

India Morning Newsletter

Powered by Reuters News

Wednesday, July 31, 2024



Earnings Roundup

To access, type 'earnings roundup' in the Refinitiv Eikon search bar

India's booming options market could face a strong blow after the **Securities and Exchange Board of India** proposed a slew of measures to curb trading activity by retail investors. The market regulator is considering raising the minimum trading amount by over three times, reducing the number of contracts expiring each week and hiking trading margins. These steps come days after a tax hike on derivative transactions in the latest budget. The share of retail investors in **derivative trading volumes** has risen to 41% so far in 2024 from 2% in 2018, while the monthly notional value of derivatives traded hit a global high of **9,504 trillion rupees** in May, data showed. Traders expect significant impact on trading volumes if the proposed rules come into effect. Meanwhile, investors remained cautious with the benchmark indexes near all-time highs, looking past a series of upbeat quarterly reports. Though indexes initially moved up, the market shifted to profit booking mode in the final hour of trade. Among corporate earnings, Nifty 50 constituents **Coal India, Mahindra and Mahindra, Maruti Suzuki and Tata Steel** are due later in the day. Separately, the Indian government aims to raise an aggregate of **200 billion rupees** through the sale of **91-day, 182-day and 364-day Treasury bills**. Wall Street witnessed heavy after-the-bell selling of U.S. big tech stocks, wiping out \$340 billion of market value, after Microsoft warned of slow returns on AI technology spending. Investors are also awaiting Federal Reserve's monetary policy decision for clues on interest rate cuts.

FACTORS TO WATCH

- 03:30 pm **Fed Fiscal Deficit**, INR June: Prior 506.15 bln
- 05:30 pm **Infrastructure Output YY** June: Prior 6.30%
- The National Stock Exchange has retained **India Cements** in its Futures & Options ban list.

STATE OF THE MARKETS

Indian shares are set to open little changed, with analysts expecting profit booking at record high levels to continue, while focus shifts to U.S. Federal Reserve's rate decision and commentary, due later in the day.

Indian government bond yields are expected to be rangebound in early trading, as traders will wait for the Federal Reserve's monetary policy decision as well guidance on rate cuts for this year after the end of its meeting later in the

day. The benchmark 10-year yield is likely to move in the 6.91%-6.95% range, compared with its previous close of 6.9326%.

The **Indian rupee** is likely to open largely unchanged near record lows, and trade in a tight band ahead of the Federal Reserve's policy decision due later in the day. Non-deliverable forwards indicate the rupee will open at around 83.71-83.72 against the U.S. dollar, nearly unchanged from its close at 83.7275 in the previous session, which was a record closing low.

The **S&P 500** and **Nasdaq** closed lower on Tuesday, weighed down by weak chip and megacap shares ahead of earnings from heavyweight tech companies this week, but the Dow managed modest gains

Asian stocks clung to familiar ranges after contrasting results from tech bellwether Microsoft and chipmaker AMD suggested a divide in the AI landscape while the yen was firm ahead of the Bank of Japan's policy decision.

The **yen** hovered near a 2-1/2-month high ahead of a key Bank of Japan policy decision where the central bank is set to detail plans to taper its huge bond buying and a rate hike is on the cards.

U.S. Treasury yields drifted lower on Tuesday, as investors geared up for a Federal Reserve meeting that is expected to hold interest rates unchanged this week while flagging monetary policy easing at the September meet.

Oil futures clawed back some losses, recovering from 7-week lows as geopolitical tensions rose after Israel retaliated against an attack by Hezbollah, although prices remained under pressure from concerns about demand in China.

Gold prices edged lower but were headed for a monthly gain on rising optimism surrounding U.S. rate cuts, while focus shifted to the Federal Reserve policy verdict due later in the day.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,949.00	2494900. bps	-
Nifty volatility	12.88	-6 bps	-
Nikkei	38,217.00	-0.80%	14.20%
Hang Seng	17,135.65	0.78%	0.52%
S&P 500 e-mini futures	5,489.25	0.31%	-
USD/INR	83.73	-	0.62%
Spot gold	\$2,407.00 /oz	-0.06%	16.70%
Brent crude	\$79.30 /bbl	0.85%	2.93%
Indian 10-year bond yield	6.9310%	1.20 bps	-24.50 bps
U.S. 10-year Treasury yield	4.1472%	0.62 bps	28.72 bps

FII & DII Trading Activity in Equities Jul 30	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	187.19 bln	131.54 bln	55.65 bln
Foreign Institutional Investors (FII) in INR	144.52 bln	200.51 bln	-55.99 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS**India markets regulator proposes slew of measures to curb options trading frenzy**

India's markets regulator on Tuesday proposed a series of measures to curb a trading frenzy in options, including raising the minimum trading amount by over three times, reducing the number of contracts expiring each week and hiking trading margins.

Abu Dhabi, Qatar wealth funds back Adani Energy's share sale of up to \$1 billion, sources say

Abu Dhabi Investment Authority and Qatar Investment Authority have invested in Adani Energy Solutions' share sale in India of up to \$1 billion, two sources said, its first such deal since a scathing report from short-seller Hindenburg Research last year.

Vedanta gets secured creditors' nod for demerger

Metals-to-oil conglomerate Vedanta on Tuesday said it got approval from the majority of its secured creditors for the demerger of the company into six independent companies.

Tetley Tea maker Tata Consumer misses Q1 profit view as expenses spike

Tata Consumer Products reported a first-quarter profit on Tuesday that missed estimates, as surging costs ate into its revenue growth.

GAIL (India) beats Q1 profit view on gas marketing boost

Gas distributor GAIL (India) posted a bigger-than-expected profit on Tuesday, helped by strength in its natural gas marketing business.

GLOBAL TOP STORIES**Bank of Japan to debate rate hike, outline bond taper plan**

The Bank of Japan is expected to detail plans to taper its huge bond buying and debate whether to raise interest rates, signalling its resolve to steadily unwind a decade of massive monetary stimulus.

Microsoft's slow cloud growth signals AI payoff will take longer

Microsoft said it would spend more money this fiscal year to build out AI infrastructure even as growth slowed in its cloud business, another sign the payoff from hefty investments in the technology may take longer than Wall Street had hoped.

China's manufacturing activity extends decline in July

China's manufacturing activity in July shrank for a third month, an official factory survey showed, bolstering expectations Beijing will need to launch more stimulus as a protracted property crisis and job insecurity drag on growth.

POLL**Reserve Bank of India to hold rates in August, first cut in Q4**

The Reserve Bank of India will keep interest rates steady for a ninth straight meeting in August due to persistently high inflation, with a slim majority of economists in a Reuters poll expecting the first rate cut next quarter.

COMPANIES REPORTING RESULTS

Action Construction Equipment Ltd: Q1 earnings release
Ambuja Cements Ltd: Q1 earnings release
Asahi India Glass Ltd: Q1 earnings release
Aster DM Healthcare Ltd: Q1 earnings release
Bank of Baroda Ltd: Q1 earnings release
Bharat Heavy Electricals Ltd: Q1 earnings release
Birlasoft Ltd: Q1 earnings release
Coal India Ltd: Q1 earnings release
Deepak Fertilisers and Petrochemicals Corp Ltd: Q1 earnings release
Elgi Equipments Ltd: Q1 earnings release
Five-Star Business Finance Ltd: Q1 earnings release
JBM Auto Ltd: Q1 earnings release
JK Lakshmi Cement Ltd: Q1 earnings release
KPR Mill Ltd: Q1 earnings release
Lakshmi Machine Works Ltd: Q1 earnings release
Mahindra and Mahindra Ltd: Q1 earnings release
Maruti Suzuki India Ltd: Q1 earnings release
Phoenix Mills Ltd: Q1 earnings release
Redington Ltd: Q1 earnings release
Relaxo Footwears Ltd: Q1 earnings release
RITES Ltd: Q1 earnings release
Sonata Software Ltd: Q1 earnings release
Sundram Fasteners Ltd: Q1 earnings release
Tata Investment Corporation Ltd: Q1 earnings release
Tata Steel Ltd: Q1 earnings release

CORPORATE EVENTS

ACC Ltd: Q1 earnings conference call
Aegis Logistics Ltd: Q1 earnings conference call
Ambuja Cements Ltd: Q1 earnings conference call
Bank of Baroda Ltd: Q1 earnings conference call
Birlasoft Ltd: Q1 earnings conference call
Carborundum Universal Ltd: Q1 earnings conference call
Castrol India Ltd: Q2 earnings conference call
Indus Towers Ltd: Q1 earnings conference call
Jai Balaji Industries Ltd: Q1 earnings conference call
Jindal Stainless Ltd: Q1 earnings conference call
Kansai Nerolac Paints Ltd: Q1 earnings conference call
Macrotech Developers Ltd: Q1 earnings conference call
Mahindra and Mahindra Ltd: Q1 earnings conference call
Sonata Software Ltd: Q1 earnings conference call
Star Health and Allied Insurance Company Ltd: Q1 earnings conference call

SHAREHOLDERS MEETINGS

Birlasoft Ltd: Annual shareholders meeting

Elgi Equipments Ltd: Annual shareholders meeting

Graphite India Ltd: Annual shareholders meeting

Lakshmi Machine Works Ltd: Annual shareholders meeting

Mahindra and Mahindra Ltd: Annual shareholders meeting

United Spirits Ltd: Annual shareholders meeting

EX-DIVIDENDS

Bata India Ltd: Final cash dividend of gross INR 12 paid on Aug 22

CRISIL Ltd: Interim cash dividend of gross INR 8 paid on Aug 12

DLF Ltd: Final cash dividend of gross INR 5 paid on Sep 05

EIH Ltd: Final cash dividend of gross INR 1.2 paid on Aug 31

SRF Ltd: Interim cash dividend of gross INR 3.6 paid on Aug 21

PICTURE OF THE DAY



Members of rescue teams move towards a landslide site after multiple landslides in the hills in Wayanad, in the southern state of Kerala, July 30. REUTERS/Stringer

(Compiled by Ashitha Salus in Bengaluru)

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

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

© 2024 London Stock Exchange Group plc. All rights reserved.

LSEG
10 Paternoster Square, London, EC4M 7LS, United Kingdom

Please visit: [LSEG](#) for more information

[Privacy Statement](#)