

# MORNING NEWS CALL

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INDIA EDITION

Monday, July 4, 2022

## FACTORS TO WATCH

No major events are scheduled for the day

## PROMOTION

### LIVECHAT - REUTERS GLOBAL MARKETS FORUM

Markets update with **Mike Dolan**, Reuters Editor-at-Large for Financial Industry & Financial Markets. To join the conversation at 3:30 pm IST, [click here](#)

## INDIA TOP NEWS

### China's Great Wall Motor shelves \$1 billion India plan -sources

China's Great Wall Motor has shelved plans to invest \$1 billion in India and laid off all employees at its operations there after failing to obtain regulatory approvals, three sources with direct knowledge of the matter said on Friday.

### Toyota charts new course in India with its first mass market hybrid car

Toyota Motor on Friday unveiled its first mass market hybrid car for India, a sport utility vehicle (SUV), charting a new course for the Japanese automaker in one of the world's fastest growing car markets.

### FOCUS-With a dash of spice, Reliance and Britain's Pret bet on India's changing tastes

British snack chain Pret will adapt its menu to local tastes when it opens in Indian cities and airports under a partnership with retail giant Reliance to try to satisfy the nation's growing appetite for upmarket refreshment.

### India imposes windfall tax on oil producers, fuel exporters

India has imposed windfall tax on oil producers and refiners who have boosted product exports to gain from higher overseas margins as the government seeks to increase local supply of fuels to meet rising demand and increase federal revenues.

### India raises import tax on gold to support rupee

India has raised its basic import duty on gold to 12.5% from 7.5%, the government said on Friday, as the world's second biggest consumer of the precious metal tries to dampen demand and bring down the trade deficit.

## GLOBAL TOP STORIES

### Ukraine withdraws from battered Lysychansk city; Russia claims major victory

Ukraine's forces have withdrawn from the bombed-out city of Lysychansk, prompting Russia to claim full control of the eastern Luhansk region, a key Kremlin war goal, but President Volodymyr Zelenskiy vowed to regain the lost territory.

### China central bank upgrades currency swap with HKMA, expands size

China's central bank said that it has upgraded a currency swap facility with Hong Kong to a permanent agreement and expanded the size to 800 billion yuan from 500 billion yuan.

### China casts giant shadow over emerging nations' chase for debt relief

From a \$360 million project to expand Zambia's international airport in Lusaka to a \$1.4 billion city port in Sri Lanka's capital of Colombo, China is the missing piece in the puzzle of a number of debt talks under way in developing markets.

## STATE OF THE MARKETS

**SGX Nifty nearest-month futures** were trading 0.21% lower at 15,709.50.

**Wall Street** bounced back to a sharply higher close in light trading on Friday as investors embarked on the second half of the year ahead of the long holiday weekend.

**Asian share markets** started cautiously as a run of soft U.S. data suggested downside risks for this week's June payrolls report, while the hubbub over possible recession was still driving a relief rally in government bonds.

The **dollar** kept trade-sensitive currencies pinned near multi-year lows and the **euro** was under pressure as investors sought safety due to worries about slowing global growth.

**U.S. Treasury yields** tumbled on Friday and the benchmark 10-year note fell the most since COVID-19 roiled markets in March 2020, as investors priced in the likelihood the Federal Reserve will force inflation down to near its target rate.

**Oil** prices fell, paring gains from the previous session, as fears of a global recession weighed on the market even as supply remains tight amid lower OPEC output, unrest in Libya and sanctions on Russia.

**Gold** prices edged lower, as an elevated U.S. dollar hurt demand for greenback-priced bullion and also outweighed support from weakening Treasury yields.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	79.08/79.10	July 1	(260.79) crores	(185.97) crores
10-yr bond yield	7.424%	Month-to-date	(261) crores	(186) crores
		Year-to-date	(2,17,619) crores	(15,056) crores

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

## PICTURE OF THE DAY



Supporters pose with Chinese and Hong Kong flags at the Convention Avenue, on the 25th anniversary of the former British colony's handover to Chinese rule, in Hong Kong, China, July 1. REUTERS/Paul Yeung

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(Compiled by Paulose Joseph in Bengaluru)

For questions or comments about this report, contact:  
[reuters.marketwatch@thomsonreuters.com](mailto:reuters.marketwatch@thomsonreuters.com)

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Refinitiv  
3 Times Square, New York, NY 10036

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