

MORNING NEWS CALL

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INDIA EDITION

Thursday, October 1, 2020

FACTORS TO WATCH

9:00 am: **Computer Age Management Services** Chief Executive Anuj Kumar at listing ceremony in Mumbai.

10:00 am: State Bank of India Chairman **Rajnish Kumar**, Hindustan Unilever Chairman and Managing Director **Sanjiv Mehta** at a virtual press conference to announce a strategic partnership.

11:30 am: **CRISIL Ratings** webinar on a roundup of the **rating actions during 1H FY21**.

4:00 pm: Finance Minister **Nirmala Sitharaman** at the launch of Indian Banks' Association's uniform training module for public sector banks for newly recruited officers.

4:15 pm: Petroleum Secretary **Tarun Kapoor**, Indian Oil Corp Chairman **S.M. Vaidya** among others at ETEnergyWorld's web conference on "Realising the City-Gas and LNG Dream in post-Covid India."

PROMOTION

LIVECHAT - REUTERS GLOBAL MARKETS FORUM

Elizabeth Howcroft, Reuters EMEA Finance and Markets correspondent joins the forum to discuss what's happening in the world of European govies. To join the conversation at 4:00 pm IST, [click here](#).

INDIA TOP NEWS

India posts record current account surplus in June quarter

India's current account surplus rose to a record \$19.8 billion in April-June as its trade deficit narrowed sharply, the Reserve Bank of India said on Wednesday.

India faces ballooning fiscal deficit as pandemic hits taxes

India is staring at a ballooning fiscal deficit against an initial estimate of 3.5% of GDP in the current financial year as the coronavirus shrinks jobs and hits tax collection, government data showed on Wednesday.

India retains full-year borrowing target, H2 borrowing

India will stick to its borrowing plan of 12 trillion rupees for the current fiscal year, economic affairs secretary Tarun Bajaj said on Wednesday, even as the government expects to fall short of its revenue targets.

Foreign firms shun Indian coal mine auctions, 40% of mines find no takers

India has received no bids for 15 of 38 coal mines it is auctioning to attract private investment, reflecting little appetite for the sector clouded by environmental concerns and low margins.

India allows states to reopen schools gradually amid rising coronavirus cases

India's federal government on Wednesday allowed states to reopen schools and other educational institutions in a phased manner, as well as movie theatres, even as the coronavirus cases continue to rise daily in the South Asian country.

Dhanlaxmi Bank shareholders vote to oust chief executive

Shareholders of regional lender Dhanlaxmi Bank ousted its chief executive at its annual general meeting on Wednesday, the bank said in a regulatory filing.

India extends deadline for initial bids to buy state-owned BPCL

India said on Wednesday it has extended the deadline for submitting initial bids to buy state-owned Bharat Petroleum to Nov. 16.

GLOBAL TOP STORIES

Mnuchin reports movement on COVID-19 relief; House delays vote

U.S. Treasury Secretary Steven Mnuchin on Wednesday said talks with House Speaker Nancy Pelosi made progress on COVID-19 relief legislation, and the House of Representatives postponed a vote on a \$2.2 trillion Democratic coronavirus plan to allow more time for a bipartisan deal to come together.

Japan business sentiment perks up as hit from pandemic begins to ease

Japanese business sentiment improved in July-September from a 11-year low hit three months ago, a key central bank survey showed, in a sign the economy is gradually emerging from the devastating hit from the coronavirus pandemic.

Debate planners vow less chaos at next Trump-Biden face-off

U.S. presidential debate organizers vowed on Wednesday to change the rules to rein in unruly behavior after President Donald Trump repeatedly interrupted rival Joe Biden and the moderator in the candidates' taunt-filled initial prime-time encounter.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were 1% higher at 11,358.50. - NewsRise

The **Indian rupee** is expected to open higher against the dollar tracking buoyant risk appetite amid renewed hopes of more U.S. fiscal stimulus. - NewsRise

Indian government bond yields are likely to plunge in early session after the federal government did not increase its full-year borrowing target, allaying fears of additional borrowing for the time being. The yield on the benchmark 5.77% bond maturing in 2030 is likely to trade in a 5.92%-5.98% range today. - NewsRise

U.S. stocks closed solidly higher on Wednesday as government leaders continued talks for a new pandemic relief package and positive economic data helped the major indexes end the third quarter in positive territory.

Global shares tried to extend gains on renewed hopes for fresh U.S. stimulus measures, but mounting uncertainty ahead of America's presidential election kept gains in check.

The **dollar** was on the defensive at a one-week low, as robust U.S. data and fresh hopes for U.S. fiscal stimulus had investors confident enough about economic recovery prospects to seek out riskier currencies.

Demand for safe-haven Treasury debt waned on Wednesday, driving **yields** up, on some signs of progress in negotiations over a coronavirus stimulus bill, which is expected to be voted on in Congress later in the day.

Oil prices were little changed in early trade after U.S. lawmakers postponed a vote on a \$2.2 trillion coronavirus relief package in hopes of reaching a bipartisan deal, while rising infections fuelled demand fears.

Gold prices steadied in early trade as a softer dollar and progress on another U.S. coronavirus relief package countered pressure from an upbeat U.S. private payrolls data.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	73.75/73.78	September 30	(1,065.93) crores	(108.86) crores
10-yr bond yield	6.015%	Month-to-date	(7,783) crores	3,958 crores
		Year-to-date	28,347 crores	(1,08,787) crores

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

(Morning News Call - India edition will not be published on Friday, October 2, as markets are closed for Mahatma Gandhi Jayanti)

PICTURE OF THE DAY



Students wearing protective face masks attend their class under the trees as they maintain social distancing outside their school, amid the coronavirus disease (COVID-19) outbreak, in Gund on the outskirts of Srinagar, September 30, 2020. REUTERS/Danish Ismail

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(Compiled by Nachiket Tekawade in Bengaluru)

For questions or comments about this report, contact:
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