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

WEEKLY ECONOMIC NEWSLETTER

BY ICAI DUBAI UAE CHAPTER

ISSUE 9

Weekly Economic Newsletter by ICAI Dubai UAE Chapter (Issue 9)

(For internal circulation to members only)

Week ending June 14, 2025

	Current Week	Previous Week	% Change			Current Week	Previous Week	% Change
DFM	5,364.69	5,535.93	**-3.09%**		**USD/INR**	86.2500	85.7900	**+0.54%**
ADX	9,564.01	9,734.99	**-1.76%**		**EUR/USD**	1.1547	1.1395	**+1.33%**
SENSEX	81,118.60	82,188.99	**-1.30%**		**USD/JPY**	144.10	144.85	**-0.52%**
NIFTY	24,718.60	25,003.05	**-1.14%**		**USD/CNY**	7.1700	7.1900	**-0.28%**
DOW	42,197.79	42,762.87	**-1.32%**		**Gold**	3,433.00	3,310.00	**+3.72%**
NASDAQ	19,406.83	19,529.95	**-0.63%**		**US 10-year**	4.4060	4.5120	**-2.35%**
S&P 500	5,976.97	6,000.36	**-0.39%**		**Brent Crude**	70.33	64.71	**+8.68%**

Bank credit in Oman grows 9% to $85bln in April

- According the data released by the Central Bank of Oman (CBO), Oman's banking sector recorded robust credit growth of 9.0% during the first four months of 2025, while deposits surged by over 9.3% year-on-year.
- Total outstanding credit extended by the banking sector – comprising both conventional and Islamic banks – rose by nine per cent to RO33.6bn as of the end of April 2025, compared to the same period in the previous year, the CBO stated in its monthly statistical bulletin.
- Of the total credit extended, loans to the private sector grew by 7.0%, reaching RO27.8bn. The non-financial corporations received the largest share of private sector credit, accounting for approximately 46.6% of the total, followed by the household sector at 44.0%. Financial corporations held a 5.6% share, while other sectors made up the remaining 3.7%.
- In the conventional banking segment, total credit grew by 7.9% year-on-year as of April 2025. Credit extended to the private sector by conventional banks increased by 5.2% to RO21.3bn, while their investments in securities rose by 2.1% to RO5.8bn, according to CBO figures.
- Deposits across Oman's banking sector grew significantly by 9.3%, reaching RO32.8bn at the end of April 2025.
- Private sector deposits increased by 7.1% to RO21.5bn. Within this category, household deposits contributed the largest share, accounting for 50.3% of the total, followed by non-financial corporations at 30.4%, financial corporations at 17.0%, and other sectors at 2.3%.

Saudi Industrial production index rises by 3.1% in April 2025

- According to the data released by the General Authority for Statistics (GASTAT), Saudi Arabia's Industrial Production Index (IPI) recorded an increase of 3.1% during the month of April 2025 compared to the same month in 2024.
- The mining and quarrying sub-index rose by 0.2% year-on-year, while the manufacturing sub-index recorded a 7.4% increase.
- The GASTAT bulletin also reported a 0.2% decrease in the sub-index for electricity, gas, steam, and air conditioning supply activities, whereas the sub-index for water supply, sewage, waste management, and treatment activities increased by 8.8% compared to April of the previous year.

India's retail inflation dips to over 6-year low at 2.82% in May

- According to the data released by the government, India's retail inflation dropped by 2.82% in May, down from 3.16% in April, mainly due to a slower increase in food prices.
- Food inflation in rural areas stood at 0.95% and at 0.96% in urban centers.
- The overall decline was driven by negative year-on-year inflation in vegetables (-13.7%), pulses (-8.22%), and spices (-2.82%). Key staple categories like cereals and sugar witnessed moderate increases, with inflation of 4.77%, and 4.09%, respectively, while milk and oil products saw inflation of 3.15, and 17.91%, respectively.
- The year-on-year inflation rate for the housing segment stood at 3.16% in May 2025 (provisional), slightly higher than 3.06% recorded in April.

India's forex reserves rise by $5.17bln to $696.65bln

- According to the weekly data released by the Reserve Bank of India (RBI), India's forex reserves increased by USD 5.17 billion to USD 696.65 billion for the week ended June 6th.
- The overall reserves had dropped by USD 1.237 billion to USD 691.485 billion for the week ended May 30.
- The gold reserves were up by USD 1.58 billion to USD 85.88 billion during the week, the RBI said. The Special Drawing Rights (SDRs) also rose by USD 102 million to USD 18.67 billion.

China's trade growth moderates and deflation persists in May

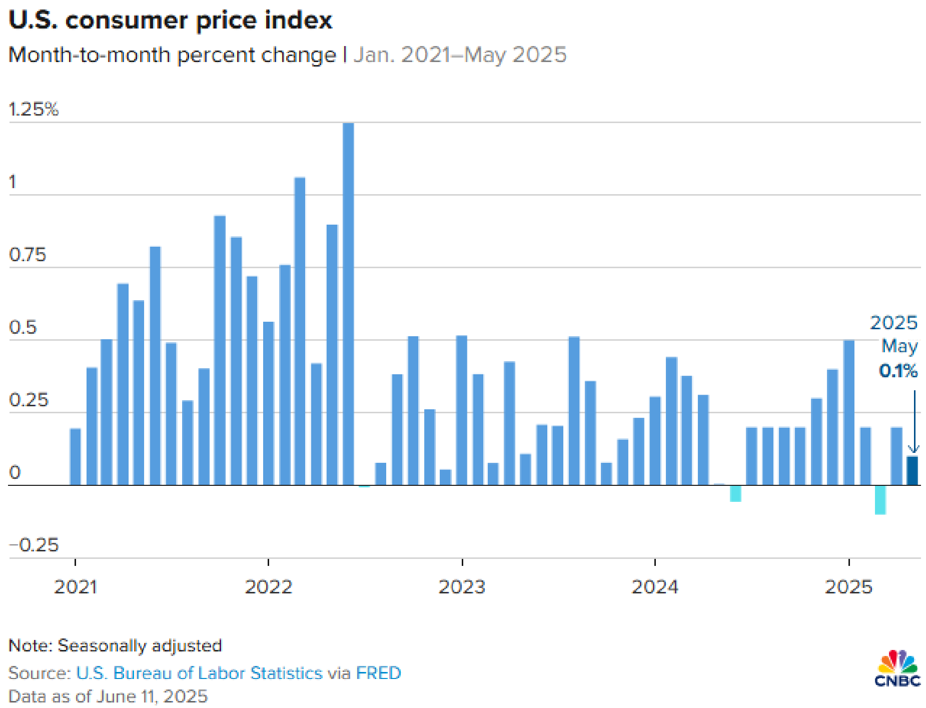
- China's export growth slowed to 4.8% year on year in May, down from 8.1% YoY in April. The data came in a little softer than market forecasts, and brought year-to-date export growth to 6.0% YoY.
- Exports to the US surprisingly decelerated despite the trade war reprieve, sliding -34.5% YoY in May to the $28.8bn level. That's down from -21.0% YoY in April. It's likely that the May data continued to be weighed down by the peak tariff period.
- However, exports to other regions continued to show solid growth on the month. Exports to ASEAN (14.8%) led the way, while exports to the EU (12.0%) picked up on the month. The

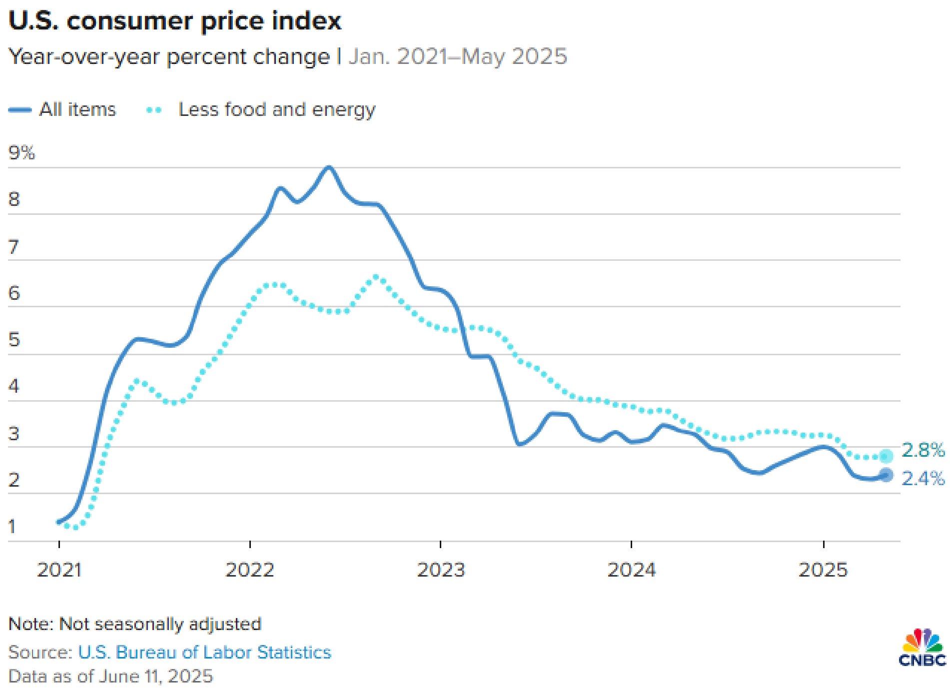
acceleration of exports to other economies has helped China's exports remain relatively buoyant in the face of the trade war

- Meanwhile, imports slowed to -3.3% YoY, the third straight month of negative growth.
- On net, China's trade balance actually beat forecasts yet again, rising to $103.2bn, good for a 4-month high. Compared to the same period in 2025, the trade surplus year-to-date of $471.9bn is $135.6bn, or 40.3%, higher YoY.
- China's CPI inflation remained unchanged at -0.1% year on year in May, coming in line with our forecast and a hair higher than consensus forecasts.
- Food inflation remained the primary drag on the headline CPI, registering at -0.4% YoY. Many food products are now seeing YoY deflation, with fresh vegetables (-8.3%) and eggs (-3.5%) leading the way. Pork prices (3.1%) have driven food inflation over the past 12 months. It would not be surprising if the downtrend teetered into deflation in the coming months as well.
- Non-food inflation was flat at 0.0% YoY in May, also unchanged from April. The big drag on non-food inflation was in transportation and communication (-4.3%), which featured drops in transportation facilities (-3.4%) and fuel (-12.9%). Rents (-0.1%) also remained in deflation for the eleventh straight month. This offset still positive inflation in most other non-food inflation categories, such as apparel (1.5%), education, culture, and entertainment (0.9%), and healthcare (0.3%).

US inflation rises 0.1% in May from prior month

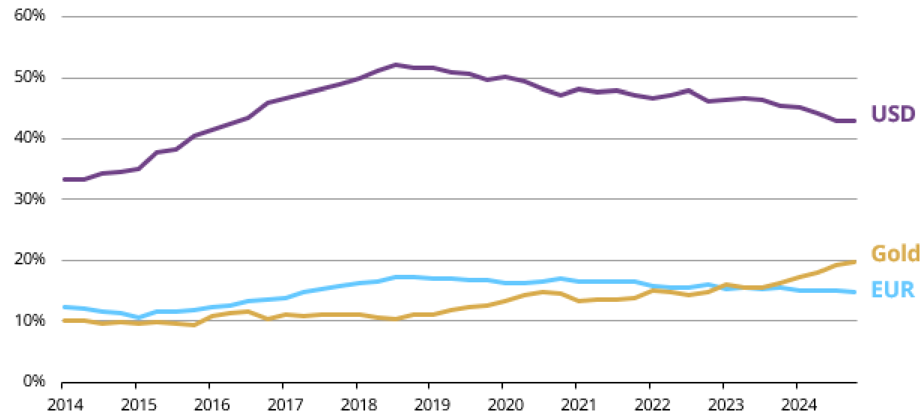
- According to the data released by the Bureau of Labor Statistics (BLS), the consumer price index, a broad-based measure of goods and services across the sprawling U.S. economy, increased 0.1% for the month, putting the annual inflation rate at 2.4%. Economists surveyed by Dow Jones had been looking for respective readings of 0.2% and 2.4%.
- Excluding food and energy, the core CPI came in respectively at 0.1% and 2.8%, compared with forecasts for 0.3% and 2.9%. Federal Reserve officials consider core a better measure of long-term trends, with several expressing concerns recently over the impact that tariffs would have on inflation.
- Energy slipped 1% on the month, while new and used vehicle prices posted respective declines of 0.3% and 0.5%. Within energy, gasoline posted a 2.6% drop that took the year-over-year decrease to 12%.
- Food increased 0.3% as did shelter, which the BLS said was the “primary factor” in the otherwise modest CPI increase. Egg prices fell 2.7% but were still up 41.5% from a year ago. Apparel posted a 0.4% drop.
- White House officials insist that tariffs will not cause runaway inflation, with the expectation that foreign producers would absorb much of the costs themselves. Many economists, though, believe that the broad-based nature of the duties could raise prices in a more pronounced fashion, with greater impacts likely to show up through the summer as inventories amassed ahead of the tariff implementation draw down.


U.S. consumer price index
Month-to-month percent change | Jan. 2021–May 2025
1.25%
1
0.75
0.5
0.25
0
−0.25
2021
2022
2023
2024
2025
2025
May
0.1%
Note: Seasonally adjusted
Source: U.S. Bureau of Labor Statistics via FRED
Data as of June 11, 2025
CNBC


U.S. consumer price index
Year-over-year percent change | Jan. 2021–May 2025
All items
Less food and energy
9%
8
7
6
5
4
3
2
1
2021
2022
2023
2024
2025
2.8%
2.4%
Note: Not seasonally adjusted
Source: U.S. Bureau of Labor Statistics
Data as of June 11, 2025
CNBC

A week gone by – In Charts

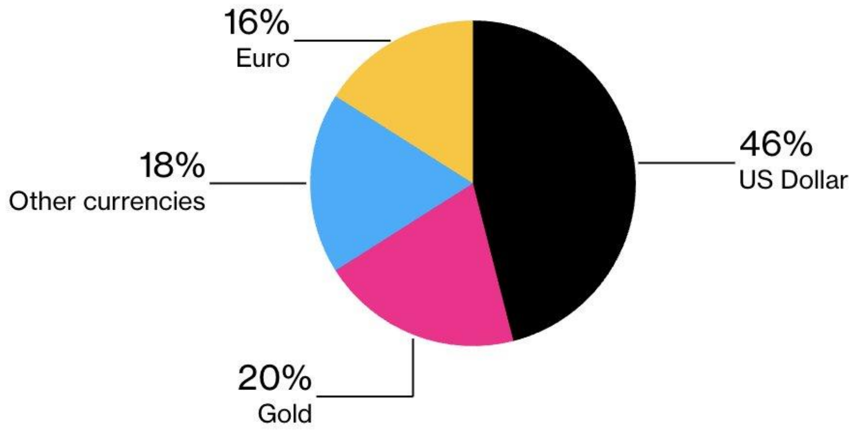
Share of USD, EUR and Gold in Global Official Foreign Exchange Reserves*



*Data to 31 December 2024.

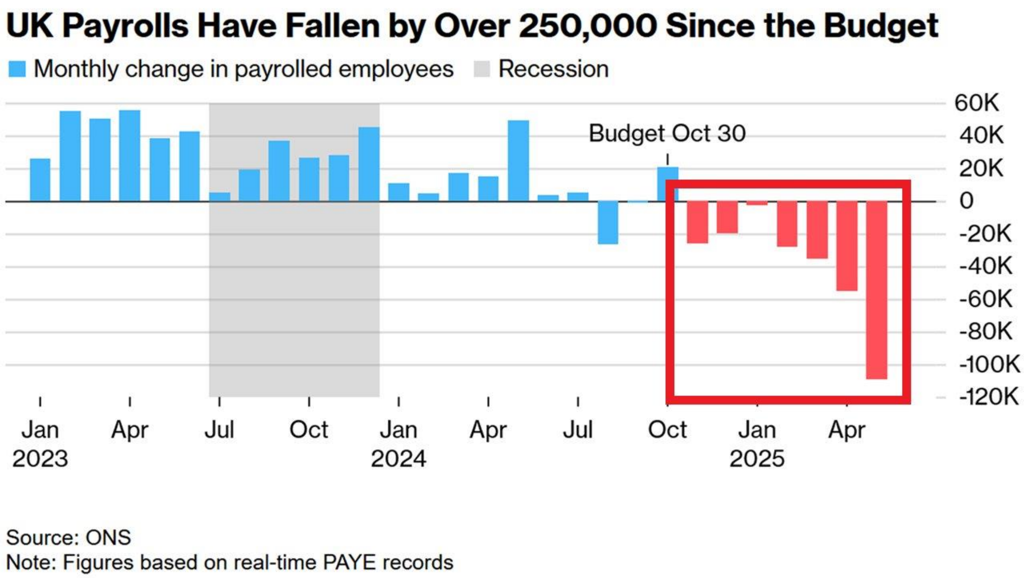
Source: ICE Benchmark Administration, IMF, World Gold Council

Gold is 2nd Largest Component of Global Central Bank Reserves



Source: ECB, IMF, Bloomberg

Note: Relative share is for 4Q 2024. Gold reserves and the currency composition of official foreign exchange reserves have different country coverage.



What to expect in coming week?

Date	Country / Region	Event	Forecast	Previous
17th June	Japan	BOJ Monetary Policy	<0.50%	<0.50%
	US	Retail Sales MoM	-0.6%	0.1%
18th June	UK	CPI YoY	3.3%	3.5%
	US	Fed Monetary Policy	4.50%	4.50%
19th June	Switzerland	SNB Monetary Policy	0.00%	0.25%
	UK	BOE Monetary Policy	4.25%	4.25%

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