

India Morning Newsletter

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A day after the **Reserve Bank of India** held **interest rates** steady and changed its stance to "neutral", domestic investors are expected to shift focus to the second-quarter results. IT major **Tata Consultancy Services** will kick off the earnings season, with other players like **Tata Elxsi** and **IREDA** also scheduled to release their results during the day. **Tata Group** stocks may also see heightened activity following the passing of **Ratan Tata**, the chairman emeritus of **Tata Sons**, whose leadership played a pivotal role in shaping the Indian conglomerate into a global powerhouse. **Indian equities** ended lower on Wednesday, reversing earlier gains as traders booked profits after the RBI's dovish tilt. **Consumer stocks** tumbled 1.57% after the central bank flagged that inflation was still a concern. The rate-sensitive **financials** added 0.4%, while **real estate stocks** jumped 2.15% and **auto companies** rose 0.8%. Meanwhile, **Wall Street** climbed overnight, with the **S&P 500** and **Dow** reaching record highs following the release of the Federal Reserve's September meeting minutes. A "substantial majority" of Fed officials backed a half-point rate cut, but the pace of future cuts remains uncertain. Investors now await the **U.S. consumer price index** later in the day, which could set the tone for global markets. Separately, **Indian government bond yields** declined on Wednesday, as market participants welcomed a change in the RBI's policy stance and the inclusion of the bonds in another global index, while the **rupee** ended flat.

FACTORS TO WATCH

- The **National Stock Exchange** added **Tata Chemicals Ltd** to its Futures and Options ban list, while retaining **Bandhan Bank**, **Birlasoft**, **Gujarat Narmada Valley Fertilizers & Chemicals Limited**, **Granules**, **Hindustan Copper**, **IDFC First Bank**, **Manappuram Finance**, **Punjab National Bank**, **RBL Bank** and **Steel Authority of India Ltd**.

STATE OF THE MARKETS

Indian shares are set to open higher, tracking Asian peers, after minutes from the Federal Reserve's latest policy meeting indicated more U.S. rate cuts, which could likely trigger higher foreign inflows to emerging markets.

Indian government bond yields are expected to move marginally higher in early trading, tracking U.S. Treasury yields, while market eyes response to government's debt buyback. The benchmark 10-year bond yield is likely to move between 6.74% and 6.79%, compared with its previous close of 6.7676%.

The **Indian rupee** will have to contend with the rise in U.S. Treasury yields and the dollar amid building expectations that the Federal Reserve will next deliver a smaller rate cut than at the September meeting. The 1-month non-deliverable forward indicated that the rupee will open barely changed from 83.9625 in the previous session.

Wall Street stocks advanced on Wednesday with the S&P 500 and the Dow scoring record closing highs after the

release of Federal Reserve meeting minutes and ahead of September inflation data and the earnings season.

Asian stocks got a lift from **Chinese stocks** as China's central bank kicked off its 500 billion yuan facility to spur capital markets, while the dollar lingered near a two-month high ahead of U.S. inflation data later in the day.

The **U.S. dollar** traded near a two-month peak against major peers as markets grew more confident about a patient approach from the Federal Reserve to further monetary easing, even as a key inflation report loomed later in the day.

U.S. Treasury yields rose on Wednesday in volatile trading, as investors continued to price in a less aggressive monetary easing cycle from the Federal Reserve, with gains further boosted by a weaker-than-expected auction of 10-year notes.

Oil prices rose on concerns about potential supply disruptions in the Middle East, with Israel planning to strike oil-producer Iran, and on spikes in fuel demand as a major storm barreled into Florida.

Gold prices were little changed, while traders await a key U.S. inflation print due later in the day to gain further clarity of the Federal Reserve's monetary policy stance.

Markets	Last	Change	YTD change
GIFT Nifty 50	25,189.50	0.01%	-
Nifty volatility	14.12	-3.19%	-
Nikkei	39,386.59	0.28%	17.70%
Hang Seng	21,259.95	3.02%	24.71%
S&P 500 e-mini futures	5,839.00	-0.04%	-
CBOE volatility	20.86	-2.61%	-
USD/INR	83.96	NULL	0.91%
Spot gold	\$2,608.88 /oz	0.04%	26.49%
Brent crude	\$76.86 /bbl	0.37%	-0.23%
Indian 10-year bond yield	6.7660%	-4.00 bps	-41.00 bps
U.S. 10-year Treasury yield	4.0706%	0.36 bps	21.06 bps

FII & DII Trading Activity in Equities Oct 9	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	131.83 bln	109.31 bln	22.52 bln
Foreign Institutional Investors (FII) in INR	177.15 bln	191.73 bln	-14.58 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS**Ratan Tata, who put India's Tata Group on the global map, dies at 86**

Ratan Tata, the former Tata Group chairman who put a staid and sprawling Indian conglomerate on the global stage with a string of high-profile acquisitions, has died, the Tata Group said in a statement late on Wednesday. He was 86.

India cenbank holds rates, shifts stance to 'neutral' signalling rate cuts ahead

The Reserve Bank of India (RBI) kept its key interest rate unchanged on Wednesday as widely expected, but changed its policy stance to "neutral", opening the door for rate cuts as early as December.

India's Adani Enterprises to raise \$500 mln via share sale, sources say

Adani Enterprises aims to raise \$500 million through a share sale it launched on Wednesday, two sources with direct knowledge said, as billionaire Gautam Adani's flagship firm seeks to shore up capital to fund expenses and repay debt.

POLL- India's September inflation likely overshoot RBI's 4% target

India's retail inflation in September likely overshoot the Reserve Bank of India's (RBI) 4% medium-term target for the first time since July due to a persistent rise in vegetable prices and a lower year-ago base, a Reuters poll found.

India cenbank governor warns non-bank lenders of 'growth-at-any-cost' approach

Some Indian non-banking finance companies (NBFCs) are aggressively pursuing growth and chasing excessive returns on equity, which could pose financial stability risks, the central bank governor said on Wednesday.

GLOBAL TOP STORIES**A 'substantial majority' of Fed favored large cut in Sept, minutes show**

A "substantial majority" of U.S. Federal Reserve officials last month supported a half-point rate cut to start the turn towards easier monetary policy, but there appeared more universal agreement that the initial move would not commit the Fed to any particular pace of rate reductions in the future, minutes of the two-day policy meeting showed on Wednesday.

Extremely dangerous Hurricane Milton makes landfall on Florida's west coast

An expanding Hurricane Milton made landfall on Florida's west coast on Wednesday, spawning tornados and lashing the region with rain as it threatened the Tampa Bay area, where it could deliver a life-threatening surge of seawater.

Union leader says striking Boeing workers in for "long haul" after pay talks collapse

The lead negotiator for a Boeing union representing about 33,000 workers who have been on strike for nearly a month said on Wednesday that members were prepared to wait out the planemaker, after pay talks collapsed a day earlier.

ANALYSIS**India regulatory reform could hasten homecoming of IPO-bound startups**

India's scrapping of a time-consuming compliance step will accelerate the pace at which Indian startups domiciled abroad shift back home to participate in the country's listing boom, according to bankers, lawyers and investors.

COMPANIES REPORTING RESULTS

Tata Elxsi Ltd: Q2 earnings release

Tata Consultancy Services Ltd: Q2 earnings release

CORPORATE EVENTS

Tata Elxsi Ltd Q2 2025 Earnings Call

Tata Consultancy Services Ltd Q2 2025 Earnings Call

PICTURE OF THE DAY



A farmer winnows rice crop as labourers thrash paddies in a field in Srinagar, October 9. REUTERS/Sanna Irshad Mattoo

(Compiled by Kumar Satyam in Bengaluru)

For questions or comments about this report, contact:
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