

Indices				
Global	July 7	July 4	Absolute Change	% Change
DJIA	17024	Closed	-44*	-0.26*
Nasdaq	4452	Closed	-34*	-0.77*
FTSE	6824	6866	-43	-0.62
Nikkei	15379	15437	-58	-0.37
Hang Seng	23541	23546	-5	-0.02
India	July 7	July 4	Absolute Change	% Change
S&P BSE Sensex	26100	25962	138	0.53
CNX Nifty	7787	7752	36	0.46
CNX 100	7751	7720	30	0.39
CNX Bank Index	15368	15556	-189	-1.21
SGX Nifty	7792	7792	0	0.00
S&P BSE Power	2397	2370	27	1.12
S&P BSE SmallCap	10571	10508	63	0.60
S&P BSE Healthcare	11914	11819	95	0.80

*Data with respect to July 3

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
July 7	18.73	1.35	21.08	1.26
Month Ago	18.77	1.38	20.75	1.28
Year Ago	17.27	1.56	17.87	1.41

Nifty – Top Out performers	% Change
IDFC	6.34
Tata Power	3.69
TCS	3.24
Nifty – Top Under performers	% Change
IndusInd Bank	-2.37
United Spirits	-2.16
HDFC Bank	-1.89

	Advance Decline Ratio	
	BSE	NSE
Advances	1700	801
Declines	1383	770
Unchanged	93	55

FII / Mutual Fund data			
(Rs Cr)	July 4	MTD	YTD
FIIs	995.22	4419.54	63940.39
Mutual Funds	-93.10	-462.20	-7465.40

Economic Indicators			
YoY (%)	Current	Quarter Ago	Year Ago
Monthly Inflation	6.01% (May-14)	5.03% (Feb-14)	4.58% (May-13)
IIP	3.36% (Apr-14)	0.76% (Jan-14)	1.46% (Apr-13)
GDP	4.60% (Jan-Mar 14)	4.60% (Oct-Dec 13)	4.40% (Jan-Mar 13)

GLOBAL INDICES

- **Dow Jones** ended lower on Monday following selling in cyclical and small-cap stocks.
- **At 9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.46% down and Hang Seng trading 0.12% lower.
- **Nikkei** ended slightly lower on Monday as investors booked profits after the recent rally.
- **Hang Seng** index ended little changed on Monday as gains in property shares were set off by losses in recently outperforming Macau casino stocks.
- **FTSE** index fell on Monday as mining stocks retreated after metals prices dropped on speculation that the US Federal Reserve may raise rates sooner than anticipated.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.24% higher.
- Indian equity indices ended higher on Monday, closing at another record level high, owing to sustained FII buying amid optimism over the government's federal budget outcome.
- IT stocks led the rally ahead of the quarterly earnings results from Infosys. Tech counters such as TCS, Infosys, HCL Tech and Tech Mahindra rose 1.0%-3.2%.
- IDFC was the topmost gainer on Nifty, adding 6.3% on brokerage upgrade.
- Buying was witnessed in pharma shares as investors tried to de-risk their portfolio in defensive counters; with Dr Reddy's Labs and Sun Pharma, gaining 1.9% each, respectively.
- Power shares ended positive with Tata Power, NTPC and BHEL ending up 0.7%-3.7%, on hopes that the budget would provide support to the sector.
- On the other hand, banking and oil and gas stocks were among the laggards as investors trimmed their positions - IndusInd Bank (the top Nifty loser), HDFC Bank, ONGC, Kotak Mahindra, Bank of Baroda and BPCL fell 1.1-2.4%.

DOMESTIC NEWS

- PMEAC Chairman C Rangarajan defends his calculation that 3 out of 10 in India are poor; says poverty numbers provided by him are not conservative estimates, and that they are at par with global standards.
- World Bank plans to invest \$775mn in clean energy projects across India.
- Government informs the parliament that it has approved minimum monthly pension of Rs 1,000 under Employees' Pension Scheme 1995 (EPS-95) run by the EPFO.
- Government revamps natural gas allocation policy; will give city gas projects selling CNG to automobiles and piped cooking gas to house-holds top priority rather than urea-manufacturing fertilizer plants.
- RBI relaxes the rules of suppliers' and buyers' credit for importing rough, cut and polished diamonds to up to 180 days from 90 days with immediate effect.
- EPFO settles 11.94 lakh claims last month, with 34% of these being settled within three days.
- Neyveli Lignite Corporation (NLC) to expand its Mine-1 A capacity to 7 MTPA from the current 3 MTPA at an outlay of Rs 1453 cr.
- Cipla Limited to invest 100 mn pounds in its subsidiary in the UK to fund the launch of a range of drugs, as well as research and development, clinical trials and further expansion.
- Vedanta Resources mulls setting up a 5 mn tonnes per annum (mtpa) steel plant in Karnataka which may entail an investment of Rs 30,000 cr.
- Hero MotoCorp commences setting up of its \$70 mn manufacturing facility in Colombia, South America as part of its plans to expand its global footprint.
- Energy Efficiency Services Limited (EESL) to invest Rs 1,000 cr on energy conversion and efficiency measures over a period of 2-3 years in Andhra Pradesh.
- Ernst & Young LLP opens its second cyber forensics and e-discovery centre in India at Hyderabad, with the first being in Mumbai.
- CRISIL report says companies to raise at least Rs 60,000 cr through stake sale in the current fiscal, prompted by buoyant market condition.
- Standard Chartered Private Equity agrees to invest Rs 500 cr through a minority stake purchase in Sterlite Power Grid Ventures.
- Tata Motors to raise funds through fixed deposit schemes to be offered to the general public and shareholders to meet requirements of operations.
- Muthoot Finance Ltd launches new gold loan scheme called 'Muthoot Advantage Loan' offering 75% of gold value loan with an initial rate of interest of 18%.

FII Derivative Trade Statistics – July 4

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1228.76	1175.36	12030.12
Index Options	7917.12	8058.55	52856.54
Stock Futures	2404.84	3160.99	58658.32
Stock Options	1337.61	1354.31	3156.31
Total	12888.33	13749.21	126701.29

Derivative Statistics- Nifty Options

	July 7	July 4	Change
Put Call Ratio (Open Interest)	0.73	0.75	-0.02
Put Call Ratio (Volume)	0.73	0.88	-0.15

Debt Watch	July 7	Week Ago	Month Ago	Year Ago
Call Rate	9.00%	8.70%	8.40%	6.60%
CBLO	8.20%	9.08%	8.73%	6.45%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.40%	8.49%	8.45%	7.40%
364 D T- Bill	8.63%	8.65%	8.53%	7.45%
10 Yr Gilt	8.70%	8.74%	8.51%	7.50%
G-sec Volume (Rs Cr)	18025	19095	72185	25035
1-mth CP rate	8.48%	8.70%	8.67%	7.56%
3-mth CP rate	8.82%	8.69%	8.73%	8.44%
5 yr Corp Bond	9.14%	9.17%	9.09%	8.61%
1-mth CD rate	8.33%	8.55%	8.43%	7.23%
3-mth CD rate	8.55%	8.50%	8.52%	7.80%
1 yr CD rate	8.87%	8.91%	8.89%	8.20%

Currencies Vs INR

	July 7	July 4	Change
USD	60.01	59.72	-0.29
GBP	102.78	102.66	-0.12
Euro	81.39	81.32	-0.07
100 Yen	58.71	58.60	-0.11

Commodity Prices	July 7	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	103.53	105.37	102.66	103.22
London Brent Crude Oil (\$/bbl)	110.24	112.36	108.61	107.72
Gold (oz/\$)	1313	1315	1248	1213
Gold (Rs per 10 gms)	27820	28110	26700	26185

DERIVATIVES MARKET

- Nifty July (near future) rose up against the spot index with 11.45 point premium; it also witnessed 0.08 mn increase in open interest.
- Put Call Ratio (open interest) fell from 0.75 on July 4 to 0.73 on July 7.
- Nifty 8000 July Call strike continued to witness the highest open interest.
- Nifty 7500 July Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 18.16 on July 4 to 19.41 on July 7.

INDIAN DEBT MARKET

- The interbank call money rate ended near the RBI's MSF rate at 8.90-9.00% on Monday as against 7.90-8.00% on Friday on demand for funds from banks to meet service and excise tax outflows.
- Demand for funds also remained firm as banks borrowed to meet mandatory reserve requirements for the reporting fortnight.
- Banks borrowed Rs 16,229 cr at the LAF repo auction on Monday compared with net lending of Rs 4,159 cr on Friday from both LAF tenders.
- Government bond prices ended lower on Monday on expectation that the government will issue a new 10-year paper at its weekly auction this week.
- The overall appetite for gilts however remained firm ahead of the Union Budget, with participants expecting the government to announce measures for fiscal consolidation and economic reforms.
- The 10-year benchmark 8.83% 2023 bond ended at 8.70% yield on Monday as against 8.66% yield on Friday.

Currency Overview

- The rupee ended lower against the dollar on Monday on account of dollar demand by importers.
- A lack of dollar inflows following a public holiday in the United States on July 4 weighed on the rupee.
- Dollar sales by foreign banks however kept the local currency supported.

Commodity Overview

- Crude oil prices fell 53 cents to settle at \$103.53 a barrel on the NYMEX.
- Gold prices fell due to stronger dollar and speculation of an earlier-than-expected hike in U.S. interest rates following strong jobs data.
- NCDEX introduces direct delivery refined soy oil futures contract with modified contract specifications.

INTERNATIONAL NEWS

- Euro zone Sentix investor confidence rose to 10.1 in July from a reading of 8.5 in June.
- Japan's exports rose 2% in May from a year ago, slower than a 6.2% annual gain in April, while imports fell an annual 0.4%, following a 6.6% annual increase in April; as a result, the trade deficit in May narrowed to 675.9bn yen.
- Japan's current account surplus came in at 522.8bn yen in May, compared with a surplus of 187.4 billion yen in April.
- Japan's leading index fell more-than-expected to 105.7 in May, the lowest score since February 2013, from 106.5 in April; its coincident index remained unchanged at 111.1 in May.

Source: CRISIL Research

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