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(DUBAI) CHAPTER NPIO



WEEKLY ECONOMIC NEWSLETTER

BY ICAI DUBAI UAE CHAPTER

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Weekly Economic Newsletter by ICAI Dubai UAE Chapter (Issue 6)

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Week ending May 17, 2025

	Current Week	Previous Week	% Change		Current Week	Previous Week	% Change
DFM	5,455.41	5,312.55	+2.69%	USD/INR	85.6000	85.4200	+0.21%
ADX	9,654.22	9,625.97	+0.29%	EUR/USD	1.1161	1.1250	-0.79%
SENSEX	82,330.59	79,454.47	+3.62%	USD/JPY	145.65	145.40	+0.17%
NIFTY	25,019.80	24,008.00	+4.21%	USD/CNY	7.2100	7.2400	-0.41%
DOW	42,654.74	41,249.38	+3.41%	Gold	3,200.00	3,325.55	-3.78%
NASDAQ	19,211.10	17,928.92	+7.15%	US 10-year	4.4840	4.3890	+2.16%
S&P 500	5,958.38	5,659.91	+5.27%	Brent Crude	65.39	63.92	+2.30%

Saudi inflation remains steady at 2.3% in April

- According to the data published by the General Authority for Statistics (GASTAT), the annual inflation rate in Saudi Arabia stood at 2.3% in April 2025, maintaining the same rate of the previous month of this year and the same month of 2024. Consumer Price Index or inflation was mainly impacted by an 11.9% increase in apartment rent.
- The report showed that housing, water, electricity, gas, and fuel prices rose by 6.8%, driven by an 8.1% increase in residential rents, impacted by an 11.9% increase in apartment rents. The increase in this category had a significant impact on the continued pace of annual inflation in April, given its weight of 25.5%.
- Food and beverage prices rose by 2.2%, driven by a 9.4% increase in vegetable prices. Meanwhile, the education category recorded a 1.3% increase, impacted by a 5.6% increase in post-secondary non-tertiary education fees.
- On the other hand, prices for the home furnishings and equipment category fell by 1.8%, impacted by a 3.5% decrease in the prices of furniture, carpets, and floor coverings. Prices for the clothing and footwear category fell by 1.2%, impacted by a 2.1% decrease in the prices of ready-made garments. Prices for the transportation category also fell by one percent, impacted by a 1.8% decrease in the purchase price of vehicles.

India's exports rose 9% to \$38.49bn in April, trade deficit widened

- According to the data released by the commerce ministry, India's merchandise exports grew 9.03% year-on-year to \$38.49 billion in April, whereas the imports during the month rose 19.12% to \$64.91 billion, resulting in a trade deficit of \$26.42 billion.
- India's oil imports rose to \$20.72 billion in April from \$19 billion in March. Gold imports fell to \$3.1 billion in April from \$4.4 billion the previous month.



- According to the data, the top five export destinations include the US, UAE, Australia, Tanzania and Kenya. The top five import sources in April were the UAE, China, the US, Russia, and Ireland.
- Notably, imports from Russia grew by 17.7% to \$6.23 billion in April this year. Russia is a crude oil source for India. Further, the data showed that the country's exports to China too rose to \$1.41 billion in April from \$1.25 billion in the same month last year.
- India's exports to the US rose to \$8.42 billion in April, up from \$6.61 billion in the same period last year.
- The global trade landscape has faced disruptions, partly due to tariff actions by the US administration under President Donald Trump. In April, the US imposed a 26% tariff on goods from India — a lower rate than those placed on China, Vietnam and Bangladesh.

India's unemployment rate was at 5.1% in Apr

- According to the maiden monthly labor force survey released by the National Statistical Office (NSO), Periodic Labor Force Survey (PLFS), India's unemployment rate stood at 5.1% in April, with urban areas recording a higher joblessness rate of 6.5% and nearly 14 out of every 100-youth unable to find work.
- April's headline unemployment rate was slightly higher than the 4.9 per cent recorded in 2024. However, the NSO emphasized that the figures are not comparable, as the PLFS sampling methodology has been revamped to estimate key employment indicators on a monthly basis.
- Among those aged 15 years and above looking for work in rural areas, the unemployment rate was 4.5% in current weekly status (CWS) terms. The national unemployment rate among females was 5% in April, while it was 5.2% for males.

Job report card

		Labour force participation rate (in %)		Unemployment rate (in %)	
		Male	Female	Male	Female
Rural	15-29 age	63.5	23.8	13	10.7
	All ages	57.5	28.8	4.9	3.8
Urban	15-29 age	59.1	21.5	15	23.7
	All ages	58.5	20.5	5.8	8.7
Rural & Urban	15-29 age	62	23.1	13.6	14.4
	All ages	57.8	26.2	5.2	5

Source: NSO



Cooling UK jobs market translates into slower wage growth

- According to the data released by the Office for National Statistics (ONS), the UK's job market has continued to weaken with the number of workers on payrolls falling in the first few months of the year and job vacancies declining again.
- The unemployment rate increased to 4.5% in the January to March period, the ONS said, up from the previous figure of 4.4%. Job vacancy numbers fell again. The estimated number of vacancies in the UK fell by 42,000 on the quarter, to 761,000 in February to April 2025. Other ONS figures showing the number of employees on companies' payrolls found the total fell by 47,000 in March and by an estimated 33,000 in April.
- The ONS figures also showed that wage growth slowed, but pay is still rising faster than the rate of inflation. Regular earnings, which exclude bonuses, grew at an annual pace of 5.6% in the first three months of the year.
- For the Bank of England, the main takeaway from the latest UK jobs report is that wage pressures are – very gradually – easing. The Bank keeps a close eye on wage growth as the concern is that if earnings grow quickly, firms will seek to push up prices, and this will put up the rate of inflation.

US retail sales rise by 0.1% in April, consumer sentiment slides to second lowest on record

- April retail sales suggests pre-emptive buying to get ahead of tariff-related price hikes faded quickly after a March spending surge. April retail sales were broadly in line with expectations, rising 0.1% month-on-month (consensus 0.0%)
- But the “control group” is very soft at -0.2% MoM versus expectations of a 0.3% MoM gain. This measure excludes volatile items such as gasoline and autos and building materials and has a track record of better reflecting the underlying trend within consumer spending. The retail sales only account for around 42% of total consumer spending.
- According to the University of Michigan survey released, U.S. consumers are becoming increasingly worried that tariffs will lead to higher inflation.
- The index of consumer sentiment dropped to 50.8, down from 52.2 in April, in the preliminary reading for May. That is the second-lowest reading on record, behind June 2022.
- The outlook for price changes also moved in the wrong direction. Year-ahead inflation expectations rose to 7.3% from 6.5% last month, while long-term inflation expectations ticked up to 4.6% from 4.4%.
- However, the majority of the survey was completed before the U.S. and China announced a 90-day pause on most tariffs between the two countries. The trade situation appears to be a key factor weighing on consumer sentiment.
- Meanwhile PPI fell 0.5% MoM versus expectations of a 0.2% rise. That said, there was a big upward revision to the March data from -0.4% to 0.0% MoM. The core measure was also soft (-0.4% versus +0.3% expected), but again a huge upward revision.



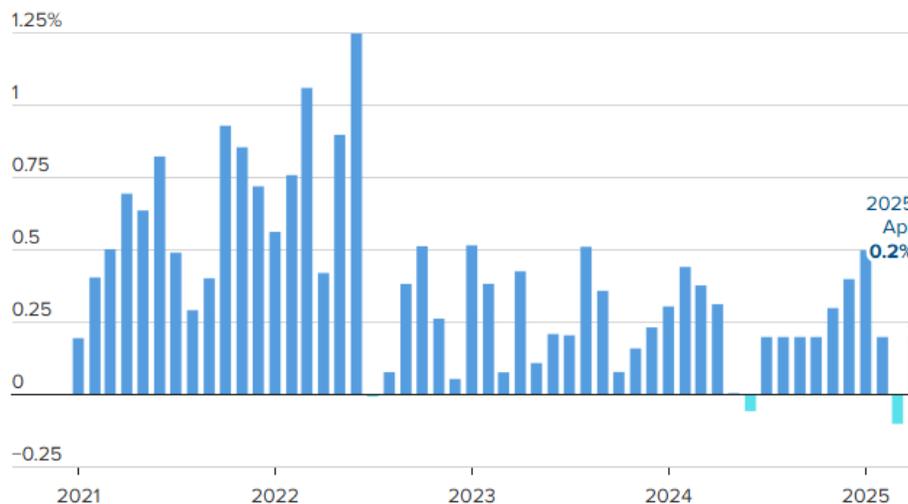
- The year-on-year rates have slowed markedly for headline PPI from 3.4% to 2.4% YoY and core drops from 4% to 3.1%.

US inflation fears cool on tariff climbdown and softer services, hit 2.3% in Apr

- US inflation undershot expectations in April. With the price hike threat from tariffs receding thanks to recent agreements and with leading housing indicators pointing to a cooling in shelter costs, there will continue to be scope for Federal Reserve interest rate cuts later in the year.
- US CPI rose 0.2% month-on-month for both headline and core in April, below the 0.3% readings expected. This means headline inflation is down to 2.3% year-on-year from 2.4%, which is the lowest reading since February 2021, while core - ex food and energy - remains at 2.8% YoY.
- The details show a third consecutive drop in airline fares (-2.8%MoM/-7.9%YoY) while used car prices fell 0.5% and apparel fell 0.2% and food prices fell 0.1% MoM. This offset strength in medical care services (+0.5%MoM) and medical care commodities (+0.4%) plus large increases in motor vehicle maintenance (+0.7%) and vehicle insurance (+0.6%).
- After posting a 2.4% slide in March, energy prices rebounded, with a 0.7% gain. Food saw a 0.1% decline. Egg prices tumbled, falling 12.7%, though they were still up 49.3% from a year ago.

U.S. consumer price index

Month-to-month percent change | Jan. 2021–April 2025



Note: Seasonally adjusted

Source: U.S. Bureau of Labor Statistics via FRED

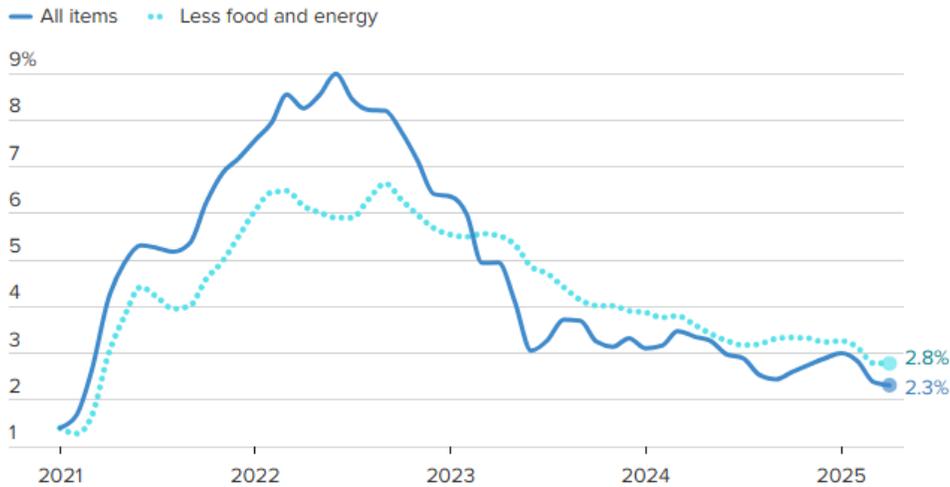
Data as of May 13, 2025





U.S. consumer price index

Year-over-year percent change | Jan. 2021–April 2025



Note: Not seasonally adjusted

Source: U.S. Bureau of Labor Statistics

Data as of May 13, 2025



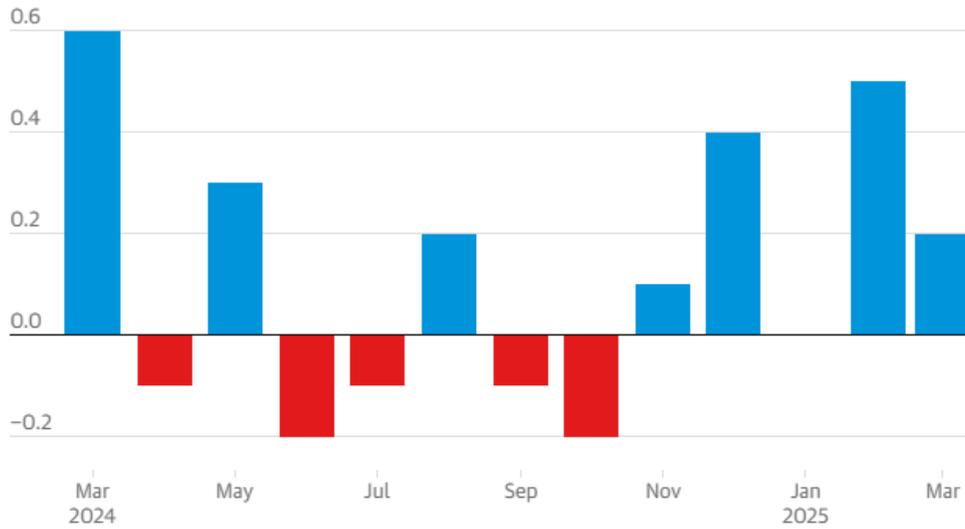
UK economy defies gloomy warnings, grew 0.7% in Q1-25

- The Office for National Statistics (ONS) said gross domestic product (GDP) rose by 0.7% in the quarter, beating consensus expectations of a 0.6% rise and continuing an expansion after growth of 0.1% in the final three months of last year.
- Manufacturing was up by 0.8% in the first three months of the year. The transport equipment – the major export to the US – drove the bulk of that growth. Data from the Society of Motor Manufacturers & Traders (SMMT) shows that the volume of cars made for export rose 30% year-on-year in March. Clearly not all of that will have been exported to the US or indeed manufactured in time to avoid tariffs. The economists are however skeptical because at least some of the 1Q bump could be presumable linked to the front-loading ahead of the tariff declarations.
- Highlighting the scramble to beat Washington's border taxes, UK export volumes increased by 3.5%, after three consecutive quarterly declines, leading international trade to add 0.4 percentage points to GDP growth in the first quarter.
- The ONS said growth in the service sector economy was broad-based over the first quarter, with retail, wholesale and computer programming having a strong start to the year, as did car leasing and advertising. This was slightly offset by falls in education, telecoms and legal services.
- Alongside growth of 0.7% in the service sector, production – which includes manufacturing, mining and energy – rose by 1.1%, while activity in the construction sector showed no growth.



UK grew by 0.7% in the first quarter of 2025

Monthly GDP growth, percentage points



Guardian graphic. Source: ONS

A week gone by – In Charts





What to expect in coming week?

Date	Country / Region	Event	Forecast	Previous
19 th May	Eurozone	CPI YoY (Apr)	2.7%	2.7%
20 th May	Australia	Monetary policy decision	3.85%	4.10%
21 st May	UK	CPI YoY (Apr)	3.3%	2.6%
23 rd May	UK	Retail sales MoM	0.4%	0.4%

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