

MORNING NEWS CALL

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INDIA EDITION

Thursday, June 13, 2019

FACTORS TO WATCH

No major events are scheduled for the day.

LIVECHAT - BONDS UPDATE

Reuters interest rate reporters delve into government bond markets at 5:00 pm IST. To join the conversation, [click here](#)

INDIA TOP NEWS

[May inflation hits seven-month high; still room for rate cut](#)

India's retail inflation rate hit a seven-month high in May due to higher food prices, government data showed on Wednesday, but stayed below the central bank's target and potentially gives it room for more interest rate cuts to help a sluggish economy.

[Reliance Capital tumbles after auditor resigns](#)

Shares in Reliance Capital closed 6% lower on Wednesday after the non-banking finance company said its auditor had resigned, sparking worries about the financial health of another player in India's troubled shadow banking sector.

[NSE to remove Jet Airways shares from daily trading](#)

The National Stock Exchange of India (NSE) said on Wednesday that shares of Jet Airways would be pulled out of daily trading, citing the embattled carrier's failure to respond to queries about rumours in the market.

[CFM wins blockbuster jet engine order from IndiGo - sources](#)

Engine maker CFM International is poised to announce one of the world's largest jet engine orders with a deal for more than 600 engines from IndiGo, industry sources said.

[India set to launch second lunar mission; land rover on the moon](#)

India said on Wednesday it will launch its second lunar mission in mid-July, as it moves to consolidate its status as a leader in space technology by achieving a controlled landing on the moon.

[Government says will examine ex-advisor's finding of overstated GDP growth](#)

India's top ranking economic advisory council will examine former chief economic adviser Arvind Subramanian's research findings that the country's economic growth has been overstated, the government said in a statement on Wednesday.

[Indiabulls Housing Finance drops for third straight day on fraud allegations](#)

Shares in Indiabulls Housing Finance fell for a third straight session on Wednesday, dropping up to 9.8% even as the mortgage lender asked the Supreme Court for an urgent hearing of a petition that alleged financial misdeeds.

[Konkola Copper Mines plans to restart smelter on June 22](#)

Konkola Copper Mines, owned by Vedanta Resources, plans to restart its Nchanga smelter on June 22, the company said on Wednesday.

GLOBAL TOP STORIES

[Trump leaves China tariff deadline open, calls relationship 'testy'](#)

U.S. President Donald Trump declined to set a deadline on Wednesday for levying tariffs on another \$325 billion of Chinese goods and called the relationship with Beijing good but "testy" after China walked back commitments for a trade deal.

[Japan's Abe warns of armed conflict amid soaring U.S.-Iran tension](#)

Japanese Prime Minister Shinzo Abe warned of unintended clashes in the crisis-hit Middle East after meeting the Iranian president in Tehran on Wednesday, amid a brewing confrontation between Iran and the United States.

[FAA says has no timetable for Boeing 737 MAX's return to service](#)

The Federal Aviation Administration (FAA) said on Wednesday it does not have a specific timetable on when Boeing's troubled 737 MAX jet would return to service after two fatal crashes led to the airplane's worldwide grounding in March.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were 0.3% lower at 11,894.50. - NewsRise

The **Indian rupee** is expected to open little changed against the U.S. currency as the dollar index's biggest gain in two weeks would likely offset the Brent crude's fall to its lowest in more than four months. - NewsRise

Indian government bonds are expected to rise in early trade as core inflation softened in May and crude oil prices fell, boosting bets of monetary easing in August. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a range of 6.97%-7.03% today. - NewsRise

Wall Street ended down slightly on Wednesday, with bank stocks declining as prospects of a U.S. interest rate cut rose and energy shares tumbling along with oil prices.

Asian stocks stuttered, dogged by the uncertainty over an intractable U.S.-China trade dispute.

The **dollar** held its gains early after rebounding from 11-week lows, as peers such as the euro, pound and commodity currencies sagged due to troubles of their own.

U.S. Treasury yield curve was steeper on Wednesday after soft inflation data pulled short-dated yields lower, indicating increased expectations that the Federal Reserve will cut interest rates.

Oil prices steadied, after slumping as much as 4% in the previous session to nearly five-month lows on the back of a further buildup in U.S. crude stockpiles and worries about lower demand growth.

Gold held steady in early Asian trade as festering Sino-U.S. trade tensions and hopes of an interest rate cut by the U.S. central bank following soft inflation data buoyed demand for the safe-haven bullion.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	69.29/69.32	June 12	-\$151.33 mln	-\$39.32 mln
10-yr bond yield	7.01%	Month-to-date	\$166.4 mln	\$884.82 mln
		Year-to-date	\$11.36 bln	-\$1.25 bln

PICTURE OF THE DAY



Waves crash against the jetty at a fishing harbour ahead of the expected landfall of Cyclone Vayu at Veraval, India, June 12.
REUTERS/Amit Dave

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Compiled by Hrithik Kiran Bagade in Bengaluru)

For questions or comments about this report, contact:
reuters.marketwatch@thomsonreuters.com

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Refinitiv
3 Times Square, New York, NY 10036

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