India Morning Newsletter

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*The debate over India's **capital gains tax on equities** has resurfaced amid media reports that the government is considering lowering the levy ahead of next year's **federal budget**. India is considering cutting the 12.5% tax on stock investments held for more than a year and could let foreign investors calculate gains in dollars instead of rupees, The Indian Express reported on Monday.*

*The renewed focus on how India taxes stock investments comes as domestic markets remain stagnant over the past two years amid record foreign portfolio outflows and a persistently weak rupee. The benchmark **Nifty 50** is down 13% so far this year.*

*Earlier this month, Finance Minister **Nirmala Sitharaman** described the tax debate as "healthy" and said she was closely following it. However, Sitharaman's office told parliament in July that it had no proposal to scrap the long-term capital gains tax for domestic investors. The government has, however, exempted foreign investors from tax on government securities.*

***Indian stocks** snapped a four-session losing streak to end higher on Monday as investors assessed corporate earnings and tracked management commentary for future guidance amid concerns over sky-high crude prices.*

*Elsewhere, **Anthropic** filed its highly anticipated US IPO, disclosing steep losses and surging revenue growth, leaving investors to dissect returns on massive AI spending and signs of profitability.*

FACTORS TO WATCH

• 04:00 PM **Industrial Output YY** for Sept: Expected 7.2%; Prior 8%
• Thirteen Indian states aim to raise **233 billion rupees** through a **sale of bonds** maturing in four years to 30 years.
• The National Stock Exchange retained **Kaynes Technology**, **Ambuja Cements** and **SAIL** in its Futures & Options ban list.

LSEG DATA & ANALYTICS

STATE OF THE MARKETS

Indian shares are set to open lower, giving back some of the previous session's gains, as Brent crude prices remained near $115 a barrel and investors stayed cautious ahead of the US Federal Reserve's policy decision later this week.

Indian government bonds are set to be little changed, as there were no major moves in Treasuries as well as oil prices, with major focus remaining on the US Federal Reserve monetary policy decision due a day later. The 6.94% 2036 bond yield may trade between 7.46% and 7.49%.

Oil prices, which have risen in recent weeks, continue to weigh on the **Indian rupee**'s macro outlook, with traders watching for support near a key technical level and the response of the Reserve Bank of India.

US stocks closed higher on Monday, with the S&P 500 and Nasdaq coming off consecutive weekly declines, as Anthropic's IPO filing helped boost sentiment in AI-related stocks in a week filled with a host of market catalysts.

Asian stocks surged as AI bellwether Anthropic's eagerly anticipated IPO filing lifted risk appetite ahead of tech earnings that will be a test for the AI trade, and central bank meetings that will influence near-term interest rates.

The **Japanese yen** eased against the **US dollar**, further eroding last week's safe-haven gains, underpinned by a risk-on mood and a weaker **euro** ahead of key central bank meetings this week that will influence the global rates outlook.

The benchmark **10-year Treasury yield** was little changed on Monday as investors awaited potential guidance on interest rates from the Federal Reserve this week and more earnings reports from major AI players.

Oil prices fell as the potential for a resolution in the US-Israeli war on Iran kept supply fears at bay, but Brent stayed close to six-month highs as attacks on Saudi Arabia lowered hopes of immediate stability in the region.

Gold prices edged lower as a firmer US dollar weighed on greenback-denominated bullion, while investors awaited Federal Reserve's policy meeting this week for clues on the interest-rate outlook.

Markets	Last	Change	YTD change
GIFT Nifty futures	22,667.50	-	-
Nifty 50	22,753.20	0.68%	-12.92%
Nifty volatility	17.16	1.78%	81.11%
Nikkei	63,272.28	1.74%	25.69%
Hang Seng	23,137.83	-0.32%	-9.73%
S&P 500 e-mini futures	7,725.00	0.14%	-
CBOE volatility	18.39	-5.45%	-79.53%
USD/INR	95.19	0.26%	5.94%
Spot gold	$4,015.24 /oz	-0.03%	-6.93%
Brent crude	$114.72 /bbl	-0.94%	88.53%
Indian 10-year bond yield	7.4850%	0.80 bps	89.60 bps
U.S. 10-year Treasury yield	4.9759%	-1.01 bps	82.29 bps

FII & DII Trading Activity in Equities Oct 26	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	157.78 bln	132.49 bln	25.30 bln
Foreign Institutional Investors (FII) in INR	86.46 bln	100.78 bln	-14.32 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

Ambani, Adani outlets among Indian publishers contesting Modi's privacy law

A group of 21 news publishers, including companies owned by billionaires Mukesh Ambani and Gautam Adani, has challenged India's privacy law in court, arguing it would trample investigative work and let New Delhi identify journalists' sources, documents show.

Infosys falls after revenue growth view cut flags AI, competitive pressures

Shares of Infosys fell on Monday after the software exporter sharply cut its fiscal 2027 revenue growth forecast, underscoring challenges from AI-driven pricing pressure, tougher competition and sluggish demand in key markets.

Tata Consumer Products beats quarterly profit view on packaged food demand

India's Tata Consumer Products reported a better-than-expected second-quarter profit on Monday, helped by strong growth in its packaged foods and beverages businesses, even as demand for tea remained subdued.

Tata Motors' takeover bid for Iveco clears 80% acceptance threshold

India's Tata Motors' takeover bid for Italian truck maker Iveco has cleared the 80% acceptance threshold, reaching 87.8% on the last day of the offer, an Italian stock market filing showed on Monday.

Shriram Finance hits 11-month low as growth outlook cut, credit costs weigh

Shares of India's Shriram Finance fell to an 11-month low on Monday after the non-bank lender lowered its annual loan growth forecast and warned of higher credit costs, overshadowing a better-than-expected second-quarter profit.

GLOBAL TOP STORIES

Anthropic's soaring sales, steep losses put AI frenzy to IPO test

Anthropic took a big step closer to a potentially record-breaking IPO on Monday, even as it revealed steep losses and security concerns that could test investors' enthusiasm for the AI heavyweight.

Microsoft offers buyouts to around 60,000 employees to contain costs

Microsoft said on Monday it is offering voluntary buyouts to about 60,000 employees, or more than a quarter of its global workforce, as the technology giant looks to contain costs and help fund its massive AI investments.

Netanyahu's political survival on the line as Israel votes

Prime Minister Benjamin Netanyahu faces a fight for political survival in Israel's election on Tuesday, with voters weighing his leadership after the 2023 Hamas-led attacks, wars in Gaza and with Iran, and Israel's deepening international isolation.

COMPANIES REPORTING RESULTS

ACC Ltd: Q2 earnings release
AWL Agri Business Ltd: Q2 earnings release
Bajaj Auto Ltd.: Q2 earnings release
Capri Global Capital Ltd: Q2 earnings release
Cipla Ltd: HY earnings release
Honeywell Automation India Ltd: Q2 earnings release
Indus Towers Ltd: Q2 earnings release
JSW Infrastructure Limited: Q2 earnings release
Larsen and Toubro Ltd: Q2 earnings release
Maruti Suzuki India Ltd: Q2 earnings release
Max Financial Services Ltd: Q2 earnings release
Mazagon Dock Shipbuilders Ltd: Q2 earnings release
Piramal Pharma Ltd (Mumbai): Q2 earnings release
Radico Khaitan Limited: Q2 earnings release
SBI Life Insurance Company Ltd: Q2 earnings release
Schaeffler India Ltd: Q3 earnings release
Star Health and Allied Insurance Company Ltd: Q2 earnings release
Steel Authority of India Ltd: Q2 earnings release
Tata Capital Ltd: Q2 earnings release
Tata Steel Ltd: Q2 earnings release
United Breweries Ltd: Q2 earnings release
Waaree Energies Ltd: Q2 earnings release

CORPORATE EVENTS

AWL Agri Business Ltd: Q2 earnings conference call
Bajaj Auto Ltd.: Q2 earnings conference call
Cipla Ltd: HY earnings conference call
J K Cement Ltd: Q2 earnings conference call
JSW Infrastructure Limited: Q2 earnings conference call
Maruti Suzuki India Ltd: Q2 earnings conference call
One 97 Communications Ltd: Q2 earnings conference call
SBI Life Insurance Company Ltd: Q2 earnings conference call
Tata Capital Ltd: Q2 earnings conference call

EX-DIVIDENDS

L&T Technology Services Ltd: Interim Cash Dividend of gross INR 20 to be paid on Nov 18, 2026

PICTURE OF THE DAY



Iranian President Masoud Pezeshkian meets with Chief of Defence Forces of Pakistan, Field Marshal Asim Munir, Saudi Arabia's Defence Minister Prince Khalid bin Salman and Turkish intelligence chief Ibrahim Kalin in Tehran, Iran, October 26, 2026. Iran's Presidential website/WANA (West Asia News Agency)/Handout via REUTERS

(Compiled by Sameer Kulkarni in Bengaluru)

For questions or comments about this report, contact: ***reuters.marketwatch@thomsonreuters.com***

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LSEG

10 Paternoster Square, London, EC4M 7LS, United Kingdom

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