

# MORNING NEWS CALL

REUTERS

INDIA EDITION

Thursday, September 27, 2018

## FACTORS TO WATCH

9:45 am: SBI Chairman **Rajnish Kumar** and HDFC Vice Chairman **Keki Mistry** at Real Estate and Infrastructure Investors' Summit in Mumbai.

## LIVECHAT - OIL OUTLOOK

Reuters correspondents **Amanda Cooper** and **Jessica Resnick-Ault** take your questions about energy markets in the rapid-fire, weekly segment "Lock, Stock and Barrel" at 07:00 pm IST. To join the conversation, [click here](#)

## INDIA TOP NEWS

### [India raises import tariffs on 19 items in bid to stem rupee slide](#)

India said on Wednesday it is raising import tariffs on 19 "non-essential items," marking a further tilt toward protectionism as it tries to reduce its widening current account deficit and tackle a sharp slide in the rupee.

### [POLL-With an eye on faltering rupee, RBI to raise rates next week](#)

The Reserve Bank of India is likely to raise interest rates in early October, despite relatively tame inflation, to prop up a retreating rupee, according to a Reuters poll of economists who also trimmed their near-term growth forecasts.

### [Supreme court imposes curbs on biometric identity system](#)

The Supreme Court on Wednesday upheld the validity of a controversial biometric identity system, but flagged privacy concerns and reined in a government push to make it mandatory for everything from banking to telecom services.

### [FOCUS -Ford expands partnership talks with VW and Mahindra to cut costs](#)

With its stock trading near a 6-year low late last month, Ford Motor Co CEO Jim Hackett gathered the automaker's top 300 executives near its headquarters in Michigan for a global leadership meeting.

### [EU regulators to rule on Thyssenkrupp, Tata Steel venture by October 30](#)

EU antitrust regulators will decide by October 30 whether to allow Germany's Thyssenkrupp and India's Tata Steel to create Europe's No. 2 steelmaker, the European Commission said on Wednesday.

### [State Bank of India's board gives nod to stake divestment in insurance arm](#)

State Bank of India, the country's top lender, said on Wednesday its board approved a plan to divest 4 percent stake in its general insurance arm to funds managed by Axis Bank Ltd and Premji Invest.

### [India expects \\$100 billion in telecom investments, approves new policy](#)

India expects to attract \$100 billion in investments in the telecom sector, a federal minister said on Wednesday after the cabinet approved a new policy for the sector.

### [Talks on Air India bailout package at 'advanced stage' - official](#)

Discussions on a bailout package for embattled state-run carrier Air India are at an "advanced stage", the country's junior aviation minister Jayant Sinha said on Wednesday.



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**GLOBAL TOP STORIES****Fed raises U.S. interest rates, sees at least three more years of growth**

The U.S. Federal Reserve raised interest rates on Wednesday and left intact its plans to steadily tighten monetary policy, as it forecast that the U.S. economy would enjoy at least three more years of growth.

**Trump accuses China of 2018 election meddling; Beijing rejects charge**

U.S. President Donald Trump on Wednesday accused China of seeking to meddle in the Nov. 6 U.S. congressional elections, saying Beijing did not want his Republican Party to do well because of his pugnacious stance on trade.

**Trump, Abe agree two-way trade talks, Japan dodges U.S. auto tariffs**

U.S. President Donald Trump and Japanese Prime Minister Shinzo Abe agreed on Wednesday to start trade talks in an arrangement that, for now, protects Japanese automakers from further tariffs, seen as a major threat to the export-dependent economy.

**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were trading up 0.3 percent at 11,079.50, from its previous close. - NewsRise

The **Indian rupee** is expected to open little changed against the dollar after New Delhi raised import duties on non-essential items to control the current account deficit, which will likely help offset a hawkish policy tilt by the U.S. Federal Reserve. - NewsRise

**Indian government bonds** could edge higher in early trade ahead of the Reserve Bank of India's repurchase of notes today. The yield on the benchmark 7.17 percent bond maturing in 2028 may trade in a 8.04 percent-8.10 percent band today, a dealer with a private bank said. - NewsRise

A **Wall Street** rally collapsed and stocks turned negative shortly before the market close on Wednesday after investors reassessed the Federal Reserve's policy statement and reduced their risk as they weighed how long the U.S. central bank would continue to raise interest rates.

**Global equities** ran out of steam and **U.S. bond yields** fell after the Federal Reserve raised interest rates as expected, sticking to its script of gradual policy tightening with forecasts of five more rate hikes by 2020.

The **dollar** steadied against its peers early as the small boost it received from a U.S. Federal Reserve interest rate hike faded, with a decline in U.S. Treasury yields reducing support for the greenback.

**U.S. Treasury yields** fell on Wednesday with the yield curve hitting its flattest levels in over a week as the Federal Reserve signaled it would remain a gradual rate-hike path in response to solid economic growth.

**Oil** prices rose by one percent as investors focused on the prospect of tighter markets due to U.S. sanctions against major crude exporter Iran, which are set to be implemented in November.

**Gold** prices edged up early, supported as investors looked for bargains after the metal fell to a two-week low in the previous session following a U.S. interest rate hike.

|                  | <b>CLOSE</b> | <b>FII INVESTMENTS</b> | <b>EQUITIES</b> | <b>DEBT</b>  |
|------------------|--------------|------------------------|-----------------|--------------|
| PNDF spot        | 72.61/72.64  | September 26           | -\$111.59 mln   | -\$87.32 mln |
| 10-yr bond yield | 8.10 pct     | Month-to-date          | -\$1.07 bln     | -\$1.42 bln  |
|                  |              | Year-to-date           | -\$1.93 bln     | -\$6.56 bln  |



## PICTURE OF THE DAY



People gather to observe the Indra Jatra Festival in Kathmandu, Nepal, September 24. REUTERS/Navesh Chitrakar

(Compiled by Siddharth Athreya V in Bengaluru)

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