

DAILY NEWS

ANALYSIS



8th April

Explained

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DNA Quiz

Playlist Link:

What to Read: <https://bit.ly/3FYdutC>

Daily News Analysis: <https://bit.ly/4ge9BgF>

EXPLAINED

1. MARKET TANKS

Relevance: Effects of Liberalization on the Economy (GS III).

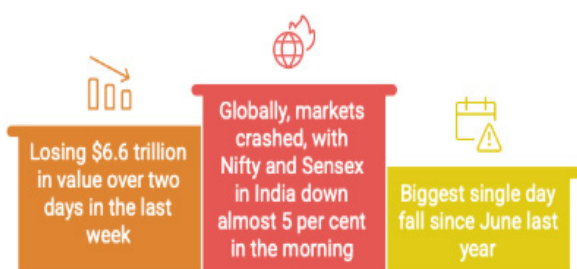
Backdrop: Globally markets crashed.

TREMORS ACROSS WORLD MARKETS

Indices	Apr 1, 2025	Apr 7, 2025	Difference (in %)
Nifty 50	23,165.70	22,161.60	-4.33
Sensex	76,024.51	73,137.90	-3.79
Dow Jones*	41,989.96	37,879.65	-9.78
Hang Seng	23,206.84	19,828.30	-14.55
Shanghai Composite	3,348.44	3,096.58	-7.52
Euro Stoxx 50	5,320.30	4,662.45	-12.36
Nikkei 225	35,624.48	31,136.58	-12.59
KOSPI	2,521.39	2,328.20	-7.66
Dax	22,539.98	19,689.75	-12.64

*April 7 opening level

About the News



Reasons :

- US President Donald Trump announced reciprocal tariffs on various trading partners of the US, including India.
- Carnage over high US tariffs and the retaliation by other countries may kickstart a trade war.
- China announced retaliatory tariffs, matching the US reciprocal tariff rate of 34 per cent.
- The European Union is also in the process of approving imposing retaliatory tariffs on the US.
- Brewing trade war between China and US - US President Donald Trump threatened additional

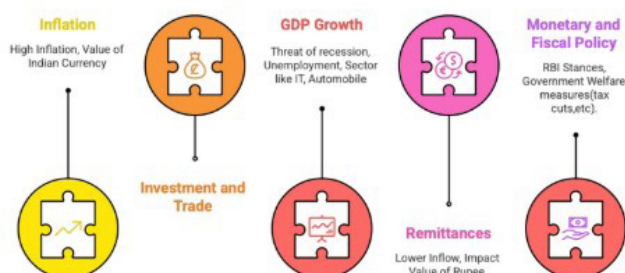
tariffs of 50 per cent on US imports from China if the latter did not withdraw the 34 per cent tariff it had imposed on US products..

- fears that Trump's policies on reciprocal tariffs may lead to recession and higher inflation in the US going ahead,
- Commodity prices of crude oil and several metals are seeing a downward slide, which is an indication of a slackening demand if the current trend persists.

Impact on World

- The Execution of the tariffs formula is likely to be pretty complicated given that Trump has chosen to slap differential tariffs on almost all of its trade partners. All of it is based simply on just one year's trade trend.
- The US trade department would need to draw up different rules of origin for each country and US customs will have to ensure adherence to it. That would be a potential minefield.
- Every country has its own political compulsions and there is an element of national pride involved when something of this kind happens, which would force some harsh response that has come in from China and is expected from the European Union.
- Other countries can impose a large reciprocal tariff against American services.
- Higher tariffs and the trade war resulting from Trump's actions would most certainly lead to higher inflation in the US.
- Runaway deficits and a possible dilution of institutional autonomy, could lead to foreigners beginning to rethink whether they should lend unlimited money to the US Treasury
- End of a big advantage Washington DC has had so far – the advantage of having the global reserve currency and the ability to live beyond its means.
- The US Federal Reserve's decision to continue its rate-cut cycle depended strongly on the result of the presidential election

Impact on India



Positives for India

- India has been hit with a lower tariff rate than others
- As oil prices and US yield have fallen sharply it is a positive for India.
- Goods exported to the US are only 2 percent of India's GDP.
- Supportive Monetary Policy and resilient domestic demand Cushion the impact
- Large Cap Stocks are a reasonably good valuation and look attractive at current levels. Retail investors must hold on large cap.
- Domestic funds go on a buying spree as foreign investors pull out..

Way Forward

FOR US-

- One possibility is that the reverses in the American stock markets and pressure from his own supporters would force Trump to temper the tariff push.
- Secondly, the American president might indeed manage to get concessions from some countries such as Vietnam or Cambodia.
- Another possibility going forward is that the US Congress could step in to take back the power accorded to the White House on tariffs.

FOR INDIA-

- Follow the dharma of asset allocation, we are an oasis in the desert. However there is a fierce sandstorm blowing in the desert. We can't be immune to it. Once the storm is over people will come to oasis.
- Large caps are fairly valued, mid and small are still a little expensive compared to historical averages, keep neutral allocation to equity as an asset class with a large cap bias.

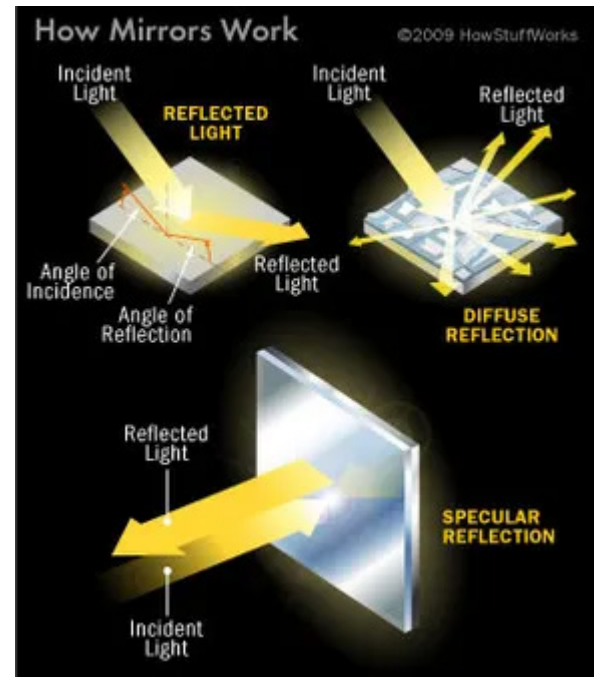
2. MIRROR AND REFLECTIONS - TH PG 9

Relevance: Science and Tech(GSIII)

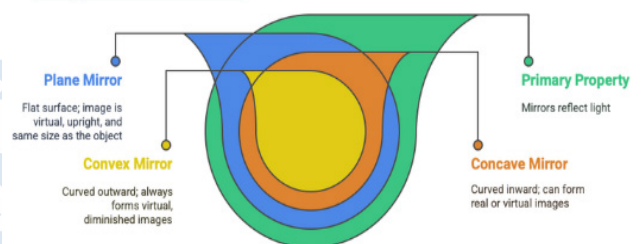
Backdrop: The magic of a mirror: how is it able to show your reflection?

What is a mirror?

- It's actually glass with a thin metal layer at the back.
- Light passes through the glass, hits the metal, and bounces back to your eyes, creating a reflection.

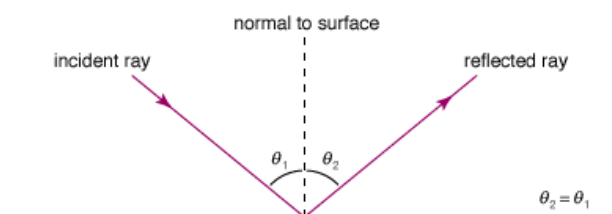


Properties of Mirror

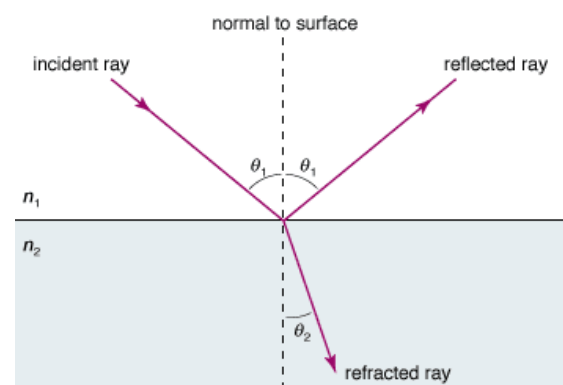


Why Do Mirrors Reflect Us?

- Principle of reflection of mirror:** The law of reflection states that, on reflection from a smooth surface, the angle of the reflected ray is equal to the angle of the incident ray



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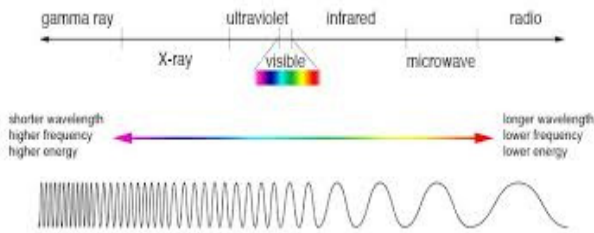
b. Nature of materials impacting Reflection — specifically, metals and insulators

i. **Metals (like steel or aluminium) :**

1. have free-flowing electrons, making them good conductors of electricity and heat.
 2. These “unruly” electrons also reflect light strongly.
- ii. Insulators (like glass or plastic) have tightly bound electrons that don't conduct electricity or reflect light much.
- iii. Topological materials— substances that behave like metals on the outside and insulators inside.

Properties of light and Reflection: When light — an electromagnetic wave — hits a surface, electrons respond. In metals, the free electrons move together (like a flash mob), bouncing light back. In insulators, the electrons move slightly within atoms, letting light pass through. That's why we see ourselves in a spoon (metal) but not clearly in a window (glass).

Characteristics of light:



- DUAL NATURE - It travels in waves and can transfer energy from one place to another.
- It behaves like a wave (electromagnetic wave) and also like particles (called “photons”). This is known as “wave-particle duality”.
- In a uniform medium, it always follows a straight path unless reflected, refracted, or diffracted.
- In vacuum, its speed is about “ 3×10^8 m/s” (300,000 km/s).
- Two or more light waves can combine to produce patterns of brightness and darkness.
- Light does not need a medium to travel - Unlike sound, it can travel through the vacuum of space.

3. IRON INSIDE SUN

Relevance: Awareness in the fields of Space (GS III)

Backdrop: It's clear now: iron inside the sun is more opaque than expected

In the News



About Sun (star) Understanding

- The sun is the star closest to the earth and thus the one humans have studied the most.
- A lot of what we know, or think we know, about different kinds of stars comes from studying the sun.
- This is true on two levels.
 - ♦ **First:** scientists have developed various theories to explain the sun's properties.
 - ♦ **Second:** the sun is just one kind of star; the universe has many kinds. To understand their properties, scientists used the theories to build models that “simulate” them.
- **Stars are the universe's engines:**
 - ♦ we can't understand the universe if we don't understand how stars work.
 - ♦ Their mass deflects asteroids and comets,
 - ♦ their flares energise nearby gas clouds and increase the formation of other stars.
 - ♦ When a star dies, depending on its manner of death, it releases copious amounts of metals and other elements.

Findings of Studies



Conclusion

- The team inferred iron's opacity to the X-rays based on how strongly it absorbed the radiation.
- The more strongly it did, the darker the shadow it would cast in the spectrometer readings. This "darkness" is called the line optical depth.
- "The ultimate approach to resolving the model-data discrepancy entails measuring iron opacity as a function of time.

4. 1997 ETHICS CODE

Relevance: GS II Governance/ GS4 Ethics

Backdrop: SC judges to publicly declare assets- Recalling the 1997 ethics code which mentioned the idea

About the News



Asset Declaration

All judges of the Supreme Court, including the Chief Justice of India.



Currency Notes Discovery

It comes on the heels at the residence of Delhi High Court judge Yashwant Varma last month.



Public Disclosure

Unlike government officials and politicians, judges are not required to disclose assets publicly.

About the Code

• 1997 Restatement of Values of Judicial Life

Document Adoption

This document was adopted by the Supreme Court of India in 1997.

Ethical Standards

It lays down ethical standards and principles for judges of the Supreme Court and High Courts.

Judicial Conduct

It aims to reinforce impartiality, integrity, and transparency.

About the Code

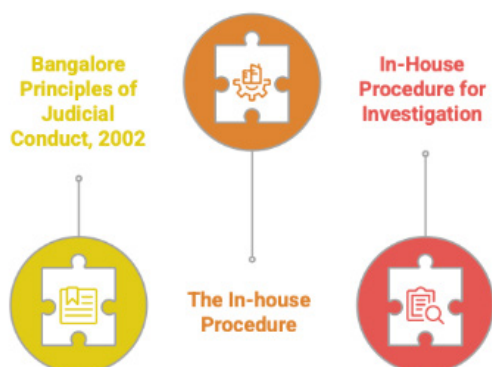
The Restatement of Values of Judicial Life sets forth the following principles



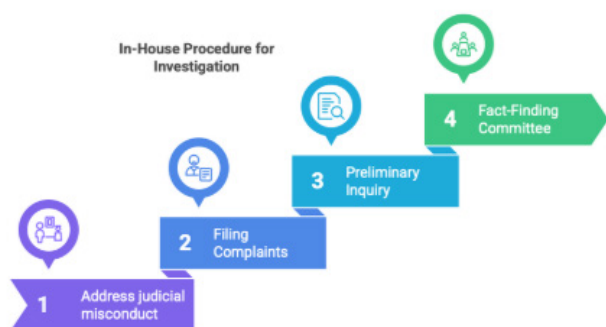
- Judges must avoid actions that "erode" people's faith in the higher judiciary, as "Justice must not merely be done but it must also be seen to be done";
- Must not contest elections/hold office in clubs, societies, and associations;
- Must avoid close association with "individual members of the Bar" and if any immediate or close family members are members of the Bar, they must not appear before the judge in court or be associated with any case or "cause" she is dealing with;
- Similarly, such family members cannot be permitted to use the judge's residence for professional work;
- Must practice "a degree of aloofness consistent with the dignity of his office", i.e. being impartial by maintaining distance from the case before her;
- Must not hear and decide cases where a family member or friend is involved;
- Must not publicly express views on political matters that may arise for judicial determination;
- Must "let his judgments speak for themselves" and must not give interviews to the media;
- Must not accept gifts or hospitality from anyone besides family and friends;
- Must not hear and decide matters involving a company in which the judge holds shares unless previously disclosed and no objection is raised;
- Must not "speculate in shares, stocks or the like";
- Must not engage in any trade or business "directly or indirectly". This does not include legal publishing or anything "in the nature of a hobby";
- Should not seek any financial benefit connected to her office "unless it is clearly available";
- Must be conscious that she is "under the public gaze" and avoid acts "unbecoming of the high office".

OTHER INITIATIVES

Other Initiatives



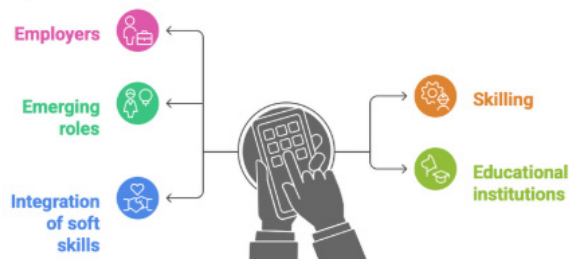
Other Initiatives



Current Status- Jobs and Skills (Future of Jobs Reports highlights)

- Forces driving global labour market changes.
 - Technological advancements, demographic shifts, geo-economic fragmentation, economic uncertainties, and the green transition
- Technological change and digital access are anticipated to play a crucial role.
- 50% of employers expect economic factors, such as job displacement, to reshape industries.
- Climate change mitigation is seen as a dual force, both creating jobs in renewable energy and environmental fields.
- These trends point to a dynamic labour market characterised by job creation (170 million new jobs are projected) and job displacement (92 million roles could become obsolete).

Responses



India Specific

India Specific



Challenges



5. FUTURE READY WORKFORCE

Relevance: GS III Mobilization of Resources, Growth, Development and Employment

Backdrop: World Economic Forum's Future of Jobs Report 2025 and QS's World Future Skills Index contain critical insights into the state of India's workforce and its preparedness for the future.

ABOUT the news

- The World Economic Forum's Future of Jobs Report 2025 and QS's World Future Skills Index offer a roadmap for the government and universities to address the pressing challenges and opportunities in shaping a future-ready workforce.
- They offer a roadmap for the government and universities to address the pressing challenges and opportunities in shaping a future-ready workforce.



Mobility and Accessibility



Lack of modern equipment and facilities



Funding and Sustainability



Trainer Quality

Way Forward

- To bridge the skill gaps identified,
- educational institutions and governments must adopt a multi-pronged approach.
- Higher Education- Emphasis on creativity, critical thinking, resilience, problem-solving, and entrepreneurial skills
- Universities must embed these competencies into the curriculum through interdisciplinary courses, experiential learning modules, and problem-based learning approaches.
- Hackathons, startup incubators, and design-thinking workshops should become integral.
- A green curriculum is imperative.
- Collaboration with the private sector is critical for bridging the education-industry gap.
- Faculty development- comprehensive training programmes.
- Government must spearhead systemic reforms by increasing skill development, research, and innovation investments.

Government Schemes

• For Skill Development



• For training



UPSC PYQ

- Q. Skill development programmes have succeeded in increasing human resources supply to various sectors. In the context of the statement analyse the linkages between education, skill and employment. (15M, 250W)

PRACTICE Q.

- Q. Emerging roles such as Big Data specialists and AI engineers are expected to see substantial growth, highlighting the need for a workforce equipped with advanced technical and cognitive skills. Discuss in context of Skill India Mission. (15M, 250W)

DNA QUIZ

- Q1. Consider the following markets:
1. Government Bond Market
 2. Call Money Market
 3. Treasury Bill Market
 4. Stock Market
- How many of the above are included in capital markets?
- (a) Only one
 - (b) Only two
 - (c) Only three
 - (d) All four
- Q2. Consider the following phenomena:
1. Light is affected by gravity.
 2. The Universe is constantly expanding.
 3. Matter warps its surrounding space-time.
- Which of the above is/are the prediction(s) of Albert Einstein's General Theory of Relativity, often discussed in the media?
- (a) 1 and 2 only
 - (b) 3 only
 - (c) 1 and 3 only
 - (d) 1, 2 and 3
- Q3. With reference to recent studies about the Sun, consider the following statements:
1. The Sun is used as a model to understand other types of stars in the universe.
 2. Stars influence the formation of galaxies and the evolution of the universe.

3. Recent studies have found that the opacity of iron in the Sun is lower than previously predicted.
4. The discrepancy between solar models and data may be explained by a higher-than-expected opacity of elements like iron.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 1, 2 and 4 only
- (c) 2, 3 and 4 only
- (d) 1, 2, 3 and 4

Q4. Consider the following statement

1. Unlike government officials and politicians, judges are not bound to publicly declare their assets.

2. As per the Judges Enquiry Act 1968 the assets and liabilities of judges are not "personal information" for the purpose of RTI inquiries.
3. Article 124 and Article 217 of Constitution provides for the removal of judges of the Supreme Court and High Courts on grounds of "proved misbehavior or incapacity."

Which of the following statements is/are correct ?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) None

Answers:

Q1	(b)	Q2	(d)	Q3	(b)	Q4	(b)
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