

India Morning Newsletter

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Traders will gauge on Friday whether **softer oil** is still a tailwind for Indian risk assets after Brent rebounded on fresh doubts over the **U.S.-Iran** truce, while the Federal Reserve's pause and signal of potential rate hikes later this year keep caution intact.

Equities are poised to enter the session on Friday after a five-day gain, with the **Nifty 50** and **BSE Sensex** both closing higher on Thursday as lower oil prices offset IT weakness. Higher U.S. rates could weigh on spending in the United States, a key market for **Indian IT companies** and an important driver of their earnings outlook, while the sector also tracked global peers lower on concerns that elevated rates could pressure technology valuations.

The same dynamic shaped other domestic assets. Indian **government bonds** rose for a sixth consecutive session, pushing the benchmark **10-year yield** near a more than three-month low, as lower oil prices outweighed pressure from the Fed's hawkish tone. The **rupee** strengthened for a fifth consecutive session, its longest winning streak in a year, as lenders and exporters cut dollar positions aggressively.

Still, the rupee's rally may be constrained by the **Reserve Bank of India's** unwinding of its large FX forward book and by hedging of interest obligations on foreign currency deposits raised by Indian banks.

Corporate attention will centre on **Reliance Industries**, where Mukesh Ambani's address at the annual shareholder meeting may offer updates on strategy and on the planned listing of **Reliance Jio Infocomm**. Investors will also look out for proposals from **India's markets regulator** to tighten risk management and broaden funding avenues as margin trading volumes rise.

FACTORS TO WATCH

- 05:00 pm **FX Reserves**, USD for the week ended 12 June: Prior \$ 681.61 bln
- The **Indian government** is aiming to raise at least 320 billion Indian rupees through the sale of **bonds**
- The National Stock Exchange retained **Kaynes Technology India** in its Futures and Options ban list

STATE OF THE MARKETS

Indian shares are set to open lower, snapping a five-session winning streak, as renewed concerns over Middle East tensions and a weak read-through from Accenture's earnings outlook weigh on sentiment.

The **Indian rupee's** underlying bias is likely to stay positive and near term, aided by improving flows and sentiment that cushion it from the Federal Reserve-driven dollar rally. The rupee is seen opening flat to marginally higher on Friday, after settling at 94.3325 on Thursday.

Indian **government bonds** are seen searching for a firm direction in opening deals ahead of fresh supply of debt, while focus also remains on the move in oil prices and further details of the peace deal between the United States and Iran. The yield on the benchmark 6.94% 2036 note is likely to move between 6.81% and 6.86%, according to a trader with a private bank.

Shares climbed to record highs in Japan and South Korea as peace in the Middle East with the reopening of the Strait of Hormuz pulled oil prices even lower and eased inflation fears.

U.S. **stock indexes** rallied on Thursday, with the Nasdaq's 1.9% advance boosted by gains in semiconductor shares, while inflation fears eased after the U.S. and Iran signed a peace agreement, although investors still priced in interest rate hikes this year from the Federal Reserve.

The **yen** was pinned near four-decade lows, with markets on heightened intervention watch as neither a U.S.-Iran peace deal nor a rate hike in Japan managed to arrest its prolonged slide.

U.S. **Treasury yields** were lower on Thursday, a day after investors adopted a hawkish view of Federal Reserve Chair Kevin Warsh's first meeting and sent short-term yields to their highest level in 16 months.

Oil prices fell on the prospect of more supply returning to the market after oil tankers began to move through the Strait of Hormuz following the signing of the U.S.-Iran interim peace deal.

Gold prices fell and were on track for a third consecutive weekly decline, as a stronger dollar and hawkish signals from the U.S. Federal Reserve weighed on the non-yielding metal.

INDIA TOP NEWS

India's long-delayed NSE IPO sets up \$2.6 billion windfall for top investors

Investors from Indian state-owned lenders to Singapore's sovereign wealth fund and Canada's national pension manager are set to reap a \$2.6 billion windfall as India's National Stock Exchange (NSE) moves ahead with a long-awaited listing.

Markets	Last	Change	YTD change
GIFT Nifty 50	23,991.00	0.01%	-
Nifty volatility	12.67	-3.91%	-
Nikkei	71,190.82	0.19%	41.42%
Hang Seng	-	-	-
S&P 500 e-mini futures	7,546.25	-0.32%	-
CBOE volatility	16.40	-11.06%	-
USD/INR	94.33	0.00%	4.98%
Spot gold	\$4,178.64 /oz	-0.71%	-3.14%
Brent crude	\$79.56 /bbl	-0.36%	30.75%
Indian 10-year bond yield	6.8390%	-2.40 bps	25.00 bps
U.S. 10-year Treasury yield	4.4553%	-0.77 bps	30.23 bps

FII & DII Trading Activity in Equities Jun 16	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	111.34 bln	122.86 bln	-11.52 bln
Foreign Institutional Investors (FII) in INR	133.28 bln	129.44 bln	3.84 bln

(Source: National Stock Exchange of India Ltd.)

Indian regulator proposes new risk curbs, wider funding option as margin trading surges

India's markets regulator on Thursday proposed new measures to better manage risks and broaden funding avenues, as margin trading facility (MTF) volumes show an increase.

India Oil Corp seeks gas, oil tankers to lift cargoes from Gulf, documents show

Indian Oil Corp, the country's top refiner, issued tenders on Thursday to charter vessels to lift liquefied petroleum gas and oil from ports inside the Strait of Hormuz, tender documents showed.

India's HDFC Bank to extend interim chairman Keki Mistry's tenure for three months

HDFC Bank has received the central bank's approval to extend the tenure of its interim chairman Keki Mistry for three months or till a new chairman is appointed, India's largest private lender said in a stock exchange filing on Thursday.

FTC requiring Aurobindo Pharma to divest from four drug products to complete acquisition of Lannett

The U.S. Federal Trade Commission is requiring Aurobindo Pharma Limited to divest four different generic drug products to complete its \$250 million acquisition of Lannett Company Inc., the agency said on Thursday in a statement.

GLOBAL TOP STORIES

US vice president cancels trip for peace talks with Iran

U.S. Vice President JD Vance pulled out of a planned trip to meet Iranian negotiators in Switzerland on Friday to begin complex talks on implementing the 14-point agreement struck between Tehran and Washington to end their war, a White House spokesperson said.

Bank of England keeps rates steady as it weighs Iran truce

The Bank of England kept interest rates on hold at 3.75% in June, as it has since the start of the U.S.-Iran war, judging it would be premature to raise rates now given uncertainty about the strength of increased inflation pressures.

Iran peace not stopping central banks from raising borrowing costs

The Iran war-induced inflation surge is becoming too much for central banks around the world to simply look past and a string of them, led by the U.S. Federal Reserve, have either raised borrowing costs or signalled likely moves to tame price growth.

SHAREHOLDERS MEETINGS

Havells India Ltd: Annual Shareholders Meeting

ICICI Lombard General Insurance Company Ltd: Annual Shareholders Meeting

Reliance Industries Ltd: Annual Shareholders Meeting

Lloyds Metals and Energy Ltd: Annual Shareholders Meeting**EX-DIVIDENDS**

AWL Agri Business Ltd: Final Cash Dividend of gross INR 1 to be paid on Jul 07

HDFC Bank Ltd: Final Cash Dividend of gross INR 13 to be paid on Aug 06

HDFC Life Insurance Company Ltd: Final Cash Dividend of gross INR 2.1 to be paid on Jul 20

Indiamart Intermesh Ltd: Final Cash Dividend of gross INR 30 to be paid on Jul 29

Indiamart Intermesh Ltd: Special Cash Dividend of gross INR 30 to be paid on Jul 29

Polycab India Ltd: Final Cash Dividend of gross INR 47 to be paid on Jun 30

Tata Communications Ltd: Final Cash Dividend of gross INR 17.5 to be paid on Jul 10

Tata Motors Passenger Vehicles Ltd: Final Cash Dividend of gross INR 3 to be paid on Jul 14

Torrent Power Ltd: Final Cash Dividend of gross INR 5 to be paid on Sep 02

PICTURE OF THE DAY

A drone view of fans gathering at Plaza Guadalajara, outside the Cathedral Basilica of the Assumption of Mary, as they arrive for the FIFA Fan Fest to watch the 2026 FIFA World Cup match between Mexico and South Korea, in Guadalajara, Mexico, June 18, 2026.

(Compiled by Kishan Nair in Bengaluru)

For questions or comments about this report, contact:
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