

# MORNING NEWS CALL

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INDIA EDITION

Wednesday, May 12, 2021

## Earnings Roundup

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### FACTORS TO WATCH

- 10:00 am: **KEC International management** at an investor call post 4Q earnings.
- 11:00 am: **SIAM** to announce **April auto industry sales data** in New Delhi.
- 2:00 pm: **Godrej Consumer Products management** at an investor call post 4Q earnings.
- 4:30 pm: **Voltas management** at an investor call on 4Q earnings.
- 5:30 pm: Government to release **April consumer price inflation data** in New Delhi.
- 5:30 pm: Government to release **March Industrial output data** in New Delhi.
- 6:00 pm: **Asian Paints management** at an investor call on 4Q earnings.

### INDIA TOP NEWS

#### Indian oil refiners cut output, imports as pandemic hits demand

India's top state oil refiners are reducing processing runs and crude imports as the surging COVID-19 pandemic has cut fuel consumption, leading to higher product stockpiles at the plants, company officials told Reuters on Tuesday.

#### Foxconn's iPhone output in India down amid COVID surge-sources

Production of the Apple iPhone 12 at a Foxconn factory in India has slumped by more than 50% because workers infected with COVID-19 have had to leave their posts, two sources told Reuters.

#### Indian PM Modi to skip G7 meet in Britain due to COVID-19 crisis

Indian Prime Minister Narendra Modi will not travel to Britain for the Group of Seven (G7) summit next month because of the coronavirus situation in the country, the foreign ministry said late on Tuesday.

#### Bodies float down Ganges as nearly 4,000 more die of COVID in India

Scores of bodies are washing up on the banks of the Ganges as Indians fail to keep pace with the deaths and cremations of around 4,000 people a day from the novel coronavirus.

#### Indian April fuel demand dips, coronavirus wave clouds outlook

India's April fuel demand slipped from the previous month as the world's third largest oil consumer bore the brunt of raging coronavirus infections, with the prospect of further restrictions weighing on the outlook.

#### POLL-Benign food prices likely dragged India's April inflation to three-month low

Indian retail inflation likely eased to a three-month low in April on softening prices for vegetables and other perishable foods, a Reuters poll suggested, bringing the headline rate closer to the midpoint of the Reserve Bank of India's medium-term target.

#### Second COVID wave could crimp India's long-term growth -Moody's

India's severe second wave of coronavirus infections will slow near-term economic recovery and could weigh on longer-term growth dynamics, rating agency Moody's Investors Service said in a note on Tuesday.

#### Walmart's Flipkart in early talks to raise \$1 bln -ET

Walmart-owned Indian e-commerce firm Flipkart is in early talks with investors to raise at least \$1 billion, the Economic Times reported on Tuesday, citing people familiar with the matter.

**GLOBAL TOP STORIES****Pipeline outage causes U.S. gasoline supply crunch, panic buying**

Gas stations from Florida to Virginia began running dry and prices at the pump rose on Tuesday, as the shutdown of the biggest U.S. fuel pipeline by hackers extended into a fifth day and sparked panic buying by motorists.

**35 killed in Gaza, 5 in Israel, as violence escalates**

Hostilities between Israel and Hamas escalated overnight, with at least 35 killed in Gaza and five in Israel in the most intensive aerial exchanges for years.

**Qatar pivots to LNG-hungry China in strategy shift**

Qatar is in talks to make Chinese firms partners in its liquefied natural gas expansion project, the world's largest, in a shift from the Gulf state's reliance on western majors for technology and global outreach, industry sources said.

**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were trading down 0.1% at 14,831.50. -NewsRise

The **Indian rupee** is expected to weaken against the U.S. currency on broad dollar strength amid more inflation-related losses for regional equities. -NewsRise

**Indian sovereign bond yields** will likely open little changed as investors may defer bets ahead of the release of April retail inflation data, due post market hours today. The yield on the benchmark 5.85% bond maturing in 2030 is likely to trade in the 5.99%-6.03% band. -NewsRise

**U.S. stocks** closed lower on Tuesday as rising commodity prices and labor shortages fed fears that despite reassurances from the U.S. Federal Reserve, near-term price spikes could translate into longer-term inflation.

**Asian shares** fell for a second straight session to one-month lows as investors speculated surging commodity prices and growing inflationary pressure in the United States could lead to earlier rate hikes and higher bond yields globally.

The **U.S. dollar** hovered near its lowest levels of the year as traders hung on to bets that the Federal Reserve would remain steadfast in its easy policy settings ahead of data expected to show a sharp rise in annual U.S. inflation.

**U.S. Treasury yields** climbed on Tuesday as inflation concerns helped drive a sell-off in equity markets while investors girded for a closely watched reading on consumer prices on Wednesday.

**Oil prices** rose, extending overnight gains, after industry data showed a drop in U.S. crude inventories, which reinforced OPEC's robust demand outlook, and as the shutdown of the biggest U.S. fuel pipeline headed into a sixth day.

**Gold prices** fell, as a rise in U.S. Treasury yields and a firmer dollar dented the metal's safe-haven appeal, while investors awaited U.S. consumer price index data due later in the day.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	73.29/73.32	May 11	1,168.73 crores	(17.42) crores
10-yr bond yield	6%	Month-to-date	(5,969) crores	582 crores
		Year-to-date	40,114 crores	(15,034) crores

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

## PICTURE OF THE DAY



A healthcare worker walks past oxygen cylinders outside a COVID-19 intensive care unit of a government-run hospital, amidst the coronavirus disease (COVID-19) pandemic, in Bijnor district, Uttar Pradesh, May 11. REUTERS/Danish Siddiqui

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