

Global Economy

- The US and China announced a 90-day pause on reciprocal tariffs, starting from 14 May 2025. US tariffs on Chinese imports will reduce from 145% to 30% while Chinese tariffs on US imports will reduce from 125% to 10%.
- The US President has delayed imposing 50% tariffs on imports from the European Union until 9 July 2025. These tariffs were supposed to start from 1 June 2025.
- The US Fed kept interest rate unchanged in the range of 4.25% to 4.50% in its May 2025 meeting.
- The UK's central bank cut its key interest rate by 0.25% to 4.25% in its May meeting.
- The US annual inflation rate fell to 2.30% in April 2025, from 2.40% in March 2025. Core inflation (excluding food and fuel costs) remained unchanged at 2.80% in April 2025.
- The UK's annual inflation rate rose to 3.50% in April 2025, from 2.60% in March 2025. Core inflation (excludes volatile price items) rose to 3.80% in April 2025, from 3.40% in March 2025.

Indian Economy

- India's annual inflation fell to 3.16% in April 2025 (lowest since July 2019), from 3.34% in March 2025. Core inflation rate fell to 4.05% in April 2025, from 4.10% in March 2025.
- The IMF forecasts India's economy to grow by 6.20% in 2025 and 6.30% in 2026, maintaining its status as the fastest-growing major economy.
- India's annual GDP growth rate rose to 7.40% in the Jan-March quarter of FY 2025, from 6.40% in Oct-Dec quarter of FY 2025.
- India and the UK finalized a Free Trade Agreement aiming to double bilateral trade to USD 120 billion by 2030, reducing UK export tariffs to India from 150% to 75% immediately, with a further drop to 40% over a decade. 99% of Indian exports, including textiles, jewelry, and food products, will enter the UK duty-free.
- India has proposed retaliatory tariffs on 29 US products, including apples and almonds, in response to U.S. duties on steel and aluminum.
- India has revoked the security clearance of Turkey-based Celebi Airport Services due to national security concerns, affecting operations at 9 major airports including Delhi and Mumbai.

Indian Startups

- 93 Indian start-ups raised total funding of around USD 1,194 million in the month of May 2025, 106% increase in funding as compared to April 2025.
- Logistics Tech, Healthtech, Fintech, Cleantech and Enterprise Tech are major segment that secured USD 244 million, USD 239 million, USD 177 million, USD 89 million & USD 64 million funding respectively.

Indian Debt Market

- India's credit rating has improved from BBB (low) to BBB with a Stable outlook by Morningstar DBRS, a global sovereign credit rating agency.
- India's merchandise trade deficit widened by 37.68% year-on-year to \$26.42 billion in April, with exports rising 9% and imports increasing 19.12%.
- The RBI approved a dividend payout of INR 2.69 lakh crore to the central government for FY 2024-25, marking a 27.4% increase from the previous year.
- The Reserve Bank of India reports that gold now makes up 11.70% of the country's foreign exchange reserves as of March 2025, doubling over the past four years.
- Sri Lanka and India agreed to restructure around \$931 million in lines of credit and buyers' credit facility agreements.
- A Stride Ventures survey highlights rising startup demand for integrated debt financing solutions. Venture debt currently forms only 8-9% of total VC funding in India, indicating strong growth potential. In line with this, HSBC plans to launch a venture debt fund under its Innovation Banking arm, as per The Economic Times.

