilience: Despite declining exports to the United States (down 16.1% compared to the previous year), Chinese businesses successfully expanded their market presence elsewhere, notably to ASEAN member states (up 17%). This shows adaptability amidst rising unilateralism and protectionism, including new US tariffs set for August 1.

Dubai's Global Business Vision: Dubai Chambers established its first-ever international outpost, "Dubai Hub London," in July 2025. This hub aims to strengthen bilateral trade and investment ties between the UK and UAE, simplify business setup, legal, real estate, and residency processes for UK investors seeking to enter Dubai's market.

4. Major Mergers & Acquisitions (M&A) and Corporate News (Early July 2025)

HPE closes Juniper takeover: Hewlett Packard Enterprise (HPE) completed its \$14 billion all-cash acquisition of Juniper Networks, creating HPE Networking to enhance its AI-powered IT infrastructure capabilities. The deal was cleared after HPE agreed to divest its "Instant On" WLAN business.

Home Depot acquires GMS: Home Depot's SRS Distribution agreed to acquire GMS for approximately \$5.5 billion, deepening Home Depot's focus on complex professional contractors.

Boeing regains Spirit Belfast: Boeing's \$4.7 billion all-stock re-acquisition of Spirit AeroSystems is set to bring the group's Northern Ireland site back under Boeing control. This transaction reverses Boeing's 2005 spin-off amidst recent quality-control crises.

AbbVie expands immunology: AbbVie plans to acquire Capstan Therapeutics for up to \$2.1 billion (up-front and milestone payments), signaling its intent to diversify its immunology pipeline, particularly in in-vivo CAR-T therapies for autoimmune conditions.



5. Indian Stock Market and Corporate Outlook (July 2025)

Market Consolidation: Indian equity benchmark indices traded sideways amidst uncertainty around India-US trade dialogue and the Q1 FY26 earnings season. The Nifty is showing a healthy consolidation with a structurally positive setup and strong support around 25,000.

Stock Recommendations:

Buy: Hero Motocorp (breakout from bullish cup and handle pattern, 6-month closing highs), Tata Power (breakout from 6-month cup and handle formation, higher low formations), UPL, Varun Beverages.

Sell: Solar Industries India (profit taking after strong rally, focus shifting from defence sector).

Brokerage Views (Mid-July 2025):

JP Morgan: Maintained "underweight" on Tata Technologies (mixed Q1 results, beat on revenues but missed margins).

Goldman Sachs: Maintained "buy" on Ola Electric Mobility (flattish FY26 revenue guidance, efforts towards positive EBITDA).

JM Financial: Initiated "buy" on Kalyan Jewellers (huge unorganized market, asset-light expansion).

Citigroup: Maintained "neutral" on HCL Technologies (Q1 earnings below expectations, weak deal pipeline).

Morgan Stanley: Maintained "overweight" on Sun Pharmaceuticals (US launch and settlement for Leqselvi positive).

MCQS

1. Global GDP growth is projected to decline to what percentage in 2025?

- A) 2.8%
- B) 2.6%
- C) 2.5%
- D) 3.0%

Answer: B) 2.6%

The summary states, "Global GDP growth, which stabilized at 2.8% in 2024, is projected to decline to 2.6% in 2025 and 2.5% in 2026."

2. What is China's projected GDP growth rate for 2025 according to the summary?

- A) Just over 2%
- B) Around 4.6%
- C) 0.9%
- D) 6.2%

Answer: B) Around 4.6%

The summary states, "China's growth is expected to slow to around 4.6% due to a prolonged property downturn, demographic drag, and renewed trade tensions."

3. What is the European Commission's updated expectation for eurozone GDP growth in 2025?

- A) 1.3%
- B) 0.9%
- C) 2.0%
- D) -0.5%

Answer: B) 0.9%

The summary states, "The European Commission now expects eurozone GDP to grow by just 0.9% in 2025 (down from 1.3%)."

4. What is the Economic Advisory Council to the Prime Minister (EAC-PM) predicting for India's GDP growth in FY26 (2025-2026)?

- A) 6.2%



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- B) 6.3%
C) 6.5%
D) 7.0%

Answer: C) 6.5%

The summary states, "EAC-PM (Economic Advisory Council to the Prime Minister): Predicts India's economy to grow at 6.5% in FY26 (2025-2026)..."

5. What was India's CPI headline inflation in June 2025, according to the summary?

- A) 3.7%
B) -1.06%
C) 2.8%
D) 2.10%

Answer: D) 2.10%

The summary states, "India's CPI headline inflation in June stood at 2.10%, the lowest since January 2019..."

6. As of June 20, 2025, what was the approximate value of India's foreign exchange reserves?

- A) USD 824.9 billion
B) USD 697.9 billion
C) USD 387.5 billion
D) USD 750.0 billion

Answer: B) USD 697.9 billion

The summary states, "India's foreign exchange reserves stood at USD 697.9 billion as of June 20, 2025..."

7. According to UNCTAD's July 2025 update, by how much did global trade expand in the first half of 2025?

- A) \$100 billion
B) \$200 billion
C) \$300 billion
D) \$400 billion

Answer: C) \$300 billion

The summary states, "Global trade expanded by an estimated \$300 billion in the first half of 2025..."

8. The summary notes that digital markets have become increasingly concentrated. What percentage of global sales are accounted for by the top five digital multinational enterprises?

- A) 21%
B) 35%
C) 48%
D) 60%

Answer: C) 48%

The summary states, "Digital markets have become increasingly concentrated, with the top five digital multinational enterprises accounting for 48% of global sales..."

9. Despite declining exports to the United States, Chinese businesses successfully expanded their market presence elsewhere, notably to which group of nations, with exports up 17%?

- A) European Union
B) African Union
C) Latin American countries
D) ASEAN member states

Answer: D) ASEAN member states

The summary mentions, "...Chinese businesses successfully expanded their market presence elsewhere, notably to ASEAN member states (up 17%)."

10. What is the name of Dubai Chambers' first-ever international outpost, established in London in July 2025?

- A) Dubai Connect London
B) Dubai Gate London
C) Dubai Hub London
D) Dubai Link London





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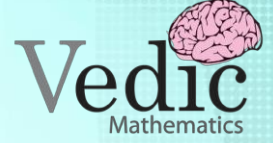
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Answer: C) Dubai Hub London

The summary states, "Dubai Chambers established its first-ever international outpost, "Dubai Hub London," in July 2025."

11. Hewlett Packard Enterprise (HPE) recently completed its all-cash acquisition of Juniper Networks for approximately what amount?

- A) \$5.5 billion
- B) \$4.7 billion
- C) \$14 billion
- D) \$2.1 billion

Answer: C) \$14 billion

The summary states, "Hewlett Packard Enterprise (HPE) completed its \$14 billion all-cash acquisition of Juniper Networks..."

12. Home Depot's SRS Distribution agreed to acquire GMS for approximately what amount?

- A) \$14 billion
- B) \$5.5 billion
- C) \$4.7 billion
- D) \$2.1 billion

Answer: B) \$5.5 billion

The summary states, "Home Depot's SRS Distribution agreed to acquire GMS for approximately \$5.5 billion..."

13. Boeing's \$4.7 billion all-stock re-acquisition is set to bring which group's Northern Ireland site back under Boeing control?

- A) Airbus
- B) Embraer
- C) Spirit AeroSystems
- D) Lockheed Martin

Answer: C) Spirit AeroSystems

The summary states, "Boeing's \$4.7 billion all-stock re-acquisition of Spirit AeroSystems is set to bring the group's Northern Ireland site back under Boeing control."

14. AbbVie plans to acquire Capstan Therapeutics for up to what amount, signalling its intent to diversify its immunology pipeline?

- A) \$1.5 billion
- B) \$2.1 billion
- C) \$3.0 billion
- D) \$4.0 billion

Answer: B) \$2.1 billion

The summary states, "AbbVie plans to acquire Capstan Therapeutics for up to \$2.1 billion (up-front and milestone payments)..."

15. According to the stock recommendations in the summary, which company was recommended for a "Sell" due to profit taking and a focus shift from the defence sector?

- A) Hero Motocorp
- B) Tata Power
- C) UPL
- D) Solar Industries India

Answer: D) Solar Industries India

The summary lists, "Sell: Solar Industries India (profit taking after strong rally, focus shifting from defence sector)."

