

# MORNING NEWS CALL

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INDIA EDITION

Friday, August 21, 2020

## FACTORS TO WATCH

11:00 am: Former Finance Secretary **Subhash Chandra Garg** and IBBI Chairperson **M.S. Sahoo** at ASSOCHAM's e-summit on Insolvency & Bankruptcy Code, in Mumbai.

5:15 pm: **Union Bank of India** MD & CEO **Rajkiran Rai G** at Q1 earnings conference call, in Mumbai.

## INDIA TOP NEWS

### **India's monetary policy committee constrained by rising inflation - minutes**

Rising inflation has complicated the task of India's monetary policy committee and could limit its ability to support growth, its August meeting minutes showed on Thursday, while it also called on the government for more fiscal action.

### **India's envoy to U.S. says current trade talks first step to a comprehensive bilateral trade pact**

India's ambassador to the United States said on Thursday concluding current negotiations on a limited trade deal would be a crucial step towards a comprehensive bilateral trade pact between the two nations.

### **Millions likely infected by coronavirus in New Delhi, survey finds**

Almost 30% of the population in India's capital of New Delhi likely have been infected by the novel coronavirus, according to a serological survey of 15,000 people conducted by the local government, a figure that indicates infection numbers are much higher than those recorded.

### **India's crude imports fall to lowest in over a decade in July**

Crude oil imports fell in July to their lowest since March 2010 as fuel demand slowed amid renewed coronavirus-induced lockdowns and closures of refinery units for maintenance, government data showed on Thursday.

### **Indian Oil to fully restart Paradip refinery by Saturday**

Indian Oil, the country's top refiner, will restart all units at its 300,000 barrels per day (bpd) Paradip refinery in eastern India by Saturday, a government official said on Thursday.

### **India's silver imports could tumble as scrap supplies surge, importers say**

India's silver imports are likely to fall by more than 40% from a year ago to the lowest level in eight years, with investors booking profit by selling stocks after local prices rallied to a record high this month, leading importers said.

### **Hindalco to supply 1.2 million tonnes of bauxite residue to UltraTech Cement**

Hindalco Industries on Thursday signed an agreement with UltraTech Cement to supply 1.2 million tonnes of bauxite residue every year to be used as a raw material for cement, as part of its push for alternative methods of disposing of the toxic waste.

## GLOBAL TOP STORIES

### **Biden to lay out vision for post-Trump America as he accepts Democratic nomination**

Joe Biden will outline his plans to bring relief and solace to a country battered by the coronavirus pandemic on Thursday when he accepts the Democratic nomination to challenge President Donald Trump in the Nov. 3 U.S. election.

### **U.S., China differ over plans for Phase 1 trade deal talks**

The Trump administration on Thursday declined to acknowledge any plans to meet with China over the Phase 1 trade deal after the commerce ministry in Beijing said bilateral talks would be held "in the coming days" to evaluate the agreement's progress.

### **Japan's consumer prices mired as deflation spectre looms**

Japan's core consumer prices were stubbornly unchanged in July, dashing hopes for a modest rise as the coronavirus pandemic hit household demand and revived fears of a national plunge back into deflation.

## STATE OF THE MARKETS

**SGX Nifty nearest-month futures** were trading 0.8% higher at 11,378.80. - NewsRise

The **Indian rupee** is expected to trade higher against the U.S. currency after an unexpected increase in weekly U.S. jobless claims put the dollar on the backfoot. - NewsRise

**India government bond yields** are likely to rise in early session, as the minutes of the Monetary Policy Committee's latest meeting further hurt rate cut bets amid quickening inflation. The yield on the benchmark 5.79% bond maturing in 2030 is likely to trade in a range of 6.00%-6.05% till the auction today, wherein New Delhi will raise at least 300 billion rupees via bonds, a trader with a private bank said. - NewsRise

**Nasdaq** ended at a record high on Thursday, with the S&P 500 and Dow also rising, as gains in heavyweight tech stocks outweighed downbeat data that affirmed the Federal Reserve's view of a difficult road to economic recovery.

Japan's benchmark **Nikkei** average opened up 0.62% at 23,022.76, while the broader Topix gained 0.61% at 1,608.91.

The **dollar** was on the defensive against most currencies after a rise in U.S. jobless claims and a dip in Treasury yields dampened the appeal of holding the greenback.

**U.S. Treasury yields** fell on Thursday, while a poor showing for an auction of 30-year Treasury-Inflation Protected Securities (TIPS) indicated that previous hot demand has cooled off.

**Oil** prices rose in early trade, on track for a third straight week of gains, buoyed by major oil producers' efforts to hold back output amid concerns about the economic recovery from the coronavirus pandemic.

**Gold** rose as the dollar weakened after downbeat U.S. jobless claims data reinforced fears of a slower recovery from the pandemic-induced economic crisis, keeping bullion on track for a weekly gain.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	75.02/75.05	August 20	1098.76 crores	719.65 crores
10-yr bond yield	6%	Month-to-date	40,423 crores	534 crores
		Year-to-date	29,473 crores	1,08,901 crores

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

## PICTURE OF THE DAY



*A car drives through a flooded street after heavy rains in Gurugram, August 20. REUTERS/Adnan Abidi*

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(Compiled by Pooja Kesavan in Bengaluru)

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