

MORNING NEWS CALL

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INDIA EDITION

Friday, July 19, 2019

FACTORS TO WATCH

No major events are scheduled for the day.

INDIA TOP NEWS

India regulator proposes tighter disclosure for auditors

India's capital markets regulator, Securities and Exchange Board of India (SEBI), proposed on Thursday ramping up disclosure for auditors of listed companies, after a number of firms abruptly resigned from audit assignments without citing sufficient reasons, leaving investors in the dark.

India's consumer goods growth slows as rural demand cools- Nielsen

India's consumer goods industry is losing steam as spending in the country's rural heartland cools and small manufacturers lose competitive advantages in a slowing economy, market research firm Nielsen said on Thursday.

India's monsoon rains below average in past week, raising crop worries

India's monsoon rains were 20% below average in the week ending on Wednesday, the weather office said, as summer showers turned patchy over the central, western and southern parts of the country, raising concerns over the progress of crop plantings.

GLOBAL TOP STORIES

Japan's core inflation hits 2-yr low, might push BOJ to ease again soon

Japan's core inflation slowed to its weakest in about two years in June, data showed, underlining the nation's long battle to boost consumer prices and adding to speculation the Bank of Japan could deliver more stimulus later this month.

U.S.-China officials discuss trade; Mnuchin eyes possible in-person talks

U.S. and Chinese officials spoke by telephone on Thursday as the world's two largest economies seek to end a year-long trade war, with U.S. Treasury Secretary Steven Mnuchin suggesting in-person talks could follow.

U.S. says Navy ship 'destroyed' Iranian drone in Gulf

The United States said on Thursday that a U.S. Navy ship had "destroyed" an Iranian drone in the Strait of Hormuz after the aircraft threatened the vessel, but Iran said it had no information about losing a drone.

STATE OF THE MARKETS

SGX Nifty nearest-month futures were trading 0.3% higher at 11,638.50. -NewsRise

The **Indian rupee** is expected to open higher against the dollar as comments by two Federal Reserve policymakers boosted the likelihood of a half a percentage-point U.S. interest rate cut this month. -NewsRise

Indian government bonds are likely to open little changed after falling yesterday, as markets await fresh supply of notes while a rebound in crude oil prices is also likely to hurt sentiment. The yield on the benchmark 7.26% bond maturing in 2029 is likely to trade in a 6.35%-6.40% range till the auction result today. -NewsRise

U.S. stocks moved higher on Thursday after a slow start as comments from New York Fed President John Williams helped cement expectations for an interest rate cut from the U.S. central bank at the end of the month.

Asian stocks gained after a top Federal Reserve official all but cemented expectations of a U.S. interest rate cut later this month.

The **dollar** was on the defensive after Federal Reserve officials bolstered expectations of an aggressive rate cut this month to address weakening price pressures.

U.S. Treasury yields declined on Thursday after a Federal Reserve official said policymakers need to add stimulus early to address too-low inflation when interest rates are near zero and said they cannot wait for economic disaster to unfold.

Oil prices rose more than 1% after the U.S. Navy destroyed an Iranian drone in the Strait of Hormuz, a major chokepoint for global crude flows, again raising tensions in the Middle East.

Gold prices rose to their highest in more than six years, supported by fresh tensions in the Middle East and comments from a top Federal Reserve official that cemented expectations of an interest rate cut.

	CLOSE	FII INVESTMENTS	EQUITIES	DEBT
PNDF spot	68.92/68.95	July 18	-\$204.07 mln	-\$150.25 mln
10-yr bond yield	6.38 pct	Month-to-date	-\$834.63 mln	\$683.34 mln
		Year-to-date	\$10.50 bln	-\$717.42 mln

PICTURE OF THE DAY



Girjesh Kumar Gaud, 22, an aspiring Bollywood actor who works as a performance artist, stands on the doorway of suburban train as he travels back home in Mumbai, July 16. REUTERS/Prashant Waydande

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