

# India Morning Newsletter

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*India's equities market is expected to be volatile, with **IT stocks** particularly under focus after a sharp downturn in global tech stocks as concerns grow over debt-fuelled AI spending.*

*The Nifty IT index fell more than 2%, dragging benchmarks lower. Brokerages Morgan Stanley and Jefferies flagged soft demand signals, with the former signaling managed services deals declining 15% year-over-year.*

*Separately, data showed India's **private sector** expanded at its slowest pace in three months in June. "Soft PMI readings, combined with persistent concerns over the monsoon shortfall, have dented investor confidence and sparked profit-taking after the recent rally driven by lower crude prices and easing Middle East tensions," said Anita Gandhi, head of institutional business at Arianth Capital Markets.*

*Meanwhile, agriculture minister Shivraj Singh Chouhan said India has drawn up contingency plans for more than 300 districts vulnerable to a **weak monsoon**. The monsoon rains so far have been about 43% below average, Chouhan said.*

*Among individual stocks, **Infosys** could be in focus after the company announced a multi-year collaboration with GlobalFoundries for AI-led managed services.*

*The **rupee** fell on Tuesday as the dollar strengthened on bets of a U.S. Federal Reserve rate hike. Traders expect the currency to face intermittent pressure going ahead.*

## FACTORS TO WATCH

- The **Indian government** aims to raise an aggregate of 240 billion Indian rupees through the sale of **91-day, 182-day** and **364-day Treasury bills**.
- The National Stock Exchange retained **Kaynes Technology** India in its Futures and Options ban list

## STATE OF THE MARKETS

**Indian shares** are on course to open little changed, as a fall in crude prices amid U.S.-Iran peace negotiations will be tempered by growing expectations of tighter Federal Reserve policy.

**Indian government bonds** are set for a steady-to-firmer open, as oil's continued retreat lends support, though doubts over a tenuous U.S.-Iran truce and dollar-led pressure on the rupee will keep traders wary. The yield on the benchmark 6.94% 2036 note is expected to trade between 6.81% and 6.85%.

The **Indian rupee** is set to decline at open, with the dollar at a one-year high on expectations of a Federal Reserve rate hike and safe-haven demand. The rupee is expected to open in the 94.80-94.85 range.

The **Nasdaq** and the **S&P 500** closed at more than one-week lows on Tuesday, dragged down by sharp losses in semiconductor stocks as investors scrutinized growing debt-funded AI spending and braced for a more hawkish U.S. Federal Reserve.

**Asian stocks** were wobbly, a day after a global selloff in technology and semiconductor shares, with analysts cautioning about the risk of renewed volatility.

The **U.S. dollar** extended gains to reach a fresh 13-month high against a basket of major currencies as investors sought shelter from a tech stock sell-off and positioned for Fed rate hikes.

**U.S. Treasury yields** fell on Tuesday as a stock market selloff drove investors toward the safety of government debt. Short-dated yields, however, held near 16-month highs as traders continued to weigh the prospect of a more hawkish Federal Reserve.

**Oil** prices fell, extending this week's losses and trading near four-month lows hit in the previous session, on signs that more oil tankers stranded in the Gulf since the start of the Iran war are set to move out of the Strait of Hormuz.

**Gold** extended losses, as bets on U.S. interest rate hikes lifted the dollar, while investors assessed conflicting signals on the U.S.-Iran peace talks.

Markets	Last	Change	YTD change
GIFT Nifty futures	23,862.50	-	-
Nifty 50	23,824.10	-1.16%	-8.82%
Nifty volatility	13.94	8.57%	-
Nikkei	69,780.65	-0.01%	38.62%
Hang Seng	23,361.80	0.11%	-8.85%
S&P 500 e-mini futures	7,448.25	0.14%	-
CBOE volatility	19.49	12.79%	-
USD/INR	94.74	0.06%	5.44%
Spot gold	\$4,074.29 /oz	-0.83%	-5.56%
Brent crude	\$76.72 /bbl	-0.47%	26.08%
Indian 10-year bond yield	6.8360%	-1.20 bps	24.70 bps
U.S. 10-year Treasury yield	4.5008%	0.78 bps	34.78 bps

FII & DII Trading Activity in Equities Jun 23	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	149.97 bln	145.62 bln	4.34 bln
Foreign Institutional Investors (FII) in INR	148.38 bln	150.15 bln	-1.77 bln

(Source: National Stock Exchange of India Ltd.)

## INDIA TOP NEWS

### **India makes contingency plans as weak monsoon threatens some farm areas**

India has drawn up contingency plans for more than 300 districts which are vulnerable to a weak monsoon as it steps up preparations for the summer-sown season to minimise the impact on crops, its farm minister Shivraj Singh Chouhan said on Tuesday.

**Walmart's Flipkart plans India quick commerce expansion ahead of IPO**

Walmart's Flipkart is speeding up expansion of its "quick commerce" business in India, with plans to add 500 more neighbourhood warehouses across the country with a focus on smaller cities as it competes in the fast-growing \$11 billion sector.

**Tata Motors PV aims to nearly double revenue, volume by 2031**

Tata Motors Passenger Vehicles said on Tuesday it aims to nearly double its revenue and sales volumes by fiscal 2031, banking on electric and gas-powered vehicles, as it seeks to capture a 20% share of the world's third-largest car market.

**Indian industry lobby chief pushes for quicker dispute resolution to boost investment**

India must resolve investor disputes faster and ease working conditions for foreign firms to help the country compete for global capital and accelerate growth toward 8%-10%, the president of the Confederation of Indian Industry said.

**Akasa targets 30% capacity growth, weighs government credit scheme**

India's third-largest airline, Akasa Air, is targeting a 30% capacity increase in the fiscal year to March 2027 and is evaluating whether to tap the government's emergency credit guarantee scheme, its finance chief said on Tuesday.

**GLOBAL TOP STORIES****US, Iran at odds on nuclear inspections, frozen assets in deal to end war**

U.S. President Donald Trump said on Tuesday that Iran had agreed to nuclear inspections into "infinity," while Tehran said it had made no such concession in negotiations, raising questions about the viability of their fragile peace deal.

**US Senate joins House in voting to halt Iran war, rebuking Trump**

The U.S. Senate backed legislation on Tuesday directing President Donald Trump to halt U.S. military action against Iran, the latest rebuke of the Republican president from an increasingly restive Congress.

**Some BOJ policymakers call for faster rate hikes, summary shows**

Bank of Japan policymakers debated mounting inflation risks, with some calling for faster interest rate increases to raise borrowing costs nearer levels deemed neutral to the economy, a summary of the latest policy review showed.

**SHAREHOLDERS MEETINGS**

**Adani Enterprises Ltd:** Annual shareholders meeting

**Adani Ports and Special Economic Zone Ltd:** Annual shareholders meeting

**HDFC Asset Management Company Ltd:** Annual shareholders meeting

**Home First Finance Company India Ltd:** Annual shareholders meeting

**Tata Elxsi Ltd:** Annual shareholders meeting

## PICTURE OF THE DAY



President of Iran Masoud Pezeshkian waves as he is received by Pakistan's Prime Minister Shehbaz Sharif and President Asif Ali Zardari upon his arrival at Nur Khan Airbase in Rawalpindi, Pakistan, June 23. External Publicity Wing (EPW)/Handout via REUTERS

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For questions or comments about this report, contact:  
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