

# MORNING NEWS CALL

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INDIA EDITION

Thursday, January 7, 2021

## FACTORS TO WATCH

11:00 am: Prime Minister **Narendra Modi** to inaugurate Rewari - Madar section of the Western Dedicated Freight Corridor via video conference.

11:00 am: **Department of Telecommunications** meets multiple stakeholders for consultations to frame spectrum policy in New Delhi.

3:00 pm: Federation of Indian Export Organisations Director General and Chief Executive **Ajay Sahai** at webinar on Remission of Duties and Taxes on Export Products scheme.

3:30 pm: DPIIT Secretary **Guruprasad Mohapatra**, Additional Secretary **Sumita Dawra**, Civil Aviation Ministry Secretary **Pradeep Singh Kharola**, Joint Secretary **Usha Padhee** and **Amber Dubey** at FICCI webinar on aerospace manufacturing.

5:30 pm: Government to release first advance estimate of **FY21 GDP**.

**RBI** to conduct purchase and sale of up to 100 billion rupees of **federal government bonds** under a special open market operation.

## INDIA TOP NEWS

### Criticism mounts of India's 'abrupt' approval of local vaccine

Criticism of India's approval of a local COVID-19 vaccine without proof of its efficacy grew on Wednesday after news that a regulatory panel approved the shot just one day after asking the vaccine maker for more evidence it would work.

### Services sector loses more steam in Dec, job cuts resume

Growth in India's dominant services industry continued to lose momentum in December as a resurgence in coronavirus infections weighed on new business and employment, a private survey showed on Wednesday.

### USTR slams India, Italy, Turkey on digital taxes but holds off on tariffs

Digital services taxes adopted by India, Italy and Turkey discriminate against U.S. companies and are inconsistent with international tax principles, the U.S. Trade Representative's office said on Wednesday, paving the way for potential retaliatory tariffs.

### Honda offers early retirement in India amid slowing motorcycle sales

Honda Motor is offering voluntary retirement to some permanent employees at its motorcycles and scooters unit in India amid slowing demand there following the COVID-19 pandemic, the company said on Wednesday.

### India's proposed changes to anti-smoking law face objections from tobacco industry

India's tobacco industry will object to a proposal to ban smoking zones in hotels and prohibit advertising at cigarette kiosks as the government steps up anti-smoking efforts, two executives said on Wednesday.

### TPG-backed cosmetics startup Nykaa plans IPO, eyes \$3 billion in valuation - Mint

App-based Indian cosmetics retailing startup Nykaa plans to go public by early 2022 at a valuation of more than \$3 billion, Mint reported on Wednesday, citing a person aware of the matter.

### E-commerce startup Udaan raises \$280 million from Tencent, others

Indian business-to-business e-commerce startup Udaan has raised \$280 million, it said Wednesday, as it seeks to serve more mom-and-pop businesses that are buying products online in the wake of the COVID-19 pandemic.

### In blow to Vedanta, Zambian court rules KCM liquidator to stay in post

A Zambian court has ruled the state-appointed liquidator of Vedanta's Konkola Copper Mines will not be discharged despite a November ruling ordering a halt to proceedings to allow Vedanta and minority KCM shareholder ZCCM-IH to pursue arbitration.

### Four dead at India steel plant after suspected gas leak

Four contract workers at the Steel Authority of India Limited's Rourkela steel plant in eastern India died on Wednesday after a suspected gas leak, the state-owned company said in a statement.

## GLOBAL TOP STORIES

### Congress debates certification of Biden's win after Trump supporters storm U.S. Capitol

Hundreds of President Donald Trump's supporters stormed the U.S. Capitol on Wednesday in a bid to overturn his election defeat, occupying the symbol of American democracy and forcing Congress to suspend a session to certify President-elect Joe Biden's victory.

**Georgia delivers U.S. Senate to Democrats with double win**

Democrats on Wednesday completed a sweep of the two U.S. Senate seats up for grabs in runoff elections in Georgia, giving the party control of the chamber and boosting the prospects for President-elect Joe Biden's legislative agenda.

**U.S. considering adding Alibaba, Tencent to China stock ban -sources**

The Trump administration is considering adding Alibaba Group and Tencent Holdings to a blacklist of Chinese companies that are allegedly owned or controlled by the Chinese military, two people familiar with the matter told Reuters.

**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were trading 0.5% higher at 14,251.50. - NewsRise

The **Indian rupee** is expected to edge lower against the dollar as long-term Treasury yields climbed to their highest in more than nine months on likelihood of additional U.S. fiscal stimulus. - NewsRise

Indian federal **government bond yields** will likely open little changed ahead of the central bank's so-called open market operation. The yield on the benchmark 5.77% 2030 bond is likely to trade in a 5.88%-5.93% band. - NewsRise

The **Dow** and the **S&P 500** ended higher, soaring to all-time highs on Wednesday, as investors piled into financial and industrial stocks on bets a Democratic sweep in Georgia would lead to more fiscal stimulus and infrastructure spending.

**Bonds** nursed losses and **Asian stock markets** rose in anticipation of a big borrowing and big spending Democrat administration driving growth, following runoff elections that gave the party control of both houses of U.S. Congress.

The **dollar** languished near its lowest level in nearly three years after Democrats won control of the U.S. Senate, clearing the way for a larger fiscal stimulus under President-elect Joe Biden.

Runoff elections in Georgia that eventually gave Democrats control of the U.S. Senate hoisted the **10-year U.S. Treasury note yield** on Wednesday over the 1% level for the first time since March before the rise was tempered by the swarming of the U.S. Capitol by pro-Trump protesters.

**Oil** prices were steady after supporters of President Donald Trump stormed the U.S. Capitol, with investors focusing on the likelihood of tighter supplies after Saudi Arabia unilaterally agreed to cut output.

**Gold** prices edged higher, recovering from a sharp decline in the previous session, as investors cheered a Democratic win in the U.S. Senate race that is expected to unleash more fiscal stimulus.

	<b>CLOSE</b>	<b>FII INVESTMENTS</b>	<b>EQUITIES</b>	<b>DEBT</b>
PNDF spot	73.11/73.14	January 6	(193.25) crores	188.77 crores
10-yr bond yield	5.89%	Month-to-date	4,362 crores	2,128 crores

*(FII investment numbers are in Indian rupees. Source: National Securities Depository Limited)*

## PICTURE OF THE DAY



Indian Airforce soldiers take part in the rehearsal for the Republic Day parade early morning in New Delhi, India, January 6.  
REUTERS/Danish Siddiqui

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(Compiled by Sourav Bose in Bengaluru)

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