

# MORNING NEWS CALL

Powered by Reuters

INDIA EDITION

Thursday, September 5, 2019

## FACTORS TO WATCH

No major events are scheduled for the day.

## LIVECHAT - BONDS UPDATE

Reuters senior European government bonds correspondent **Dhara Ranasinghe** joins us at 5:00 pm IST to discuss sovereign fixed income markets. To join the conversation, [click here](#)

## INDIA TOP NEWS

### **India likely to miss fiscal deficit target amid pressure for more stimulus-sources**

India is likely to miss its fiscal deficit target for the current financial year, despite receiving an additional dividend from the central bank, five government officials and advisers said, as tax collections have sunk amid a sharp slowdown.

### **RBI asks lenders to link some loans to external benchmark**

India's central bank on Wednesday mandated banks to link certain loans to the external benchmark based interest rate from Oct. 1, in a bid to allow faster transmission of its rate cuts to consumers.

### **POLL-Indian rupee unlikely to gain traction as investors stay shy**

The Indian rupee will not regain ground lost against the dollar in the coming year, according to strategists polled by Reuters, who believe a recent rollback of a surcharge on foreign investments will have no impact on the currency.

### **Jet Airways' creditors to recover only \$300-\$400 million in liquidation scenario**

Creditors of India's bankrupt Jet Airways are likely to recover less than 10% of the carrier's total outstanding dues in a liquidation scenario if no suitor succeeds in buying the airline, two sources told Reuters.

### **India and Russia target \$30 billion in trade by 2025, announce new energy deals**

India and Russia are targeting \$30 billion of annual trade by 2025, India's foreign secretary said on Wednesday as a string of energy deals deepened economic ties between the nations.

### **India raises import tax on Malaysian refined palm oil by 5%**

India has raised the tax on refined palm oil from Malaysia to 50% from 45% for six months to curb imports and boost local refining.

### **JLR to launch 30 new vehicles in China over next 2 years**

Luxury carmaker Jaguar Land Rover (JLR) plans to launch 30 new or revamped vehicles in China in the next two years, it said on Wednesday, seeking to build on a recent recovery in sales in the world's biggest auto market.

### **Amazon India plans to scrap single-use plastic, joins rival Flipkart**

Amazon.com's India unit plans to replace single-use plastic in its packaging by June 2020, the company said on Wednesday, the latest move by an ecommerce giant to weed out plastic use from the country's cities and towns that frequently rank among the world's most polluted.

## FEATURE

### **India's economy suffers car crash, pain spreads to villages**

The narrow lanes in Aliyar and Kasan villages in Manesar, an automotive manufacturing hub on New Delhi's southern outskirts, would usually be packed on Sundays with migrant workers employed at the nearby plants enjoying their day off, but not anymore. These are hard times for an area dependent on the fortunes of companies like Maruti Suzuki, the carmaker with the largest market share in India, and motorbike maker Honda Motor's local unit. The auto and component makers in and around Manesar, have shed thousands of jobs.

**GLOBAL TOP STORIES****China, U.S. to hold trade talks in October - China commerce ministry**

China and the United States agreed to hold high-level trade talks in early October in Washington, China's commerce ministry said, amid fears that an escalating trade war could trigger a global economic recession.

**Hong Kong leader to meet media after killing extradition bill**

Hong Kong leader Carrie Lam is expected to address the media, a day after she withdrew a controversial extradition bill that has triggered mass protests and plunged the Chinese territory into its worst political crisis in decades.

**Snap election on horizon after UK lawmakers vote to block 'no-deal' Brexit**

The British parliament voted on Wednesday to prevent Prime Minister Boris Johnson taking Britain out of the European Union without a deal on Oct. 31, but rejected his first bid to call a snap election two weeks before the scheduled exit.

**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were trading 0.3% higher at 10,890.00. -NewsRise

The **Indian rupee** is expected to open higher against the dollar as risk appetite improved on the back of positive political developments in Hong Kong and Britain.-NewsRise

**India government bonds** are expected to fall in early trade tracking an overnight gain in crude oil prices and amid lingering concerns that steps by New Delhi to support economic growth may lead to additional spending. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a range of 6.57%-6.63% today. -NewsRise

**Wall Street's main indexes** rebounded on Wednesday, after robust economic data from China, easing tensions in Hong Kong and British lawmakers' approval of a law to delay Brexit provided relief to investors worried about global growth.

**Asian shares** extended gains and **U.S. stock futures** jumped after China said it will hold trade talks with the United States in early October, raising hopes they can de-escalate their trade war before it inflicts further damage on the global economy.

The **British pound** hovered around a one-week high, as another parliamentary defeat for Prime Minister Boris Johnson made investors optimistic that a no-deal Brexit could be avoided, while a broader risk-on mood held back the **dollar**.

**Two-year Treasury yields** hit their lowest since September 2017, steepening the yield curve on Wednesday, after the Federal Reserve's Beige Book report and GDPNow tool reflected expectations that growth would slow in the third quarter.

**Oil prices** fell, giving up some of the strong gains of the previous session, after an industry report showed U.S. crude stockpiles rose last week, against analyst expectations of a decline.

**Gold** prices fell, with an uptick in equities propped up by positive developments around Brexit deadlock and Hong Kong protests, but prices hovered near over six-year high hit in the last session on persistent concerns about slowing global growth.

## PICTURE OF THE DAY



People ride on a truck on a flooded road after a heavy rainfall in Mumbai, September 4. REUTERS/Francis Mascarenhas

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Compiled by Swathi Nair in Bengaluru)

For questions or comments about this report, contact:  
[reuters.marketwatch@thomsonreuters.com](mailto:reuters.marketwatch@thomsonreuters.com)

To subscribe for the India Morning Newscall newsletter [click here](#)

© 2019 Refinitiv. All rights reserved.

Refinitiv  
3 Times Square, New York, NY 10036

Please visit: [Refinitiv](#) for more information.

[privacy statement](#)