

# India Morning Newsletter

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As the corporate earnings season subsides, **Indian markets** may track global cues for direction, even as bouts of profit booking weigh on gains. Investor sentiment in Asia remained buoyant after **Wall Street** surged higher overnight on hopes of policy easing by the **Federal Reserve**. According to a latest Reuters poll, the U.S. central bank is likely to cut key rates by 25 bps in September, November and December, taking the range to 4.50%-4.75% by end-2024. The **Reserve Bank of India**, meanwhile, has said India will have to adopt a more cautious approach to monetary policy if high food prices persist and threaten to spill over into more generalised price inflation. In the previous session, **Indian shares** closed flat, as gains in energy and metals stocks were offset by profit booking in financials. The **rupee** closed stronger, aided by a rally in Asian currencies that helped the local unit touch its highest in two weeks. Later in the day, Indian states will look to raise an aggregate of 137.9 billion rupees through the sale of **bonds** maturing in seven to 27 years.

## FACTORS TO WATCH

- The **National Stock Exchange** has added **Balrampur Chini Mills, Birlasoft** and **Hindustan Copper** to its **Futures and Options ban list**, while retaining **Aarti Industries, Aditya Birla Fashion & Retail, Bandhan Bank, 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**. **Biocon** was removed from the list.

## STATE OF THE MARKETS

**Indian shares** are set to open marginally higher, tracking gains in Asian markets amid continuing bets that the U.S. Federal Reserve will start cutting rates soon.

**Indian government bond yields** are expected to trade barely changed in early session, while traders hold tight after the central bank's commentary on inflation management on Monday, which is expected to further add to caution.

The **Indian rupee** is expected to inch higher after the dollar index plunged to the lowest in seven months, but is likely to underperform its Asian peers.

**U.S. stocks** advanced on Monday, building on their largest weekly percentage gain of the year as investors focused on the Democratic National Convention and the upcoming Jackson Hole Economic Symposium.

**Asian stocks** scaled a one-month peak, tracking a Wall Street rally driven by expectations that the Federal Reserve could offer further hints of imminent rate cuts later this week.

The **dollar** hung near a seven-month low on wagers the U.S. central bank will start cutting interest rates from next month, with traders preparing for comments from Federal Reserve Chair Jerome Powell on Friday.

**Yields on U.S. government debt** eased on Monday as the market counted down to Federal Reserve Chair Jerome Powell's keynote speech at the Jackson Hole symposium at the end of the week.

**Oil** prices fell as Israel accepted a proposal to tackle disagreements blocking a ceasefire deal in Gaza, helping ease worries about a supply disruption in the Middle East.

**Gold** prices held above the \$2,500 mark, buoyed by a weaker U.S. dollar and Treasury yields, while traders awaited minutes of the Federal Reserve's last policy meeting for further cues on interest rate cuts.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,638.00	-0.08%	-
Nifty volatility	14.32	-0.61%	-
Nikkei	37,990.74	1.61%	13.53%
Hang Seng	17,498.15	-0.41%	2.64%
S&P 500 e-mini futures	5,632.00	0.04%	-
CBOE volatility	14.65	-1.01%	-
USD/INR	83.87	-0.08%	0.80%
Spot gold	\$2,500.46 /oz	-0.14%	21.23%
Brent crude	\$77.38 /bbl	-0.36%	0.44%
Indian 10-year bond yield	6.8640%	-0.30 bps	-31.20 bps
U.S. 10-year Treasury yield	3.8730%	0.60 bps	1.30 bps

FII & DII Trading Activity in Equities Aug 19	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	111.38 bln	93.35 bln	18.03 bln
Foreign Institutional Investors (FII) in INR	120.84 bln	147.52 bln	-26.67 bln

(Source: National Stock Exchange of India Ltd.)

## INDIA TOP NEWS

### **India might need more cautious monetary policy to stem food price rise spillover, cenbank says**

India will have to adopt a more cautious approach to monetary policy if high food prices persist and threaten to spill over into more generalised price inflation, the Reserve Bank of India said in its monthly bulletin on Monday.

### **Indian mining, steelmakers' operating costs could surge after top court ruling, says Fitch Ratings**

Indian metal and mining companies' operating costs are likely to rise significantly if state governments impose additional mining taxes in the wake of a Supreme Court ruling, Fitch Ratings said in a note on Monday.

**India cenbank releases framework for financial market self-regulatory organisations**

The Reserve Bank of India on Monday issued a framework for recognition of self-regulatory organisations in the financial markets space to help strengthen compliance culture and provide a consultative platform for policy making.

**India's HCLTech names Shiv Walia as CFO**

India's HCLTech has appointed Shiv Walia as its chief financial officer, it said on Monday.

**Indian port workers to go on strike to demand better wages, benefits**

A group of Indian port workers' unions has called for a strike from Aug. 28 to demand immediate settlement of pay revisions and pension benefits, according to a note signed by its members.

**GLOBAL TOP STORIES****China leaves key lending benchmarks unchanged, as expected**

China left benchmark lending rates unchanged at a monthly fixing on Tuesday, in line with market expectations.

**Harris urges Democrats to fight in surprise DNC appearance**

Democratic presidential candidate Kamala Harris made a surprise appearance at the party's national convention on Monday night, drawing cheers from the crowd as she vowed to defeat Republican rival Donald Trump in the November election.

**Blinken says Israel accepts Gaza proposal, urges Hamas to do same**

U.S. Secretary of State Antony Blinken said on Monday Israeli Prime Minister Benjamin Netanyahu had accepted a "bridging proposal" presented by Washington to tackle disagreements blocking a ceasefire deal in Gaza, and urged Hamas to do the same.

**SHAREHOLDERS MEETINGS**

**Bandhan Bank Ltd:** Annual shareholders meeting

**Bharti Airtel Ltd:** Annual shareholders meeting

**Cipla Ltd:** Annual shareholders meeting

**Grasim Industries Ltd:** Annual shareholders meeting

**REC Limited:** Annual shareholders meeting

**EX-DIVIDENDS**

**AIA Engineering Ltd:** Final cash dividend of gross INR 16 paid on Oct 08

**Apar Industries Ltd:** Final cash dividend of gross INR 51 paid on Sep 26

**Balkrishna Industries Ltd:** Interim cash dividend of gross INR 4 paid on Sep 08

**Dr. Lal PathLabs Ltd:** Interim cash dividend of gross INR 6 paid on Sep 06

**IRB Infrastructure Developers Ltd:** Interim cash dividend of gross INR 0.1 paid on Sep 08

**Phoenix Mills Ltd:** Final cash dividend of gross INR 5 paid on Sep 13

**PI Industries Ltd:** Final cash dividend of gross INR 9 paid on Sep 20

**Ratnamani Metals and Tubes Ltd:** Final cash dividend of gross INR 14 paid on Sep 26

**Sun Tv Network Ltd:** Interim cash dividend of gross INR 5 paid on Sep 08

**Titagarh Rail Systems Ltd:** Final cash dividend of gross INR 0.8 paid on Sep 26

## PICTURE OF THE DAY



Fisherfolk dance during a procession for Narali Purnima, or coconut festival, to pray to the sea God for a prosperous fishing season in Mumbai, August 19. REUTERS/Francis Mascarenhas

(Compiled by Priyada K S in Bengaluru)

For questions or comments about this report, contact:  
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