

International Trade

1. The United States and China agreed to a tentative truce to their trade war before the G20 summit in Osaka, Japan this weekend. The two countries had rekindled talks last week after US President Donald Trump threatened to hit China with another round of tariffs on goods worth \$300 billion.
2. Trump also called the retaliatory tariffs imposed by India unacceptable and asked them to be withdrawn. India imposed these tariffs as retaliation for the US terminating India's preferential trade status under the Generalised System of Preferences (GSP)



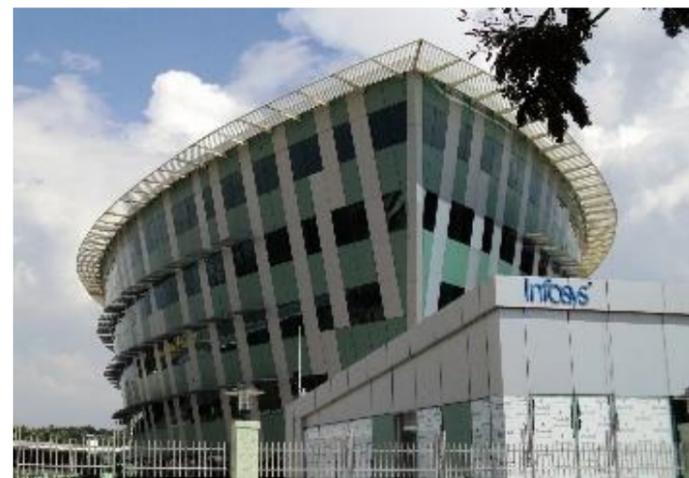
Foreign Investment

1. There was bad news for India's IT sector as Foreign Portfolio Investors (FPIs) exited IT firms due to a strong rupee and higher costs. Foreign Investors have sold equities worth INR 3800 crore in the "Services and Software" sector since the beginning of this year.

2. FPIs remain net buyers as foreign investors pumped in INR 10,312 crores into the Indian economy in the month of June. However, investments have slowed down due to growing tensions in the middle east and rising trade tensions between India and the US. Going forward, the focus of the Investors is likely to be on the Budget to be announced on July 5th.



3. In other foreign Investment news, foreign investors pumped \$3.5 billion into Indian realty so far this calendar year. Reforms by the government, and successful listing of India's first Real Estate Investment Trust (REIT) is thought to have played a part.



Geopolitical Insights

Turkish President Erdogan and his AKP party faced a serious blow to their increasingly authoritarian regime this week when the opposition CHP's Ekrem Imamoglu won the rerun of the Istanbul Mayoral election. Imamoglu had won the contest in the first run in May, but strong protests by the AKP caused the results to be scrapped and a new election being announced by the high election board, a move which drew accusations of 'dictatorship' from many. However, not only did Imamoglu once again emerge victorious with his message of 'Radical love', but did do with an increased majority. Several observers are expecting this to be a turning point in Turkey's democracy, with Erdogan becoming increasingly unpopular and factions in the AKP planning to launch their own party.

