

India Morning Newsletter

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Returning from the Independence Day holiday, Indian investors are likely to cheer the relative calm in markets this week after a raft of economic data allayed fears of a recession in the United States. Fresh data showed **U.S. retail sales** beat expectations, while the **jobless claims** came in fewer than anticipated, signaling orderly labour market slowdown after a spike in unemployment rate last month raised alarms. With **Federal Reserve** officials expressing confidence that inflation is returning to the central bank's 2% target, all eyes will be on Fed chief **Jerome Powell's** remarks at the next week's Jackson Hole gathering. The upbeat sentiment boosted **Wall Street's** main indexes, with the **Nasdaq** rising more than 2%. Meanwhile, benchmarks **Nifty** and **Sensex** are in red in the holiday-shortened week, but information technology stocks are on track for strong gains. However, analysts expect bouts of profit-booking in domestic equities to continue in the near term due to high valuations and a lacklustre earnings season. Among stocks to watch, **Ola Electric** is in focus after the EV-maker launched a new series of motorcycles. Separately, the Indian government is aiming to raise at least 340 billion rupees through the sale of **bonds**.

FACTORS TO WATCH

• The **National Stock Exchange** has added **Gujarat Narmada Valley Fertilizers & Chemicals, NMDC** and **Piramal Enterprises** to its **Futures and Options ban list**, while retaining **Aarti Industries, Aditya Birla Capital, Aditya Birla Fashion & Retail, Bandhan Bank, Biocon, Birlasoft, Chambal Fertilisers and Chemicals, Granules India, India Cements, IndiaMART InterMESH, LIC Housing Finance, Manappuram Finance, Punjab National Bank, RBL Bank, Steel Authority of India** and **Sun TV Network**.

STATE OF THE MARKETS

Indian shares are set to open higher, after U.S. economic data allayed recession fears in the world's largest economy, spurring a global rally.

Indian government bond yields are expected to rise in opening trades, tracking U.S. peers, after economic data scaled back expectations of an aggressive Federal Reserve easing next month.

The **Indian rupee** is expected to hold near its all-time low amid less likelihood that the Federal Reserve will deliver an aggressive 50 basis points rate cut at next month's meeting.

Wall Street's main indexes closed higher on Thursday, with the **Nasdaq** rising more than 2% after July U.S. retail sales data signaled resilient consumer spending, allaying fears of an imminent recession in the world's largest economy.

Asia shares were headed for a weekly gain and Japan's benchmark **Nikkei** was poised for its best week in over four years as upbeat risk sentiment spilled over from Wall Street, while the dollar and U.S. Treasury yields held broadly steady.

The **dollar** hovered near a two-week high to the **yen** after its biggest one-day gain against major peers in four weeks as firm U.S. economic data all but eliminated fears about a recession.

U.S. Treasury yields surged after strong economic data all but eliminated fears about a hard economic landing and curtailed expectations that an aggressive Federal Reserve easing was coming next month.

Oil prices edged lower in early Asian trading, but the market's benchmarks were set for a second consecutive weekly gain after upbeat U.S. economic data eased investor worries about a potential recession in the top oil consuming nation.

Gold prices were flat, after strong U.S. economic data eased recession concerns and dampened expectations for an aggressive interest rate cut by the Federal Reserve next month.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,342.00	0.74%	-
Nifty volatility	15.44	-4.53%	-
Nikkei	37,799.52	2.92%	12.96%
Hang Seng	17,380.16	1.58%	1.95%
S&P 500 e-mini futures	5,573.75	0.11%	-
CBOE volatility	15.23	-5.93%	-
USD/INR	83.95	-0.03%	0.89%
Spot gold	\$2,456.16 /oz	0.00%	19.08%
Brent crude	\$80.95 /bbl	-0.11%	5.08%
Indian 10-year bond yield	6.8580%	-2.20 bps	-31.80 bps
U.S. 10-year Treasury yield	3.9073%	-1.87 bps	4.73 bps

FII & DII Trading Activity in Equities Aug 14	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	122.69 bln	100.33 bln	22.36 bln
Foreign Institutional Investors (FII) in INR	149.70 bln	175.65 bln	-25.95 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

India's Ola Electric launches electric motorcycles days after going public

Indian electric vehicle maker Ola Electric Mobility launched a new series of motorcycles on Thursday, days after it went public, expanding into an untapped segment in the world's largest two-wheeler market.

Vedanta boosts stake sale in Hindustan Zinc to top \$950 million

Indian miner Vedanta Ltd will sell a 3.3% stake worth more than \$950 million in unit Hindustan Zinc, it said on Wednesday, bigger than the 2.6% stake it initially planned to hive off.

India, Russia central banks renew talks for mechanism to expand local currency trade - source

The Indian and Russian central banks have renewed discussions to set a mechanism to expand local currency trade, in a move to iron out payment issues after a surge in bilateral trade since the war on Ukraine in 2022, a government source said.

Logistics firm Ecom Express files for \$310 million IPO

Logistics firm Ecom Express on Thursday filed for an initial public offering (IPO) worth up to 26 billion rupees (\$310 million), its draft papers showed.

SpiceJet's Q1 profit drops on fewer flights

Indian budget carrier SpiceJet reported a drop in first-quarter profit on Wednesday, as it flew fewer passengers amid legal and financial troubles.

GLOBAL TOP STORIES**More Fed officials line up behind September rate cut**

Two more Federal Reserve officials on Thursday gravitated toward an interest rate cut next month as solid economic data prompted financial markets to further scale back bets the U.S. central bank would kick off its monetary easing cycle with a bigger-than-usual reduction in borrowing costs.

Walmart boosts sales outlook, shares surge to record

Americans are worried about inflation, so they are shopping more at Walmart. The U.S. retailer raised its annual sales and profit forecasts on Thursday for a second time this year, as Americans flocked to its stores for inexpensive essentials, sending its shares up 8% to a record high.

Gaza ceasefire negotiations extend another day as death toll exceeds 40,000

Negotiators were to meet in the Qatari capital Doha again on Friday in an effort to hammer out a Gaza ceasefire agreement as Israel continued to slam targets in the Palestinian enclave.

CORPORATE EVENTS

Glenmark Pharmaceuticals Ltd: Q1 earnings conference call

NBCC (India) Ltd: Q1 earnings conference call

NMDC Ltd: Q1 earnings conference call

Voltas Ltd: Q1 earnings conference call

SHAREHOLDERS MEETINGS

Aditya Birla Capital Ltd: Annual shareholders meeting

EX-DIVIDENDS

Apollo Hospitals Enterprise Ltd: Final cash dividend of gross INR 10 paid on Sep 09

Astral Ltd: Final cash dividend of gross INR 2.25 paid on Aug 28

Coal India Ltd: Final cash dividend of gross INR 5 paid on Sep 20

Container Corporation of India Ltd: Interim cash dividend of gross INR 2 paid on Aug 23

Gland Pharma Ltd: Final cash dividend of gross INR 20 paid on Sep 29

Godrej Consumer Products Ltd: Interim cash dividend of gross INR 5 paid on Sep 06

Macrotech Developers Ltd: Final cash dividend of gross INR 2.25 paid on Aug 26

Page Industries Ltd: Interim cash dividend of gross INR 300 paid on Sep 06

Power Grid Corporation of India Ltd: Final cash dividend of gross INR 2.75 paid on Sep 11

PICTURE OF THE DAY



People gather to participate in a candlelight vigil held outside Jadavpur University campus, condemning the rape and murder of a trainee medic at a government-run hospital in Kolkata, India, August 15. REUTERS/Sahiba Chawdhary

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