

India Morning Newsletter

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Domestic markets will continue to closely monitor the fallout from the U.S. indictment of **Gautam Adani** in the alleged bribery scheme. According to a Reuters report, Andhra Pradesh is likely to suspend a power purchase deal linked to **Adani Group**, which would be the first such move by an Indian state government following the U.S. charges. Ratings agency **Moody's** cut the outlook on the ratings of seven Adani entities to 'negative' from 'stable'. In the previous session, **Indian markets** ended lower, weighed down by Adani Group stocks. However, analysts said the drop in Adani stocks was a kneejerk reaction to the updates coming in from rating agencies and TotalEnergies. Meanwhile, investors will also focus on **NTPC Green Energy**, as the company's shares start trading today.

Globally, traders will watch out for the **U.S. Personal Consumption Expenditures Price Index**, which releases later in the day, for clues on the **Federal Reserve's** rate cut trajectory. **Wall Street** ended higher overnight as tech stocks rebounded, while market participants digested President-elect Donald Trump's tariff pledges on top trade partners and the minutes from the U.S. central bank's latest policy meeting. A ceasefire between **Israel** and **Hezbollah** after both sides accepted an agreement brokered by the U.S. and France could also influence the markets.

Separately, the Indian government aims to raise an aggregate of **190 billion** rupees through the sale of **91-day**, **182-day** and **364-day** Treasury bills during the day.

FACTORS TO WATCH

- The National Stock Exchange removed **Aarti Industries**, **Gujarat Narmada Valley Fertilizers & Chemicals** and **Granules India** from its Futures and Options ban list.

STATE OF THE MARKETS

Indian shares are set to open little changed, as caution prevailed on U.S. President-elect Donald Trump's tariff plans and likelihood of slower U.S. rate cuts.

Indian government bond yields may inch up on back of a slight uptick in U.S. rates before key U.S. inflation data and expectations that there is limited downside from current levels.

The **Indian rupee** is expected to open slightly weaker, tracking declines in most of its Asian peers, with traders awaiting US inflation data due later in the day while expecting the rupee to gradually weaken towards 84.50.

Wall Street stocks, led by **S&P 500** and the **Nasdaq**, ended higher on Tuesday, as technology stocks rebounded, while investors digested President-elect Donald Trump's tariff pledges on top trade partners and the latest minutes from the Federal Reserve.

Asian stocks were down as investors fretted over what countries could be targetted for tariffs under incoming U.S. President Donald Trump, a day after he pledged new levies on Canada, Mexico and China.

The **U.S. dollar** steadied against major peers as investors continued to take stock of President-elect Donald Trump's tariff pledges, while keeping an eye on a key inflation figure out of the U.S. later in the day.

U.S. Treasury long-term yields rose on Tuesday, as a sharp bond rally lost momentum and investors assessed U.S. President-elect Donald Trump's tariff pledges.

Oil prices fell, with markets assessing the potential impact of a ceasefire deal between Israel and Hezbollah, and ahead of Sunday's OPEC+ meeting.

Gold held steady in a narrow range, as investors awaited key U.S. inflation data for insights into the potential scale of a Federal Reserve rate cut next month.

Markets	Last	Change	YTD change
GIFT Nifty 50	24,254.50	0.05%	-
Nifty volatility	15.31	0.02%	-
Nikkei	38,155.25	-0.75%	14.02%
Hang Seng	19,111.91	-0.25%	12.11%
S&P 500 e-mini futures	6,042.50	0.07%	-
CBOE volatility	14.10	-3.42%	3.00%
USD/INR	84.35	0.03%	1.37%
Spot gold	\$2,634.46 /oz	0.10%	27.73%
Brent crude	\$72.66 /bbl	-0.21%	-5.69%
Indian 10-year bond yield	6.8270%	0.50 bps	-34.90 bps
U.S. 10-year Treasury yield	4.3023%	0.03 bps	44.23 bps

FII & DII Trading Activity in Equities Nov 26	Buy	Sell	Net
Domestic Institutional Investors (DII) in INR	84.06 bln	103.17 bln	-19.11 bln
Foreign Institutional Investors (FII) in INR	109.71 bln	98.13 bln	11.58 bln

(Source: National Stock Exchange of India Ltd.)

INDIA TOP NEWS

Adani hit by downgrades as projects under review in India, Sri Lanka

Adani Group's troubles deepened on Tuesday as two more credit rating agencies cut their outlook for the Indian conglomerate, whose billionaire founder Gautam Adani has been charged by U.S. authorities over an alleged \$265 million bribery scheme.

EXCLUSIVE-Andhra Pradesh state likely to suspend Adani power deal, sources say

Andhra Pradesh state is likely to suspend a power purchase deal linked to Adani Group due to the U.S. indictment of the group's billionaire founder Gautam Adani over an alleged bribery scheme, two state government sources said.

Modi's party distances itself from India's Adani amid opposition protests

Indian Prime Minister Narendra Modi's party said it had no reason to defend billionaire Gautam Adani on Tuesday following his U.S. indictment over alleged bribery to secure power deals in India.

SoftBank founder Masayoshi Son to meet Indian PM Modi, source says

Masayoshi Son, the billionaire founder of Japan's SoftBank Group, will meet Indian Prime Minister Narendra Modi on Wednesday, a source with direct knowledge of the matter told Reuters.

India plans insurance law changes for unified licence, hiking FDI limit, sources say

The Indian government plans to amend insurance laws in the ongoing session of Parliament to facilitate a unified licence for insurers and raise the foreign direct investment (FDI) limit to 100% from 74%, two government sources said on Tuesday.

GLOBAL TOP STORIES**Israel-Hezbollah ceasefire takes effect**

A ceasefire between Israel and Iran-backed group Hezbollah took effect at 0200 GMT on Wednesday after U.S. President Joe Biden said both sides accepted an agreement brokered by the United States and France.

Fed cites volatility, uncertainty as reasons to go slow on rate cuts

Federal Reserve officials appeared divided at their meeting earlier this month over how much farther they may need to cut interest rates, but as a group agreed to avoid giving much guidance from here on about how U.S. monetary policy is likely to evolve.

China state media dismiss Trump's tariff vow, focus on fentanyl

China's state media shrugged off U.S. President-elect Donald Trump's pledge to slap additional tariffs on Chinese goods in editorials late on Tuesday, accusing the former president of blaming China for the country's failure to address the fentanyl crisis.

BREAKINGVIEWS**Indian business may learn wrong lesson from Adani**

US corruption charges against tycoon Gautam Adani have cast a shadow over Narendra Modi's war on graft. The prime minister has made progress. But rather than spurring a cleanup in the \$4 trln economy, the saga might just make its capitalists warier of tapping global markets.

SHAREHOLDERS MEETINGS

Canara Bank Ltd: Extraordinary Shareholders Meeting

EX-DIVIDENDS

IPCA Laboratories Ltd: Interim Cash Dividend of gross INR 2 paid on Dec 10

Natco Pharma Ltd: Interim Cash Dividend of gross INR 1.5 paid on Dec 4

PICTURE OF THE DAY



A man films the interiors of newly launched Mahindra XEV 9e, an electric SUV, during its launch in Chennai, November 26. REUTERS/Nandan Mandayam

(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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