

MORNING NEWS CALL

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INDIA EDITION

Friday, August 23, 2019

FACTORS TO WATCH

10:00 am: Finance Minister **Nirmala Sitharaman** and Junior Finance Minister **Anurag Singh Thakur** will be present at an event on "Ten Years of Competition Law Enforcement" in New Delhi.

10:00 am: NITI Aayog Member **V.K. Saraswat** will be present at Mindmine Summit 2019 in New Delhi.

INDIA TOP NEWS

India proposes ban on e-cigarettes, with jail terms for offenders

India's health ministry has proposed a ban on the production and import of electronic cigarettes, government documents seen by Reuters showed, potentially jeopardizing the expansion plans of big firms like Juul Labs and Philip Morris International.

Ex-finance minister P.Chidambaram sent to CBI custody

An Indian court on Thursday ordered former finance minister P.Chidambaram into police custody for questioning for four days, in a case stemming from government approval of foreign investment in a local media company, a judge said.

Auto companies in India cut more jobs, halt production to tackle slowdown

With India's auto sales declining for the ninth straight month in July, more automotive manufacturers are laying off workers and temporarily halting production to keep costs in check, according to sources and documents seen by Reuters.

Fuel supply to Air India stopped at 6 domestic airports

Jet fuel supply to state-run carrier Air India has been stopped at six domestic airports because of unpaid dues to fuel provider, Indian Oil (IOCL), three sources said on Thursday.

Indians pawning the family gold amid credit crunch

Refused a loan by a state-run lender and desperate for funds to buy cotton seeds before the summer sowing season window closed, Indian farmer Babasaheb Mandlik ran out of choices - he pawned his wife's gold jewellery.

Amazon to acquire minority stake in an Indian supermarket chain operator

Amazon.com is set to snag a minority stake in India's Future Retail, which operates more than 900 stores in India and owns several supermarket brands, including Big Bazaar.

Thyssenkrupp files complaint over Brussels' veto on Tata JV

Thyssenkrupp on Thursday said it was filing a complaint with a European court to dispute an antitrust decision that blocks a planned joint venture with Tata Steel.

GLOBAL TOP STORIES

Two Fed officials see no case for rate cut now; Kaplan 'open-minded'

Underscoring divisions within the Federal Reserve over how to respond to signs of a global economic slowdown, two officials on Thursday said they see no need to lower borrowing costs next month, while another said he was "open-minded."

Japan's July core inflation hovers at 2-yr low, adds pressure on BOJ

Japan's core inflation was unchanged in July, government data showed, adding pressure to the Bank of Japan to expand its radical stimulus programme to meet its 2% price target.

As Amazon burns, Brazil's Bolsonaro tells rest of world not to interfere

Amid growing international criticism over the wildfires raging through the Amazon, Brazilian President Jair Bolsonaro on Thursday admitted farmers could be illegally setting the rainforest ablaze but told foreign powers not to interfere.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading 0.1% lower at 10,708.50. - NewsRise

The **Indian rupee** will likely fall further against the U.S. currency amid broad dollar strength ahead of the Federal Reserve Chairman Jerome Powell's highly anticipated speech. - NewsRise

The **Indian government bonds** are expected to open lower tracking gains in U.S. Treasury yields, while investors also await fresh supply of notes at a weekly auction today. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a 6.55%-6.60% range today. - NewsRise

The **benchmark S&P 500** ended little changed on Thursday as a fall in U.S. jobless claims offset data showing a contraction in U.S. manufacturing activity while investors awaited Federal Reserve Chair Jerome Powell's speech for clues on the central bank's monetary policy.

Asian shares struggled to make any headway as weak U.S. manufacturing activity and uncertainty over how much further the Federal Reserve would cut rates added to the general air of caution in markets buffeted by global growth fears.

The **dollar** held steady in Asia on expectations U.S. Federal Reserve Chairman Jerome Powell would stick with his message that the central bank has not entered a prolonged monetary easing cycle.

Treasury yields rose on Thursday after two Federal Reserve officials said they saw no reason to cut interest rates without new economic deterioration, a day after Fed meeting minutes showed policymakers disagreed on the U.S. central bank's rate cut last month.

Oil prices clawed back the previous day's losses, with Brent nudging above \$60 a barrel, as tighter supplies from key producers offset slowing demand growth while investors await clues from the Federal Reserve on U.S. monetary policy.

Gold prices slipped, but held near the key \$1,500 level amid trade uncertainties and ahead of U.S. Fed chair's speech for clues on future rate cuts.

PICTURE OF THE DAY



A young devotee with lit oil lamp on his head performs religious ritual while offering prayer to God Narayan a day before Krishna Janmashtami, or the birth anniversary of Lord Krishna, in Bhaktapur, Nepal August 22. REUTERS/Navesh Chitrakar

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