

Daily Economic News Summary: 23 March 2020

1. Coronavirus impact: Rupee touches record low, cracks below 76 per dollar

Source: Livemint ([Link](#))

The Indian rupee on 23 March slumped past the 76 per dollar-mark as nervous investors dumped risky assets following the relentless rise in cases of Covid-19 in the country and world over. At 9:15am, the rupee traded at 76.15 a dollar, down 1.25% from its previous close. The yield on the government 10-year bond gained 5 basis points to 6.308%. Domestic benchmark equity indices-- Sensex and Nifty--fell nearly 9% each in early deals. Globally, the number of positive cases stand at 336,000, with death toll at 14,641. In India, cases have surged to 390, including six deaths.

2. Sebi, exchanges clarify markets to function normally on Monday

Source: Livemint ([Link](#))

The Securities and Exchange Board of India (Sebi) and exchanges on 22 March evening clarified that the markets would function normally on 23 March. This clarification came amidst a partial lockdown in the financial capital and a curb on bus and train services. These curbs gave rise to apprehensions whether the trading in markets would be affected. The partial lockdown will not affect essential services. Stock exchanges, depositories, bank officials have been exempted from the office shut down diktat of the Maharashtra government. Maharashtra government has ordered for shut down of offices till 31 March to contain the spread of COVID-19. Many fear that India may soon reach level 3 or community spread.

3. IIT Delhi researchers develop affordable test for COVID-19

Source: The Economic Times ([Link](#))

Prime Researchers at the Indian Institute of Technology in Delhi have developed a method to detect COVID-19 which can significantly reduce the test cost making it affordable for large sections. The National Institute of Virology (NIV), Pune is in the process of validating this test on clinical samples. The "probe-free detection assay" developed by the researchers at the prestigious institute's Kusuma School of Biological Sciences has been optimised and tested for sensitivity at the research laboratories of the Institute. According to the team, considering the scale of the ongoing pandemic, development of indigenous kits is the need of the hour.

4. Automakers halt production in India due to coronavirus

Source: Money Control ([Link](#))

India's biggest automaker Maruti Suzuki India and peers including Mahindra & Mahindra, Mercedes-Benz, Fiat Chrysler Automobiles (FCA) as well as Hyundai Motor Co said they will halt car production in the country due to the coronavirus outbreak. The move comes after automakers shut plants last week in Europe, the United States, Canada and Mexico as the global death toll from coronavirus exceeded 13,000. Sport-utility vehicle maker Mahindra & Mahindra said it aims to start making ventilators for coronavirus patients at its manufacturing plants, mirroring similar efforts by other automakers including Ferrari and Fiat.

5. Government decides to shut down 75 coronavirus-hit districts

Source The Economic Times ([Link](#))

The Centre and state governments have decided to completely shutdown 75 districts across the country where coronavirus (covid-19) cases have been reported, officials said on 22 March. It has also been decided to suspend the interstate bus services till March 31, the officials said. The decisions have been taken at a high-level meeting attended by chief secretaries of all states and the cabinet secretary and the principal secretary to the prime minister. In view of the need to contain the spread of the deadly COVID-19, it was agreed that there was an urgent need to extend the restrictions on the movement of non-essential passenger transport, including interstate transport buses till March 31, a Union Home Ministry official said.

6. India to go ahead with \$2.3 billion Turkish shipyard deal

Source: The Economic Times ([Link](#))

India is going ahead with a \$2.3 billion (about Rs 15,000 crore) deal to manufacture fleet support vessels (FSVs) in collaboration with a Turkish shipyard following a review after questions were raised on Turkey's links with Pakistan and the recent diplomatic tiff with the Recep Tayyip Erdogan government. The formal contract was signed days after India issued a strong statement rejecting all references made to Jammu and Kashmir in a joint declaration by Turkey and Pakistan during President Erdogan's visit to Islamabad last month. Turkey's TAIS had emerged as the lowest bidder for a contract to manufacture five of the 45,000-tonne FSVs at the Vizag-based Hindustan Shipyard Limited (HSL) last year, but the contract signing was put on hold in October following the repeated raising of Kashmir issue by Erdogan at international forums.

7. FM Nirmala Sitharaman may unveil steps to tackle Covid-19 today

Source: The Economic Times ([Link](#))

Finance minister Nirmala Sitharaman could announce measures to deal with the economic impact of Covid-19 in her reply to the Finance Bill on 23 March. She could also propose a threshold of Rs 15 lakh for the taxation of the income of nonresidents who don't pay tax in other jurisdictions, taking the sting out of the contentious budget proposal. The government is also seeking to raise special additional excise duty on petrol to Rs 18 per litre and on diesel to Rs 12 per litre, raising revenue for relief measures. Special additional excise duty had been raised by Rs 2 each on these commodities on March 14. The sharp decline in global crude prices has created room for a reduction in prices but instead of passing on all the benefits of this to the consumer, the government may use some of the room to raise taxes to generate funds.

8. Four private labs get approval to carry out COVID-19 tests

Source: The Hindu ([Link](#))

Four private laboratories — Thyrocare, Suburban Diagnostics, Metropolis Healthcare Ltd. and HN Reliance Foundation Hospital — have received approval from the Indian Council of Medical Research (ICMR) to carry out COVID-19 tests. At least 16 more laboratories are in the pipeline for approval and more names will be added to the list within this week. Dr. Sujata Baweja, head of microbiology, Sion hospital, who is coordinating with the private labs said at least 20 had applied for approval. “The approvals are in the process as the government is looking at scaling up the testing facilities. Within this week a majority of them will get the approval and will start testing,” she said.