

# India Morning Newsletter

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All eyes will be on **Federal Reserve Chair Jerome Powell**, who will deliver remarks at the **Jackson Hole Symposium** today. Several U.S. central bank policymakers spoke in support of interest-rate cuts starting in September at the symposium, as inflation in the world's largest economy is well down from its highs and the labor market is cooling. Meanwhile, minutes of the **Reserve Bank of India's** August meeting revealed that rising food prices have kept headline inflation above the 4% target, prompting a restrictive monetary stance. However, an Indian government report suggests that food inflation may decline in the coming months due to good harvests following monsoon rains that replenished reservoir water levels. Overnight, **Wall Street's** three major indexes lost ground, weighed by technology shares. **Domestic shares** closed higher, logging a sixth straight session of gains with the benchmarks **Nifty 50** and **Sensex** adding about 2.8% each in the past six sessions. Among stocks to watch, **Ambuja Cements** will be in focus as an **Adani Group**-owned company said it was selling shares worth \$500 million in the cement firm. Later in the day, the Indian government is aiming to raise at least 230 billion rupees through the sale of **bonds**.

## FACTORS TO WATCH

- The **National Stock Exchange** has added **Chambal Fertilisers**, **Indian Energy Exchange** and **RBL Bank** to its **Futures and Options ban list**, while retaining **Aarti Industries**, **Aditya Birla Fashion & Retail**, **Birlasoft**, **Gujarat Narmada Valley Fertilizers & Chemicals**, **Granules India**, **Hindustan Copper**, **India Cements**, **LIC Housing Finance**, **National Aluminium**, **Piramal Enterprises** and **Sun TV Network**. **Balrampur Chini Mills** was removed from the list.
- 5:00 pm **Bank Loan Growth** for the week ended 9 Aug: Prior 13.7%
- 5:00 pm **Deposit Growth** for the week ended 9 Aug: Prior 10.6%
- 5:00 pm **FX Reserves** for the week ended 16 Aug: Prior \$670.12 bln

## STATE OF THE MARKETS

**Indian shares** are set to open little changed, tracking a pause in the global equities' rally ahead of the Federal Reserve Chair's address, as they await confirmation of a U.S. rate cut in September.

**Indian government bond yields** are expected to trade little changed in early session, after minutes of Reserve Bank of India's latest meeting did not provide any fresh trigger, while traders to focus on debt supply for the day.

The **Indian rupee** is expected to open marginally higher, awaiting possible cues from Federal Reserve Chair Jerome Powell on the extent and timing of interest rate cuts.

All three major **U.S. stock indexes** lost ground, weighed by technology shares, as Treasury yields rose on easing recession fears and global central bank officials convened at the Jackson Hole Economic Symposium.

**Asian shares** stuttered while the dollar rebounded from one-year lows as investors were cautious ahead of a speech by the world's most powerful central banker with markets looking for confirmation U.S. rate cuts would start in September.

The **U.S. dollar** was calm as traders braced for comments from Federal Reserve Chair Jerome Powell, while Bank of Japan (BOJ) Governor Kazuo Ueda aimed to soothe lingering market nerves after a surprise rate hike last month.

**U.S. Treasury yields** on Thursday recovered from two-week lows hit the previous session, in line with gains in the European bond market, as investors took a breather buying government debt ahead of a speech from Federal Reserve Chair Jerome Powell at a central bank event in Jackson Hole, Wyoming.

**Oil** prices were steady in early Asian trading, but were poised to end the week lower as downward revisions to U.S. employment data raised demand concerns and ceasefire talks in Gaza eased worries about supply disruptions.

**Gold** prices inched higher, but were set for a weekly loss as investors looked forward to U.S. Federal Reserve Chair Jerome Powell's speech at Jackson Hole, Wyoming, for more cues on the scale of a likely September rate cut.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,837.50	0.09%	-
Nifty volatility	13.00	-2.49%	-
Nikkei	38,091.27	-0.31%	13.83%
Hang Seng	17,555.12	-0.49%	2.98%
S&P 500 e-mini futures	5,606.25	0.22%	-
CBOE volatility	17.55	7.87%	-
USD/INR	83.95	0.04%	0.90%
Spot gold	\$2,489.15 /oz	0.24%	20.68%
Brent crude	\$77.21 /bbl	-0.01%	0.22%
Indian 10-year bond yield	6.8520%	-0.10 bps	-32.40 bps
U.S. 10-year Treasury yield	3.8407%	-2.13 bps	-1.93 bps

FII & DII Trading Activity in Equities Aug 22	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	122.40 bln	92.68 bln	29.72 bln
Foreign Institutional Investors (FII) in INR	184.63 bln	170.91 bln	13.72 bln

(Source: National Stock Exchange of India Ltd.)

## INDIA TOP NEWS

### High food prices in India threaten overall inflation outlook, say rate panel members

Rising food prices have prevented India's headline inflation from hitting the central bank's 4% target, requiring the monetary policy committee (MPC) to stick to its restrictive stance, minutes of the Reserve Bank of India's August meeting showed.

**India may let foreign investors raise capital in rupees to invest overseas, source says**

India may allow certain foreign investors to raise capital in rupees for investments in select countries, a government official said, in a move aimed at boosting the international use of the South Asian nation's currency.

**EXCLUSIVE-Disney-Reliance offer concessions for India merger, but no cricket rights sale**

Disney and Reliance have offered some concessions to secure an India antitrust approval for their \$8.5 billion media merger, but are unwilling to sell any cricket broadcast rights, the biggest prize in the deal, two sources familiar with matter said.

**India's food inflation to drop in coming months, says government report**

India's food inflation is likely to fall in the coming months thanks to good harvests after monsoon rains replenished water levels in reservoirs, according to a government report on Thursday.

**Blackstone-owned gemstone certification firm IGI files for \$477 million IPO**

Blackstone-owned International Gemmological Institute (IGI) filed draft papers for an initial public offering worth up to about \$477 million, to capitalise on the booming demand for lab-grown diamonds in India amid a red-hot IPO market.

**GLOBAL TOP STORIES****Fed policymakers flag rate cuts as job market cools**

Federal Reserve policymakers on Thursday lined up in support of U.S. interest-rate cuts starting next month now that inflation is well down from its highs and the U.S. labor market is cooling, though one signaled he is in no rush to ease policy.

**Kamala Harris' big speech seeks to redefine her for America**

Vice President Kamala Harris will try to redefine herself for America and draw a sharp contrast with Republican Donald Trump on Thursday when she accepts the Democratic Party's 2024 presidential nomination.

**BOJ's Ueda signals readiness to raise rates if growth, inflation on track**

Bank of Japan Governor Kazuo Ueda reaffirmed his resolve to raise interest rates if inflation stayed on course to sustainably hit the 2% target, but warned financial markets remained unstable.

**ANALYSIS****To seal India merger, Disney-Reliance may need to dilute cricket dominance**

The Indian antitrust body's opposition to a proposed \$8.5 billion merger of the Indian media assets of Walt Disney and Reliance may force the companies to sell some lucrative cricket broadcast rights or commit to advertising price caps.

**SHAREHOLDERS MEETINGS**

**Astral Ltd:** Annual shareholders meeting

**Coforge Ltd:** Annual shareholders meeting

**CSB Bank Ltd:** Annual shareholders meeting

**Endurance Technologies Ltd:** Annual shareholders meeting

**Hindustan Petroleum Corp Ltd:** Annual shareholders meeting

**Interglobe Aviation Ltd:** Annual shareholders meeting

**JK Lakshmi Cement Ltd:** Annual shareholders meeting

**Kama Holdings Ltd:** Annual shareholders meeting

**Mahanagar Gas Ltd:** Annual shareholders meeting

**Max Financial Services Ltd:** Annual shareholders meeting

**Yes Bank Ltd:** Annual shareholders meeting

#### EX-DIVIDENDS

**ABB India Ltd:** Interim Cash Dividend of gross INR 10.66 paid on Sep 05

**Federal Bank Ltd:** Final cash dividend of gross INR 1.2 paid on Sep 29

**Godfrey Phillips India Ltd:** Final cash dividend of gross INR 56 paid on Oct 06

**Gujarat Ambuja Exports Ltd:** Final cash dividend of gross INR 0.35 paid on Sep 05

**Indian Railway Catering and Tourism Corporation Ltd:** Final cash dividend of gross INR 4 paid on Sep 29

**LIC Housing Finance Ltd:** Final cash dividend of gross INR 9 paid on Sep 27

**Max Healthcare Institute Ltd:** Final cash dividend of gross INR 1.5 paid on Oct 20

**Natco Pharma Ltd:** Interim Cash Dividend of gross INR 3 paid on Aug 30

**Oil and Natural Gas Corporation Ltd:** Final cash dividend of gross INR 2.5 paid on Sep 29

**Vedant Fashions Ltd:** Final cash dividend of gross INR 8.5 paid on Aug 31

## PICTURE OF THE DAY



India's Neeraj Chopra in action during the Diamond League men's javelin throw at Stade Olympique de la Pontaise, Lausanne, Switzerland, August 22. REUTERS/Denis Balibouse

(Compiled by Priyada K S in Bengaluru)

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