

MORNING NEWS CALL

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INDIA EDITION

Thursday, August 6, 2020

FACTORS TO WATCH

Monetary Policy Committee to announce **interest rate** decision in Mumbai.

INDIA TOP NEWS

India's services activity contracted for fifth straight month in July - PMI

India's dominant services industry, a key driver of economic growth, shrank for a fifth straight month in July as restraining measures to stop the spread of the coronavirus hurt business activity and led to record job cuts, a survey showed.

Zydus Cadila's COVID-19 vaccine candidate found safe in early-stage human trial

India's Zydus Cadila said on Wednesday its COVID-19 vaccine candidate was found to be safe and well-tolerated in an early-stage human trial.

India widens China app ban to cover more from Xiaomi, Baidu

India has banned some mobile apps of Chinese companies such as Xiaomi and Baidu, three sources told Reuters on Wednesday, in New Delhi's latest move to hit Chinese companies following a border clash between the neighbours.

Novavax signs COVID-19 vaccine supply deal with India's Serum Institute

Novavax said it has entered a supply and license agreement with the Serum Institute of India for the development and commercialization of its COVID-19 vaccine candidate.

Total's Indian JV to seek fuel retailing license

A joint-venture by India's Adani Gas and France's Total will soon seek government permission to open retail fuel stations in India, Adani's chief executive said on Wednesday.

Bharti Airtel partners with Amazon to grow cloud business

Bharti Airtel and Amazon Web Services will join forces to develop the Indian telecoms firm's cloud business, allowing it to offer a wider range of products to its enterprise clients, the two companies said on Wednesday.

Telkom Kenya pulls the plug on merger with Bharti Airtel

Telkom Kenya said on Wednesday it was no longer looking to merge its business with the Kenyan unit of India's Bharti Airtel, citing challenges of securing the required regulatory approvals for the deal.

Lupin to sell generic COVID-19 drug favipiravir

Lupin Ltd on Wednesday became the latest Indian drugmaker to launch a version of the antiviral drug favipiravir to treat COVID-19 in the world's third most affected country.

GLOBAL TOP STORIES

U.S. steps up campaign to purge 'untrusted' Chinese apps

The Trump administration said on Wednesday it was stepping up efforts to purge "untrusted" Chinese apps from U.S. digital networks and called the Chinese-owned short-video app TikTok and messenger app WeChat "significant threats."

Fauci says regulators promise politics will not guide vaccine timing

U.S. regulators have assured scientists that political pressure will not determine when a coronavirus vaccine is approved even as the White House hopes to have one ready ahead of the November presidential election, the country's leading infectious diseases expert Anthony Fauci said.

White House, congressional Democrats harden stances on coronavirus relief

Top congressional Democrats and White House officials appeared to harden their stances on new coronavirus relief legislation on Wednesday, as negotiations headed toward an end-of-week deadline with no sign of an agreement.



STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading up 0.1% at 11,126.80. -NewsRise

The **rupee** is expected to trade higher against the U.S. currency following a further decline on the dollar amid uncertainty over the outlook of the world's largest economy. -NewsRise

Indian government bond yields will likely trade little changed in early session ahead of the rate-setting panel's crucial interest rate decision, due later today. The yield on the benchmark 5.79% bond maturing in 2030 is likely to trade in a 5.80%-5.85% range. -NewsRise

U.S. stocks climbed on the heels of a surprise quarterly profit from Disney and as investors stayed optimistic that a deal was near for a U.S. coronavirus fiscal aid package.

The **dollar** languished and just about everything else rose, as **markets** took patchy U.S. economic data as a harbinger of ever more stimulus and brinkmanship on Capitol Hill as a sign that a deal on a new U.S. stimulus package is close.

The **U.S. government bond yield curve** steepened as prices fell on the prospect of increased supply in longer-dated debt after the Treasury Department said it would borrow more in the third quarter than previously anticipated.

Oil prices were unchanged, struggling to hold onto five-month highs reached in the previous session, as fuel demand worries caused by a second wave of coronavirus infections outweighed declines in the **U.S. dollar**.

Gold prices held steady near record highs as a weaker **U.S. dollar** and hopes of more stimulus measures to mitigate the economic fallout from the pandemic underpinned the metal's safe-haven appeal.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	74.89/74.92	August 5	875.78 crores	122.36 crores
10-yr bond yield	5.83%	Month-to-date	7,485 crores	534 crores
		Year-to-date	(3,465) crores	(1,08,901) crores

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

PICTURE OF THE DAY



India's Prime Minister Narendra Modi attends the foundation-laying ceremony of a Hindu temple in Ayodhya, August 5. Press Information Bureau/Handout via REUTERS

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