

MORNING NEWS CALL

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INDIA EDITION

Wednesday, August 7, 2019

FACTORS TO WATCH

11:45 am: Monetary Policy Committee to announce **interest rate decision** in Mumbai.

3:00 pm: **RBI analyst conference call** post Monetary Policy Committee's decision on interest rate in Mumbai.

LIVECHAT - COMMODITIES FOCUS

Clyde Russell, Reuters Asia commodities and energy columnist, joins us at 09:30 am IST to discuss crude oil, metals markets and all the cues to watch. To join the conversation, [click here](#)

INDIA TOP NEWS

EXCLUSIVE-Tens of thousands losing jobs as India's auto crisis deepens -sources

Slumping sales of cars and motorcycles are triggering massive job cuts in India's auto sector, with many companies forced to shut down factories for days and axe shifts, multiple sources said.

EXCLUSIVE-China warns India of "reverse sanctions" if Huawei is blocked-sources

China has told India not to block its Huawei from doing business in the country, warning there could be consequences for Indian firms operating in China, sources with knowledge of the matter said.

EXCLUSIVE-India raises cost of refinery project with Aramco by 36% -sources

India has increased the cost estimate of a giant refinery and petrochemical project to be jointly built with Saudi Aramco and Abu Dhabi National Oil Co by more than 36%, after protests by farmers forced the relocation of the plant, four sources said.

India Inc earnings disappoint, analysts warn of gloomy festive season

India Inc has turned in its most disappointing quarterly numbers in at least three years and analysts warn hopes for any festive season cheer are likely to be dashed by a slowing economy.

BP to enter India's fuel retail market with Reliance tie-up

Global oil major BP is deepening its ties with Reliance Industries by forging a fuel retailing joint venture to capitalise on rising demand in Asia's third-biggest economy.

India's top airline IndiGo co-founder says feud still unresolved

A co-founder of IndiGo, Rakesh Gangwal, said reports that a truce had been brokered between him and another co-founder Rahul Bhatia over disagreements on corporate governance were "false and misleading."

NSE and Singapore Exchange win approval for joint derivatives project

National Stock Exchange (NSE) and the Singapore Exchange have been given the go-ahead for a planned collaboration in trading stock index-based products from an international financial centre being developed in western India.

Delhi city government rejects AB InBev plea to temporarily lift ban -source

Authorities in New Delhi have rejected a plea by Anheuser-Busch InBev to temporarily lift a 3-year ban while it hears the global brewer's appeal, a senior government source told Reuters.

GLOBAL TOP STORIES

Trump dismisses fears of long-lasting trade war; China sees severe global impact

U.S. President Donald Trump dismissed fears of a protracted trade war with China on Tuesday despite a warning from Beijing that labeling it a currency manipulator would have severe consequences for the global financial order.

N.Korea's Kim says missile launches are warning to U.S., S.Korea over drill -KCNA

North Korean leader Kim Jong Un said his country's latest launch of tactical guided missiles was a warning to the United States and South Korea over their joint military drills that began this week, state media KCNA reported.

BOJ flagged need to discuss ideas on easing, meeting summary shows

Some Bank of Japan policymakers voiced strong concern over risks to the economic outlook and called for discussion on ways to

ramp up stimulus, a summary of their opinions at a July rate review showed.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading 0.4% lower at 10,924.00. -NewsRise

The **Indian rupee** is expected to open lower against the U.S. currency, tracking the yuan's losses after the People's Bank of China fixed the daily yuan rate near 7 to a dollar. -NewsRise

The **Indian government bonds** will likely open higher ahead of the Monetary Policy Committee's interest rate decision later in the day, where the rate-setting authority is expected to cut rates. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a 6.30%-6.35% range until the policy decision due at 11:45 a.m today. -NewsRise

U.S. stocks jumped more than 1 percent on Tuesday, bouncing back from a sharp sell-off the previous day as China stepped in to stabilize the **yuan**, easing concerns that currencies would be the next weapon in the U.S.-China trade war.

Asian shares steadied slightly as investors caught their breath from a searing week-long selloff, with steps taken by Chinese authorities to contain a sliding yuan helping calm fears of a full-blown Sino-U.S. trade and currency war.

The **dollar** fell against the **yen** and the **yuan** weakened, in a sign investors remain wary that China's currency policy has become a new flashpoint in its trade war with the United States.

The spread between U.S. shorter- and longer-dated **Treasury yields** contracted on Tuesday, as shorter-dated yields rose on \$38 billion in three-year debt supply and nagging worries about U.S.-China trade tensions pushed down longer-dated yields.

Oil prices steadied after falling at the start of the session, with the potential for damage to the global economy and fuel demand from the intensifying Sino-U.S. trade dispute continuing to cast a shadow over the market.

Gold prices edged up as the ongoing trade tensions between the United States and China continued to boost the appeal of safe-haven assets.

PICTURE OF THE DAY



A girl releases paper lanterns on the Motoyasu River facing the gutted Atomic Bomb Dome in remembrance of atomic bomb victims on the 74th anniversary of the bombing of Hiroshima, Japan, August 6. Kyodo via REUTERS

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(Compiled by Priyanka Das in Bengaluru)

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