

India Morning Newsletter

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The impact of the alleged bribery scheme related to **Adani Group** is expected to be in the spotlight, with ratings agency **Fitch** putting some of the conglomerate's bonds on watch for a possible downgrade. Additionally, fresh tariff threats by U.S. President-elect **Donald Trump** will likely influence global markets during the day. Trump pledged to impose a 25% tariff on all products from Mexico and Canada and an additional 10% tariff on goods from China. Meanwhile, in the first major fallout from the bribery allegations, **TotalEnergies** announced that it would halt investments in the Adani Group. Separately, Andhra Pradesh said it will explore if it is possible to cancel a power supply contract linked to the Adani Group. **Indian markets** started the week on a positive note, with analysts expecting a further rise as the political instability in Maharashtra comes to an end, after Prime Minister **Narendra Modi's BJP** and its allies got a decisive win in the state election. **Foreign institutional investors** turned net buyers in Indian markets in the previous session, after 38 consecutive sessions of being net sellers. Among stocks to watch, **Hindustan Unilever** could be in focus after its board approved the plan to spin off its ice-cream business into a separate listed entity. Later in the day, **Indian states** will look to raise an aggregate of 320 billion rupees through a **sale of bonds** maturing in five to 30 years.

FACTORS TO WATCH

- The National Stock Exchange retained **Aarti Industries**, **Gujarat Narmada Valley Fertilizers & Chemicals** and **Granules India** in its Futures and Options ban list. **Adani Enterprises**, **Hindustan Copper**, **Indraprastha Gas** and **National Aluminium Company** were removed from the list.

STATE OF THE MARKETS

Indian shares are set for a muted opening, after gaining nearly 4% over the past couple of sessions, with an eye on global trade tensions after U.S. President-elect Donald Trump pledged tariffs on imports from three countries including China.

Indian bond yields are likely to open little changed following the dip in the previous session with traders keeping an eye on U.S. Treasury yields.

The **Indian rupee** will face pressure after U.S. President-elect Donald Trump said he would impose tariffs on all imports from Canada and Mexico and levy additional tariff on Chinese products, boosting the U.S. dollar.

Wall Street's main indexes ended higher on Monday, with the small-cap **Russell 2000** index hitting an all-time high after Scott Bessent's nomination as U.S. Treasury secretary helped push bond yields lower.

Japan's **Nikkei** share average fell more than 1% as the market reacted to U.S. President-elect Donald Trump's fresh promises of tariffs.

The **dollar** rallied against major peers after U.S. President-elect Donald Trump pledged tariffs on all imports from Canada and Mexico, and additional tariffs on China.

U.S. Treasury yields declined sharply on Monday as investors expected a more moderate than feared U.S. fiscal trajectory after hedge fund manager Scott Bessent was nominated as U.S. Treasury secretary by President-elect Donald Trump on Friday.

Oil prices edged up, after falling in the previous session as investors took stock of a potential ceasefire between Israel and Hezbollah.

Gold prices were slightly higher, though gains were limited by a stronger dollar and reports of a potential Israel-Hezbollah ceasefire that dampened safe-haven demand.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,276.50	-0.31%	-
Nifty volatility	15.30	-4.94%	-
Nikkei	38,269.33	-1.32%	14.36%
Hang Seng	19,272.60	0.64%	13.05%
S&P 500 e-mini futures	5,998.50	-0.13%	-
CBOE volatility	14.60	-4.20%	7.00%
USD/INR	84.33	0.07%	1.34%
Spot gold	\$2,628.06 /oz	0.11%	27.42%
Brent crude	\$73.14 /bbl	0.18%	-5.06%
Indian 10-year bond yield	6.8220%	-2.80 bps	-35.40 bps
U.S. 10-year Treasury yield	4.2790%	1.60 bps	41.90 bps

FII & DII Trading Activity in Equities Nov 25	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	176.25 bln	245.33 bln	-69.08 bln
Foreign Institutional Investors (FII) in INR	852.52 bln	753.04 bln	99.48 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

Fitch places some Adani bonds on negative watch after US bribery charges

Ratings agency Fitch has put some of Adani Group's bonds on watch for a possible downgrade after some of the firm's key executives were indicted by U.S. authorities on bribery charges.

TotalEnergies pauses investments in Adani Group after bribery charges

French oil major TotalEnergies halted on Monday investments into Adani Group, after the Indian ports-to-power conglomerate was engulfed in a crisis over an alleged multi-million-dollar bribery scheme.

Andhra Pradesh mulls next steps on Adani, if power deal can be scrapped

Andhra Pradesh state is reviewing government files and will explore if it is possible to cancel a power supply

contract linked to the Adani Group, whose billionaire founder has been indicted in the United States, a top official told Reuters.

Unilever's India unit to spin off, list ice-cream division

Hindustan Unilever said on Monday that its board has approved the carving out of its ice-cream business into a separate listed entity.

Vedanta to proceed with dollar bond sale in first post-Adani India credit test

Vedanta Resources, which postponed a planned sale of dollar bonds last week after the Adani group's top officials were indicted by U.S. prosecutors, will now launch the issue on Monday, according to two sources.

GLOBAL TOP STORIES

Trump pledges 25% tariffs on Canada and Mexico, more on China too

U.S. President-elect Donald Trump on Monday pledged a 25% tariff on all products from Mexico and Canada from his first day in office, and an additional 10% tariff on goods from China, citing illegal immigration and the trade of illicit drugs.

Lebanese sources: Biden, Macron set to announce Israel-Hezbollah truce

U.S. President Joe Biden and French President Emmanuel Macron are expected to announce a ceasefire in Lebanon between armed group Hezbollah and Israel imminently, four senior Lebanese sources said on Monday.

Judge tosses Trump 2020 election case after prosecutors' request

A U.S. judge on Monday dismissed the federal criminal case accusing Donald Trump of attempting to overturn his 2020 election defeat after prosecutors moved to drop that prosecution and a second case against the president-elect, citing Justice Department policy against prosecuting a sitting president.

POLL

Slackening demand likely weighed on India's GDP growth in September quarter

India's economy likely grew at its slowest pace in one-and-a-half years in the three months to end-September as weak consumption offset a strong recovery in government spending, which for years has helped drive growth, a Reuters poll found.

COMPANIES REPORTING RESULTS

Siemens Ltd: Q4 Earnings Release

SHAREHOLDERS MEETINGS

Procter & Gamble Hygiene and Health Care Ltd: Annual Shareholders Meeting

EX-DIVIDENDS

Gillette India Ltd: Final Cash Dividend of gross INR 45 paid on Dec 25

Sun TV Network Ltd: Interim Cash Dividend of gross INR 5 paid on Dec 13

PICTURE OF THE DAY



Police detain supporters of India's main opposition Congress party during a protest against Indian billionaire Gautam Adani, after he was indicted in New York over his role in an alleged multibillion-dollar bribery and fraud scheme, in New Delhi, November 25. REUTERS/Anushree Fadnavis

(Compiled by Priyada K S 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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