

India Morning Newsletter

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Earnings Roundup

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Domestic market participants are expected to focus on India's **annual economic survey**, scheduled to be tabled by Finance Minister **Nirmala Sitharaman** later in the day, ahead of the Union budget on Wednesday. The survey is likely to peg India's **GDP growth** at 6%-6.8% for 2023-24, according to a Reuters source. Separately, **Indian states** will aim to raise an aggregate 258.05 billion rupees through a sale of bonds maturing in seven to 30 years. Meanwhile, **Adani Enterprises** needs nearly all its bids to come in on the final day for its \$2.5 billion share sale to succeed. For global investors, the **U.S. Federal Reserve's** policy meeting that is set to start on Tuesday will be in the spotlight, with the interest rate decision expected on Wednesday. On the earnings front, major Indian companies, including **Indian Oil**, **Coal India** and **ACC**, will release their earnings today. In the previous session, **Indian shares** struggled for direction in a volatile session, while **government bond yields** ended higher and the **rupee** was little changed.

FACTORS TO WATCH

- India's Finance Minister **Nirmala Sitharaman** will table the **Economic Survey**, which will lay the grounds for the 2023/24 budget that will be presented the next day.
- Gautam Adani's \$2.5 billion share sale for his flagship firm **Adani Enterprises** needs nearly all its bids to come in on the final day, with a US short-seller's report still weighing on its stock price and muted response to the deal.
- **Indian Oil Corp Ltd** (IOC), the country's top refiner, is expected to report a fall in third-quarter net profit, hurt by weaker marketing margins as pump prices remained unchanged.
- Cement maker **ACC** is expected to report a fall in third-quarter profit on higher freight expenses.
- India's **Procter & Gamble Hygiene and Healthcare** is expected to report a dip in second quarter profit.
- Abrasives and industrial ceramics maker **Carborundum Universal Ltd** is expected to report a fall in December quarter consolidated net profit.
- **KEC international** expected to report a fall in third-quarter profit on elevated commodity costs.
- 3:30 pm **Fed Fiscal Deficit** for Dec: Prior 9,781.54 bln INR
- 5:30 pm **Infrastructure Output yy** for Dec: Prior 5.40%

STATE OF THE MARKETS

Indian shares are set to open higher, the final day of Adani Enterprises' mega secondary share sale and a day ahead of the Union budget, with investors also keeping an eye out for interest rate decisions by global central banks later this week.

Indian government bond yields are expected to rise marginally in the early session ahead of a heavy state debt sale. The benchmark 10-year yield could move in the 7.37%-7.42% range.

The **Indian rupee** is expected to open slightly weaker, as the dollar gained on tepid risk sentiment, with investors keeping a tab on the Union budget and the Adani saga. The rupee was seen around 81.60-81.65 per dollar in early trades, compared to its previous close of 81.4950.

Major **U.S. stock indexes** sank on Monday, weighed down by declines in technology and other megacap shares, as investors looked toward a major week of events including central bank meetings and a slew of earnings reports.

Asian shares traded cautiously and **bonds** nursed small losses as investors braced for an eventful week that includes central bank meetings, a slew of earnings reports and key U.S. economic data.

The **dollar** was eyeing a fourth monthly loss as investors reckon a peak in U.S. interest rates could swing into view as soon as this week's Federal Reserve meeting.

U.S. Treasury yields edged higher on Monday at the start of a busy week of economic data and a widely anticipated interest rate hike by the Federal Reserve.

Oil prices steadied after falling by more than 2% in the previous session on the threat of further interest rate hikes and continued Russian crude flows.

Gold prices were slightly higher, as market participants held back from making large bets ahead of the U.S. Federal Reserve policy decision.

Markets	Last	Change	YTD change
SGX Nifty futures	17,778.50	0.42%	-
Nifty volatility	17.71	0.02%	-
Nikkei	27,401.91	-0.11%	5.01%
Hang Seng	22,015.62	-0.25%	11.29%
S&P 500 e-mini futures	4,040.25	0.19%	-
CBOE volatility	19.94	7.73%	-
USD/INR	81.50	-0.03%	-1.48%
Spot gold	\$1,926.06 /oz	0.18%	5.57%
Brent crude	\$85.17 /bbl	0.32%	-0.86%
Indian 10-year bond yield	7.4010%	0.19 bps	1.01 bps
U.S. 10-year Treasury yield	3.5440%	-0.20 bps	-7.49 bps

FII & DII Trading Activity in Equities Jan 30	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	114.87 bln	59.74 bln	55.13 bln
Foreign Institutional Investors (FII) in INR	109.04 bln	176.97 bln	-67.93 bln

Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

EXCLUSIVE-India economic survey likely to peg 2023-24 growth at slowest in three years - source

India's annual pre-budget economic survey is likely to peg GDP growth at 6-6.8% for 2023-24, according to a source. The government survey is likely to say that growth is seen at 6.5% for 2023-24 under the baseline scenario, the person said, declining to be named as the matter was confidential. This would be the slowest in three years.

Adani firms lose \$65 billion in value as U.S. short-seller battle escalates

Most Adani Group shares fell sharply on Monday as the Indian conglomerate's rebuttal of a U.S. short-seller's criticism failed to pacify investors, deepening a market rout that has now led to losses of \$65 billion in the group's stock values.

Tech Mahindra Q3 profit slides as expenses jump on macro challenges

Tech Mahindra reported a fall in third-quarter profit on Monday, hurt by higher expenses and a subdued performance by its communications division.

Bharat Petroleum posts lower Q3 profit on stagnant retail prices

Indian oil marketing company (OMC) Bharat Petroleum Corp reported a 31% fall in quarterly profit on Monday, hurt by losses due to stagnant pump prices.

L&T profit misses as infrastructure growth eases

Larsen & Toubro reported a smaller-than-expected rise in quarterly profit on Monday, as moderate growth in order inflows hurt the infrastructure company.

GLOBAL TOP STORIES

China economic activity swings back to growth in January - official PMI

China's economic activity swung back to growth in January, official data showed, after a wave of COVID-19 infection passed through the country faster than expected following abandonment of pandemic controls.

IMF lifts 2023 growth forecast on China reopening, strength in U.S., Europe

The International Monetary Fund raised its 2023 global growth outlook slightly due to "surprisingly resilient" demand in the United States and Europe, an easing of energy costs and the reopening of China's economy after Beijing abandoned its strict COVID-19 restrictions.

Samsung flags further chip slowdown after booking 8-year-low profit

Samsung Electronics reported its lowest quarterly profit since 2014 and said persistent macroeconomic uncertainty will make for a tough first half year, though demand is likely to start recovering in the second half.

BREAKINGVIEWS**Adani's financing safety-net rests on Indian banks**

Gautam Adani looks locked out of capital markets after a short-seller attack wiped \$48 bln off the market value of his companies and caused bonds to tumble. Indian lenders have capacity to step in. What they do next will reveal the extent of state support for the tycoon.

COMPANIES REPORTING RESULTS

ACC Ltd: Q4 2022 earnings release

Cholamandalam Investment and Finance Company Ltd: Q3 2023 earnings release

Coal India Ltd: Q3 2023 earnings release

Godrej Consumer Products Ltd: Q3 2023 earnings release

Indian Hotels Company Ltd: Q3 2023 earnings release

Indian Oil Corporation Ltd: Q3 2023 earnings release

Jindal Steel And Power Ltd: Q3 2023 earnings release

Max Financial Services Ltd: Q3 2023 earnings release

Power Grid Corporation of India Ltd: Q3 2023 earnings release

Procter & Gamble Hygiene and Health Care Ltd: Q3 2023 earnings release

Shriram Transport Finance Company Ltd: Q3 2023 earnings release

Sun Pharmaceutical Industries Ltd: Q3 2023 earnings release

UPL Ltd: Q3 2023 earnings release

CORPORATE EVENTS

Bajaj Finserv Ltd: Q3 2023 earnings conference call

Godrej Consumer Products Ltd: Q3 2023 earnings conference call

Indian Hotels Company Ltd: Q3 2023 earnings conference call

Jindal Steel And Power Ltd: Q3 2023 earnings conference call

Max Financial Services Ltd: Q3 2023 earnings conference call

SRF Ltd: Q3 2023 earnings conference call

Sun Pharmaceutical Industries Ltd: Q3 2023 earnings conference call

UPL Ltd: Q3 2023 earnings conference call

EX-DIVIDENDS

LTIMindtree Ltd: Interim cash dividend of gross INR 20 paid on Feb 19

Siemens Ltd: Final cash dividend of gross INR 10 paid on Feb 17

PICTURE OF THE DAY



Bollywood actor Shahrukh Khan gestures during the success celebration event of the film "Pathaan" in Mumbai, January 30. REUTERS/Niharika Kulkarni

(Compiled by Benny Thomas in Bengaluru)

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