



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
(DUBAI) CHAPTER NPIO



# WEEKLY ECONOMIC NEWSLETTER

BY ICAI DUBAI UAE CHAPTER

ISSUE 1



## Weekly Economic Newsletter by ICAI Dubai UAE Chapter (Issue 1)

(For internal circulation to members only)

### Week ending Apr 05, 2025

|                    | Current Week | Previous Week | % Change       |                    | Current Week | Previous Week | % Change      |
|--------------------|--------------|---------------|----------------|--------------------|--------------|---------------|---------------|
| <b>DFM</b>         | 4,951.47     | 5,096.24      | <b>-2.84%</b>  | <b>USD/INR</b>     | 85.5300      | 85.5600       | <b>-0.04%</b> |
| <b>ADX</b>         | 9,186.97     | 9,368.81      | <b>-1.94%</b>  | <b>EUR/USD</b>     | 1.0965       | 1.0830        | <b>+1.25%</b> |
| <b>SENSEX</b>      | 75,364.69    | 77,414.92     | <b>-2.65%</b>  | <b>USD/JPY</b>     | 146.90       | 149.80        | <b>-1.94%</b> |
| <b>NIFTY</b>       | 22,904.45    | 23,519.35     | <b>-2.61%</b>  | <b>USD/CNY</b>     | 7.2700       | 7.1600        | <b>+1.54%</b> |
| <b>DOW</b>         | 38,314.86    | 41,583.90     | <b>-7.86%</b>  | <b>Gold</b>        | 3,038.60     | 3,084.85      | <b>-1.50%</b> |
| <b>NASDAQ</b>      | 15,587.79    | 17,322.99     | <b>-10.02%</b> | <b>US 10-year</b>  | 4.0090       | 4.2390        | <b>-5.43%</b> |
| <b>S&amp;P 500</b> | 5,074.08     | 5,580.94      | <b>-9.08%</b>  | <b>Brent Crude</b> | 65.95        | 72.54         | <b>-9.08%</b> |

#### Trump announces 10% tariff on all GCC countries

- Following his announcement of sweeping tariffs worldwide, US President Donald Trump said that a 10% tariff will be imposed on GCC countries, including Oman.
- The tariffs range from 10% on Oman, the UAE Saudi Arabia and other GCC countries like Kuwait, Bahrain and Qatar.
- The White House further has said that the new tariffs will come into effect on April 5, with the higher rates for some countries to be enforced starting April 9.
- Trump is likely to visit UAE, Saudi Arabia and Qatar in the month of May 2025.
- At an event in the White House Rose Garden, Trump displayed a poster that listed reciprocal tariffs, including China (34%), European Union (20%), Vietnam (46%), Taiwan (32%), Japan (24%), India (26%), United Kingdom (10%), Bangladesh (37%), Pakistan (29%), Sri Lanka (44%), Israel (17%).
- Additionally, starting April 9, countries with the largest trade deficits with the US will face higher, individualized tariffs.

#### India's March factory activity expands at its fastest pace in 8 months

- The HSBC India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, improved to 58.1 in March from 56.3 in February when the gauge was at a 14-month low.
- A figure above 50 in the index denotes expansion in manufacturing activity that month and below it signifies contraction. The headline figure remained in the expansion zone for the 45th month running.
- The survey report mentioned that, March's acceleration came despite a mild slowdown in international order growth. Buoyant demand led companies to tap into their inventories to

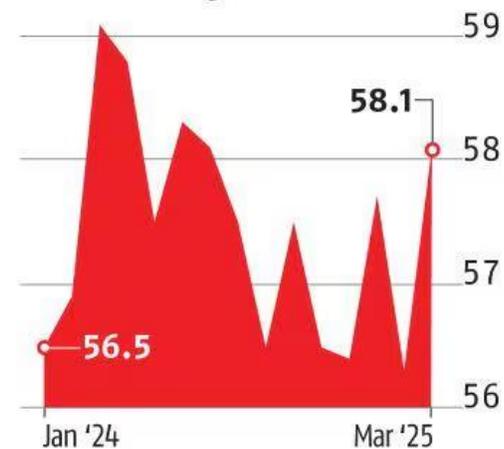


meet increased client appetite, resulting in the most rapid decline in finished goods stocks since January 2022.

- Firms countered declining stocks by acquiring additional production inputs at the quickest pace in seven months. A stronger increase in purchase prices contrasted with a softer rise in selling charges.

## STRONG SHOWING

### Manufacturing PMI



Note: A figure above 50 denotes expansion and below 50 denotes contraction  
Source: HSBC

- International orders dipped but overall demand momentum remained robust and the new orders index recorded an eight-month high of 61.5
- The survey noted that although new exports increased in March, the pace of growth fell to a three-month low. Sales expanded in Asia, Europe and West Asia.

### Net GST collection surge by 7.3% in March 2025

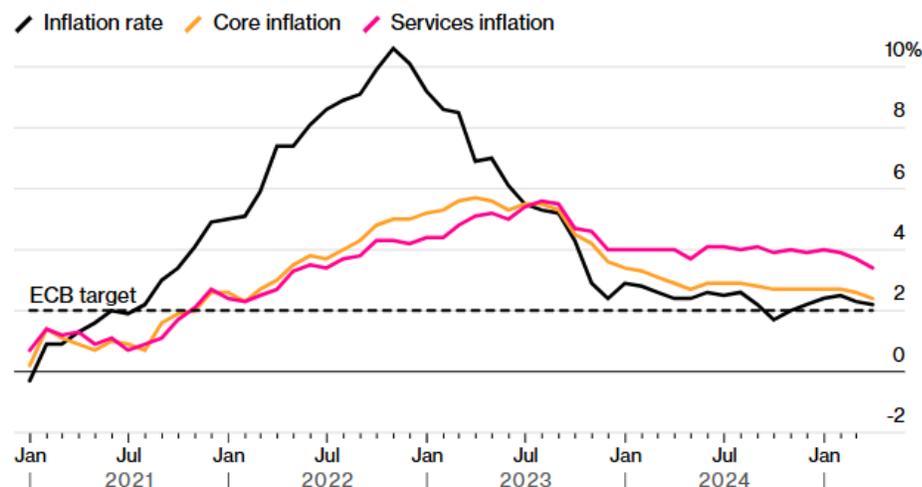
- According to the provisional data released by the Government of India, the net goods and services tax (GST) collection grew marginally by 7.3% year-on-year (YOY) to ₹1.76 trillion in March.
- Sequentially, the mop-up was higher than February's ₹1.62 trillion, which saw 8.1% YOY growth. The gross GST collection — the amount before adjusting for refunds — rose by 9.9% in March to ₹1.96 trillion.
- Domestic refunds rose by 2.8%, while total refunds, including those on imports (201.9% YOY), climbed by 41.2% to ₹0.19 trillion.
- From April-March period of financial year 2024-25 (FY25), total refunds grew by 16.4% YOY to ₹2.52 trillion.



### Eurozone inflation drops further ahead of trade turmoil

- According to the data released by the statistics agency, Eurostat, Eurozone annual inflation dipped to 2.2% in March, just below the 2.3% reading for the month of February 2025.
- This was not just on lower energy prices, but also a pronounced decline in services inflation. Even though the latter is in part driven by a late Easter, the decline is a dovish sign for the ECB ahead of possible trade upsets to the inflation outlook
- The core-inflation, which excludes more volatile food, energy, alcohol and tobacco prices, edged lower to 2.4% in March from 2.6% in February. The closely watched services inflation print, which had long been sticky around the 4% mark, also fell to 3.4% in March from 3.7% in the preceding month.
- Recent preliminary data had showed that March inflation came in lower than forecast in several major euro zone economies. Last month's inflation hit 2.3% in Germany and fell to 2.2% in Spain, while staying unchanged at 0.9% in France.

#### Euro-Zone Inflation Inches Toward 2%



Source: Eurostat

### US ISM manufacturing PMI slips back into contraction territory

- The US ISM manufacturing index for March dropped to 49.0 from 50.3, lower than the 49.5 consensus and back in contraction territory.
- This is broadly in line with regional manufacturing indicators released in recent days. The details show big drops in employment (44.7 from 47.6) and new orders (45.2 from 48.6) with production down at 48.3 versus 50.7. Remember 50 is the break-even level so anything above is expansion and the further below 50 the deeper the downturn.
- The contraction last month (with index below 50) followed two straight months of expansion preceded by 26 consecutive months of contraction.



- The nine manufacturing industries recording growth last month include: Textile Mills; Petroleum & Coal Products; Fabricated Metal Products; Primary Metals; Computer & Electronic Products; Nonmetallic Mineral Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Miscellaneous Manufacturing.
- Conversely, the seven industries posting contraction in March were: Wood Products; Paper Products; Plastics & Rubber Products; Furniture & Related Products; Chemical Products; Food, Beverage & Tobacco Products; and Machinery.



### US payrolls rose by 228K in March, but unemployment rate increases to 4.2%

- According to the data released by the Bureau of Labor Statistics (BLS), nonfarm payrolls increased 228,000 for the month, up from the revised 117,000 in February and better than the Dow Jones estimate for 140,000.
- However, the unemployment rate moved up to 4.2%, higher than the 4.1% forecast as the labor force participation rate also increased.
- The January and February counts saw substantial downward revisions. In addition to the cut of 34,000 from the initial count for February, January's growth is now at just 111,000, down 14,000 from the previous estimate.
- For March, health care was the leading growth area, consistent with prior months. The industry added 54,000 jobs, almost exactly in line with its 12-month average. Other growth areas included social assistance and retail, which both added 24,000, while transportation and warehousing showed a 23,000 increase.



### Monthly job creation in the U.S.

Jan. 2022–March 2025

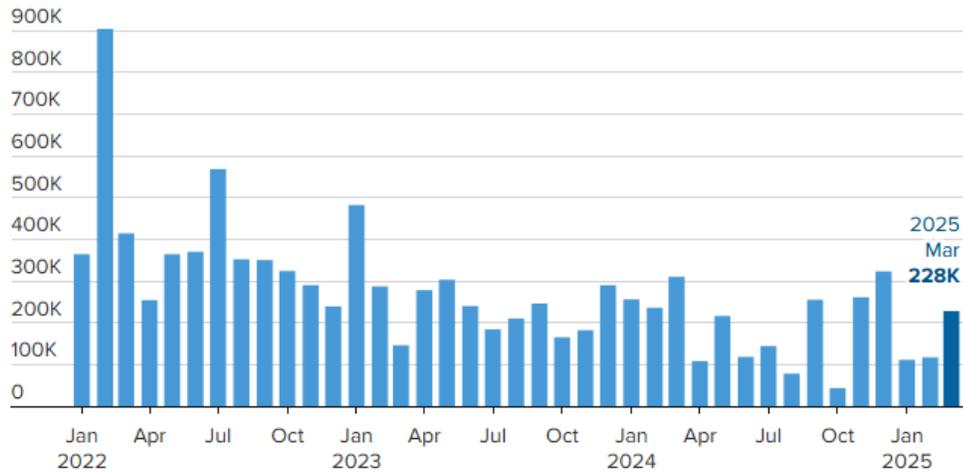


Chart: Gabriel Cortes / CNBC  
Source: U.S. Bureau of Labor Statistics via FRED  
Data as of April 4, 2025



### U.S. unemployment rate

Jan. 2021–March 2025

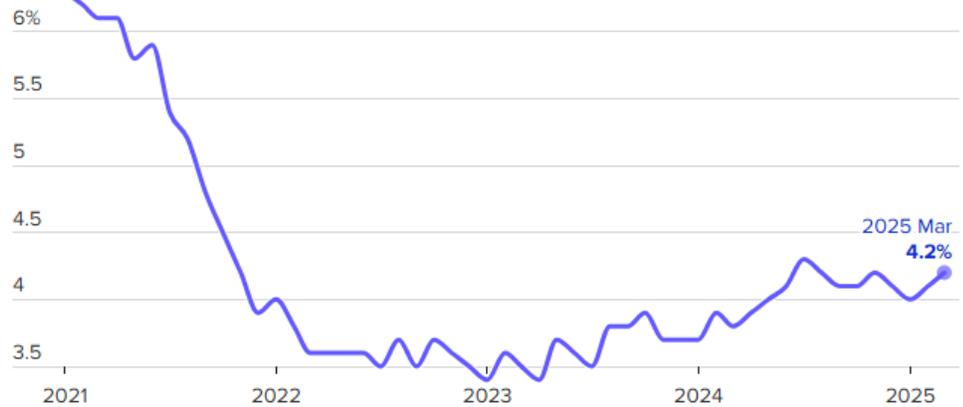


Chart: Gabriel Cortes / CNBC  
Source: U.S. Bureau of Labor Statistics  
Data as of April 4, 2025



- Average hourly earnings increased 0.3% on the month, in line with the forecast, while the annual rate of 3.8% was 0.1 percentage point below the estimate and the lowest level since July 2024. The average work week was unchanged at 34.2 hours.



### U.S. wage growth

Year-over-year percent change in average hourly earnings | Jan. 2022–March 2025



Note: All employees on private nonfarm payrolls  
Chart: Gabriel Cortes / CNBC  
Source: [U.S. Bureau of Labor Statistics](#)  
Data as of April 4, 2025

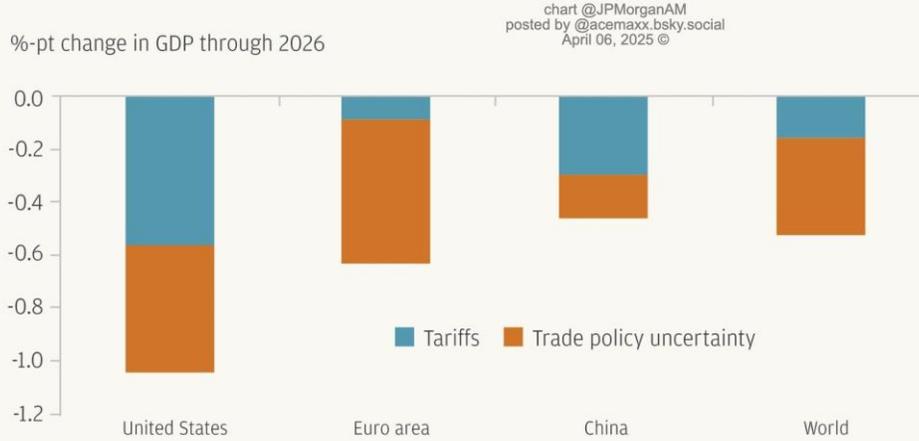


### A week gone by – In Charts





### Tariffs and trade policy uncertainty could weigh on both U.S. and global GDP

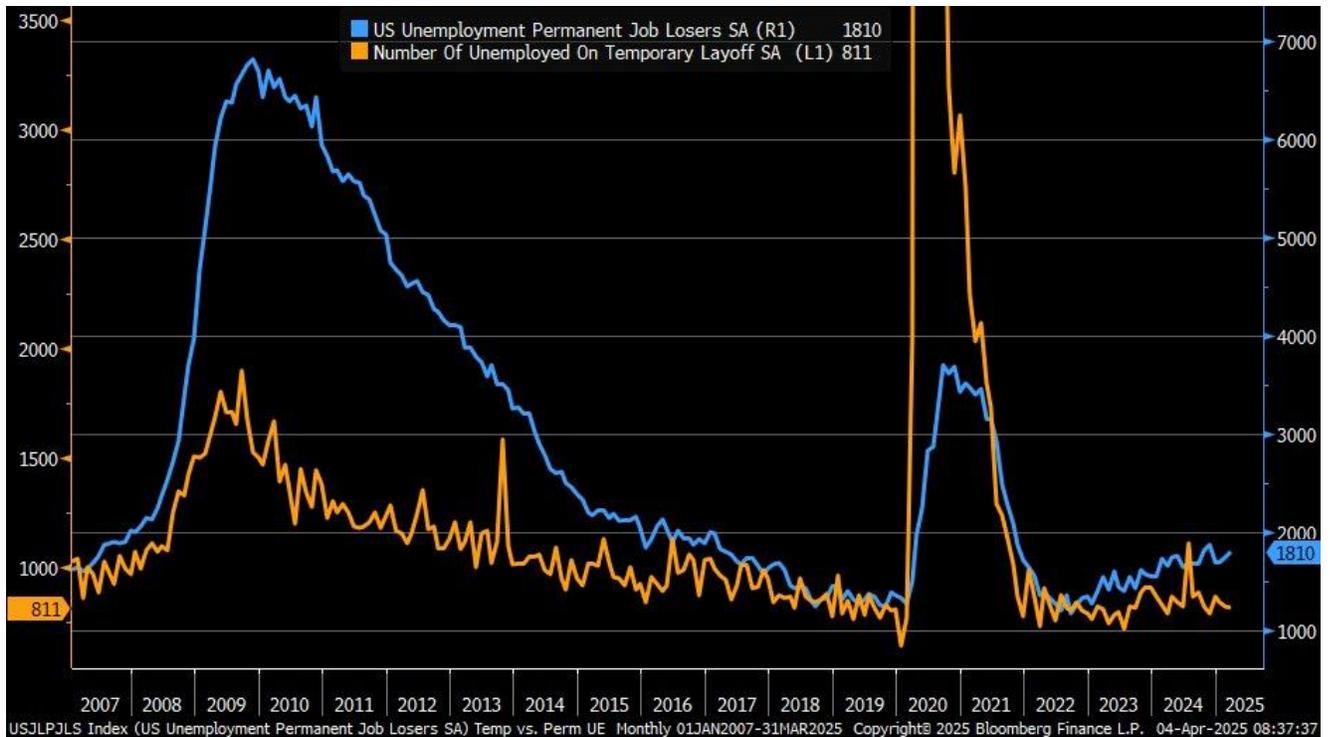


Source: IMF, J.P. Morgan

### China's Equity Rebound Has Started Cooling Off



Bloomberg



### What to expect in coming week?

| Date                 | Country / Region | Event                | Forecast | Previous |
|----------------------|------------------|----------------------|----------|----------|
| 9 <sup>th</sup> Apr  | New Zealand      | RBNZ Monetary policy | 3.50%    | 3.75%    |
| 10 <sup>th</sup> Apr | US               | Inflation – CPI YoY  | 2.6%     | 2.8%     |
| 11 <sup>th</sup> Apr | UK               | GDP MoM              | 0.1%     | -0.1%    |

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