

Indices				
Global	June 2	May 30	Absolute Change	% Change
DJIA	16744	16717	26	0.16
Nasdaq	4237	4243	-5	-0.13
FTSE	6864	6845	20	0.29
Nikkei	14936	14632	304	2.07
Hang Seng	Closed	23082	NA	NA
India	June 2	May 30	Absolute Change	% Change
S&P BSE Sensex	24685	24217	468	1.93
CNX Nifty	7363	7230	133	1.83
CNX 100	7311	7181	130	1.81
CNX Bank Index	15287	14793	494	3.34
SGX Nifty	7384	7237	147	2.03
S&P BSE Power	2218	2167	52	2.38
S&P BSE SmallCap	9197	9016	181	2.01
S&P BSE Healthcare	10221	10315	-95	-0.92

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 2	18.21	1.42	20.27	1.31
Month Ago	17.41	1.48	18.72	1.42
Year Ago	17.55	1.53	17.95	1.39

Nifty – Top Out performers	% Change
L&T	6.50
BPCL	6.45
ONGC	5.66
Nifty – Top Under performers	% Change
HCL Tech	-2.52
Dr Reddy's Labs	-1.90
Sun Pharma	-1.88

Advance Decline Ratio		
	BSE	NSE
Advances	1978	1127
Declines	1013	446
Unchanged	96	35

FII / Mutual Fund data			
(Rs Cr)	May 30	MTD	YTD
FIIs	3085.60	16512.00	48615.60
Mutual Funds	343.10	105.40	-10342.80

Economic Indicators			
YoY (%)	Current	Quarter Ago	Year Ago
Monthly Inflation	5.20% (Apr-14)	5.11% (Jan-14)	4.77% (Apr-13)
IIP	-0.50% (Mar-14)	-0.16% (Dec-13)	3.50% (Mar-13)
GDP	4.60% (Jan-Mar 14)	4.60% (Oct-Dec 13)	4.40% (Jan-Mar 13)

GLOBAL INDICES

- **Dow Jones** ended slightly higher on Monday following the revision in the closely watched US ISM manufacturing index.
- **At 9.00 am in the morning**, Asian markets were trading higher with Nikkei trading 0.74% higher and 0.64% up.
- **Nikkei** rose sharply on Monday boosted by upbeat Chinese manufacturing data and speculation that the Japanese Government Pension Investment Fund might announce an increase in its domestic equity allocation this week.
- **FTSE** gained on Monday led by rebound in mining shares with the heavily-weighted Rio Tinto and Anglo American.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.27% higher.
- Indian benchmark indices rallied on Monday on hopes of some positive announcements by the RBI in its bi-monthly monetary policy review due on June 3.
- Public sector banks performed well mainly due to – a) hope of a rate cut by the central bank, and b) on news that the government is considering setting up a holding company to recapitalize banks.
- PSU banks such as United Bank of India, Bank of India, SBI, Corporation Bank, Vijaya Bank, Bank of Maharashtra, Dena Bank, IDBI Bank, Oriental Bank of Commerce, Andhra Bank, Union Bank of India, State Bank of Travancore and Central Bank of India soared 2-13%.
- Auto shares such as Maruti Suzuki, TVS Motor and Bajaj Auto ended 1-2% higher on posting upbeat vehicle sales.
- Stocks of Cox & Kings jumped 8.5% after the company announced the sale of the camping unit of its European arm to a French company for Rs.892cr.
- L&T was the topmost gainer on Nifty, rising 6.5% on brokerage upgrade.
- Oil and gas companies were among the prominent gainers with Indian Oil Corp, HPCL and BPCL, surging 1-6%, as companies raised diesel prices by 50 paise a litre.
- Meanwhile, defensive counters were among the laggards; with Wipro, ITC, Dr Reddy's Lab, Sun Pharma and HCL Tech (the top Nifty loser), falling 1.4-2.5%.

DOMESTIC NEWS

- India's growth in output of the eight core sectors jumped by 4.2% in April as compared to 2.5% in March.
- India's HSBC manufacturing Purchasing Managers' Index rose to a three-month high of 51.4 in May from 51.3 in April.
- CRISIL Research says that overhaul of the entire system through which food travels from "farm to fork" is critical to root out systemic inefficiencies and bring down food inflation in India.
- Power, Coal and Renewable Energy Minister Piyush Goyal says that said the ministry's top priority for the coming days was to light up every household in the country at right tariff.
- Odisha approves plan to fast track Rs 3,300 cr health infrastructure projects.
- Finance Ministry is contemplating raising FDI cap in insurance sector from 26% to 49% with some riders like restriction on voting right.
- Minister for Information and Broadcasting Prakash Javadekar says that the government will consider indigenisation of set top boxes before taking up phases three and four of cable television digitization.
- Finance Ministry says that Special Investigation Team set up to unearth black money held its first meeting on June 2 and decided on a roadmap ahead.
- SEBI constitutes a "Committee on Rationalization of Investment Routes and Monitoring of Foreign Portfolio Investments" comprising of various stakeholders, with a view to rationalize / harmonize different routes for foreign portfolio investments.
- PNRB lowers tariff for GAIL's Dabhol-Bangalore pipeline.
- Wipro inks an agreement with enterprise application software maker SAP under which the Indian software major will deliver managed mobility services for SAP's mobile solutions.
- Tata Power Co Ltd's subsidiary Tata Power Renewable Energy Ltd has commissioned its 25 MW solar farm in Palaswadi, Maharashtra.
- Cox & Kings has exited camping business in Europe selling the segment held by its subsidiary to French travel company Homair Vacances for about Rs 892 cr.
- SBI eyes higher share in profits from overseas business.

FII Derivative Trade Statistics – May 30

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	2463.18	2251.55	10586.79
Index Options	7370.59	7060.06	43127.58
Stock Futures	5863.95	6703.89	50364.22
Stock Options	1353.94	1282.87	1122.73
Total	17051.66	17298.37	105201.32

Derivative Statistics- Nifty Options

	June 2	May 30	Change
Put Call Ratio (Open Interest)	0.73	0.67	0.06
Put Call Ratio (Volume)	0.80	0.88	-0.08

Debt Watch	June 2	Week Ago	Month Ago	Year Ago
Call Rate	7.10%	7.75%	7.50%	7.00%
CBLO	8.73%	8.73%	8.73%	3.90%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.55%	8.55%	8.78%	7.32%
364 D T- Bill	8.65%	8.67%	8.92%	7.27%
10 Yr Gilt	8.66%	8.67%	8.81%	7.44%
G-sec Volume (Rs Cr)	25200	40700	32170	41710
1-mth CP rate	8.72%	8.45%	8.99%	8.18%
3-mth CP rate	8.82%	8.85%	9.36%	8.48%
5 yr Corp Bond	9.25%	9.28%	9.46%	8.15%
1-mth CD rate	8.58%	8.26%	8.73%	7.63%
3-mth CD rate	8.63%	8.66%	9.08%	8.13%
1 yr CD rate	9.02%	9.00%	9.20%	8.35%

Currencies Vs INR

	June 2	May 30	Change
USD	59.15	59.09	-0.06
GBP	99.02	98.91	-0.11
Euro	80.63	80.34	-0.29
100 Yen	58.01	58.10	0.09

Commodity Prices	June 2	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	102.47	104.35	99.76	91.97
London Brent Crude Oil (\$/bbl)	108.94	110.32	108.59	100.39
Gold (oz/\$)	1247	1292	1281	1395
Gold (Rs per 10 gms)	26815	27640	29770	27200

DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 8.45 point premium; it however witnessed 0.19 mn decrease in open interest.
- Put Call Ratio (open interest) rose from 0.67 on May 30 to 0.73 on June 2.
- Nifty 8000 June Call strike continued to witness the highest open interest.
- Nifty 7000 June Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 16.34 on May 30 to 16.50 on June 2.

INDIAN DEBT MARKET

- The interbank call rate ended near RBI's reverse repo rate of 7.00% at 7.05-7.10% on Monday as compared with 7.30% on Friday on subdued demand from banks amid comfortable liquidity in the banking system.
- The RBI conducted a four-day term reverse repo auction of Rs 15000 cr on Monday to suck the excess liquidity out of the banking system.
- Banks borrowed Rs 14,155 cr through the RBI's repo window on Monday as against net lending of Rs 343 cr on Friday from both LAF tenders.
- Gilt prices ended down on Monday due to caution ahead of RBI's second bi-monthly monetary policy and due to uncertainty over the government's choice of gilts for this week's auction.
- However, optimism that the central bank would keep the repo rate unchanged at 8% and value buying restricted fall in bond prices.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.66% yield on Monday as against 8.64% yield on Friday.

Currency Overview

- The rupee ended marginally lower against the US dollar on Monday on dollar purchases by state-owned banks for importers and on caution ahead of the RBI's monetary policy review on June 3.
- Dollar purchases by state-owned banks for oil companies were largely offset by gains in domestic share indices and dollar sales by foreign banks on behalf of their corporate clients.

Commodity Overview

- Crude oil prices fell 24 cents to settle at \$102.47 a barrel on the NYMEX.
- Gold prices fell due to encouraging economic data from China and US.

INTERNATIONAL NEWS

- US ISM manufacturing index rose to 55.4 in May compared to 54.9 in April.
- US Markit manufacturing PMI rose to 56.4 in May versus April's 55.4.
- US construction spending rose 0.2% in April to a seasonally adjusted annual rate of \$953.5 bn as compared with revised 0.6% gain in March.
- Eurozone Markit's final manufacturing PMI slipped to a six-month low of 52.2 in May from 53.4 in April.
- UK Markit/CIPS manufacturing PMI inched down in May to 57.0 from 57.3 in April.
- UK total net lending to individuals increased by 2.4 bn pounds in April, down from 2.8 bn pounds in March.
- Brazil HSBC Purchasing Managers' Index fell to 48.8 in May from 49.3 in April.

Source: CRISIL Research

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