India to pump 10 billion dollars into govt banks

- Announces agreement by lenders to pass onto borrowers interest rate cuts by the central bank

New Delhi, India

India said yesterday it would pump in nearly 10 billion dollars into government banks to ease liquidity crunch in Asia's third-largest economy.

"We are releasing 70,000 crore ($9.7 billion) upfront into public sector banks.... This will benefit all corporate and retail borrowers," Finance Minister Nirmala Sitharaman said at a news conference in New Delhi.

She also said she would roll back an extra fee that had been introduced in the July budget on profits from equity sales.

Sitharaman announced a slew of other steps, including an agreement by lenders to pass onto borrowers interest rate cuts by the central bank.

"People were saying that the benefit of rate reductions don't reach them at all, or reaches in trickle. There was an across the board grievance," Sitharaman said.

"This will result in reduced EMI (equated monthly instalments) for housing, vehicle, retail and other loans."

Earlier this month, India's central bank cut interest rates for the fourth time this year to a nine-year low in an attempt to boost growth, but credit has remained tight for firms and consumers.

In an effort to boost car sales Sitharaman said the ban on purchasing new vehicles by government departments would be lifted.

Gross domestic product (GDP) for the world's sixth-biggest economy grew 5.8 per cent in the final quarter of 2018, down from 6.6pc in the previous quarter.

Union Finance Minister Nirmala Sitharaman speaks as she attends a press conference along with Member of Parliament (MP) Anurag Thakur and Finance Secretary Rajiv Kumar in New Delhi

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> NIRMALA SITHARAMAN
> FINANCE MINISTER

Stock markets reverse gains as China targets US imports

London, United Kingdom

Global stock markets fell yesterday as trade war worries returned with a vengeance when China said it would target US imports worth $75 billion with new tariffs.

The new round in the bruising trade war between Washington and Beijing caused a sudden trend reversal in European markets which had been showing solid gains in the morning.

Wall Street, which had been expected to open higher, also came off to a weaker start.

US stocks were "decisively lower", said analysts at Charles Schwab, "with the threat of new tariffs on $75 billion of US goods by China causing trade fears to ramp up".

Trade blues even overshadowed excited anticipation ahead of a key speech by Federal Reserve boss Jerome Powell, which will be parsed for clues about the US central bank's plans for monetary policy.Traders were also digesting another inversion of the US yield curve Thursday, when the return on 10-year notes fell below that of two-year notes, which is seen as a sign of a possible recession.

In foreign exchange, the pound retreated against the dollar one day after spiking on hopes that Britain would exit the European Union with a deal. "As investors start to eye the central bank shindig in Jackson Hole, the pound decided to rein in the enthusiasm it displayed on Thursday," said Connor Campbell, analyst at Spreadex.

Key figures around 1335 GMT

London - FTSE 100:	▲ 0.2 pc at 7,144.75 points
Frankfurt - DAX 30:	■ at 11,742.05
Paris - CAC 40:	▼ 0.1 pc at 5,384.94
EURO STOXX 50:	■ at 3,372.42
New York - Dow:	▼ 0.4 pc at 26,137.05
Tokyo - Nikkei 225:	▲ 0.4 pc at 20,710.91 (close)
Hong Kong - Hang Seng:	▲ 0.5 pc at 26,179.33 (close)
Shanghai - Composite:	▲ 0.5 pc at 2,897.43 (close)
Pound/dollar:	▼ at $1.2205 from $1.2253 at 2040 GMT
Euro/dollar:	▼ at $1.1070 from $1.1086
Euro/pound:	▼ at 90.40 pence from 90.44 pence
Dollar/yen:	▲ at 106.43 yen from 106.42 yen
Brent North Sea crude:	▼ 99 cents at $58.93 per barrel
West Texas Intermediate:	▼ $1.40 at $53.95 per barrel