

# MORNING NEWS CALL

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INDIA EDITION

Friday, August 28, 2020

## Earnings Roundup

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### FACTORS TO WATCH

10:00 am: **Pension Fund Regulatory and Development Authority** Chairman **Supratim Bandyopadhyay** at FICCI's annual insurance conference.

12:30 pm: Principal Economic Advisor **Sanjeev Sanyal** at FLAME University's webinar.

**Banks Board Bureau** meets to decide on SBI chairman vacancy, in New Delhi.

### INDIA TOP NEWS

#### **Indian government asks states to borrow \$32 billion to meet tax shortfall**

India's federal government on Thursday asked state administrations to raise \$32 billion in loans, as part of a proposal to cover a shortfall in fiscal receipts that could see a surcharge on the country's luxury goods tax extended beyond 2022.

#### **Indian economy more resilient now vs global financial crisis, says RBI Governor**

The Indian economy remains much stronger amid the coronavirus pandemic than it was during the global financial crisis over a decade ago even if growth has slowed, Reserve Bank of India Governor Shaktikanta Das said on Thursday.

#### **Indian state refiners halt oil imports from Chinese companies - sources**

Indian state refiners have stopped buying crude oil from China-linked companies, three sources said, after New Delhi's recent regulation aimed at restricting imports from countries that it shares a border with.

#### **Indian court halts insolvency proceedings against Reliance's Anil Ambani**

An Indian court on Thursday halted insolvency proceedings against Reliance Group chairman Anil Ambani, the younger brother of India's richest man, and barred him from disposing of any of his assets.

#### **India's coronavirus pandemic hits fast dwindling tribe in remote islands**

Four members of a dwindling tribe in India's far off Andaman Islands have tested positive for coronavirus, officials said on Thursday as the country reported 75,760 new infections, the highest-single-day rise.

### GLOBAL TOP STORIES

#### **In landmark shift, Fed rewrites approach to inflation, labor market**

The Federal Reserve on Thursday rolled out a sweeping rewrite of its approach to its dual role of achieving maximum employment and stable prices, putting new weight on bolstering the U.S. labor market and less on worries about too-high inflation.

#### **ByteDance asks TikTok to draw up U.S. shutdown contingencies - sources**

China's ByteDance told engineers of its popular short-video app TikTok this week to make contingencies should it need to shut down its U.S. operations, even as it works toward divesting them, people familiar with the matter said on Thursday.

#### **U.S., China trade jibes as military tensions worsen**

The United States and China traded jibes as military tensions grow between the world's two largest economies, with the U.S. defense chief vowing not to "cede an inch" in the Pacific and China saying Washington was risking soldiers' lives.



**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were trading 0.2% higher at 11,620.80. - NewsRise

The **Indian rupee** is expected to trade little changed to the U.S. currency amid focus on the Reserve Bank of India's stance after yesterday's late dollar selloff and rising Treasury yields following the Federal Reserve's landmark changes in monetary policy strategy. - NewsRise

**India government bond yields** are likely to trade largely unchanged in early session, ahead of a fresh supply of notes at a weekly debt auction today. The yield on the benchmark 5.79% bond maturing in 2030 is likely to trade in a range of 6.12%-6.18% until the auction. - NewsRise

The **S&P 500** and the **Dow** advanced but the **Nasdaq** closed lower on Thursday as investors digested the U.S. Federal Reserve's new strategy to adopt an average inflation target and restore the United States to full employment, as well as a promising development in the fight to contain the coronavirus pandemic.

**Japanese shares** gained, as a jump in U.S. long-term bond yields following the Federal Reserve's new long-term policy strategy to allow higher inflation boosted financials and other battered value stocks.

The **dollar** held gains against major currencies, after the Federal Reserve's aggressive new strategy to lift employment and increased tolerance for higher inflation pushed U.S. bond yields up.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	73.79/73.82	August 27	1654.09 crores	416.66 crores
10-yr bond yield	6.147%	Month-to-date	45,170 crores	(104) crores
		Year-to-date	34,220 crores	(1,09,539) crores

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

Longer-term **U.S. Treasury yields** climbed to their highest levels in months on Thursday, steepening the yield curve, after Federal Reserve Chairman Jerome Powell announced a new policy framework promoting higher inflation to spur economic recovery and job creation.

**Oil** prices fell as a massive storm raced inland past the heart of the U.S. oil industry in Louisiana and Texas without causing any widespread damage to refineries.

**Gold** steadied as worries over an economic slump caused by the COVID-19 pandemic countered pressure from a jump in U.S. Treasury yields on Federal Reserve Chair Jerome Powell's offer for more inflation tolerance.

## PICTURE OF THE DAY



A man wearing a protective face mask disinfects seats of an air-conditioned passenger bus after Gujarat state authorities resumed the bus services after easing lockdown restrictions that were imposed to slow the spread of the coronavirus disease (COVID-19), in Ahmedabad, August 27. REUTERS/Amit Dave

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(Compiled by Pooja Kesavan in Bengaluru)

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