

## Indian Market

The market is banking on global market trends set by US on its better growth. Overall U.S. economic output expanded at a 4.1% annual rate in the quarter, its best three-month increase since 2014, which is eclipsing for the present subdued trend in China. Indian market for the day would first check the Nikkei Manufacturing PMI data at 10:30hrs followed by few July sales data from auto players. If PMI data improves from June, RBI could sense that going forward the inflation situation would be higher than its June estimates. Since June policy review, INR has depreciated ~2.5% vs USD, with oil prices remained where it was then. Hence, RBI may think of raising rates by 25bps to tame inflation and protect further fall in INR, as growth prospects are not likely to be hampered much, and the rising input costs are most likely be absorbed in output for improved demand. US key indices were running flat while Nikkei gaining 0.6%, Hang Seng marginally (0.15%) up while China-H shares were up by 0.3%. Expect Nifty to trade with mild positive bias till 10.30am and gain ground if PMI data was positive, become cautious till 2:30pm for RBI policy outcome and react mostly positive to whatever the decision could be (rate hike or pause). Oil prices slipped on Wednesday reacting to weak macro data from China, which would support Nifty movement on upside.

- SGX NIFTY was +ve 0.14%/16 points at 11,392

## Noted corporate developments

- **Jindal Steel and Power** wins tender for rails floated by Indian Railways.
- **Tata Motors** unit to stop manufacturing operations in Thailand; to use a distribution model.
- **Bank of Baroda** closed three foreign branches in Oman and Bahrain.
- **Orient Refractories** approved amalgamation RHI India and RHI Clasil with self.
- **NBCC** is said to be the highest bidder for HSCC, EPI. (The Economic Times)
- **IFCI**: To avail one-month extension to submit June quarter results.
- **Jet Airways** is said to have asked staff to take up 25 percent starting this month. (The Economic Times)

## Earnings to watch

### F&O Segment

- Apollo Tyres
- Exide Industries
- Pidilite Industries
- Tata Global Beverages
- Torrent Power

### Cash Segment

- Aditya Birla Fashion
- Emami
- FDC India
- Himachal Futuristic Communications
- HEG
- Gateway Distriparks
- Jindal Saw
- Navneet Education
- Orient Cement
- Reliance Infrastructure

## Market Background

- The U.S. Treasury is set to release its funding program for the next three months on Aug. 1.
- Earnings season continues with Berkshire Hathaway, Barclays, Tesla, Toyota, BMW, and Rio Tinto among companies reporting results.
- Central banks in the U.S., U.K., Brazil and India are still to meet this week. The Bank of England is expected to hike even amid Brexit gloom. The Fed is seen standing pat, as is Brazil's central bank. The RBI will probably raise its benchmark at its meeting Wednesday.
- The U.S. jobs report is on Friday, and is predicted to show a healthy labor market, with 193,000 new jobs, and an unemployment rate slipping back to 3.9 percent.
- US key indices were up by 0.5% overnight
- Oil prices slipped on Wednesday reacting to weak macro data from China. Brent last seen trading at \$73.91/bbl while WTI at \$68.39/bbl

## SGX Nifty: Daily and Weekly Chart





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