

Context of the Conflict

The military campaign in Iran by the US and Israel began about a month ago.

The conflict has disrupted global markets, affecting stocks, bonds, gold, and energy.

The war is currently in a "slight lull" as US President Donald

Trump has extended a deadline regarding the Strait of Hormuz.

Currency and Exchange Rates

Currencies worldwide are feeling the pressure.

The Indian rupee has been hit hard, losing nearly 4% of its value against the US dollar in just one month.

~~The rupee is currently trading at Rs 94.6 to a dollar.~~

Other major currencies like the Euro, British pound, and Japanese yen are also losing value against the dollar.

Global Economic Growth (GDP)

The OECD (Organisation for Economic Co-operation and Development) has updated its 2026 growth estimates:

The Global Outlook:

- While the overall global growth rate seems "resilient" at 2.9%, this figure masks significant regional losses.

The Winners:

- Surprisingly, the US is the biggest winner. Its 2026 growth estimate rose by 0.3% because of domestic energy production and high-tech investments (AI). Russia also saw a slight boost of 0.1%.

The Losers:

- Traditional US allies are the hardest hit. The Euro area and the UK are expected to see significant growth slowdowns (drops of 0.4% and 0.5% respectively).

Emerging Markets:

- Countries like India and Brazil were already expected to slow down in 2026, and this conflict will further reduce their growth rates.

The Inflation Crisis

- Inflation(risingprices) is expected to be the most immediate and painful effect for most nations:

India:

- India faces a sharp rise. Inflation was around 2% in 2025 but is projected to hit 5.1% in 2026. This is well above the RBI's (Reserve Bank of India) target of 4%.

Developed Nations:

- The US, EU, Japan, and Korea are all expected to see inflation rise by more than 1 percentage point.

The Exception:

- Saudi Arabia is less affected by inflation because it has vast domestic oil reserves.

Summary of Economic Winners and Losers

- **Winners:**
 - The US (due to being a top oil producer and tech leader) and Russia/China (who remain largely unaffected or slightly boosted).
- **Losers:**
 - Europe, the UK, and India, which face a combination of slower growth, weaker currencies, and much higher costs of living.

1. Consider the following three statements regarding the Indian Rupee (INR) and global currency movements :

- 1.The Indian Rupee's depreciation of nearly 4% in the past month is a departure from its historical trend, where it typically loses only 2% to 3% of its value against the USD annually.
2. Exchange rates are often "leading indicators" that create changes in the underlying economy.
- 3.The Rupee has maintained relative stability against other major global currencies like the Euro and the British Pound, with its primary loss occurring specifically against the US Dollar.

How many of the statements above are correct?

- A. Only one B. Only two
C. All three D. None

2. Consider the following three statements regarding the OECD's revised 2026 outlook and the drivers of GDP/Inflation:

- 1.While the conflict is expected to cause a spike in global energy prices, the US is projected to see a boost in GDP growth (0.3 percentage points) because it is a net oil producer and is seeing sustained investment in AI.
- 2.The OECD data indicates that the "resilience" of the global GDP growth rate (2.9%) is primarily driven by the upward revisions in the growth rates of the UK and the Euro area.
- 3.India's projected inflation spike to 5.1% in 2026 represents more than a doubling of its 2025 inflation rate, which will push it above the Reserve Bank of India's (RBI) target rate.

How many of the statements above are not correct?

- A. Only one B. Only two C. All three D. None

The New Policy

- The IOC has updated its rules for the 2028 Olympics.
- Participation in women's sports is now limited to those who are "biological females."
- This excludes transgender women (who were assigned male at birth) and certain intersex athletes.
- The goal, according to the IOC, is to ensure "fairness, safety, and integrity" for female athletes.



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Sex vs. Gender

- Sex is biological. It is determined by chromosomes (XX for females, XY for males) and reproductive organs.
- Intersex individuals have biological traits that don't fit the typical binary, such as XY chromosomes but female organs (Swyer syndrome).
- Gender is a social construct. It refers to a person's internal sense of being a woman, man, or non-binary. A trans woman identifies as a woman regardless of her biological sex at birth.

What is the SRY Gene?

The SRY gene (Sex-determining Region Y) is a specific DNA unit usually found on the Y chromosome. It acts as the "master switch" for male biological development.

During the first few weeks of pregnancy, all embryos develop similarly. Around week 7, if the SRY gene is present, it triggers the formation of testes.

Once the SRY gene "turns on," it instructs the body to produce proteins that lead to the development of male sex organs and the production of testosterone.

In a typical biological female (XX), the SRY gene is absent, so the embryo develops ovaries instead of testes. However, if an XY individual has a mutated or "off" SRY gene, they will develop female external anatomy but will not develop male internal organs.



Caster Semenya:

- A South African runner with a Disorder of Sex Development (DSD). She has been required to take medication to lower her natural testosterone to compete.

Imane Khelif:

- A gold-medalist boxer who faced public scrutiny during the 2024 Paris Olympics after being incorrectly identified by many as a trans woman.

Political Involvement:

- In 2025, U.S. President Donald Trump signed an executive order pushing the IOC to base eligibility on biological sex rather than gender identity.

3. Consider the following statements regarding the biological basis of sex determination :

- I. The SRY gene is typically located on the Y chromosome and initiates the development of male sex organs.
- II. Individuals with Swyer syndrome possess XY chromosomes but develop female external anatomy due to an inactive or missing SRY gene.

III. The performance gap between male and female athletes is scientifically attributed solely to circulating hemoglobin levels.

Which of the statements above is/are correct?

- A) I and II only B) II and III only
- C) I and III only D) I, II, and III

2. Regarding the evolution of the International Olympic Committee (IOC) policies and sports eligibility:

- I. The 2021 policy gave individual sports federations the authority to create their own evidence-based eligibility rules.
- II. The new 2028 policy maintains that testosterone reduction to below 10 nmol/L is sufficient for transgender women to compete.

III. The current debate centers on the tension between the principle of "inclusion" and the "protection of the female category."

Which of the statements above is/are not correct?

- A) II only B) I and III only
- C) II and III only D) I, II, and III

The Core Paradox

- Gold is usually a "safe haven." When wars or trade wars happen, people buy gold and its price goes up.
- In early 2025, even as a war began in the Middle East and oil prices spiked, gold prices dropped significantly.
- Gold fell from a record high of \$5,600/oz in late January 2025 to around \$4,500/oz by late March.

Initial Rise:

- When the conflict began in late February 2025, gold prices actually rose briefly to \$5,400/oz.

Long-term Fears:

- Once it became clear that the war would cause long-term damage to energy infrastructure (like the Strait of Hormuz), the market sentiment shifted.

Oil Prices:

- Crude oil rose above \$100 per barrel. This created high inflation, which changed the behavior of central banks.

Institutional vs. Retail Behavior

- Central Bank Buying:
 - In 2024 and 2025, central banks (like Poland) bought massive amounts of gold (nearly 2,000 tonnes) to reduce their dependence on the US dollar.
- The "FOMO" Effect:
 - Retail investors (regular people) rushed to buy gold late in 2025 because they were afraid of missing out on the price rise.
- Profit Taking:
 - After gold hit record highs, many investors decided to sell their gold to "book profits." This mass selling contributed to the price crash.

A Recurring Trend:

- This pattern was seen during Russia's 2022 invasion of Ukraine.

The Pattern:

- Prices usually spike at the start of a conflict, then decline as investors look for "liquidity" (cash) or invest in other commodities like oil.

Q5. why did gold prices decline in early 2025 despite the outbreak of a major conflict in the Middle East?

- a) Central banks stopped buying gold and shifted all their reserves into Russian Rubles.
- b) Low oil prices made gold less attractive as a hedge against inflation.
- c) High energy prices led to inflation fears, which kept interest rates high and strengthened the US dollar.
- d) Retail investors panicked and sold their gold immediately when the first missiles hit the gas fields.

The Drugs Involved

- Ozempic: A blockbuster drug owned by Novo Nordisk used for weight loss and diabetes.
- Olymviq: A version of the drug "semaglutide" that DRL intended to launch.
- Current Status: DRL has agreed to pause the manufacturing and release of Olymviq while the court case continues.



Ozempic vs Olymviq: Why Novo Nordisk sued India's Dr Reddy's over trademark



Arguments from Novo Nordisk

Invented Name:

- They argue that 'Ozempic' is a completely invented word. It is not based on the chemical name of the drug.

Intentional Similarity:

- They believe DRL chose the name 'Olymviq' specifically to mimic the sound of Ozempic and benefit from its reputation.



The Precedent:

- The court uses a famous 2001 Supreme Court ruling (Cadila Healthcare Ltd) to decide these cases.

Lower Threshold for Drugs:

- Courts are stricter with medicine names than other products. Because a mistake in medicine can cause physical harm, even a small similarity can be considered "deceptive."

Test Criteria:

- Judges look at phonetic similarity (sound), visual resemblance, and the nature of the drug to see if a consumer or doctor might get confused.



Prescription Only:

Companies often argue that because these drugs require a doctor's prescription, pharmacists and professionals won't get confused.



Generic Names:

Under Section 13 of the Trademarks Act, companies cannot "own" a name that is derived from the International Non-Proprietary Name (the generic chemical name).



Comparison Example:

In a past case, 'Letroz' and 'Letero' were allowed because both were clearly derived from the generic name 'Letrozole.' However, since 'Ozempic' is an invented word and not a generic name, this defense is harder for DRL to use.

Summary of Current Situation

- Novo Nordisk is aggressively protecting its brand as its patents expire.
- DRL has launched another version of the drug under the name 'Obeda' but is stuck in court over the name 'Olymviq.'
- The court must now decide if 'Olymviq' is "deceptively similar" enough to 'Ozempic' to be banned permanently.

Q6. With reference to the Trademarks Act and the naming of pharmaceutical products in India, consider the following statements:

1. Under Section 13, a company can claim exclusive monopoly over a brand name if it is clearly derived from the International Non-Proprietary Name (INN) of the active ingredient.
2. In trademark disputes, an "invented word" (like *Ozempic*) generally receives stronger legal protection than a word derived from a chemical name (like *Letroz*).
3. The "Cadila" test establishes that because drugs are sold via specialized prescription, the threshold for proving "deceptive similarity" is higher than for ordinary consumer goods.

Which of the statements given above is/are correct?

- A) 1 and 2 only
- B) 2 only
- C) 2 and 3 only
- D) 1, 2, and 3