

MORNING NEWS CALL

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INDIA EDITION

Tuesday, May 14, 2019

FACTORS TO WATCH

12:00 pm: Government to release April **wholesale price inflation** data in New Delhi.

LIVECHAT - FED WATCH

Reuters reporters and editors tracking the Federal Reserve take questions on the economics, politics, trade matters and rates policies facing America's central bank and others whose decisions drive markets day in and day out at 7:00 pm IST. To join the conversation, [click here](#)

INDIA TOP NEWS

[April inflation hits 6-month high; keeps rate cut hopes alive](#)

The retail inflation rate hit a six-month high in April, due to bigger increases in food prices, but remained below the central bank's target for a ninth month, keeping hopes alive for a June cut in the key interest rate.

[Congress party vows to "clean up" economic data gathering if wins election](#)

The main opposition Congress party will review how economic data is collected and interpreted if it wins a general election this month, a senior party official said, amid doubts over the reliability of official data.

[Jet Airways slumps after reports of Etihad's non-binding offer](#)

Shares of Jet Airways fell on Monday after media reports said a buyout offer from Middle Eastern carrier Etihad Airways was non-binding and might not guarantee a deal for the struggling Indian carrier.

[Only one Indian client of Iran takes up extra Saudi oil for June: sources](#)

Only one Indian buyer of Iranian oil has taken up Saudi Arabia's offer of additional oil to make up for the loss of supplies from Tehran due to U.S. sanctions, taking an extra 2 million barrels from the Kingdom for June shipment, industry sources said.

[Wholesale sales of Indian passenger vehicles drop most in nearly 8 years](#)

Wholesale sales of passenger vehicles in India fell 17% year-on-year in April, their steepest decline since October 2011, data from the country's auto industry body showed on Monday, as weak consumer confidence and a liquidity crunch hit demand.

GLOBAL TOP STORIES

[Trump and Xi to meet after defiant China hits U.S. with new tariffs](#)

U.S. President Donald Trump said on Monday he would meet Chinese President Xi Jinping next month as the trade war between the world's two largest economies intensified, sending shivers through global markets.

[Saudi oil tankers among those attacked off UAE amid Iran tensions](#)

Saudi Arabia said on Monday that two of its oil tankers were among those attacked off the coast of the United Arab Emirates and described it as an attempt to undermine the security of crude supplies amid tensions between the United States and Iran.

[In setback for Apple, U.S. Supreme Court lets App Store antitrust suit proceed](#)

A divided U.S. Supreme Court on Monday gave the go-ahead to an antitrust lawsuit accusing Apple of forcing consumers to overpay for iPhone software applications, a decision that could lead to billions of dollars in damages and put at risk the company's lucrative way of selling apps.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were down 0.4% at 11,143.50.-NewsRise

The **Indian rupee** is expected to open little changed against the dollar, after China responded to the U.S. move to increase tariffs with higher duties on American goods.-NewsRise

Indian government bonds are likely to rise in early trade as core inflation eased in April, raising bets of a policy rate cut in June. The

yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a range of 7.35%-7.40% today, a trader with a state-run bank said.-NewsRise

Wall Street sank on Monday after China defied Washington by announcing retaliatory tariffs, the latest salvo in the two countries' increasingly belligerent trade war, sending investors fleeing equities for less risky assets.

Asian shares deepened losses amid a fresh deterioration in the Sino-U.S. tariff war, although comments from U.S. President Donald Trump that he expected trade negotiations to be successful helped stabilise sentiment.

China's offshore **yuan** hit a fresh 2019 low early in Asia and the safe-haven **yen** remained supported as a fresh escalation in Sino-U.S. trade tensions hit sentiment, with each country raising tariffs on the other's goods.

U.S. Treasury yields fell to six-week lows on Monday as investors piled into low-risk assets after China announced plans to impose additional tariffs on U.S.-made goods in retaliation for a U.S. increase in duties on Chinese imports on Friday.

Oil prices inched higher, though gains were checked amid an escalation in the trade war between the United States and China.

Gold steadied, having recouped the key \$1,300-level in the previous session, after Beijing's announcement of a retaliatory tariff-hike to counter Washington rocked risk sentiment, embellishing appetite for safe-haven assets.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDf spot	70.31/70.34	May 13	-\$149.63 mln	-\$37.15 mln
10-yr bond yield	7.39%	Month-to-date	--	-\$224.93 mln
		Year-to-date	--	-\$2.78 bln

PICTURE OF THE DAY



Muslims offer prayers inside a mosque during the holy fasting month of Ramadan in Srinagar, May 13. REUTERS/Danish Ismail

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(Compiled by Karthick Arvinth in Bengaluru)

For questions or comments about this report, contact:
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