

India Morning Newsletter

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Thursday, November 7, 2024



Indian markets look poised to extend their rally as traders digest the implications of Donald Trump's U.S. presidential victory. The Sensex and Nifty climbed more than 1% each on Wednesday, their best since mid-September, driven largely by IT stocks, which soared 4% in the sector's strongest session in four months. Trump's policies, like corporate tax cuts and a China +1 strategy, are seen as potential boosts for sectors including IT. The **Wall Street** hit record highs overnight, with a strong **U.S. dollar**, a **bitcoin** rally and rising **bond yields**. Focus has now shifted to the **Federal Reserve's policy decision**, with a 25-basis-points rate cut possible, and **Chinese trade data** that could sway global sentiment. On the domestic front, all eyes are set on earnings from **Mahindra & Mahindra**, **Trent**, **Lupin**, and **Cochin Shipyard**. Investors are also expected to react to **Apollo Hospitals** and **Tata Steel's** results from Wednesday. In IPO news, **Swiggy's** \$1.4 billion offering, 2024's second-largest IPO, saw a 12% subscription on day one. Meanwhile, the **rupee** hit a record low, impacted by a sharp rise in the dollar and U.S. bond yields after Trump's win. However, **Indian government bonds** recouped Wednesday's losses, with yields ending largely unchanged.

STATE OF THE MARKETS

Indian shares are set to open flat, after logging gains in the previous session on Republican Donald Trump's win in the U.S. presidential race, while investors await Federal Reserve's rate decision to gauge the interest rate trajectory.

Indian government bond yields are expected to trend largely unchanged in opening deals, as U.S. Treasury yields stayed around previous day's levels, while investor focus shifted to Federal Reserve's monetary policy decision. The benchmark 10-year bond yield is likely to move between 6.77% and 6.81%, compared with the previous close of 6.7949%. The most liquid 7.10% 2034 bond ended at 6.8322% yield on Wednesday.

The **Indian rupee** is likely to open near lifetime lows and possibly fall more through Thursday's session on bets that Donald Trump's victory will herald a period of higher dollar and U.S. rates. The 1-month non-deliverable forward indicated that the rupee will open near 84.28 in the previous session, which is the all-time low.

U.S. stocks rallied sharply to close at record highs on Wednesday after Republican Donald Trump won the 2024 U.S. presidential election in a stunning comeback four years after being voted out of the White House.

Japan's **Nikkei** share average reversed course to trade lower, as investors booked profits from sharp gains in the previous session..

The **dollar** hovered off a four-month high as the market continued to digest Republican Donald Trump's win in the U.S. presidential election, while investors eyed several central bank decisions that will be topped off by the Federal Reserve.

U.S. Treasuries fell sharply on Wednesday, propelling yields to multi-month highs as Donald Trump's presidential election victory ignited bets on economic policy shifts that could boost deficits and inflation.

Oil prices edged up following a sell-off triggered by the U.S. presidential election, as risks to oil supply from a Trump presidency and a hurricane building in the Gulf Coast outweighed a stronger U.S. dollar and higher inventories.

Gold prices struggled for momentum, as dollar firmed after Donald Trump's election victory, while investors shifted focus to the Federal Reserve's upcoming rate cut decision.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,462.50	-0.09%	0.00%
Nifty volatility	14.87	-10.91%	-
Nikkei	39,350.98	-0.33%	17.59%
Hang Seng	20,643.23	0.51%	21.09%
S&P 500 e-mini futures	5,959.50	0.02%	-
CBOE volatility	16.27	-20.60%	0.02%
USD/INR	84.28	0.00%	1.29%
Spot gold	\$2,656.93 /oz	-0.09%	28.82%
Brent crude	\$75.47 /bbl	0.73%	-2.04%
Indian 10-year bond yield	6.7980%	0.10 bps	-37.80 bps
U.S. 10-year Treasury yield	4.4236%	13.26 bps	56.36 bps

FII & DII Trading Activity in Equities Nov 6	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	160.62 bln	111.72 bln	48.89 bln
Foreign Institutional Investors (FII) in INR	119.12 bln	163.57 bln	-44.46 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

Tata Steel's second-quarter profit beats on higher sales volumes, lower costs

Tata Steel reported a second-quarter profit on Wednesday that beat analysts' estimates as lower costs and higher sales volumes in India and the Netherlands offset a steep drop in steel prices.

Swiggy's \$1.4 billion Indian IPO 12% subscribed on its first day

Food and grocery delivery firm Swiggy's \$1.4 billion IPO was 12% subscribed after its first day of bidding, with retail investors placing orders for more than half the shares reserved for them in India's second-largest IPO of 2024.

Novo Nordisk expects high demand for its obesity drugs in India, says country head

Popular weight-loss drug Wegovy maker Novo Nordisk expects high demand and acceptance for its anti-obesity drug, when launched in India, a top executive said.

Apollo Hospitals beats Q2 profit view on strong healthcare services demand

Apollo Hospitals Enterprise topped second-quarter profit expectations on Wednesday, driven by higher demand for its healthcare services.

JK Lakshmi Cement posts steep drop in Q2 profit on weak demand, low prices

JK Lakshmi Cement reported a nearly 91% slide in its second-quarter profit on Wednesday, hurt by a decline in sales volume and cement prices.

GLOBAL TOP STORIES**Trump win to test limit of presidential power; Harris concedes but vows to 'fight'**

Donald Trump recaptured the White House with a sweeping victory on Wednesday as tens of millions of Americans looked past his criminal charges and divisive rhetoric to embrace a leader who, if he carries out his campaign promises, will test the limits of presidential power.

Trump's election victory puts Fed on path for fewer rate cuts

U.S. President-elect Donald Trump's impending return to the White House appears to put the Federal Reserve on a slower and shallower path for interest rate cuts, with a slew of new policies embraced by the Republican leader poised to juice the economy and stall, or reverse, the slowdown in inflation.

Germany faces snap election as Scholz's coalition crumbles

Germany's ruling coalition collapsed on Wednesday as Chancellor Olaf Scholz sacked his finance minister and paved the way for a snap election, triggering political chaos in Europe's largest economy hours after Donald Trump won the U.S. presidential election.

COMPANIES REPORTING RESULTS

Aavas Financiers Ltd: Q2 Earnings Release

Abbott India Ltd: Q2 Earnings Release

Aditya Birla Fashion and Retail Ltd: Q2 Earnings Release

Alembic Pharmaceuticals Ltd: Q2 Earnings Release

Astral Ltd: Q2 Earnings Release

Caplin Point Laboratories Ltd: Q2 Earnings Release

Cochin Shipyard Ltd: Q2 Earnings Release

Cummins India Ltd: Q2 Earnings Release

Emami Ltd: Q2 Earnings Release

Escorts Kubota Ltd: Q2 Earnings Release

G R Infraprojects Ltd: Q2 Earnings Release

Gujarat State Petronet Ltd: Q2 Earnings Release

Indian Hotels Company Ltd: Q2 Earnings Release

Ircon International Ltd: Q2 Earnings Release

Linde India Ltd: Q2 Earnings Release

Lupin Ltd: Q2 Earnings Release

Mahindra and Mahindra Ltd: Q2 Earnings Release

MMTC Ltd: Q2 Earnings Release

NHPC Ltd: Q2 Earnings Release

Page Industries Ltd: Q2 Earnings Release

Rail Vikas Nigam Ltd: Q2 Earnings Release

Trent Ltd: Q2 Earnings Release

CORPORATE EVENTS

Alembic Pharmaceuticals Ltd: Q2 Earnings Conference Call

Astral Ltd: Q2 Earnings Conference Call

Blue Star Ltd: Q2 Earnings Conference Call

Chambal Fertilisers and Chemicals Ltd: Q2 Earnings Conference Call

Cummins India Ltd: Q2 Earnings Conference Call

Endurance Technologies Ltd: Q2 Earnings Conference Call

Escorts Kubota Ltd: Q2 Earnings Conference Call

Gujarat Gas Ltd: Q2 Earnings Conference Call

Indian Hotels Company Ltd: Q2 Earnings Conference Call

J B Chemicals and Pharmaceuticals Ltd: Q2 Earnings Conference Call

Mahindra and Mahindra Ltd: Q2 Earnings Conference Call

Max Healthcare Institute Ltd: Q2 Earnings Conference Call

Page Industries Ltd: Q2 Earnings Conference Call

RITES Ltd: Q2 Earnings Conference Call

Tata Steel Ltd: Q2 Earnings Conference Call

UCO Bank: Q2 Earnings Presentation

EX-DIVIDENDS

Navin Fluorine International Ltd: Interim Cash Dividend of gross INR 5

Nuvama Wealth Management Ltd: Interim Cash Dividend of gross INR 63

Shriram Finance Ltd: Interim Cash Dividend of gross INR 22

PICTURE OF THE DAY



A view of a sand sculpture depicting Republican Donald Trump after he won the U.S. presidential election, at Puri beach, Odisha, November 6. REUTERS/Stringer

(Compiled by Jerin Tom Joshy in Bengaluru)

For questions or comments about this report, contact:
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