

Markets extend losses as crude hits USD 100 amid US-Iran imbroglio; Sensex tanks 852 points

MUMBAI, APR 23: Stock markets fell for the second consecutive day on Thursday, with the benchmark Sensex tumbling 852.49 points, as crude oil prices once again breached the USD 100 per barrel mark amid stalled US-Iran negotiations.

Sustained foreign fund outflows, along with a weak trend in Asian and European equities, also unnerved investors.

The 30-share BSE Sensex tumbled 852.49 points, or 1.09 per cent, to settle at 77,664. During the day, it slumped 942.31 points, or 1.20 per cent, to 77,574.18.

A total of 2,517 stocks declined, while 1,762 advanced and 170 remained unchanged on the BSE. The 50-share NSE Nifty dropped 205.05 points, or 0.84 per cent, to end at 24,173.05.

"Indian equity markets extended their decline, turning decisively negative as geopolitical tensions intensified. Sentiment deteriorated following stalled Iran peace talks despite US President Donald Trump announcing an indefinite ceasefire extension, which lacked clear confirmation from Iran.

"Escalating concerns around tightening control over the Strait of Hormuz and the continuation of the US naval blockade pushed the Middle East situation back to a critical juncture," Ponmudi R, CEO of Enrich Money, an online trading and wealth tech firm, said. From the Sensex pack, Trent, Bajaj Finserv, Tech Mahindra, Mahindra & Mahindra, Infosys and HDFC Bank were among the major laggards.

In contrast, Adani Ports, Larsen & Toubro, Sun



Pharma, Bharti Airtel and Bharat Electronics were the winners.

Brent crude, the global oil benchmark, traded 1.89 per cent higher at USD 103.8 per barrel.

"Indian markets extended their losing streak, with the Nifty witnessing back-to-back bearish sessions and correcting over 400 points across the last two trading days. The price action reflects a clear shift in market tone - from resilience to risk aversion - as global uncertainties intensify and domestic triggers fail to provide immediate support," Hari Prasad K, Research Analyst and founder, Livelong Wealth, said. The BSE MidCap Select index declined 0.39 per cent, and the SmallCap Select index dipped 0.34 per cent.

On the sectoral front, PSU Bank dropped 2.36 per cent, Auto (2.27 per cent), Realty (1.91 per cent), Consumer Discretionary (1.71 per cent), Consumer Durables (1.63 per

cent) and Bankex (1.46 per cent).

On the other hand, Healthcare jumped 1.66 per cent, Capital Goods (0.40 per cent), Power (0.40 per cent) and Industrials (0.11 per cent).

"Concerns surrounding disruptions in the Strait of Hormuz have significantly dented investor confidence, introducing a fresh layer of uncertainty into global markets. This has directly translated into a spike in crude oil prices. For an import-dependent economy like India, this creates a dual pressure, rising inflation expectations and stress on corporate margins," Hari Prasad said. Foreign Institutional Investors (FIIs) offloaded equities worth Rs 2,078.36 crore on Wednesday, according to exchange data.

The rupee extended its losing streak for the fourth consecutive session, settling 33 paise lower at 94.11 (provisional) on Thursday.

In Asian markets, South Korea's benchmark Kospi

ended higher, while Japan's Nikkei 225 index, Shanghai's SSE Composite index and Hong Kong's Hang Seng index settled lower.

Markets in Europe were quoting lower in mid-session deals.

"Domestic equities witnessed a broad-based decline, as elevated crude prices above USD 100 per barrel, amid the impasse in US-Iran negotiations, continued to weigh on sentiment. The risk-off mood was further intensified by weak global cues, persistent FII outflows, and a depreciating rupee alongside higher US Treasury yields," Vinod Nair, Head of Research, Geojit Investments Limited, said.

US markets ended higher in overnight trade on Wednesday.

On Wednesday, the Sensex tanked 756.84 points, or 0.95 per cent, to settle at 78,516.49. The Nifty dropped 198.50 points, or 0.81 per cent, to end at 24,378.10.

Samsung workers rally in South Korea, demanding higher pay, threatening to strike

PYEONGTAEK (SOUTH KOREA), APR 23: Thousands of Samsung Electronics workers rallied Thursday at its computer chip complex in Pyeongtaek, South Korea, demanding higher bonuses and threatening to strike as booming demand for artificial intelligence drives up memory-chip profits.

Holding signs and waving banners, the workers gathered at a factory compound amid a heavy police presence, shouting "make compensation transparent and remove maximum limits on bonuses!" Union officials said about 40,000 members participated in the protest. Police did not immediately provide a crowd estimate.

The rally came hours after Samsung's cross-town rival, SK Hynix, posted an all time



high in quarterly revenue and operating profit for the January-March quarter, a jump it attributed to expanding global investments in data centres and other AI infrastructure that drove up the demands for its memory chips.

Samsung, which together with SK Hynix produces about two-thirds of global memory chips, forecast earlier this month that its first-quarter operating profit would reach a record 57.2

trillion won (\$38.6 billion). That would be higher than the 37.6 trillion won (\$25.4 billion) posted by SK Hynix on Thursday, although Samsung has a more diverse lineup of businesses, including smartphones and consumer electronics.

Samsung's union, which represents about 74,000 workers, says the company has failed to offer adequate compensation despite its strong performance. It has rejected the man-

agement's proposal for bonuses of restricted stock and calling for removing caps on bonuses.

The union has threatened to stage an 18-day walkout starting May 21 if negotiations with management fail and claims that such action would cost the company more than 1 trillion won (\$676 million) a day.

"We won't stop this fight until our fair demands are met," Choi Seung-ho, a union leader, said through a loudspeaker from atop a crane-mounted structure.

While semiconductor makers have benefited from the AI boom, the war in the Middle East has clouded the future outlook, disrupting supplies of key materials such as helium that are crucial to chipmaking and pushing up energy costs. (AP)

Sitharaman holds meeting with banks on emerging threats linked to AI models

NEW DELHI, APR 23: Union Finance Minister Nirmala Sitharaman chaired a high-level meeting on Thursday, along with Union Minister for Electronics and Information Technology Ashwini Vaishnaw, with Scheduled Commercial Banks and key stakeholders to assess the potential impact of emerging threats linked to recent developments in Artificial Intelligence (AI) models, particularly the possibility of such technologies being misused to weaponise software vulnerabilities.

Sitharaman urged all banks to take all necessary pre-emptive measures to secure their IT systems, safeguard customer data, and protect monetary resources. During the meeting, the Union Finance Minister appreciated the work done by banks so far in strengthening cybersecurity systems and protocols, the Finance Ministry said in a post on X.

She noted, however, that the nature of the emerging threat from the latest AI Model is unprecedented and requires a very high degree of vigilance, preparedness and better coordination across financial institutions and banks.

The Finance Minister advised the Indian Banks' Association (IBA) to develop a coordinated institutional mechanism to respond swiftly and effectively to any such threats.

She also directed banks



to engage the best available cybersecurity professionals and specialised agencies to continuously strengthen the defensive and monitoring capabilities of the banks.

Banks were further advised to immediately report any suspicious activity or cyber incident to the relevant authorities, including the Indian Computer Emergency Response Team, and to maintain close coordination with all agencies concerned.

"Emphasising the need for proactive action, the Union Finance Minister urged banks to take all necessary pre-emptive measures to secure their IT systems, safeguard customer data, and protect monetary resources. A robust mechanism for real-time threat intelligence sharing may be established among banks, Indian Computer Emergency Response

Team, and other relevant agencies so that emerging threats are identified early and disseminated across the ecosystem without delay," the Finance Ministry said in its post.

The meeting was attended by Department of Financial Services Secretary M Nagaraju, Director General of the Indian Computer Emergency Response Team Sanjay Bahl, senior officials of RBI and NPCI, and MDs & CEOs of Scheduled Commercial Banks.

AI models such as Anthropic's Myths could pose disruption risks to the growth of India's IT services sector, according to a report by Kotak Institutional Equities. The report said the model "exhibits a step-jump in benchmark performance across software engineering tasks" and added that it

"raises near- to medium-term disruption risks for IT services," particularly for companies with higher exposure to application services.

The brokerage noted that improvements in AI-driven coding could translate into real business impact.

"The realization of similar improvements in real-world scenarios risks turning our estimate of a 3-3.5% annual growth headwind for the industry... from prudent to practical," the report said.

It added that such advancements could also increase downside risks if rapid capability gains continue in future AI models.

Kotak further said the model could "increase efficiencies across all IT services segments" but warned that gains may not be evenly distributed.

HD Hyundai Heavy Industries lands first USD 348.9 million icebreaker export contract with Sweden

SEOUL, APR 23: HD Hyundai Heavy Industries secured a USD 348.9 million contract from the Swedish Maritime Administration to build an icebreaking vessel, marking the first time a South Korean shipbuilder entered the international icebreaker market. The vessel is scheduled for delivery in 2029 and will operate in the Baltic Sea to provide ice-breaking, navigation assistance, towing, and ice management services, according to a report by The Korea Herald.

The company stated that it was selected for the project based on its price competitiveness, delivery timeline, and technological capabilities. This selection allowed the firm to prevail over established shipbuilders from Finland and Norway, countries that traditionally dominated the specialized vessel sector.

Regarding the technical specifications, the report stated that the icebreaker will measure 126 meters in length with a displacement of approximately 15,000 tons. The ship will feature



Polar Class 4 capability, which enables it to continuously break through ice measuring between 1 and 1.2 meters thick. The construction plan included a reinforced hull, high-powered propulsion systems, and a specialized structural design tailored for navigation in ice-covered waters.

"The contract demonstrates our technological capabilities following integration within the HD Hyundai group," the report quoted Joo Won-ho, head of the special ship business unit.

The agreement arrived at a time when global demand for icebreakers increased significantly, driven by a growing interest in Arctic shipping routes. To address these needs, the United States approved plans to expand its icebreaker budget to approximately USD 9 billion.

Furthermore, the United States, Canada, and Finland launched the Icebreaker Collaboration Effort to strengthen polar navigation capabilities. These three nations aimed to construct be-

tween 70 and 90 icebreakers over the next decade.

HD Hyundai Heavy Industries said it intended to leverage this specific order to expand its presence in the global market for naval and special-purpose vessels that required icebreaking capabilities. The company viewed the Swedish contract as a strategic foothold in a high-value niche of the shipbuilding industry.

"We will continue to expand into new export markets for specialized vessels," Joo added. (ANI)

UK inflation rises as prices at pump spike after Iran war

LONDON, APR 23: Inflation in the UK climbed in March after a sharp jump in prices at the petrol pump in the wake of the disruption to energy supplies caused by the Iran war, official figures showed on Wednesday.

The annual consumer price inflation rate increased to a three-month high of 3.3 per cent, from 3 per cent the previous month, according to the Office for National Statistics. The rise was in line with market expectations.

The main reason behind the inflation spike was higher motor fuel, which increased by a monthly 8.7 per cent — the largest increase since June 2022, shortly after the Russian invasion of Ukraine.

Airfares and food prices, both related to the spike in energy prices, were also higher. Treasury chief Rachel Reeves, whose hopes over the cost-of-living have been blown off course by the crisis in the Middle East, said this is "not



our war, but it is pushing up bills for families and businesses" as a result.

The economic fallout has put paid to any expectations that the Bank of England would cut borrowing costs. Prior to the start of the war on February 28, there had been an expectation in financial markets that the bank would cut its main interest rate from 3.75 per cent, given that infla-

tion was predicted to fall back toward its 2 per cent target during the spring.

Inflation is set to rise further in the coming months, possibly to 4 per cent, as higher energy prices impact household bills.

No economist at present thinks inflation will get anywhere near the four-decade highs above 11 per cent in the wake of Russia's invasion of Ukraine in February 2022,

partly because oil and gas prices have not spiked as much and partly because interest rates are higher.

But Bank of England policymakers will be keeping a beady eye on whether the evident inflation spike starts to spread through the economy, via higher wages for example.

For now, economists think the bank will keep interest rates on hold at the next pol-

icy meeting on April 30.

Luke Bartholomew, deputy chief economist at asset management firm Aberdeen, said that it will be "hard" to see workers and firms being able to push through higher wages and prices, given the relative weakness of both the labor market and the British economy.

"That should ultimately limit the size and extent of the coming inflation shock," he said.

"For now though, the Bank of England is likely to remain in wait-and-see mode, keeping policy on hold next week and maintaining maximum optionality about whether interest rates ultimately end up increasing or decreasing later this year."

How inflation develops will depend on what happens in the war and the crucial waterway of the Strait of Hormuz, which has been largely closed to oil tanker traffic since the onset of hostilities.

Need to create jobs in rural areas to reduce migration of youth: Gadkari

NEW DELHI, APR 23: Union Minister Nitin Gadkari on Wednesday said there is a need to create employment opportunities in rural and tribal areas to check migration to metro cities.

Addressing the second edition of Save the Earth Conclave, Gadkari further said the economic condition of farmers and workers in villages is serious.

"Youth, farmers and workers from villages are migrating to Delhi, Mumbai, Kolkata, Bangalore and Pune due to lack of employment opportunities there. We should create employment opportunities in villages and tribal areas," he said.

The Road Transport and Highways Minister said youth and farmers are migrating from villages out of compulsion, highlighting



10,000 farmer suicides in the Vidarbha region of Maharashtra.

He also called for a transformational shift in the agriculture sector to save farmers, saying they are 'annadata' (food producers), but they should now become 'urjaadata' (energy providers).

Gadkari also made a case for increasing the production of alternative fuel and biofuel.

"We import fossil fuels worth Rs 22 lakh crore, which is also causing pollution... so we need to work on increasing production of alternative fuel and bio-fuel," he said.

The sugar price is determined by Brazil, the oil price by Malaysia, the corn price by the US, and the soybean price is influenced by Argentina. "Our minimum support price (MSP) is higher than market price,"