

4 April 2025

Business News Update

“Your hard work and dedication
will pave the way for your success.”

Will Trump's tariffs divert FII money towards Indian stock markets?

India's relatively better macroeconomic fundamentals as compared to its emerging market peers such as China are likely to withstand Donald Trump's reciprocal tariffs, feel analysts. Foreign institutional investors (FIIs), they said, could relook at Indian markets in this backdrop. “Lower-than-expected tariffs (for India) have eased pressure for most investors. This development comes as a welcome surprise, especially when combined with other favorable factors such as valuations, growth outlook, and macroeconomic stability — all of which point toward a conducive investment environment,” said Nirav Karkera, head of research at Fisdcom. Notably, foreign institutional investors (FIIs) turned net buyers in the week ending March 28, 2025, breaking a 16-week outflow streak, the longest in 25 years. This helped them turn net buyers for Indian equities worth ₹2,014.18 crore for the month, a first since October 2024.

Source: [Business Standard, April 3, 2025](#)

Explained: What are tariffs, who pays them, and how will US enforce them

US President Donald Trump on Wednesday unveiled a sweeping set of reciprocal tariffs targeting the country's trading partners. Dubbed Liberation Day, the policy applies to over 180 nations without exception. Alongside country-specific levies, Trump announced a 10 per cent baseline tariff on all imports. As a result, the US economy and global markets are bracing for potential disruption as the policy aims to counter trade barriers imposed by other nations. The new tariffs mark a significant shift from previous trade strategies and could reshape global trade flows and economic stability. With higher tariffs on key economies such as China (54 per cent), the European Union (20 per cent), and India (27 per cent), the US President has attempted to rebalance the global trade order. Trump's confrontational trade stance is not new. In his first term, he imposed tariffs on China, prompting retaliatory duties on American exports. His tariff threats also influenced the renegotiation of the US-Mexico-Canada Agreement (USMCA) in 2020.

Source: [Business Standard, April 3, 2025](#)

Indian Rupee ends 7 paise stronger; US tariffs spark dollar, oil selloff

The Indian Rupee closed stronger on Thursday, tracking a fall in the dollar index and oil prices as fears mounted that the latest tariffs by the US will have economic implications on itself. The domestic currency strengthened 8 paise to end at 85.44 against the greenback after closing at 85.51 on Wednesday, according to Bloomberg data. The gain in the currency came after it saw the worst opening since March 10 this year. Tracking the fall in the dollar index, the currency appreciated by 2.39 per cent in March, registering the best month since November 2018. Meanwhile, during the last current financial year, it witnessed a 2.42 per cent fall. Overnight, the Trump administration slapped a 26 per cent tariff on imports from India. This is higher than the 20 per cent levy for the European Union, the 24 per cent for Japan and the 25 per cent for South Korea. Calling India's tariffs “very, very tough,” Trump said he was imposing 26 per cent tariffs on all imports from India — half of what India imposes on US products.

Source: [Business Standard, April 3, 2025](#)

Hindustan Zinc Q4 growth: Firm reports 4% rise in mined metal production

Vedanta group firm Hindustan Zinc Ltd has reported 4 per cent rise in mined metal production at 3,10,000 tonne in the fourth quarter of FY25, over the year-ago period. The company's mined metal output was 2,99,000 tonne in the fourth quarter of FY24. The company said that it recorded “mined metal production of 310 ktdriven by higher mined metal grades, mills recovery and increase in production at Agucha and Zawar mines.” The company's refined zinc production was at 2,14,000 tonne and lead production was at 56,000 tonne. However, the saleable silver production declined to 177 metric tonne during the quarter. The company's wind power generation for 4QFY25 was up 3 per cent to 63 million tonne (MU). Hindustan Zinc Ltd is the world's largest integrated zinc producer and the third-largest silver producer.

Source: [Business Standard, April 3, 2025](#)

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Trade deficit vs tariff: How were Trump reciprocal tariffs calculated?

US President Donald Trump on Thursday morning (IST) revealed his administration's reciprocal tariff plan on several countries which ranged from a baseline 10 per cent to a staggering 50 per cent. This comes after the Trump administration had already announced tariffs on several countries, including Canada, Mexico, and China. While some tariffs had been expected following remarks made by the President since taking office in January, others seem to be arbitrary and have left many confused. Amid this, a report by The Wall Street Journal explains how the tariffs may have been calculated. The methodology appears to lie with a country's trade imbalance with the US rather than existing tariff structures. The White House's newly announced tariff rates seem to follow a pattern where the deficit in goods trade between the US and a specific country is divided by the total value of American imports from that nation.

Source: [Business Standard, April 3, 2025](#)

Trump announces reciprocal tariffs, vows to 'make America wealthy again'

United States President Donald Trump has finally announced the long-anticipated reciprocal tariffs early on Thursday (Indian Standard Time), as part of his "Liberation Day" economic plan, promising to "make America wealthy again". As he took the podium in the Rose Garden to promote his new tariffs, Trump described the move as America's "declaration of economic independence". "It's one of the most important days in American history. We are going to make America great again. Greater than ever before... we will supercharge our domestic industrial base... More production at home will mean more competition and lower prices for consumers," Trump said at the start of his remarks before announcing the reciprocal tariffs. He expressed confidence in raising tariffs, dismissing warnings from economists that the move would further increase prices for American consumers already burdened by inflation.

Source: [Business Standard, April 3, 2025](#)

Trump's reciprocal tariffs to hit the world's poorest nations the hardest

President Donald Trump's new reciprocal tariffs are set to hit some of world's poorest nations the hardest, putting their labor-intensive export industries at risk and diminishing one of the US's biggest economic advantages over rival China. Cambodia was slapped with Asia's highest tariff rate of 49 per cent in Trump's levies announced Wednesday. Garment manufacturing giant Bangladesh was hit with a 37 per cent rate, Laos got 48 per cent and the southern African nation of Lesotho received a 50 per cent tariff. In Myanmar, where a devastating earthquake last week left more than 3,000 dead, the US imposed a 45 per cent duty. "Oh, look at Cambodia, 97 per cent," Trump said at the White House, drawing laughter as he pointed to the levy the US is subjected to from the Southeast Asian nation. "They made a fortune with the United States of America." The average Cambodian earns about \$6.65 a day, according to World Bank data, less than a fifth of the global average.

Source: [Business Standard, April 3, 2025](#)

China threatens to retaliate against new tariff measures, limits companies from investing in US

China has threatened to retaliate after US President Donald Trump announced the biggest tariffs on Thursday, which are anticipated to shake the trade policies between world's largest economies, a Bloomberg report said. China called on the US to cancel the new tariffs immediately and promised to take action to protect its own interests. "China firmly opposes this and will resolutely take countermeasures to safeguard its own rights and interests," the Chinese Ministry of Commerce said condemning the levies and urging the US to resolve all conflict via dialogue. Trump had announced a 34% tariff hike on almost all Chinese products on Wednesday. Economists have said that the new tariffs have hiked the average US tariff on Chinese goods to as much as 65%. This includes both the tariffs from Trump's first term, which were continued under the Biden administration, the Bloomberg report said. These new tariffs will come into effect from April 9. This move of Trump is part of a broader strategy to impose tariffs on world trade partners, the report added.

Source: [Financial Express, April 3, 2025](#)