

# India Morning Newsletter

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## Earnings Roundup

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In a significant boost to India's capital markets, **Hyundai Motor India's** \$3.3 billion IPO was oversubscribed by over two times on Thursday, garnering \$5.51 billion in bids, primarily driven by institutional investors. Retail participation, however, remained subdued due to concerns over pricing. On the other hand, **Wipro** and **Infosys** reported weak earnings, adding to the pressures on **Indian equities**, which experienced their third consecutive day of losses on Thursday. **Bajaj Auto** saw a sharp 13% decline after issuing a warning about sluggish festive sales, while the broader market was also weighed down by a shift in foreign funds towards China, following announcements of economic stimulus. **Small- and mid-cap indices** suffered larger declines of 1.2% and 1.7%, respectively. Globally, markets are digesting **China's** third-quarter **GDP** data, which came in at 4.6% and is expected to influence market sentiment across Asia and beyond. Meanwhile, strong **U.S. retail sales** and **jobless claims** data released overnight are likely to shape market momentum. On the domestic front, earnings reports from **Tech Mahindra**, **Tata Consumer Products**, **Zee Entertainment**, and **Hindustan Zinc** will be closely monitored. Separately, the **rupee** weakened, and **bond yields** rose as the central government plans to raise ₹330 billion through **bond auctions**, including a liquid 15-year bond.

### FACTORS TO WATCH

- The **National Stock Exchange** retained **Bandhan Bank**, **Chambal Fertilisers and Chemicals Ltd**, **Gujarat Narmada Valley Fertilizers & Chemicals Ltd**, **Granules India**, **Hindustan Copper**, **IDFC First Bank**, **Indian Energy Exchange**, **L&T Finance**, **Manappuram Finance**, **National Aluminium Company**, **Punjab National Bank**, **RBL Bank**, **Steel Authority of India Ltd** and **Tata Chemicals** on its Futures and Options ban list.

### STATE OF THE MARKETS

**Indian shares** are set to open little changed after a three session losing streak that was sparked by an exodus of foreign funds and disappointing results from marquee companies.

**Indian government bond yields** are expected to move marginally higher, tracking a rise in U.S. yields, while back home, market participants await fresh supply through a weekly debt auction. The benchmark 10-year bond yield is

likely to move between 6.77% and 6.80%, till the debt auction, compared with its previous close of 6.7810%.

The **Indian rupee** is poised to open little changed amid a rally in the dollar index and U.S. rates and expectations that the Reserve Bank of India will be there to help out the local currency. The 1-month non-deliverable forward indicated that the rupee will open barely changed to the U.S. dollar from 84.0675 in the previous session. The rupee is just a few ticks away from the all-time low of 84.0750 hit on Monday.

The **Dow Jones Industrial Average** advanced on Thursday to its fourth record close in the last five sessions, as stronger-than-expected monthly retail sales indicated a robust U.S. consumer and TSMC's upbeat forecast buoyed chipmakers' stocks.

**Asian stocks** were mixed, with Japan's **Nikkei** rallying amid a weaker **yen**, while other markets looked to digest a barrage of top-tier Chinese economic data.

The **dollar** headed for a third weekly gain in a row, helped by a dovish European Central Bank and strong U.S. data that is pushing out expectations for how fast U.S. rates can fall, particularly if Donald Trump wins the presidency.

**U.S. 10-year Treasury yields** climbed on Thursday after economic data pointed to an economy on solid footing, easing market expectations for Federal Reserve aggressiveness in cutting interest rates.

**Crude oil futures** inched higher, supported by a surprise drop in U.S. oil inventories and simmering Middle East tensions, but prices were headed for their biggest weekly loss in more than a month on worries of lower demand.

**Gold** held steady near a record high, as uncertainty surrounding the U.S. election, simmering Middle East tensions and a looser monetary policy environment boosted its appeal.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,731.00	-0.11%	-
Nifty volatility	13.39	2.57%	-
Nikkei	39,048.46	0.35%	16.69%
Hang Seng	20,167.05	0.44%	18.30%
S&P 500 e-mini futures	5,886.00	-0.02%	-
CBOE volatility	19.11	-2.40%	-
USD/INR	84.07	-	1.03%
Spot gold	\$2,706.93 /oz	0.53%	31.24%
Brent crude	\$74.68 /bbl	0.31%	-3.06%
Indian 10-year bond yield	6.7840%	1.10 bps	-39.20 bps
U.S. 10-year Treasury yield	4.0965%	0.05 bps	23.65 bps

FII & DII Trading Activity in Equities Oct 17	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	168.17 bln	118.37 bln	49.80 bln
Foreign Institutional Investors (FII) in INR	97.21 bln	171.43 bln	-74.21 bln

(Source: National Stock Exchange of India Ltd.)

## INDIA TOP NEWS

### **Hyundai IPO, India's biggest, gets \$5.5 billion in bids despite subdued retail interest**

Hyundai Motor India's \$3.3-billion initial public offering was oversubscribed by more than two times on Thursday attracting aggressive bidding from institutional investors, even though pricing concerns deterred retail participation.

### **Infosys, Wipro revenue forecasts fail to impress investors**

Software services providers Infosys and Wipro issued revenue forecasts below analysts' expectations, suggesting a broad-based recovery in global tech spending was yet to take hold.

### **India cenbank bars four non-banks from fresh lending for breaching norms**

India's central bank barred four non-bank finance companies from sanctioning and disbursing loans due to "usurious" pricing and for charging a significant mark-up over their funding costs, it said in a release on Thursday.

### **Tata Communications posts Q2 revenue growth on steady digital services demand**

Tata Communications reported an 18% growth in its second-quarter revenue on Thursday, helped by steady demand for its digital services.

### **Musk's win on India satellite spectrum raises prospect of price war with Ambani**

Having just lost a battle with Elon Musk over how India's satellite spectrum is awarded, Asia's richest man Mukesh Ambani could face a bigger challenge if Musk's Starlink launches services in India and the two go head-to-head on price.

## GLOBAL TOP STORIES

### **China's Q3 GDP grows 4.6% y/y, slightly above economists' estimate**

China's economy expanded 4.6% in the third quarter from a year earlier, official data showed, slightly beating analysts' expectations, maintaining pressure on policymakers as they consider more stimulus measures.

### **Hezbollah says it will escalate war with Israel after Hamas leader killed**

Lebanon's Hezbollah militant group said it was moving to a new and escalating phase in its war against Israel while Iran said "the spirit of resistance will be strengthened" after the killing of Hamas leader Yahya Sinwar.

### **Japan's core inflation slows on fuel subsidies, demand-driven pressure intact**

Japan's core inflation slowed in September due to the rollout of energy subsidies but an index excluding the effect of fuel held steady, a sign that broadening price pressure will keep the central bank on track to raise interest rates further.

**COMPANIES REPORTING RESULTS**

**Hindustan Zinc Ltd:** Q2 Earnings Release

**ICICI Lombard General Insurance Company Ltd:** Q2 Earnings Release

**Jindal SAW Ltd:** Q2 Earnings Release

**Jio Financial Services Ltd:** Q2 Earnings Release

**L&T Finance Ltd:** Q2 Earnings Release

**Mangalore Refinery and Petrochemicals Ltd:** Q2 Earnings Release

**Oberoi Realty Ltd:** Q2 Earnings Release

**Tata Consumer Products Ltd:** Q2 Earnings Release

**Tech Mahindra Ltd:** Q2 Earnings Release

**Tejas Networks Ltd:** Q2 Earnings Release

**Zee Entertainment Enterprises Ltd:** Q2 Earnings Release

**CORPORATE EVENTS**

**CEAT Ltd:** Q2 Earnings Call

**Hindustan Zinc Ltd:** Q2 Earnings Call

**ICICI Lombard General Insurance Company Ltd:** Q2 Earnings Call

**Jindal Stainless Ltd:** Q2 Earnings Call

**Jio Financial Services Ltd:** Q2 Earnings Call

**Polycab India Ltd:** Q2 Earnings Call

**Tanla Platforms Ltd:** Q2 Earnings Call

**Tata Consumer Products Ltd:** Q2 Earnings Call

**Tejas Networks Ltd:** Q2 Earnings Call

**Zee Entertainment Enterprises Ltd:** Q2 Earnings Call

**EX-DIVIDENDS**

**Anand Rathi Wealth Ltd:** Interim Cash Dividend of gross INR 7

**Tata Consultancy Services Ltd:** Interim Cash Dividend of gross INR 10

## PICTURE OF THE DAY



People react as they gather after Liam Payne, former One Direction band member, was found dead after he fell from a third-floor hotel room balcony, in Buenos Aires, Argentina, October 17. REUTERS/Tomas Cuesta

(Compiled by Kumar Satyam in Bengaluru)

For questions or comments about this report, contact:  
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