

MORNING NEWS CALL

REUTERS

INDIA EDITION

Thursday, January 3, 2019

FACTORS TO WATCH

11:00 am: **Winter Session of Parliament** continues in New Delhi.

LIVECHAT- FX UPDATE

What does the new year hold for the currency market? Which currencies will outperform in 2019 and which will tank, we will find out with ABN Amro's Senior FX Strategist, Georgette Boele at 4:30 pm IST. To join the conversation, [click here](#).

INDIA TOP NEWS

[Hindustan Petroleum confirms Indian oil firms stop taking margin hit on fuel sales](#)

Indian manufacturing activity expanded at a slower pace in December as growth in new orders and output waned, despite factories cutting their prices, a private survey showed on Wednesday.

[Aurobindo Pharma to recall 80 lots of blood pressure medicine valsartan in the US](#)

A U.S. unit of Indian generic drugmaker Aurobindo Pharma will recall 80 lots of medicines containing blood pressure drug valsartan that were found to have a probable cancer-causing impurity, according to the U.S. Food and Drug Administration.

[Cabinet approves merger of three state-owned banks](#)

India's cabinet has approved the merger of state-run Vijaya Bank and Dena Bank with Bank of Baroda, the government said on Wednesday, in a step aimed at cleaning up the country's banking system.

[ONGC to reconsider government's demand to list exploration subsidiary, says chairman](#)

India's Oil and Natural Gas Corp will reconsider the government's demand that it list ONGC Videsh, its overseas exploration subsidiary, Shashi Shanker, chairman and managing director of the company said on Wednesday.

[Cabinet approves incentives for exporters of select goods](#)

India's federal cabinet on Wednesday approved incentives amounting to 6 billion rupees for some goods exporters, in a move to push shipment of farm produce, textiles, leather and handicraft goods, a government statement said.

[Indian manufacturing growth slows in December despite price cuts - PM](#)

Indian manufacturing activity expanded at a slower pace in December as growth in new orders and output waned, despite factories cutting their prices, a private survey showed on Wednesday.

[Indian Oil says Iran may still invest in Chennai Petroleum expansion](#)

India's biggest refiner Indian Oil Corp said on Wednesday that Iran may still invest in a refinery expansion project at one of its subsidiaries.

GLOBAL TOP STORIES

[Apple cuts forecast, citing weak China sales amid trade tensions](#)

Apple on Wednesday took the rare step of cutting its quarterly sales forecast, with Chief Executive Tim Cook blaming slowing iPhone sales in China, whose economy has been dragged down by uncertainty around U.S.-China trade relations.

[China's Xi threatens Taiwan with force but also seeks peaceful 'reunification'](#)

China reserves the right to use force to bring Taiwan under its control but will strive to achieve peaceful "reunification" with the self-ruled island that has a bright future under any future Chinese rule, President Xi Jinping said on Wednesday.



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No progress toward ending U.S. shutdown in Trump meeting with lawmakers

No agreement came out of a meeting between U.S. congressional leaders and President Donald Trump on Wednesday to end a partial government shutdown now in its 12th day as the president stuck to his demand for \$5 billion in border wall funding fiercely opposed by Democrats.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading up 0.4 percent at 10,873.50 from its previous close. -NewsRise

The **Indian rupee** is expected to open lower against the U.S. currency after the dollar index rebounded from near two-month lows. -NewsRise

Indian government bonds are expected to fall in early session tracking an overnight rise in crude oil prices. The yield on the benchmark 7.17 percent bond maturing in 2028 is likely to trade in a 7.33 percent-7.39 percent band today. -NewsRise

Wall Street edged higher on Wednesday after stumbling out of the starting gate on the first trading day of 2019, while fears of a global economic slowdown were exacerbated after Apple cut its holiday-quarter revenue forecast.

Shares in Asia fell and **U.S. stock futures** dropped sharply after Apple Inc cut its revenue forecast due in part to weaker sales in China, adding to concerns about the slowing global economy.

The **yen** surged through key technical levels as heightened worries about the global economy pushed investors to safe haven-assets in moves exacerbated by thin holiday volumes.

Yields on long-dated U.S. Treasury securities fell to their lowest in nearly a year on concerns about the health of the global economy, a worry exacerbated late in the day when Apple cut its sales outlook and sent U.S. equity index futures tumbling.

Oil prices fell amid volatile currency and stock markets, and as analysts warned of an economic slowdown for 2019 just as crude supply is rising globally.

Gold prices inched up as a dip in Asian equities and worries about a sharp global economic slowdown propelled demand for safer investments.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	70.04/70.07	January 2	-\$88.74 mln	\$5.07 mln
10-yr bond yield	7.4 pct	Month-to-date	-	-\$82.76 mln
		Year-to-date	-	-



PICTURE OF THE DAY



A man walks through a paddy field during snowfall on a cold winter morning in Pattan, north of Srinagar, January 2. REUTERS/Danish Ismail

(Compiled by Swathi Nair in Bengaluru)

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