

India Morning Newsletter

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Markets are closely watching for **Jerome Powell's** remarks at **Jackson Hole** this week, as recent positive economic data has eased U.S. recession fears and strengthened expectations for imminent **Federal Reserve** interest rate cuts. Economists expect the Fed chief to acknowledge that progress on inflation has been sufficient to allow the start of rate cuts. Investors have priced in a 25 basis-point cut in September, with as much as a 25% chance of an outsized 50 bps move. Also in focus will be the Fed minutes from the latest policy meeting, due on Wednesday. Later, on Thursday, the **Reserve Bank of India** will release its own minutes from the last meet, while investors look at the preliminary **Purchasing Managers Index (PMI)** numbers from India and other major economies. Meanwhile, stocks recouped losses from the global sell-off two weeks ago, with **Wall Street's** main indexes recording their biggest weekly percentage gains since late October. The **Nasdaq** jumped 5.3% and the **S&P 500** rose 3.9%, posting their first weekly gain in five. The improved sentiment supported domestic markets as shares snapped a two-week losing streak led by **information technology stocks**. The IT companies, which earn a significant share of their revenue from the United States, gained 4.7% in the previous week.

FACTORS TO WATCH

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

STATE OF THE MARKETS

Indian shares are set to open marginally higher, as traders tracked Asian markets that gained after U.S. data helped soothe fears of a recession in the world's largest economy.

Indian government bond yields may dip in opening trade, tracking U.S. peers, amid lack of fresh directional cues.

The **Indian rupee** will open higher, boosted by the broad decline in the U.S. dollar amid upbeat risk and expectations of Federal Reserve interest rate cuts.

U.S. stocks ended higher on Friday, extending their biggest weekly percentage gains of the year as worries of an economic downturn eased and investors focused on the Jackson Hole Economic Symposium next week.

Asian stocks were taking a breather after global equities enjoyed their best week in nine months on expectations the U.S. economy would dodge a recession and cooling inflation would kick off a cycle of interest rate cuts.

The **U.S. dollar** was struggling to make headway against its peers, though it traded in a tight range as investors awaited fresh catalysts this week that could offer clues on the outlook for U.S. interest rates.

U.S. Treasury yields eased on Friday, partly reversing the previous day's big gains as investors digested data showing a resilient U.S. consumer and inflation trending lower, leaving the Federal Reserve ample scope for a small interest rate cut next month.

Oil prices were little changed as fears of weaker demand in top oil importer China weighed on market sentiment while investors focus on the progress of ceasefire talks in the Middle East, which could reduce supply risks.

Gold prices fell after hitting a record high in the previous session.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,668.00	0.16%	-
Nifty volatility	14.40	-6.69%	-
Nikkei	38,036.99	-0.07%	13.66%
Hang Seng	17,654.82	1.29%	3.56%
S&P 500 e-mini futures	5,587.75	0.17%	-
CBOE volatility	14.80	-2.82%	-
USD/INR	83.94	-0.01%	0.88%
Spot gold	\$2,499.38 /oz	-0.32%	21.18%
Brent crude	\$79.69 /bbl	0.01%	3.44%
Indian 10-year bond yield	6.8670%	0.90 bps	-30.90 bps
U.S. 10-year Treasury yield	3.8921%	0.01 bps	3.21 bps

FII & DII Trading Activity in Equities Aug 16	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	127.96 bln	101.90 bln	26.06 bln
Foreign Institutional Investors (FII) in INR	184.94 bln	177.28 bln	7.67 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

India regulatory chief earned revenue in potential rules violation, documents show

The head of India's markets regulator, Madhabi Puri Buch, continued to earn revenue from a consultancy firm during her seven-year tenure, potentially breaching rules for regulatory officials, according to public documents reviewed by Reuters.

JSW Cement files for \$477 million public listing

India's JSW Cement filed draft papers for an initial public offering worth up to 40 billion rupees (\$476.7 million) on Friday, aiming to cash in on the country's booming stock market and strong demand for the building material.

India cenbank tightens rules for peer-to-peer lending platforms

India's central bank on Friday tightened norms for peer-to-peer (P2P) lending platforms as some of these entities have violated regulations.

India proposes to expand sustainable framework in securities market

India's markets regulator on Friday proposed to expand sustainable finance framework in the country's securities market by including a new investment product.

Near 12% of India's tested spice samples fail quality, safety standards

Nearly 12% of tested spice samples failed to meet quality and safety standards, according to data obtained by Reuters of tests by Indian authorities after several countries took steps over contamination risks in two popular brands.

GLOBAL TOP STORIES**Hamas says new Gaza proposal too close to Israel's demands**

The Palestinian group Hamas said on Sunday that a new proposal meant to bridge the gaps between Israel and the Islamist armed group over a Gaza ceasefire were too close to Israeli Prime Minister Benjamin Netanyahu's recent positions.

US judge delays launch of sports streaming venture from Disney, media giants

A U.S. judge on Friday temporarily blocked the launch of a new sports streaming service backed by three media giants, Walt Disney, Fox and Warner Bros Discovery, which aims to capture younger sports fans who do not watch games on TV.

Harris implies Trump a 'coward' during Pennsylvania campaign appearance

U.S. Vice President Kamala Harris indirectly criticized former President Donald Trump on Sunday, suggesting her opponent in the Nov. 5 election was a "coward" whose politics focused on putting down rivals.

SHAREHOLDERS MEETINGS

Timken India Ltd: Annual shareholders meeting

EX-DIVIDENDS

Reliance Industries Ltd: Final cash dividend of gross INR 10 paid on Sep 04

PICTURE OF THE DAY



Security officials stand guard during a protest of the East Bengal and Mohun Bagan football clubs supporters condemning the rape and murder of a trainee medic at a government-run hospital, in Kolkata, August 18. REUTERS/Sahiba Chawdhary

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