

MORNING NEWS CALL

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INDIA EDITION

Friday, August 14, 2020

FACTORS TO WATCH

12:00 pm: Government to release **July wholesale price inflation data** in New Delhi

INDIA TOP NEWS

India's July retail inflation dims chances of rate cut

India's retail inflation rose to 6.93% in July on higher food prices, remaining above the RBI's medium-term target for a 10th straight month, according to government data released on Thursday.

Biological E. to make substance used in J&J's potential COVID-19 vaccine

Indian drugmaker Biological E. will begin making a drug substance used in Johnson & Johnson's COVID-19 vaccine candidate that is in early to mid-stage trials, the companies said on Thursday.

Zydus Cadila launches India's cheapest remdesivir version at \$37 per vial

Zydus Cadila on Thursday launched the cheapest generic version of Gilead Sciences' antiviral drug remdesivir in India to treat COVID-19 following reports of shortages at hospitals in the world's third-worst hit nation.

ByteDance in talks with Reliance for investment in TikTok - TechCrunch

China's ByteDance is in early talks with Reliance Industries for an investment in its video-based app TikTok's business in India, TechCrunch reported on Thursday, citing sources.

India's exports of gems, jewellery slump 38% in July - trade council

India's gems and jewellery exports fell 38% in July from a year ago to \$1.36 billion as shipments of cut and polished diamonds plunged because of the novel coronavirus, a trade organisation said on Thursday.

GLOBAL TOP STORIES

Trump holds up coronavirus aid to block funding for mail-in voting

President Donald Trump said on Thursday he was blocking Democrats' effort to include funds for the U.S. Postal Service and election infrastructure in a new coronavirus relief bill, a bid to block more Americans from voting by mail during the pandemic.

China's July retail sales unexpectedly slip, factory output growth steady

China's retail sales unexpectedly fell in July from a year ago while the comeback in factory output was slower than forecast amid signs the recovery in the world's second-largest economy remains fragile.

Fortnite maker sues Apple, Google after removal of game from app stores

Apple and Alphabet's Google on Thursday removed popular video game "Fortnite" from their app stores for violating the companies' in-app payment guidelines, prompting developer Epic Games to file federal antitrust lawsuits challenging the two companies' rules.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were little changed at 11,324.20. -NewsRise

The **rupee** will likely trade little changed to the dollar amid India's quicker-than-expected retail inflation and **Treasury yields** hovering near two-month highs. -NewsRise

Indian government bond yields are likely to jump in early session, as faster-than-expected July retail inflation print further intensified bets of another policy status quo in October review. Moreover, fresh supply of debt at a weekly auction today and a debt switch on Monday, wherein the benchmark bond will be issued, will further weigh on sentiment, traders said. The yield on the benchmark 5.79% bond maturing in 2030 is likely to trade in a range of 5.90%-5.98%. -NewsRise

The **S&P 500** ended slightly lower on Thursday after briefly trading above its record closing high level for a second day, and the **Dow** also fell in the wake of a disappointing forecast from Cisco Systems.

Asian shares fell after lacklustre Chinese economic data and worries about a delay in U.S. fiscal stimulus discouraged some investors from taking on risk.

The **dollar** drifted higher, helped by strong U.S. jobs data as well as firmer global demand for safe-havens amid concerns about the coronavirus recovery, setting the currency up to potentially snap a seven-week losing streak.

Benchmark **U.S. Treasury yields** surged to seven-week highs on Thursday after the Treasury sold a record amount of 30-year bonds to weak demand, the final sale of \$112 billion in new coupon-bearing supply this week.

Oil prices advanced and were heading for a second week of gains amid growing confidence that demand for fuel is starting to pick up despite the coronavirus pandemic that has slammed economies worldwide.

Gold prices rose for a third straight session, supported by a weaker **U.S. dollar**.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	74.82/74.85	August 13	3,458.56 crores	(690.09) crores
10-yr bond yield	5.90%	Month-to-date	25,650 crores	305 crores
		Year-to-date	14,700 crores	(1,09,130) crores

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

PICTURE OF THE DAY



Soldiers take part in a full-dress rehearsal for India's Independence Day celebrations at the historic Red Fort in Delhi, August 13.
REUTERS/Adnan Abidi

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(Compiled by Archak Sengupta in Bengaluru)

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