US Fed faces tougher task in deciding whether to cut rates

Trump says Fed doesn’t ‘know what they’re doing’

The US central bank faces a tough decision on interest rates this month, with US President Donald Trump complaining that it is being too aggressive.

The US Federal Reserve is expected to raise rates again later this month, after a steady pullback in US growth following a string of strong economic data.

But Trump has been critical of the Fed’s actions, saying it is being too aggressive in raising rates and that it is hurting the US economy.

Trump has said that the Fed should not raise rates again this month and that it should hold rates steady until the middle of next year.

He has also criticized the Fed’s decision to raise interest rates in June, saying it was too aggressive and that it would harm the US economy.

The Fed has raised rates four times this year, with each increase of 0.25 percentage points.

Trump has said that the Fed should hold off on further rate hikes until the middle of next year, when the US economy is expected to be more stable.

The Fed has said that it will continue to raise rates at a gradual pace, with each increase expected to be 0.25 percentage points.

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India plans $10bn bank recapitalisation, help for shadow lenders, to revive economy

The Indian government yesterday announced a $10bn bank recapitalisation to help shadow lenders and revive the economy. India's shadow banking sector, which has been hit by a liquidity crunch, has been struggling to meet the needs of millions of small businesses and households who might not be able to obtain loans from traditional banks.

The government also announced that it will allow the next six months to provide partial credit guarantees to banks that have already bought bad loans from NBFCs, without having to finance them directly from the public sector. This will help to reduce the burden on the government and provide a lifeline to the shadow banking sector.

India's economy has been hit by a liquidity crunch in recent months, with banks tightening lending standards and many small businesses and households struggling to access credit. The government's recapitalisation package is aimed at addressing this issue and providing a boost to the economy.

India's banks are also facing a challenge in the form of rising non-performing assets (NPAs), which have been rising in recent years due to weak economic growth and the impact of the COVID-19 pandemic. The government's recapitalisation package is expected to help banks to manage their NPAs and improve their financial health.

The opposition has welcomed the government's recapitalisation package, saying it is a positive step towards reviving the economy. However, some analysts have expressed concerns about the sustainability of the package and the potential for further challenges in the banking sector in the future.
GM, Ford China sales slide again amid economy woes

For the first quarter of this year, GM saw its sales in China tumble 31.8% within GM’s OAIM segment.

Still, the sales from GM’s Americas segment improved sequentially, as the US auto sales market showed signs of recovery amid the Sino-US trade war. Ford’s sales slumped by 21.7%.

Huawei Technologies, a key Samsung client.

Large-cap memory chipmakers, including Hynix and Samsung, are hurting as rising tariffs hit smartphone and server markets, although those two sectors helped boost demand for consumer electronics.

The surge is a result of a fuel oil window,

GM’s spokesperson told Reuters, adding that more than half of the new vehicles now sold are made by joint ventures.

The surge in premia is the result of a combination of strong demand in the Middle East and India, said firm Energy Aspects.

Asian fuel oil premiums surge to record as global sulphur shift looms

Bank of Japan deputy governor, Amamiya, said Japan’s economy remains “moderately and gradually” pushing up inflation to the Bank of Japan’s 2% inflation goal, which the central bank said it would achieve not later than the next fiscal year.

Bank of Japan guide shows more willingness to consider negative rates

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The result of a union between

Compared with their initial outlook last April, pre-tax expressed cash flow was down 46% and 20% lower sulphur are expected to affect OEMs, but demand for high-sulphur fuel is falling as owners are switching to fuel with lower sulphur content to comply with new regulations.

High sulphur fuel prices at a record in 2020

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Samsung sees steep plunge in Q2 profit

Samsung Electron devices smart phones, including Galaxy A20 (center), and Galaxy A10 (right), are displayed at a store inside the company’s headquarters in Seoul. The South Korean tech giant is on track to post year-on-year profit declines for a third consecutive quarter as chip prices weighed on its semiconductor and smartphone markets, although those two sectors helped boost demand for consumer electronics.

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Pakistan govt to seek advisory services from ADB for projects uplift

**Overview**

The government of Pakistan has approached the Asian Development Bank (ADB) to seek advisory services for projects in the country. ADB has already prepared a draft for the project agreement and forwarded it to the authorities concerned. The government has confirmed that the advisory services will be provided for up to 10 years after the initial agreement is signed. The 10-year period will include the project period and the post-project period.

**Key Points**
- The government has sought advisory services for projects in various sectors.
- ADB has prepared a draft for the project agreement, which has been forwarded to the authorities.
- The advisory services will cover a period of up to 10 years.
- The project period will be followed by a post-project period.

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**Official Statement**

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Deutsche Bank's investment bank chief exits in multimillion-dollar buyout

The head of Deutsche Bank's investment bank, who is set to leave at the end of this month, reportedly plans to spend a large part of his severance package on a London property. The move is seen as a sign of the bank's struggling private积极推动

Bloomberg

Deutsche Bank's investment bank chief, James von Moltke, has resigned in a multimillion-dollar buyout. The bank is said to have paid him a severance package of around £100m ($130m, €110m) to stay with the bank, according to reports. The move comes after a series of high-profile departures from the investment bank, which has struggled to maintain its profitability. Sources said that the bank had been looking to slim down its investment bank business, and that von Moltke's departure is a sign of the bank's continued efforts to do so. The move is also seen as a sign of the bank's ongoing struggle to maintain its profitability in the face of growing competition and regulatory scrutiny. Deutsche Bank's investment bank has been a key driver of the bank's profits in recent years, but has struggled to keep pace with its peers. The bank has been working to reduce its exposure to risky assets, which has helped to bolster its profits in recent years. However, the bank remains under pressure to continue to improve its profitability, and the departure of von Moltke is seen as a step in that direction.
Broadcom is said to be in advanced talks to acquire Symantec.
**Europe stocks fall as strong US jobs data clouds rate cut hopes**

Stock markets did yesterday as strong US non-farm payrolls data fuelled investor concerns about interest rates in the world’s biggest economy. Among Europe’s leading blue-chip indexes, Frankfurt’s DAX lost 1.1% to 12,296.05, Paris’s CAC 40 was down 0.9%, at 5,141.12 and London’s FTSE 100 dropped 0.9% to 7,516.14 points.

Europe's leading blue-chip indexes, however, with the US unemployment rate moving slightly higher and average earnings growth picking up from a major low last month, could weigh on forecast cuts.

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Asia bourses fluctuate as traders remain cautious

India's local bonds are loving Modis plan to sell debt abroad

Chinese currency slips on corporate dollar demand

Emerging markets edge down

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sian markets fluctuated Thursday on investor demand for a haven of sorts, amid uncertainty over the US-China trade war and tightening central bank policies. A recovery in the equities market was the most prominent development, both at home and globally.

The global market has been buoyed by the expectation of rate cuts from central banks around the world to take the edge off economies weakening on the back of the trade row. The world's biggest trading economies were mixed, with US bourses registering gains on hopes for an easing in the US-China trade row. Europe and Asia bourses fluctuated as traders remain cautious.

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Bloomberg

The Tokyo Stock Exchange trading in Japan. The Nikkei 225 closed up 0.2% to 23,180.60 points yesterday.

India's local bonds are loving Modis plan to sell debt abroad

Bloomberg

The Bombay Stock Exchange building in Mumbai. The benchmark Sensex ended down 0.1% to 38,758.83 points yesterday.

Emerging markets edge down

Emerging markets edged lower Thursday after a caution parade posted ideal of 10 years. The data was the news of several central banks committing to cut rates to cushion the impact of weak global growth on emerging markets. A gauge that measures emerging economy health weakened on the back of a lack of growth, erasing earlier gains, as a lack of business confidence and a trade row put aside for now, this week has the market assessment.

The benchmark S&P BSE Sensex dropped 9 basis points to 38,655.10, while the broader Nifty members. Twenty-five of the 31 Sensex members and 43 of the 50 Nifty stocks were down. Among the top 500 companies, more than four times as many closed down as gained. Yes Bank Ltd slumped 6.4% to 420.25 rupees, the worst performer among the Sensex and Nifty members. The Indian rupee, the worlds worst performer against the US dollar, was up.

Bloomberg

Indian equities slumped, evening earlier gains, as a stack of political risks clouded the outlook for its main equity index after the Reserve Bank of India cut interest rates in July to boost a slowing economy. The line was the news of several central banks committing to cut rates to cushion the impact of weak global growth on emerging markets. A gauge that measures emerging economy health weakened on the back of a lack of growth, erasing earlier gains, as a lack of business confidence and a trade row put aside for now, this week has the market assessment.

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Why bond markets may have overreacted on inflation

Business

For some anxious investors, bond markets have hit the grind. With yields surging to levels last seen in mid-2015, commentators are weighing the idea that bond prices are overreacting to inflation signals and could eventually be spooked by what markets are saying.

But might those markets be reading it right? If policymakers in Japan, eurozone member states and the US Federal Reserve are to be believed, bond yields have been driven higher for a different reason.

Several officials have said rising yields reflect anticipation of further rate hikes from the US central bank, which is expected to raise its benchmark借贷 rate for the sixth consecutive time in June.

This is not the only reason yields have surged. Other factors include expectations for a stronger economic growth outlook, higher oil prices and rising commodity prices.

As such, while an increase in yields may signal rising inflation expectations, it doesn’t necessarily mean market participants are forecasting higher inflation.

On the contrary, some officials have said higher yields are not necessarily a cause for concern.

“Markets are expecting more rate hikes from the Fed. If that’s the case, I think it’s not a problem. It’s a good sign that the economy is doing well,” said David James, chief economist at Commerzbank. “But if anything, it’s a bit below what we’re seeing in other parts of the world. This is good news for the US.”

James said the rise in yields was likely due to a break in the correlation between bond yields and inflation, which had been positive in recent years.

“While the US is also experiencing higher inflation, the yield curve is inverted, indicating that market participants expect lower future interest rates,” he said.

Inflation is a key concern for policymakers as it can lead to higher costs and slower economic growth. If inflation were to rise too high, central banks may need to raise interest rates to counteract it.

However, some analysts believe that the current rate hike cycle is likely to be short-lived due to the weak economic outlook in many countries.

“With economic growth slowing and inflation remaining low, central banks are likely to continue cutting interest rates to stimulate the economy,” said Michael Hewson, chief market analyst at CMC Markets.

“While higher yields may signal rising inflation expectations, they may also reflect growing confidence in central banks’ ability to keep inflation under control.”

Hewson added that while the rise in yields could be a sign of growing confidence in central banks, it could also be a sign of growing nervousness in the market.

“Markets may be pricing in the possibility of a global recession, or they may be concerned about the impact of higher interest rates on the economy,” he said.

Despite the rise in yields, some investors remain optimistic about the future of the US economy.

“Markets are pricing in a soft landing for the US economy, with the Federal Reserve expected to raise rates gradually,” said Andrew Conway, chief market analyst at BGC Partners.

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Dealmakers to the rich face a tough moment, warns UBS banker

Physicist and his financier brother net $5bn biotech IPO

UK regulator puts brake on Amazon’s Deliveroo deal

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## India's Budget is equitable

**By Srinivas Fakkirappa**

India’s Finance Minister Nirmala Sitharaman presented the Federal Budget 2019-20 on Saturday. The Union Budget targets to reduce the fiscal deficit to 3% of GDP in FY20 and 2.8% of GDP in FY21 from 3.5% in FY18. The new budget is a tax-hike package with a focus on green growth and welfare schemes. India's GDP growth is expected to grow at 7% this fiscal year (FY18-19) and 6.1% in the next fiscal year (FY19-20). Key points from the budget include:

- **Agriculture and Food:** The government plans to invest Rs 60,345 crore in agriculture and rural development. The budget aims to increase the farm gate price support to Rs 2,000 per quintal for wheat and Rs 1,500 per quintal for rice.
- **Infrastructure:** The budget allocates Rs 1.86 trillion for infrastructure development, focusing on roads, ports, airports, and railways.
- **Education:** The budget proposes to increase the allocation for education to Rs 2.44 trillion, making it the largest allocation ever.
- **Healthcare:** The budget allocates Rs 62,220 crore for healthcare, with a focus on improving primary healthcare facilities.
- **Social Security:** The budget allocates Rs 1.03 trillion for social security schemes, including pensions and insurance.
- **Fiscal Deficit:** The fiscal deficit is targeted to be 3% of GDP in FY20 and 2.8% in FY21.

## US job growth surges, but wage growth remains tepid

**By Richard Berner**

US job growth strengthened in June, but wages stagnated, as the Atlanta Fed is forecasting a 3.1% pace for Q2. Hiring has cooled from an average of 252,000 this year, down to 210,000 in May. However, the unemployment rate rose one-tenth of a percentage point to 3.7% in June from 3.6% in May. The Atlanta Fed is forecasting a 3.2% pace for Q3. The unemployment rate now stands at 3.7% as people re-enter the labour market. The pace of hiring has slowed from last year when wages were stagnant and prices ticked up in a decade, pointing to modest inflation and wage growth. Average earnings rose by 0.1% or 0.2% getting 0.5% in May. That kept the annual increase in average earnings to 3.1% for a second straight month. The unemployment rate now stands at 2.7% as people re-enter the labour market. The average workweek was unchanged at 34.4 hours in June from May.

## US nonfarm payrolls increase

226,000 in June unemployment rate at 3.7%; average hourly earnings gain 0.2% at 3.1% in June

**By Reuters**

US nonfarm payrolls increased 226,000 in June, well below expectations, as the unemployment rate held at 3.7%, a level not seen since 1969. Average hourly earnings gained 0.2% in June from May, the weakest increase in five months, while the hourly earnings growth rate remains tepid compared with inflation.

## US trade deficit narrows

**By Adithya Venugopal**

The US trade deficit narrowed in June, helped by a 2.1% decline in imports and a 0.3% increase in exports. The trade deficit narrowed to $53.4 billion in June from $53.8 billion in May, the Commerce Department said on Friday. The trade deficit has narrowed in five of the last six months, reflecting slower global growth and sluggish US domestic demand.

## BM Gold to produce in June

**By Reuters**

BM Gold announced that the company will commence production at its BM gold project in June. The company expects to achieve first gold pour in July and will ramp up to full production in September. The project has a measured and indicated resource of 4.4 million ounces of gold and 93 million ounces of silver.