

# MORNING NEWS CALL

REUTERS

INDIA EDITION

Friday, October 12, 2018

## FACTORS TO WATCH

**5:30 pm:** Government to release August **Industrial production** data in New Delhi

**5:30 pm:** Government to release September **consumer price inflation** data in New Delhi

## INDIA TOP NEWS

### [TCS forecasts double-digit revenue growth after record profit](#)

India's top software services exporter Tata Consultancy Services has forecast double-digit revenue growth in this fiscal year, driven by strong demand for digital services and healthy spending by key clients.

### [Top brewers raided by Indian watchdog in price-fixing probe -sources](#)

India's antitrust watchdog raided the offices of three top beer companies on Thursday as part of an investigation of price-fixing allegations, three sources with direct knowledge of the matter told Reuters.

### [RBI changes tack on forex intervention, focuses on forwards market](#)

India's central bank has changed tack in its foreign exchange intervention policy, increasing its participation in the derivatives market in relation to the spot market in an apparent attempt to avoid a cash crunch in the banking system.

### [Dassault says it picked Reliance of its own will for India jet contract](#)

Dassault Aviation said it picked India's Reliance Defence as a partner for a big military combat deal on its own, countering a French online media report that said the Indian government insisted on the firm as a condition of the contract.

### [GRAPHIC-India's NSE index off to its worst start to October quarter in a decade](#)

India's benchmark NSE index is off to its weakest start to the October quarter since 2008 after a global sell-off on Thursday further dented investor sentiment just as the Indian economy enters its peak-demand festive season.

### [Flipkart confident of bumper sales season; says Amazon losing relevance](#)

Online retailer Flipkart, owned by Walmart, expects bumper sales during the annual festive season that just kicked off, as it boasts that U.S. rival Amazon is losing relevance in India.

### [India to raise import tariffs on electronic and communication items](#)

India said on Thursday it will raise import tariffs on several electronic items and communication devices, in another move to rein in imports and bolster a falling rupee.

## GLOBAL TOP STORIES

### [IMF warns trade friction, market turmoil to hurt Asian growth](#)

Sustained trade tensions could slash Asia's economic growth by up to 0.9 percentage point in coming years, the International Monetary Fund said, urging policymakers in the region to liberalise markets to offset the fall in export sales.

### [Call 'em crazy, but Fed officials likely to keep raising rates](#)

A stock sell-off, rising trade tension with China, slower global growth and verbal pressure from the White House are unlikely to dent the U.S. Federal Reserve's rate hike plans in an economy performing in line with the central bank's forecasts.

### [China constricts capital outflows with eye on yuan stability](#)

China's latest attempts at restricting outward investment by its residents show just how nervous policymakers in the world's second largest economy are about possible capital flight spurred by a broadening Sino-U.S. trade war.



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**STATE OF THE MARKETS**

**SGX Nifty nearest-month futures** were 0.3 percent higher at 10,312.50, from its previous close. - NewsRise

The **Indian rupee** is expected to open higher against the U.S. currency after inflation in the world’s largest economy trailed estimates, pulling the **dollar index** down by the most in two weeks. - NewsRise

**Indian government bonds** are likely to open higher today as a continued fall in crude oil prices eased inflation concerns, while the local currency is also expected to rise against the dollar. However, major gains in bonds are likely to be capped ahead of a fresh supply of notes and local retail inflation data. Yield on the benchmark 7.17 percent bond maturing in 2028 may trade in a 7.95 percent-8.02 percent band today. - NewsRise

**Wall Street indexes** continued their slide in Thursday’s volatile session as investors worried about rising interest rates and braced for a trade war hit to corporate earnings a day ahead of the quarterly reporting season kickoff.

**Asian shares** appeared tentative, holding steady after a nine-day losing streak, but sentiment was frail after Wall Street shares crumbled and expectations of market volatility shot up to an eight-month high.

The **U.S. dollar** traded near its lowest level in nearly two weeks against its major peers as declining U.S. treasury yields and further losses on Wall Street soured sentiment.

**U.S. Treasury yields** fell to one-week lows on Thursday, sliding for a second straight session, as Wall Street shares dropped a day after posting steep losses on worries about prospects for rising interest rates.

**Oil prices** steadied after a market rout driven by sharp falls in equity markets and indications that supply concerns have been overblown, but were still on track for a fall or more than 4 percent for the week.

**Gold** edged down but held near an over two-month high hit in the previous session, when prices surged over 2 percent as a rout in global stock markets boosted the metal’s safe-haven appeal.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	74.16/74.19	October 11	-\$387.49 mln	-\$273.18 mln
10-yr bond yield	7.99 pct	Month-to-date	-\$1.83 bln	-\$1.33 bln
		Year-to-date	-\$4 bln	-\$8.08 bln

## PICTURE OF THE DAY



A firefighter is covered with Aqueous Film Forming Foam as he tries to control a fire that broke out in a thinner manufacturing plant on the outskirts of Ahmedabad, October 11. REUTERS/Amit Dave

(Compiled by Debanjan Bose in Bengaluru)

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