

MORNING NEWS CALL

Powered by Reuters

INDIA EDITION

Thursday, June 30, 2022

FACTORS TO WATCH

5:00 pm: Government to release May **infrastructure output** data.

INDIA TOP NEWS

India hikes taxes on kitchenware, farm machinery

India will raise taxes on certain goods and services including kitchenware to 18% from 12%, the finance ministry said, a move that is likely to upset many consumers and businesses facing rising inflation.

India allows local oil producers to sell to private companies

India's cabinet on Wednesday approved a plan that would allow local crude producers to sell oil to private companies, a move that would help raise revenue of state-run producers such as ONGC and Oil India.

RBI may need to tweak FX strategy, let rupee weaken, say analysts

India's central bank may need to change the way it seeks to slow the rupee's decline, analysts and traders say, with its current method of intervention in the forwards market now only accelerating the currency's fall.

EXCLUSIVE-India's top cement maker paying for Russian coal in Chinese yuan

India's biggest cement producer, UltraTech Cement, is importing a cargo of Russian coal and paying using Chinese yuan, according to an Indian customs document reviewed by Reuters, a rare payment method that traders say could become more common.

Japan's Renesas, India's Tata Motors partner to develop chip solutions

Japanese chipmaker Renesas Electronics Corp and India's Tata Motors have formed a strategic partnership to design, develop and make semiconductor solutions, the firms said on Wednesday.

GLOBAL TOP STORIES

China's June factory, services activity expands for first time in four months

China's factory activity snapped three months of decline in June, as authorities lifted a strict lockdown in Shanghai, buoying growth in production and new orders, while the rebound in services sector pressed on.

Japan's worst factory output slump in two years heaps pressure on economy

Japan's factory output posted the biggest monthly drop in two years in May as China's COVID-19 lockdowns and semiconductor and other parts shortages hit manufacturers, adding more pressure on an economy struggling to mount a strong recovery.

Russia steps up attacks in Ukraine after landmark NATO summit

Russia pressed on with its offensive in eastern Ukraine on Thursday after NATO branded Moscow the biggest "direct threat" to Western security and agreed plans to modernise Kyiv's beleaguered armed forces.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading 0.2% lower at 15,732. - NewsRise

The **Indian rupee** is likely to recover marginally against the dollar today, helped by the decline in crude oil prices amid concerns of an economic downturn. - NewsRise

Indian federal government bond yields are likely to ease in opening session tracking a pullback in U.S. Treasury yields and crude oil prices, while banks may also step up purchases on quarter-end for valuation purposes. The benchmark 6.54% bond maturing in 2032 is likely to trade in a 7.42%-7.48% band today. - NewsRise

The **S&P 500** ended a seesaw session slightly down on Wednesday as investors limped toward the finish line of a downbeat month, a dismal quarter, and the worst first-half for the S&P 500 since President Richard Nixon's first term.

Asian shares were ending a rough quarter in a sombre mood amid fears central banks' cure for inflation will end up sickening the global economy, though it is proving to be a fillip for the safe-haven dollar and government bonds.

The **euro** struggled to regain a footing, having tumbled overnight against a resurgent **U.S. dollar**, which benefited from safe-haven demand on renewed worries about higher rates and a global recession.

U.S. Treasury yields declined for a second consecutive day on Wednesday as the market took a cool view of the Federal Reserve's ability to corral inflation without throwing the economy into recession.

Oil prices were little changed as markets weighed a rise in U.S. gasoline and distillate inventories and worries about slower economic growth amid concerns of supply tightness.

Gold firmed as U.S. Treasury yields dipped, but faces its worst quarter since early 2021, as the dollar cemented its place as the safe-haven asset of choice, amid top central banks adopting aggressive tactics against runaway inflation.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	78.89/78.91	June 29	(852.66) crores	(1,059) crores
10-yr bond yield	7.459%	Month-to-date	(49,894) crores	(1,354) crores
		Year-to-date	(2,17,049) crores	(14,810) crores

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

PICTURE OF THE DAY



A customer scans a QR code with her mobile phone before entering a restaurant, as restaurants resume dine-in services amid the coronavirus disease (COVID-19) outbreak, in Shanghai, China, June 29. REUTERS/Aly Song

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Compiled by Paulose Joseph in Bengaluru)

For questions or comments about this report, contact:
reuters.marketwatch@thomsonreuters.com

To subscribe for the India Morning Newscall newsletter [click here](#)

© 2022 Refinitiv. All rights reserved.

Refinitiv
3 Times Square, New York, NY 10036

Please visit: [Refinitiv](#) for more information.

[privacy statement](#)