

MORNING NEWS CALL

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INDIA EDITION

Monday, August 26, 2019

FACTORS TO WATCH

No major events are scheduled for the day.

INDIA TOP NEWS

India Inc grows impatient as economy dips and Modi is distracted

When Prime Minister Narendra Modi was re-elected in May with a sweeping majority, Indian stock markets jumped to all-time highs as investors anticipated big bang pro-business reforms to revive a flagging economy. But sentiment is souring in the country's boardrooms after a much-anticipated budget in July failed to provide any stimulus, and instead hiked taxes on the ultra-rich and on foreign portfolio investors.

India rolls back tax hike on investors; outlines steps to boost sentiment

India is rolling back recent tax hikes on foreign and domestic equity investors and is accelerating a capital infusion of \$10 billion into state-run banks, the finance minister said late on Friday, in an attempt to boost market sentiment and revive the slowing economy.

SoftBank-backed Oyo, known for budget stays, to rebrand Hooters hotel in Vegas

SoftBank Group Corp-backed Indian hospitality startup Oyo will rebrand Hooters Casino Hotel in Las Vegas in a deal that a source with knowledge of the matter said was worth \$135 million.

Former Indian finance minister Arun Jaitley dies aged 66

Arun Jaitley, the former Indian finance minister and one of Prime Minister Narendra Modi's closest associates, died in hospital on Saturday, nearly two weeks after he was admitted following breathing difficulties, officials said.

GLOBAL TOP STORIES

Trump regrets not raising tariffs on China higher, White House says

President Donald Trump wishes he had raised tariffs on Chinese goods even higher last week, the White House said on Sunday, even as Trump signaled he did not plan to follow through with a demand that U.S. firms find ways to close operations in China.

Battered Hong Kong faces economic recession, existential crisis

As one of the world's most important trade and business hubs, Hong Kong was always going to struggle this year because of the escalating U.S.-China tariff war.

Ride-hailing firm Grab plans major investment in Vietnam -top executive

Singapore-based ride-hailing firm Grab is set to invest "several hundred million dollars" in Vietnam where the company sees its next major growth market, just weeks after it unveiled a \$2 billion plan in Indonesia.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading 0.5% higher at 10,885. -NewsRise

The **Indian rupee** is expected to open lower against the dollar after China announced it will levy tariffs on more American goods, prompting President Donald Trump to increase tariffs on imports from the Asian nation. - NewsRise

The **India government bonds** are expected to gain in early trade tracking a fall in U.S. Treasury yields and crude oil prices amid an escalation of the trade war between the U.S. and China. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a range of 6.53%-6.58% today. - NewsRise

Wall Street tumbled on Friday after the U.S.-China trade war escalated in dramatic fashion, with President Donald Trump demanding that American companies seek alternatives to doing business with China after Beijing announced its own slate of retaliatory measures.

Asian shares were a sea of red as the latest salvo in the Sino-U.S. trade war shook confidence in the world economy and sent investors steaming to the safe harbours of **sovereign bonds, gold** and the **Japanese yen**.

China's **yuan** hit an 11-year low in onshore trade and tumbled to a record low in offshore trade after a sharp re-escalation in the U.S.-China trade war whacked investor confidence and darkened the global economic outlook.

Benchmark **U.S. Treasury yields** fell to their lowest levels in a week on Friday as an escalation in the U.S.-China trade war raised concerns about an economic downturn.

Oil prices fell, pushing U.S. crude to its lowest in more than two weeks, as a ratcheting up of tensions in the U.S.-China war knocked confidence in the global economy.

Gold prices jumped to a fresh six-year high as the announcement of new tariffs in the escalating Sino-U.S. trade war sent equity markets tumbling, and investors rushing for safe-have assets.

PICTURE OF THE DAY



Devotees form a human pyramid to break a clay pot containing curd during the Hindu festival of Janmashtami, marking the birth anniversary of Hindu Lord Krishna, in Mumbai, India August 24. REUTERS/Francis Mascarenhas

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