

India Morning Newsletter

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US Election 2024

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Following a strong start to the week, **Indian markets** will keep a close eye on the quarterly earnings reports from **Adani Enterprises**, **Maruti Suzuki**, and **Cipla**, anticipating that this will sustain the recent positive momentum. The **Nifty 50** and **Sensex** gained on Monday 0.65% and 0.76%, respectively, led by financials as **ICICI Bank** climbed 3% on solid earnings and robust asset quality. This helped end a five-day losing streak, which had seen the Nifty slide 2.24%, primarily due to foreign outflows and lackluster sector earnings. Foreign outflows in October have reached \$10.57 billion, with investors favoring China's stimulus-supported market. During the day, **Adani Ports**, **Canara Bank**, and **Voltas** will also release their results, while stocks such as **Bharti Airtel** and **Indian Oil** could move based on investors' reactions to the earnings announcements. Global sentiment remains cautiously optimistic, with **Wall Street** closing higher ahead of key earnings releases and reassurances on energy supplies despite recent geopolitical tensions. However, rising **U.S. Treasury yields**, with the 10-year touching its highest level since July, have pushed the **Indian rupee** to a new low of 84.08 against the **dollar** and lifted **domestic bond yields** to a two-month high. Looking ahead, **Indian states** will look to raise an aggregate of 250.5 billion rupees through a **sale of bonds** maturing in 10 to 30 years.

FACTORS TO WATCH

- The **National Stock Exchange** added **Punjab National Bank** to its Futures and Options ban list, while retaining **Dixon Technologies**, **Escorts Kubota**, **IDFC First Bank**, **Indiamart**, **L&T Finance**, **Manappuram** and **RBL Bank** on the list. **Aarti Industries**, **Bandhan Bank** and **NMDC** were removed from the list.

STATE OF THE MARKETS

Indian shares are set to open little changed, after snapping a losing streak in the previous session, with traders expecting caution to persist due to largely tepid earnings season and persistent foreign selling.

Indian government bond yields are expected to be largely unchanged, ahead of supply of debt from states, while underlying sentiment remains jittery as U.S. Treasury yields remain elevated ahead of key economic events. The benchmark 10-year bond yield is likely to move between 6.84% and 6.88%, compared with its previous close

of 6.8660%, highest since Sept. 3, a trader with a private bank said.

The **Indian rupee** is likely to open little changed, remaining unresponsive to U.S. Treasury yields, other external cues and outflows. The 1-month non-deliverable forward indicated that the rupee will open nearly unchanged from 84.0775 in the previous session.

Wall Street closed higher on Monday ahead of a packed week of earnings from megacap companies and the final stretch before the Nov. 5 presidential election, while sentiment improved after energy supplies were not disrupted by weekend developments in the Middle East.

China and Hong Kong stocks rose at the open, as investors await details of stimulus measures from a top leadership meeting next week.

The **yen** languished near a three-month trough as the loss of a parliamentary majority for Japan's ruling coalition in weekend elections raised uncertainty about the nation's political and monetary outlook.

U.S. Treasury yields hit three-month highs on Monday, lifted by improved risk sentiment as Wall Street stocks rose ahead of key tech earnings reports this week, while weak government auctions highlighted soft demand before next week's U.S. presidential election.

Oil prices edged up, after a sharp plunge in the previous session, as a U.S. plan to purchase oil for the Strategic Petroleum Reserve provided support while investors remained focused on developments in the Middle East.

Gold prices held steady as investors looked forward to a slew of U.S. economic data for clues about the Federal Reserve's interest rate outlook.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,352.50	-0.25%	-
Nifty volatility	14.29	-2.34%	-
Nikkei	38,802.77	0.51%	15.95%
Hang Seng	20,727.29	0.62%	21.59%
S&P 500 e-mini futures	5,859.25	-0.04%	-
CBOE volatility	19.80	-2.61%	-
USD/INR	84.08	0.02%	1.05%
Spot gold	\$2,756.16 /oz	0.52%	33.63%
Brent crude	\$71.64 /bbl	0.31%	-7.01%
Indian 10-year bond yield	6.8610%	1.60 bps	-31.50 bps
U.S. 10-year Treasury yield	4.2700%	-0.80 bps	41.00 bps

FII & DII Trading Activity in Equities Oct 28	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	122.58 bln	108.57 bln	14.01 bln
Foreign Institutional Investors (FII) in INR	133.93 bln	166.21 bln	-32.28 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

Bharti Airtel posts bigger Q2 profit, boosted by higher tariffs

Bharti Airtel reported an over two-fold rise in its second-quarter profit on Monday, as the telecom operator's first tariff hike in over two years boosted its revenue per user.

Indian Oil's Q2 profit slumps on lower marketing margins

India's top refiner Indian Oil Corp (IOC) posted a nearly 99% drop in its second-quarter profit on Monday, as narrowing marketing margins hurt.

Tata Technologies posts third straight drop in profit as EV demand slows

India's Tata Technologies reported a drop in profit for the third consecutive quarter, hurt by slowing global demand for electric vehicles.

LIC Housing Finance tops Q2 profit view on steady home loan demand

India's LIC Housing Finance reported a bigger-than-expected second-quarter profit on Monday, helped by steady demand for its home loans.

Sun Pharma beats Q2 profit view on higher demand for specialty drugs

Sun Pharmaceuticals, India's largest drugmaker by revenue, reported second-quarter profit above analysts' estimates on Monday, aided by higher demand for its specialty drugs that are used to treat uncommon medical conditions.

GLOBAL TOP STORIES

Trump appeals to religion, Harris talks jobs as millions vote early

Republican Donald Trump on Monday appealed to religious voters in the southern swing state of Georgia as his campaign distanced itself from racist remarks by supporters that could alienate key voter groups.

Automaker Ford weakens profit outlook amid price war, shares fall

Ford Motor said on Monday it expects to hit the lower end of its full-year profit guidance, dropping the company's shares in after-hours trading, as a price war hits the U.S. automaker's bottom line.

Boeing to raise up to \$22 billion to shore up finances, stave off downgrade

Boeing on Monday launched a stock offering that could raise up to \$22 billion as the planemaker looks to strengthen its finances squeezed by an over month-long strike by its workers and preserve its investment-grade credit rating.

COMPANIES REPORTING RESULTS

Adani Enterprises Ltd: Q2 earnings release
Apar Industries Ltd: Q2 earnings release
Asahi India Glass Ltd: Q2 earnings release
Cipla Ltd: Q2 earnings release
GlaxoSmithKline Pharmaceuticals Ltd: Q2 earnings release
Gujarat Fluorochemicals Ltd: Q2 earnings release
Hitachi Energy India Ltd: Q2 earnings release
Honeywell Automation India Ltd: Q2 earnings release
Marico Ltd: Q2 earnings release
PCBL Ltd: Q2 earnings release
SBI Cards and Payment Services Ltd: Q2 earnings release
Voltas Ltd: Q2 earnings release

CORPORATE EVENTS

Adani Enterprises Ltd: Q2 earnings conference call
Bharti Airtel Ltd: Q2 earnings conference call
Cipla Ltd: Half Year earnings conference call
Gujarat Fluorochemicals Ltd: Q2 earnings conference call
Hitachi Energy India Ltd: Q2 earnings conference call
LIC Housing Finance Ltd: Q2 earnings conference call
Marico Ltd: Q2 earnings conference call
Motilal Oswal Financial Services Ltd: Q2 earnings conference call
Poly Medicure Ltd: Q2 earnings conference call
SBI Cards and Payment Services Ltd: Q2 earnings conference call
Sumitomo Chemical India Ltd: Q2 earnings conference call
Titagarh Rail Systems Ltd: Q2 earnings conference call

EX-DIVIDENDS

Infosys Ltd: Interim Cash Dividend of gross INR 21

PICTURE OF THE DAY



Indian Prime Minister Narendra Modi and Spanish Prime Minister Pedro Sanchez wave to their supporters during a roadshow in Vadodra, October 28. REUTERS/STRINGER

(Compiled by Kumar Satyam in Bengaluru)

For questions or comments about this report, contact:
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