

# MORNING NEWS CALL

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INDIA EDITION

Thursday, July 7, 2022

## FACTORS TO WATCH

No major events are scheduled for the day.

## INDIA TOP NEWS

### **India central bank acts to enhance foreign fund inflows, stabilise rupee**

India's central bank took a slew of measures on Wednesday to boost foreign exchange inflows, including allowing overseas investors to buy short-term corporate debt and opening of more government securities under the fully accessible route.

### **India's cryptocurrency industry reels as new tax hammers trading**

India's new cryptocurrency tax has dealt a heavy blow to the country's crypto exchanges, adding to broader sectoral woes and sending trading volumes plunging by up to 90%.

### **India's aviation watchdog pulls up SpiceJet over safety lapses**

India's aviation regulator has issued a warning notice to SpiceJet after a review of recent incidents by the watchdog showed "poor internal safety oversight and inadequate maintenance actions" by the airline.

### **Reliance to bring Gap to India in latest retail bet**

Reliance, India's largest retailer, said on Wednesday it has partnered with Gap to sell the U.S. clothing retailer's brands locally, marking its latest expansion in the booming consumer market.

### **India's export curbs, tax hike to exacerbate global diesel, gasoline shortage**

India's latest measures aimed at boosting domestic oil supplies could reduce its diesel and gasoline exports in the second half of the year, keeping global supplies tight and underpinning prices, traders and analysts said.

### **India's July palm oil imports may surge to 10-month high as prices plunge**

India's palm oil imports in July are set to jump to the highest in 10 months because of a hefty correction in prices and as Indonesia allows more exports of the tropical oil, four dealers told Reuters.

### **India's restaurants slam new rules against compulsory service charge**

Thousands of restaurants in India are objecting to recent government guidelines that prevent them from automatically levying a service charge on bills, saying it is not illegal and that the move will hurt the livelihood of millions of employees.

## GLOBAL TOP STORIES

### **Fed's fear of entrenched high inflation fueled big rate hike, minutes show**

A deteriorating inflation situation and concern about lost faith in the Federal Reserve's power to make it better prompted U.S. central bank officials to rally around an outsized interest rate increase and a firm restatement of their intent to get prices under control, minutes of the June 14-15 policy meeting showed.

### **Boris Johnson 'up for a fight' as clamour to quit grows**

British Prime Minister Boris Johnson defied pressure to quit on Wednesday from senior ministers and a mounting rebellion within his ruling Conservative Party, saying he will fight off any attempts to oust him over a series of scandals.

### **Chips drive highest Samsung Q2 profit since 2018, but demand cooling**

South Korea's Samsung Electronics turned in its best April-June profit since 2018, underpinned by strong sales of memory chips to server customers even as demand from inflation-hit smartphone makers cools.

**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were trading 0.84% higher at 16,116.

**Wall Street** put a seesaw day behind it to close higher on Wednesday, as investors digested new clues on the U.S. central bank's approach to rate policy and its inflation fight detailed in the minutes from the latest Federal Reserve meeting.

**Japanese shares** rose, as investors continued to buy beaten-down technology stocks, with sentiment underpinned by Wall Street's overnight gains.

The **euro** hovered near a two-decade low against the **dollar** as Europe's energy woes cast a long shadow over the economic outlook.

Benchmark **U.S. Treasury yields** edged higher on Wednesday but had a relatively muted reaction after minutes from the Federal Reserve's June meeting showed that a deteriorating inflation situation prompted Fed officials to rally around an outsized interest rate increase.

**Brent crude futures** extended declines for a third session, slipping under \$100 a barrel, as fears of a potential global recession spurred concerns about oil demand.

**Gold** prices edged up from nine-month lows touched in the previous session, after the dollar paused its rally, alleviating pressure on greenback-priced bullion.

	<b>CLOSE</b>	<b>FII INVESTMENTS</b>	<b>EQUITIES</b>	<b>DEBT</b>
PNDF spot	79.03/79.05	July 6	2,133.01 crores	237.13 crores
10-yr bond yield	7.294%	Month-to-date	(2,419) crores	(373) crores
		Year-to-date	(2,19,777) crores	(15,243) crores

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

## PICTURE OF THE DAY



Kashmiri Muslim women offer prayers at the shrine of Mir Syed Ali Hamdani, a Sufi saint, during a religious festival to mark his birth anniversary in Srinagar, July 6. REUTERS/Danish Ismail

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