

# MORNING NEWS CALL

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INDIA EDITION

Monday, June 24, 2019

## FACTORS TO WATCH

No major events are scheduled for the day.

## LIVECHAT - FX WEEK AHEAD

FX Buzz analyst **Jeremy Boulton** analyses G7 currencies at 5:00 pm IST. To join the conversation, [click here](#)

## INDIA TOP NEWS

### [Pompeo to seek stronger strategic ties with India despite trade tensions](#)

U.S. Secretary of State Mike Pompeo will seek to further strengthen strategic ties with India during a visit next week despite increasing frictions over trade, data flows and arms from Russia, officials said.

### [RBI Deputy Governor Acharya resigns 6 months before term ends - Business Standard](#)

Reserve Bank of India Deputy Governor Viral Acharya has resigned six months before the scheduled end of his term in office, the Business Standard newspaper reported, citing people familiar with the matter.

### [India likely to let budget deficit rise as tax receipts fall short](#)

India's government is likely to overshoot the budget deficit target previously set for the current fiscal year, three officials have warned, as a slowing economy creates a big shortfall in tax collections and prompts new stimulus plans.

### [India asks scooter, bike makers to draw up plan for EVs - sources](#)

India's federal think-tank has asked scooter and motorbike manufacturers to draw up a plan to switch to electric vehicles, days after they publicly opposed the government's proposals saying they would disrupt the sector, two sources told Reuters.

### [India becomes investment darling for sovereign wealth and pension funds](#)

Sovereign wealth funds are piling into India, buying stakes in everything from airports to renewable energy, attracted by political stability, a growing middle class and reforms making it more enticing for foreigners to invest.

### [India steel ministry seeks higher duties to deter Chinese imports -document](#)

India's steel ministry has sought an immediate increase in import duties on finished steel products to 15% from a range of 7.5% to 12.5%, citing a threat from Chinese imports and excess global capacity, an internal note reviewed by Reuters showed.

### [India's space startups ignite investor interest](#)

From companies building palm-sized satellites to those aiming to propel satellites into space using cleaner fuels, a new wave of space technology startups are mushrooming in India, catching the attention of investors keen to join the space race.

### [Southeast Asian leaders emphasise economic strength in face of U.S.-China tensions](#)

Southeast Asian leaders agreed on Sunday to work together on the region's economy and security to strengthen their position to face growing U.S.-China tensions, as they wrapped up their summit in Bangkok.

## GLOBAL TOP STORIES

### [U.S. prods Iran for talks to ease Gulf tensions; Tehran dismisses sanctions threat](#)

U.S. President Donald Trump said on Sunday he was not seeking war with Tehran after a senior Iranian military commander warned any conflict in the Gulf region could spread uncontrollably and threaten the lives of U.S. troops.

### [China says U.S., China should make compromises in trade talks](#)

China and the United States should be willing to make compromises in trade talks and not insist only on what each side wants, Chinese Vice Commerce Minister Wang Shouwen said.

### [Turkey's opposition strikes blow to Erdogan with Istanbul mayoral win](#)

Turkey's opposition has dealt President Tayyip Erdogan a stinging blow by winning control of Istanbul in a re-run mayoral election, breaking his aura of invincibility and delivering a message from voters unhappy over his policies.

**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were little changed at 11,766.00. -NewsRise

The **Indian rupee** is expected to open lower against the U.S. currency amid rising crude oil prices, which offset broad-based losses in the dollar. -NewsRise

**Indian government bonds** could fall in early trade tracking gains in crude oil prices, traders said. However, the losses could be capped on media report that Viral Acharya, Reserve Bank of India's deputy governor and a member of the Monetary Policy Committee, has resigned, they added. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a range of 6.83% - 6.90% today. -NewsRise

**Wall Street** edged lower on Friday, as U.S. Vice President Mike Pence's decision to defer a speech on China policy increased optimism on upcoming trade talks between Washington and Beijing, while tensions between the United States and Iran undercut sentiment.

**Asian shares** were off to a cautious start as investors pinned their hopes on any signs of a thaw in Sino-U.S. trade negotiations.

The **euro** rose to a three-month high against the **dollar**, as bearish bets on the U.S. currency remained solid on prospects of a near-term interest rate cut by the Federal Reserve.

**U.S. Treasury prices** fell sharply on Friday, as investors cashed in on steep gains the last two days that saw yields drop to multi-year lows in the wake of a Federal Reserve statement that flagged interest rate cuts this year.

**Oil** prices climbed as tensions remain high between Iran and the United States, with U.S. Secretary of State Mike Pompeo saying "significant" sanctions on Tehran would be announced.

**Gold** prices extended gains in early Asian trade, hovering near a six-year peak touched in the previous session, as a weaker dollar and heightened tensions between the United States and Iran underpinned the precious metal.

	<b>CLOSE</b>	<b>FII INVESTMENTS</b>	<b>EQUITIES</b>	<b>DEBT</b>
PNDF spot	69.58/69.61	June 21	-\$105.01 mln	\$111.80 mln
10-yr bond yield	6.86%	Month-to-date	-\$17.30 mln	\$750.12 mln
		Year-to-date	\$11.17 bln	-\$1.38 bln

## PICTURE OF THE DAY



India's Mohammed Shami celebrates taking the wicket of Afghanistan's Aftab Alam at the ICC Cricket World Cup, Southampton, Britain, June 22. Reuters/Paul Childs

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