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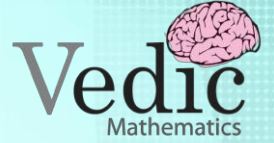
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Economic & Business

International Economy and Trade

U.S. Tariffs on India: The new U.S. tariffs on Indian goods, which include a 25% additional duty, have gone into effect, bringing the total levy to 50%. This is the central theme of today's economic news. The Finance Ministry and industry chambers in India have stated that while the immediate impact may be limited, the "secondary and tertiary effects" on the economy pose significant challenges. They are urging for trade diversification and the promotion of domestic industries.

India's Response to Tariffs: In response to the U.S. tariffs, India is pivoting its trade strategy towards China and Russia. At a cabinet meeting, the Prime Minister has encouraged ministers to promote "Swadeshi" (indigenous) products and for a "vocal for local" campaign to reduce reliance on exports.

IMF and Global Growth: The International Monetary Fund (IMF) has projected global growth to be 3.0% for 2025 and 3.1% for 2026. This is an upward revision, reflecting factors such as "front-loading ahead of tariffs," better financial conditions, and fiscal expansion. However, the IMF warns of "tenuous resilience amid persistent uncertainty," with downside risks from higher tariffs and geopolitical tensions.

Indian Economy Projections: An EY report suggests that India's economy could reach \$20.7 trillion in terms of purchasing power parity (PPP) by 2030 and may emerge as the world's second-largest economy by 2038. Separately, a BMI report forecasts India's GDP to hold above

6% through the decade, even with the new U.S. tariffs, due to robust domestic consumption and proposed GST reforms.

Business and Market News

Indian Stock Market: The Indian stock market saw a significant decline today, with both the Nifty50 and BSE Sensex dropping over 1% in intraday trade. This was attributed to the new U.S. tariffs on Indian goods and a muted sales outlook from Nvidia, which impacted global market sentiment.

Nvidia Earnings: Nvidia's sales outlook for the second quarter of 2025 missed expectations, which weighed on sentiment in global markets.

Corporate Developments:

Interglobe Aviation (IndiGo's parent company) promoters are likely to offload a stake worth ₹7,028 crore.

Adani Group entities received approval from the Competition Commission of India (CCI) to acquire Jaiprakash Associates.

Biocon's arm received tentative approval from the U.S. FDA for a diabetes medication.

SBI Cards has signed an agreement with Flipkart to launch a co-branded credit card.

Other Economic News

Crude Oil Prices: Crude oil prices traded lower today as market participants evaluated the prospects of U.S. fuel consumption and monitored the impact of U.S. tariffs on India's Russian oil imports.





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U.S. GDP: The U.S. Bureau of Economic Analysis (BEA) is set to release its second-quarter 2025 GDP figures. The advance estimate showed a 3.0% annual increase, a rebound from a -0.5% decrease in the first quarter.

Aadhaar Updates: The Unique Identification Authority of India (UIDAI) has urged schools to complete Aadhaar biometric updates for children aged 5 to 15 without delay.

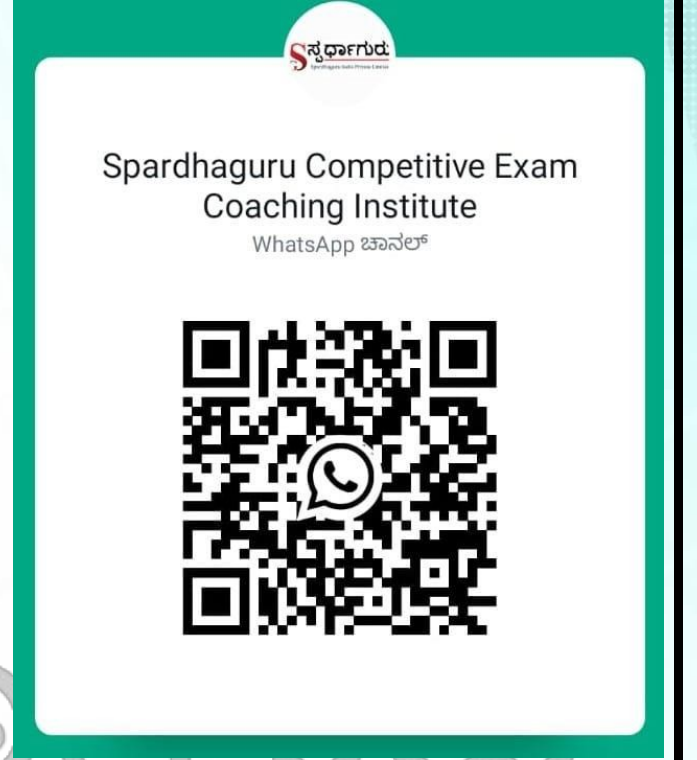
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MCQS

- 1: What is India's primary trade strategy in response to the new U.S. tariffs?
- A. Increasing tariffs on U.S. goods.
 - B. Initiating new trade negotiations with the U.S.
 - C. Pivoting trade towards China and Russia and promoting domestic products.
 - D. Reducing all international trade to focus on the domestic market.

Answer: C

The news states that "In response to the U.S. tariffs, India is pivoting its trade strategy towards China and Russia. At a cabinet meeting, the Prime Minister has encouraged ministers to promote 'Swadeshi' (indigenous) products and for a 'vocal for local' campaign to reduce reliance on exports."





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2: The IMF has projected global growth for 2025 and 2026 to be what percentages?

- A. 2.5% and 2.8%
- B. 3.0% and 3.1%
- C. 4.2% and 4.5%
- D. 6.0% and 6.5%

Answer: B

According to the provided text, the IMF has "projected global growth to be 3.0% for 2025 and 3.1% for 2026."

3: What two key factors were attributed to the significant decline in the Indian stock market today?

- A. Rising crude oil prices and a change in the U.S. Federal Reserve's policy.
- B. The new U.S. tariffs on Indian goods and a muted sales outlook from Nvidia.
- C. Adani Group's acquisition of Jaiprakash Associates and a new SBI/Flipkart credit card.
- D. India's pivoting trade strategy and the restructuring of the PM SVANidhi scheme.

Answer: B

The news report states that the Indian stock market's decline was "attributed to the new U.S. tariffs on Indian goods and a muted sales outlook from Nvidia, which impacted global market sentiment."

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