

India Morning Newsletter

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Earnings Roundup

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All eyes will be on **Hyundai India's** much-anticipated \$3.3 billion IPO, which is poised to become the country's largest share offering to date. At the same time, market sentiment is likely to be swayed by **Reliance Industries'** results following a decline in its second-quarter profit as its oil-to-chemicals segment faced pressure from shrinking margins. Investors will also assess the impact of India's September **retail inflation**, which hit a nine-month high due to surging food prices. Globally, **Wall Street's** positive momentum from Monday — where the **S&P 500** and **Dow** reached record highs, buoyed by tech stocks — may offer some support. However, market participants will keep a close watch on the earnings reports of major U.S. banks, including **Bank of America**, **Citigroup**, and **Goldman Sachs**. **Indian markets** ended higher on Monday, led by IT and banking stocks, although the **rupee** fell to a record low against the **U.S. dollar**. **Indian bond yields**, however, eased as the central bank announced its second debt buyback in as many weeks. Separately, Indian states are planning to raise a combined 130.50 billion rupees through the sale of **bonds** maturing between three and 21 years

FACTORS TO WATCH

• The **National Stock Exchange** added **Indian Energy Exchange**, **National Aluminium Company** and **Tata Chemicals** to its Futures and Options ban list, while retaining **Chambal Fertilisers and Chemicals Ltd**, **Gujarat Narmada Valley Fertilizers & Chemicals Ltd**, **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 likely to open higher, tracking a climb in Asian peers, as traders gauged a record overnight finish on Wall Street and a slump in crude oil prices.

Indian government bond yields are expected to move marginally higher in early trading, after domestic retail inflation reading came above estimates, which could impact the central bank's path for monetary policy easing. The benchmark 10-year bond yield is likely to move between 6.77% and 6.81%, compared with its previous close of 6.7827%.

The **Indian rupee** is likely to open mostly unchanged, holding near its all-time low, amid dollar making its way to a more than two-month high. The decline in oil prices alongside expectations that the Reserve Bank of India will intervene are likely to counter the dollar's rally. The 1-month non-deliverable forward indicated that the rupee will open nearly flat, from 84.06 in the previous session. The currency dipped to a lifetime low of 84.0750 on Monday.

Wall Street ended higher on Monday, with both the **S&P 500** and the **Dow** posting fresh record finishes, as investors bought into technology stocks ahead of a busy week packed with corporate earnings and crucial economic data.

Asian stocks were mostly higher, supported by a strong Wall Street close and investor optimism about corporate earnings, while the **dollar** held near a two-month top, aided by bets on a smaller U.S. rate cut next month.

The **U.S. dollar** was perched at an over two-month high against major currencies, spurred by wagers the Federal Reserve will proceed with modest rate cuts in the near term, while the **yen** inched closer to the key 150 per dollar level.

Oil prices slid in early Asian trade after a media report said Israel is willing not to strike Iranian oil targets, which eased fears of a supply disruption, and after OPEC lowered its outlook for global oil demand growth in 2024 and 2025.

Gold was flat as investors await fresh insights into the Federal Reserve's stance on U.S. interest rate reductions for further direction on prices.

Markets	Last	Change	YTD change
GIFT Nifty 50	25,240.00	-0.11%	-
Nifty volatility	13.00	-1.70%	-
Nikkei	40,245.75	1.62%	20.27%
Hang Seng	20,925.31	-0.79%	22.75%
S&P 500 e-mini futures	5,913.75	0.09%	-
CBOE volatility	19.70	-3.71%	-
USD/INR	84.06	-	1.02%
Spot gold	\$2,651.74 /oz	0.03%	28.56%
Brent crude	\$75.15 /bbl	-2.98%	-2.45%
Indian 10-year bond yield	6.7820%	-0.60 bps	-39.40 bps
U.S. 10-year Treasury yield	4.0904%	1.74 bps	23.04 bps

FII & DII Trading Activity in Equities Oct 14	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	115.98 bln	93.19 bln	22.78 bln
Foreign Institutional Investors (FII) in INR	93.64 bln	130.96 bln	-37.32 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS**Food pushes India's retail inflation to nine-month high in September**

India's retail inflation in September accelerated to its highest in nine months, due to higher food prices, according to government data released on Monday.

Reliance reports drop in Q2 profit as energy business weighs

Reliance Industries reported a drop in second-quarter profit on Monday, as its oil-to-chemicals business grappled with lower margins, more than offsetting a boost from price increases for the company's mobile services.

BlackRock, Fidelity snap up Hyundai India shares in record \$3.3 billion IPO

Hyundai Motor India sold shares worth \$989.4 million to institutional investors including BlackRock and Fidelity on Monday, as the carmaker launched a \$3.3 billion IPO that will be the country's largest share offering yet.

HCLTech raises lower end of FY25 revenue growth forecast

HCLTech, India's third-largest IT services company, on Monday raised the lower end of its fiscal year 2025 revenue growth forecast, citing better-than-expected performance in the first half of the year.

Brokerage firm Angel One's Q2 profit rises as trading activity jumps

Brokerage firm Angel One reported higher second-quarter profit on Monday, helped by increased trading activity in a period when local stock markets registered strong growth.

GLOBAL TOP STORIES**Israel strikes north Lebanon town, UN expresses concern about peacekeepers**

Israel expanded its targets in its war with Hezbollah militants in Lebanon on Monday, killing at least 21 people in an airstrike in the north, health officials said, while millions of Israelis took shelter from projectiles fired back across the border.

Canada expels top India diplomats, links them to murder of Sikh leader

Canada expelled six Indian diplomats including the high commissioner on Monday, linking them to the murder of a Sikh separatist leader and alleging a broader effort to target Indian dissidents in Canada.

Nvidia notches record close, could unseat Apple as most valuable company

Shares of Nvidia closed at their highest ever on Monday, putting the heavyweight AI chipmaker on the brink of dethroning Apple as the world's most valuable company.

COMPANIES REPORTING RESULTS

Bank of Maharashtra Ltd: Q2 Earnings Release

HDFC Asset Management Company Ltd: Q2 Earnings Release

CORPORATE EVENTS

Bank of Maharashtra Ltd: Q2 Earnings Call

HDFC Asset Management Company Ltd: Q2 Earnings Call

PICTURE OF THE DAY



A Swiggy gig worker sits inside an electric three-wheeler delivery scooter during a promotional event in Mumbai, October 14. REUTERS/Francis Mascarenhas

(Compiled by Kumar Satyam in Bengaluru)

For questions or comments about this report, contact:
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