

MORNING NEWS CALL

REUTERS

INDIA EDITION

Monday, October 8, 2018

FACTORS TO WATCH

No major events are scheduled.

LIVECHAT - FX WEEK AHEAD

FX Buzz analyst Jeremy Boulton analyses G7 currencies at 6:00 pm IST. To join the conversation, [click here](#)

INDIA TOP NEWS

[India surprises by leaving policy rate unchanged, rupee tumbles](#)

The Reserve Bank of India held interest rates unchanged on Friday, condemning the rupee to a record low and surprising analysts who had expected a rate rise to counter inflationary pressures arising from the weak currency and high oil prices.

[FOCUS-Saving the Titanic: India took control of IL&FS to avert "catastrophic" damage - government](#)

The Indian government said it was forced to take control of ailing shadow banking firm Infrastructure Leasing & Financial Services (IL&FS) as it feared its collapse would cause "catastrophic" damage to the financial markets and the economy, a court filing shows.

[India seeks to reassure markets on deregulation of fuel prices](#)

India on Saturday sought to assure investors that the government would not go back to regulating fuel prices, a day after oil company shares tumbled on concerns about a return to a regime that has hurt their profits in the past.

[India may be forced to delay Axis Bank stake sale - ET](#)

India may be forced to delay selling its stake in Axis Bank because of a weak stock market, The Economic Times newspaper reported on Saturday, citing unnamed market sources and an investment banker aware of the development.

[India to keep buying Iranian oil despite U.S. sanctions - sources](#)

India will buy 9 million barrels of Iranian oil in November, two industry sources said, indicating the world's third-biggest oil importer will continue purchasing crude from the Islamic republic despite U.S. sanctions coming into force on Nov. 4.

GLOBAL TOP STORIES

[China slashes banks' reserve requirements as trade war imperils growth](#)

China's central bank on Sunday announced a steep cut in the level of cash that banks must hold as reserves, stepping up moves to lower financing costs and spur growth amid concerns over the economic drag from an escalating trade dispute with the United States.

[North Korea's Kim Jong Un says talks with Pompeo 'productive and wonderful' -KCNA](#)

North Korean leader Kim Jong Un described his talks with U.S. Secretary of State Mike Pompeo on Sunday as "productive and wonderful," state media KCNA said, striking a positive tone compared with a previous state media stance when talks were stalled.

[INSIGHT-India's Rohingya refugees struggle with hatred, fear as first group is expelled](#)

Hours after Indian TV channels flashed that the country was deporting seven Rohingya Muslims to Myanmar, Sahidullah said he received a call from his nephew: "Uncle, please get us out of here. They will send us back too." Sahidullah, a Rohingya living in the far north of India after fleeing what he called persecution in Buddhist-majority Myanmar in 2010, said his relative, Sadiur Rahman, 40, was lodged in one of several detention centres for illegal immigrants in the distant northeastern state of Assam.



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STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading off 0.2 percent at 10,275.50, from its previous close. - NewsRise

The **Indian rupee** is expected to open lower against the dollar, weighed by a further rise in long-term **U.S. Treasuries** following non-farm payroll data. - NewsRise

Indian government bonds will likely edge higher in early trade tracking a fall in crude oil prices. The yield on the benchmark 7.17 percent bond maturing in 2028 may trade in a 7.98 percent - 8.03 percent band today, a dealer with a private bank said. - NewsRise

U.S. stocks dropped for a second straight day on Friday, weighed down by another rise in **Treasury yields** in the wake of a solid jobs report that capped off a week of robust data.

Shares in Asia stumbled in early trade as investors waited with bated breath as China's markets prepare to reopen following a week-long holiday and after its central bank cut banks' reserve requirements in a bid to support growth.

The **dollar** edged higher as China followed an easing in domestic policy by allowing its **yuan** to fall, though the drop was not as sharp as some had feared.

The **U.S. Treasuries** market tumbled for a third straight day with the 10-year yield hitting a seven-year high, as a solid payrolls report fueled jitters about rising inflation and more interest rate hikes.

Brent crude oil prices fell by more than 1 percent after Washington said it may grant waivers to sanctions against Iran's oil exports next month, and as Saudi Arabia was said to be replacing any potential shortfall from Iran.

Gold prices inched lower as the dollar firmed after China's central bank eased its domestic policy to support the economy.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	74.04/74.07	October 5	-\$456.86 mln	\$61.21 mln
10-yr bond yield	8.02 pct	Month-to-date	-\$736.48 mln	-\$385.19 mln
		Year-to-date	-\$2.91 bln	-\$7.14 bln



PICTURE OF THE DAY



Labourers pull an idol of Durga, the Hindu goddess of power, through a street to be transported on a boat to a pandal, or a temporary platform, for the upcoming festival of Durga Puja in Kolkata, October 7. REUTERS/Rupak De Chowdhuri

(Compiled by Debanjan Bose in Bengaluru)

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