

India Morning Newsletter

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Investors are closely watching India's **GDP** figures, due later in the day, as the economic growth is expected to have slowed in the April-June quarter due to reduced government spending and stalling consumption. A Reuters poll showed the GDP likely grew 6.9% year-on-year, down from 7.8% growth in the previous quarter. However, food prices could face threats as **monsoon rains** are likely to be prolonged into late September this year due to the development of a low-pressure system in the middle of the month, two weather department officials told Reuters. Above-normal rainfall due to the delayed withdrawal of the monsoon could damage summer-sown crops. Meanwhile, domestic benchmarks are hovering around record highs with the **Nifty 50** rallying for 11 consecutive sessions, adding about 4% to post its longest winning streak since October 2007. In the debt market, the Indian government is aiming to raise at least 300 billion rupees through the sale of **bonds**. Elsewhere, the latest **U.S. GDP estimates** showed that the world's largest economy grew faster than initially estimated in second quarter on stronger consumer spending. While the latest data dented the odds of aggressive policy easing by the Federal Reserve, the focus now shifts to a key U.S. **inflation** reading due today.

FACTORS TO WATCH

- The **National Stock Exchange** has removed **Bandhan Bank, Granules India, Hindustan Copper** and **India Cements** from its **Futures and Options ban list**.
- 03:30 PM **Fiscal Deficit** for July: Prior 1,357.12 bln INR
- 05:00 PM **FX Reserves** for the week ending 23 Aug: Prior \$674.66 bln
- 05:00 PM **GDP Quarterly yy** for Q1: Expected 6.9%; Prior 7.8%
- 05:00 PM **Infrastructure Output yy** for July: Prior 4.00%

STATE OF THE MARKETS

Indian shares are set to open higher and hit all-time high levels, tracking a rise in Asian peers after U.S. economic data eased growth concerns, while investors await the domestic quarterly growth data, due later in the day.

Indian government bond yields are expected to move a tad higher in early trading, while market participants await fresh debt supply via a weekly auction, along with key data in India and the United States.

The **Indian rupee** may recover more, helped by a rally in the Chinese yuan and anticipated equity inflows spurred by the MSCI's rejig of its emerging market index.

The **Dow** notched a record high close on Thursday in mixed trading following robust U.S. economic data, while artificial intelligence chipmaker Nvidia dropped after its largely in-line forecast failed to impress investors.

Asian stocks rose and were poised for a solid end to August while the dollar was staring at its worst monthly

performance in nine months, on the view that the Federal Reserve is all but certain to cut interest rates next month.

The **dollar** traded near a one-week high versus major peers, on track to snap a five-week losing run, after robust economic data pared bets for aggressive Federal Reserve interest rate cuts.

U.S. Treasury yields rose on Thursday, after data indicated the economy was on solid enough footing to give the Federal Reserve room to be less aggressive in cutting interest rates this year.

Oil prices edged slightly higher as investors weighed supply concerns in the Middle East against signs of weakened demand.

Gold prices fell but were poised for a monthly gain on prospects of a U.S. interest rate cut in September, while traders awaited key U.S. inflation data for further insights.

Markets	Last	Change	YTD change
GIFT Nifty 50	25,274.50	0.14%	-
Nifty volatility	13.79	-1.16%	-
Nikkei	38,580.77	0.57%	15.29%
Hang Seng	17,977.55	1.08%	5.46%
S&P 500 e-mini futures	5,617.50	0.13%	-
CBOE volatility	15.65	-8.53%	-
USD/INR	83.87	-0.10%	0.80%
Spot gold	\$2,515.04 /oz	-0.24%	21.94%
Brent crude	\$80.08 /bbl	0.18%	3.95%
Indian 10-year bond yield	6.8640%	0.30 bps	-31.20 bps
U.S. 10-year Treasury yield	3.8653%	-0.17 bps	0.53 bps

FII & DII Trading Activity in Equities Aug 29	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	199.19 bln	172.28 bln	26.91 bln
Foreign Institutional Investors (FII) in INR	270.36 bln	237.77 bln	32.60 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

India's June qtr GDP growth likely slowed on reduced government spending

India's economic growth is expected to have slowed in the April-June quarter due to reduced government spending during the national elections and stalling consumption.

Ambani says India's Reliance to more than double in size before end of decade

Reliance Industries is on track to more than double in size before the end of the decade, its billionaire-chairman Mukesh Ambani told shareholders on Thursday.

Moody's raises India's growth forecasts, Fitch affirms rating

Moody's raised India's growth projection for 2024 and 2025 citing signs of improving rural demand, while Fitch affirmed the country's sovereign credit rating, the agencies said in separate releases on Thursday.

EXCLUSIVE-India's monsoon expected to be prolonged, threatening ripe crops, sources say

India's monsoon rains are likely to be prolonged into late September this year due to the development of a low-pressure system in the middle of the month, two weather department officials told Reuters.

India's aviation watchdog puts SpiceJet under enhanced surveillance

India's aviation watchdog said it has placed budget airline SpiceJet under enhanced surveillance with immediate effect after a recent audit revealed "certain deficiencies".

GLOBAL TOP STORIES**Harris vows tougher approach on migration, supports weapons for Israel**

Kamala Harris vowed a tougher approach to migration along the U.S. southern border and said she would not withhold weapons to Israel, in her first interview with a major news organization since becoming the Democratic nominee for president.

Nvidia's rally takes a break after forecasts fall short of investor expectations

Nvidia shares dropped more than 6% on Thursday after its forecast fell short of lofty expectations, though some believe the modest sell-off showed investors still remain confident in the generative AI boom that has powered the chip giant's stock higher all year.

Israel, Hamas set three-day pauses in fighting for Gaza polio vaccinations, WHO says

Israel's military and Palestinian militant group Hamas have agreed to three separate, zoned three-day pauses in fighting in Gaza to allow for the first round of vaccination of 640,000 children against polio, a senior WHO official said on Thursday.

SHAREHOLDERS MEETINGS

Alkem Laboratories Ltd: Annual shareholders meeting

Gland Pharma Ltd: Annual shareholders meeting

IDFC First Bank Ltd: Annual shareholders meeting

Indian Railway Catering and Tourism Corporation Ltd: Annual shareholders meeting

Jubilant Ingrevia Ltd: Annual shareholders meeting

Jubilant Pharmova Ltd: Annual shareholders meeting

Narayana Hrudayalaya Ltd: Annual shareholders meeting

Oil and Natural Gas Corporation Ltd: Annual shareholders meeting

Vedant Fashions Ltd: Annual shareholders meeting

EX-DIVIDENDS

Jindal Stainless Ltd: Final cash dividend of gross INR 2 paid on Oct 09

Kajaria Ceramics Ltd: Final cash dividend of gross INR 6 paid on Oct 05

Kama Holdings Ltd: Interim cash dividend of gross INR 16 paid on Sep 19

NCC Ltd: Final cash dividend of gross INR 2.2 paid on Sep 30

Oil India Ltd: Final cash dividend of gross INR 2.5 paid on Oct 14

Power Finance Corporation Ltd: Interim cash dividend of gross INR 3.25 paid on Sep 05

Shyam Metals and Energy Ltd: Final cash dividend of gross INR 2.7 paid on Oct 06

PICTURE OF THE DAY



Labourers work at the site of the ongoing construction of Noida International Airport (NIA) during a media visit to the project site, in Noida, August 29. REUTERS/Anushree Fadnavis

(Compiled by Priyada K S in Bengaluru)

For questions or comments about this report, contact:
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