

MORNING NEWS CALL

REUTERS

INDIA EDITION

Thursday, November 29, 2018

FACTORS TO WATCH

10:00: Finance Minister **Arun Jaitley** to attend CII Health Summit in New Delhi.

LIVECHAT - BONDS UPDATE

Reuters bond reporter **Virginia Furness** delves into government bond markets at 06:00 pm IST. To join the conversation, [click here](#)

INDIA TOP NEWS

[Indian government to run power play at next central bank board meeting-sources](#)

For all the cordiality on show at the end of Reserve Bank of India's last board meeting, tensions could re-surface when it next gathers on December 14 as the government aims to ramp up pressure for changes in the way the central bank operates.

[INSIGHT-Angry farmers could upset India's Modi in major state elections test](#)

Weak farm prices are threatening to hurt Indian Prime Minister Narendra Modi's Hindu nationalist party as it faces a critical test in three state elections dominated by rural voters in the Hindi-speaking belt that is its traditional stronghold.

[Modi and Xi aim to build on thaw in ties at G20 meeting](#)

Indian Prime Minister Narendra Modi and Chinese President Xi Jinping will meet on the sidelines of a G20 meeting this week, aiming to build on a thaw in ties after a military standoff on their disputed border last year, officials said.

[Unilever in pole position to swallow GSK's Indian Horlicks business](#)

Unilever has emerged as the leading bidder in a tight contest for GlaxoSmithKline's Indian Horlicks nutrition business, three people familiar with the situation told Reuters on Wednesday.

[INTERVIEW-Big Indian insurer bets on oil marketing companies for 2019](#)

Aditya Birla Sun Life Insurance plans to increase its holdings in oil marketing companies as crude prices come under pressure and valuations in the sector turn attractive ahead of general elections next year.

[Yes Bank slumps after media report on transactions by CEO's investment firms](#)

Yes Bank shares fell to close at a 20-month low on Wednesday, after a media report said investment vehicles of the lender's chief executive made transactions that could be questioned by investors and regulators.

[Jet Airways shares jump on report Goyal to sell controlling stake](#)

Shares of India's Jet Airways rose sharply on Wednesday following a report that founder Naresh Goyal has agreed to sell his controlling stake and give up operational control of the struggling carrier.

[NGT panel says Tamil Nadu government overreached by closing Vedanta smelter](#)

An Indian court-appointed panel said on Wednesday that there were insufficient grounds to permanently close Vedanta copper smelter and a government decision to shut it amounted to administrative overreach.

GLOBAL TOP STORIES

[Fed's Powell, in apparent dovish shift, says rates near neutral](#)

U.S. Federal Reserve Chair Jerome Powell injected investors with a strong dose of optimism on Wednesday, saying that the central bank's policy rate is now "just below" estimates of a level that neither brakes nor boosts a healthy U.S.



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economy, comments that many investors read as signaling the Fed's three-year tightening cycle is drawing to a close.

Trump administration to examine tools to raise U.S. tariffs on Chinese autos

U.S. Trade Representative Robert Lighthizer said on Wednesday that he was examining all available tools to raise U.S. tariffs on Chinese vehicles to the 40 percent duties that China is now charging on U.S.-produced vehicles.

Japan retail sales rise most in 10 months, signal economic rebound

Japan's retail sales grew the fastest in 10 months in October as consumers shelled out more on fuel, cars, medicines and cosmetics, in a sign the world's third-largest economy is likely returning to growth after a summer stumble.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading up 0.9 percent at 10,812.00, from its previous close. - NewsRise

The **Indian rupee** is likely to open higher against the U.S. currency after Federal Reserve Chairman Jerome Powell's comments suggesting a slower pace of rate increases triggered the biggest slide in the dollar index in a month. - NewsRise

Indian government bonds are likely to open higher, as lower oil prices and strength in the rupee following Fed chair's comments indicating slower pace of rate hikes are expected to add to the positive sentiment. The yield on the benchmark 7.17 percent 2028 bond is likely to trade in a 7.60 percent -7.67 percent band today, a trader with a state-run bank said. - NewsRise

Federal Reserve Chair Jerome Powell boosted **U.S. stock markets** on Wednesday when he said the policy rate is now "just below" estimates of a level that neither brakes nor boosts a healthy economy, comments that many took as signaling the Fed's three-year tightening cycle is drawing to a close.

Asian stocks rose tracking a Wall Street rally as dovish comments from Federal Reserve Chair Jerome Powell boosted investor sentiment towards riskier assets.

The **dollar** extended its overnight losses after Federal Reserve Chairman Jerome Powell said U.S. interest rates were just below neutral, taken by investors as a tip that the rate hike cycle was nearing its end.

Yields on shorter-dated U.S. government bonds fell on Wednesday afternoon, steepening the yield curve, after Federal Reserve Chair Jerome Powell delivered a speech in which he signaled that an end to the bank's interest-rate hike cycle may be closer than previously suggested.

Oil prices climbed 1 percent, clawing back some ground from losses in the previous session, but an increase in U.S. crude inventories and uncertainty in the run to an OPEC meeting next week kept markets under pressure.

Gold prices held firm after notching up their biggest daily percentage gain in nearly two weeks in the previous session, with the dollar easing on dovish comments from Federal Reserve Chair Jerome Powell.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	70.63/70.66	November 28	\$136.06 mln	-\$11.69 mln
10-yr bond yield	7.64 pct	Month-to-date	\$558.57 mln	\$896.65 mln
		Year-to-date	-\$5.37 bln	-\$7.21 bln



PICTURE OF THE DAY



People inspect a house which according to local media was damaged in a gun battle between Indian security forces and suspected militants in Kuthpora village of Kashmir's Budgam district, November 28. REUTERS/Danish Ismail

(Compiled by Siddharth Athreya V in Bengaluru)

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