

MORNING NEWS CALL

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INDIA EDITION

Tuesday, September 1, 2020

FACTORS TO WATCH

Finance Secretary **Ajay Bhushan Pandey** and Expenditure Secretary **T.V. Somanathan** to discuss **borrowing options** of states with state finance secretaries in New Delhi.

Supreme Court to hear petition on **seeking interest waiver** during moratorium period in New Delhi.

PROMOTION

LIVECHAT - REUTERS GLOBAL MARKETS FORUM

Rahul Chandra, Managing Director at **Arkam Ventures**, discusses the evolution of venture capital in India, what he looks for in start-ups while investing and the investment landscape for companies aiming to build business models for the rising Indian middle class.

To join the conversation at 4:00 pm IST, [click here](#)

INDIA TOP NEWS

India's recovery to take time after economy shrinks 24% in June quarter

India's economy shrank by nearly a quarter in April-June, much more than forecast and pointing to a longer than previously expected recovery with analysts calling for further stimulus.

Indian central bank announces new measures to maintain market stability

The Reserve Bank of India announced new measures on Monday to maintain stability in the financial system during the coronavirus pandemic, including two more tranches of special open market bond operations in its 'Operation Twist'.

Brookfield Infrastructure, GIC, buy Indian telecom towers for \$3.4 billion

GIC, Singapore's sovereign wealth fund, said it and a group of investors, including Brookfield Infrastructure Partners, bought an Indian telecom tower company from a unit of Reliance Industries for \$3.4 billion.

India's foreign minister says favourable U.S. visa policy would be good for both countries

India's foreign minister, Subrahmanyam Jaishankar, said on Monday a U.S. visa policy that supported Indian talent would be beneficial for both countries.

India's July infrastructure output contracts 9.6% y/y

India's July infrastructure output contracted 9.6% in July from a year earlier, government data released on Monday showed, as government restrictions in response to COVID-19 weighed on economic activities.

India's federal fiscal deficit crosses full year budget target in 4 months

India's federal fiscal deficit in the four months to end July stood at 8.21 trillion rupees, or 103.1% of the budgeted target for the current fiscal year, government data showed on Monday.

Former India president Mukherjee dies after developing lung infection

Former Indian President Pranab Mukherjee, who had tested positive for COVID-19 this month, died on Monday after weeks in hospital. He was 84.

Adani arm eyes controlling interest in Mumbai Airport

Adani Enterprises said on Monday it would take a controlling stake in Mumbai International Airport through a deal in which Adani Airport Holdings Limited will acquire the debt of GVK Airport Developers Limited.

GLOBAL TOP STORIES

Asia's factories shaking off COVID gloom, China shines

Asian factories continued to shake off the coronavirus-induced gloom in August as more bright signs in China raised hopes of a firmer recovery in global demand, reducing pressure on policymakers to take more radical steps to avert a deeper recession.

Largest faction of Japan's ruling party backs Suga to replace Abe as PM - NHK

Japan's top government spokesman, Yoshihide Suga, has won the backing of the largest faction of the ruling party to become its next leader, public broadcaster NHK reported, making him a strong front-runner to become the next premier.

U.S. increases support for Taiwan, says to counter rising China pressure

The United States said on Monday it was establishing a new bilateral economic dialogue with Taiwan, an initiative it said was aimed at strengthening ties with Taipei and supporting it in the face of increasing pressure from Beijing.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading 0.7% higher at 11,435.50. - NewsRise

The **Indian rupee** is expected to rise against the dollar, recouping losses triggered by the renewed border standoff between India and China. - NewsRise

India government bond yields are likely to plunge in early session, on the back of a slew of central bank announcements that are aimed at reviving bond market appetite. The yield on the benchmark 5.77% bond maturing in 2030 is likely to trade in a range of 5.92%-6.02%. - NewsRise

While the **S&P 500** boasted its steepest August percentage gain in more than three decades it ended Monday slightly lower and the Dow also lost ground as investors took a pause although the Nasdaq closed higher thanks to high-flying stocks including Apple.

Japan's Nikkei share average was almost unchanged, as investors booking profits was countered by an extended rally in stocks of trading companies.

The **dollar** fell toward multi-year lows against most major currencies as the Federal Reserve's new policy framework continued to fuel bets that U.S. rates will stay lower for longer than other countries.

U.S. Treasury yields on the longer end of the curve fell on Monday with investors scurrying back to the market following last week's run-up in yields in the wake of the Federal Reserve's new policy framework announcement.

Oil prices rose in early trade, reversing overnight losses, as investors shifted to risk assets and out of the safe-haven U.S. dollar, which slid to a more than two-year low.

Gold held steady near a two-week high as a weaker dollar and ultra-low interest rate environment kept demand solid for the safe-haven metal.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	73.61/73.64	August 31	477.20 crores	(1,884.48) crores
10-yr bond yield	6.078%	Month-to-date	47,080 crores	(3,310) crores
		Year-to-date	36,130 crores	(1,12,745) crores

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

PICTURE OF THE DAY



Hindu priests wearing protective face masks perform "havan" (traditional fire ritual) to appease gods to stop rain and to save humanity from the coronavirus disease (COVID-19) inside a temple premises in Ahmedabad, August 31. REUTERS/Amit Dave

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