

MORNING NEWS CALL

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INDIA EDITION

Friday, August 16, 2019

FACTORS TO WATCH

5:00 pm: RBI to release **weekly foreign exchange** data in Mumbai.

INDIA TOP NEWS

India's July WPI inflation slows to more than 2-year low as economy falters

India's annual wholesale price inflation in July eased to a 25-month low of 1.08%, indicating manufacturers are losing their power to raise prices as an economic slowdown deepens.

IL&FS may not have disclosed bad loans for years- central bank report

Indian shadow bank Infrastructure Leasing & Financial Services, which collapsed late last year, may not have disclosed bad loans on its books for years despite a big part of its loan book having soured, a report from India's central bank said.

China asks for U.N. Security Council to discuss Kashmir this week -diplomats

China on Wednesday backed Pakistan's request for the United Nations Security Council to discuss India's decision to revoke the special status of Jammu and Kashmir, asking for the body to meet behind closed doors, diplomats said.

Indian PM Modi announces chief of defence staff post to improve military integration

Indian Prime Minister Narendra Modi announced on Thursday the establishment of the post of chief of defence staff for better coordination between the army, air force and navy along the lines of Western military forces.

Vedanta fails to stop KCM liquidation in meeting with Zambia's president

Zambia's President Edgar Lungu met with the chairman of Vedanta to discuss the disputed liquidation of its Konkola Copper Mines, a statement issued by the Zambian State House said on Wednesday.

India to test using LNG to power fishing boats

India is set to test using liquefied natural gas to power fishing boats ahead of stricter international rules on marine fuel emissions next year, in a move that could help an under-used LNG terminal in the south of the country.

GLOBAL TOP STORIES

Trump says China talks 'productive'; Beijing vows tariff retaliation

U.S. President Donald Trump said on Thursday that U.S. and Chinese negotiators were holding "productive" trade talks and expected them to meet in September despite U.S. tariffs on over \$125 billion worth of Chinese imports taking effect Sept 1.

North Korea fires projectiles, rejects South Korea's 'senseless' dialogue pledge

North Korea launched at least two projectiles into the sea, South Korea's military said, shortly after Pyongyang described South Korea's president as "impudent" and vowed that inter-Korean talks are over.

Gibraltar decides to free seized Iranian tanker; U.S. seeks to hold it

Britain's Mediterranean territory Gibraltar decided on Thursday to free a seized Iranian oil tanker, but did not immediately indicate when or if the ship would set sail after the United States launched a new, last-minute legal bid to hold it.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading at 10,949.00. -NewsRise

The **Indian rupee** is expected to open lower against the dollar as growth worries prompted by an inversion of the U.S. yield curve hurt demand for emerging market assets. -NewsRise

The **Indian government bonds** are likely to edge higher in early session tracking an overnight plunge in U.S. Treasury yields, even as a fall in the rupee and fresh supply of notes will cap gains. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a range of 6.60%-6.65% until the auction today. -NewsRise

The **S&P 500** and the **Dow** gained ground in a late rally on Thursday as upbeat retail sales data offset recessionary fears amid the simmering U.S.-China trade tensions.

Asian shares were heading for weekly losses as conflicting messages on the Sino-U.S. trade war only added to worries for the global economy, while talk of aggressive central bank stimulus drove bond yields to fresh lows.

The **dollar** held onto gains after a surge in U.S. retail sales eased concerns about the world's top economy, but traders cautioned against reading too much into one piece of data given the growing risks to the outlook.

U.S. 30-year Treasury yields fell to a record low below 2% and benchmark **10-year notes** dropped to a three-year trough on Thursday amid persistent worries about global trade tensions and economic slowdowns around the world.

Crude oil prices rose after two days of declines, buoyed following data showing a rise in U.S. retail sales helped ease some concerns about a recession in the world's biggest economy.

Gold prices gained as the steep fall in U.S. bond yields continued, while conflicting signals on the Sino-U.S. trade war added to economic uncertainty.

PICTURE OF THE DAY



A full moon rises behind the Temple of Poseidon in Cape Sounion, near Athens, Greece, August 15. REUTERS/Michalis Karagiannis

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