

Indices

Global	June 13	June 12	Absolute Change	% Change
DJIA	16776	16734	42	0.25
Nasdaq	4311	4298	13	0.30
FTSE	6778	6843	-65	-0.95
Nikkei	15098	14974	124	0.83
Hang Seng	23319	23175	144	0.62
India	June 13	June 12	Absolute Change	% Change
S&P BSE Sensex	25228	25576	-348	-1.36
CNX Nifty	7542	7650	-108	-1.41
CNX 100	7474	7596	-122	-1.61
CNX Bank Index	15107	15465	-358	-2.31
SGX Nifty	7546	7688	-142	-1.85
S&P BSE Power	2222	2303	-81	-3.53
S&P BSE SmallCap	9675	9985	-311	-3.11
S&P BSE Healthcare	10760	10815	-54	-0.50

P/E, Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 13	18.53	1.39	20.55	1.28
Month Ago	18.44	1.41	19.67	1.36
Year Ago	16.73	1.61	17.20	1.45

Nifty – Top Out performers	% Change
HCL Tech	2.29
Tech Mahindra	1.13
HUL	0.77
Nifty – Top Under performers	% Change
DLF	-8.12
BPCL	-4.89
Hero Motocorp	-4.62

Advance Decline Ratio	BSE	NSE
	Advances	935
Declines	2166	1282
Unchanged	68	48

FII / Mutual Fund data			
(Rs Cr)	June 12	MTD	YTD
FIIs	2493.97	9767.25	58382.85
Mutual Funds	54.00	-846.10	-11188.90

Economic Indicators			
YoY (%)	Current	Quarter Ago	Year Ago
Monthly Inflation	5.20% (Apr-14)	5.11% (Jan-14)	4.77% (Apr-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** edged higher on Friday buoyed by a rally in shares of Intel Corp, and some corporate deals.
- **At 9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.62% lower and Hang Seng 0.09% down.
- **Nikkei** ended higher on Friday as weaker yen and bargain hunting wiped out the earlier losses due to Iraq worries.
- **Hang Seng** index ended higher on Friday as shares of Chinese banks rallied after announcing better-than-expected May lending data.
- **FTSE** index fell sharply on Friday on worries about a sooner than anticipated interest rate hike, and escalating tensions in Iraq.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.12% lower.
- Domestic equity indices fell sharply on Friday due to rising turmoil in Iraq.
- Markets erased earlier gains, made on the back of positive domestic IIP and inflation numbers.
- Sentiments were also hit as rupee weakened against the dollar.
- Oil and gas companies ended weak after the crude oil prices rose to nine-month high, as the rising crude oil prices will spur inflation and widen the nation's trade deficit; with HPCL, IOC, BPCL, GAIL, Oil India and ONGC, losing 1.4-4.9%.
- Aviation stocks were also among the laggards as escalating crude oil prices are likely to further hit their already weak margins; with Kingfisher Airlines, Jet Airways India and SpiceJet, falling 4-6%.
- Public sector banks remained under pressure with Dhanlaxmi Bank, United Bank of India, Bank of India, SBI, Bank of Baroda and PNB, tumbling 2.5-8.0%.
- Metal stocks closed in red led by SAIL, tumbling 6.8%, following news of gas leakage at its Bhilai steel plant.
- Meanwhile, select IT and pharma stocks were among the prominent gainers on Nifty; with HCL Tech (the top Nifty gainer), Tech Mahindra, HUL, Dr Reddy's Labs, Infosys and United Spirits, adding 0.2-2.3%.

DOMESTIC NEWS

- India's foreign exchange reserves rose \$203 mn to \$312.586 bn in the week to June 6.
- According to RBI data, India's service exports in April stood at \$13.63bn, compared with \$14.32bn in March.
- Finance Ministry approves a much trimmed down special banking loan facility of Rs 7,000 cr for fertiliser ministry to pay indigenous urea plants.
- Union Petroleum Minister says the price of domestic LPG cylinders will not be increased and the number of subsidised refills given to consumers will continue.
- Central Board of Direct Taxes (CBDT) raises cost inflation index for FY15 by 9.05%; in the previous fiscal, the cost inflation index increased 10.2%.
- Government mulls setting up fast-track courts to try loan default cases of over Rs 100 cr as part of a plan to reduce the pileup of bad loans at state-run banks.
- Government is in the process of setting up a mechanism to ensure delivery of pension funds at the doorstep of retirees besides ensuring that pension payment order is handed over on the retirement day itself.
- RBI to launch Inflation Indexed Bonds with revised features to attract more retail investors.
- RBI allows FIIs to buy up to 49% of the paid-up capital of Idea Cellular.
- Life Insurance Corporation of India is reportedly looking to invest up to Rs 3.5 lakh crore in FY15 in debt and equities. Of this, it is expected that Rs 40,000-50,000 cr will be put into the equities market.
- BHEL commissions 68 MW unit at the Rampur Hydro Electric Project in Himachal Pradesh.
- Tata group lines up capital expenditure worth over Rs 65000 cr for the current fiscal.
- Ashok Leyland receives an order for supplying 2,200 buses to Sri Lanka.
- iGate enters into a contract with US based commercial insurance provider CNA to implement transformational technology and best practice processes.
- Bank of India seeks shareholders' approval to raise about Rs 4000 cr by selling shares on a rights basis and another Rs 5745 cr through bonds.
- Central Bank of India to raise Rs 540 cr by selling stake on preferential basis to LIC.
- Bain Capital sells 2.81% stake in Hero MotoCorp for Rs 1481 cr.

FII Derivative Trade Statistics – June 12

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1977.99	1900.37	12698.68
Index Options	16411.24	16550.15	61232.75
Stock Futures	4081.15	3573.05	56843.85
Stock Options	3565.99	3644.61	3876.06
Total	26036.37	25668.18	134651.34

Derivative Statistics- Nifty Options

	June 13	June 12	Change
Put Call Ratio (Open Interest)	0.83	0.88	-0.05
Put Call Ratio (Volume)	1.10	0.98	0.12

Debt Watch	June 13	Week Ago	Month Ago	Year Ago
Call Rate	8.75%	8.40%	9.00%	7.30%
CBLO	8.73%	8.73%	8.73%	#N/A
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.48%	8.45%	8.84%	7.44%
364 D T- Bill	8.58%	8.53%	8.86%	7.34%
10 Yr Gilt	8.60%	8.51%	8.78%	7.55%
G-sec Volume (Rs Cr)	38565	72185	36470	40945
1-mth CP rate	8.72%	8.67%	8.87%	8.37%
3-mth CP rate	8.79%	8.73%	9.31%	8.60%
5 yr Corp Bond	9.07%	9.09%	9.43%	8.33%
1-mth CD rate	8.52%	8.43%	8.68%	8.12%
3-mth CD rate	8.56%	8.52%	8.99%	8.18%
1 yr CD rate	8.90%	8.89%	9.12%	8.38%

Currencies Vs INR

	June 13	June 12	Change
USD	59.76	59.25	-0.51
GBP	100.93	99.68	-1.25
Euro	80.71	80.30	-0.41
100 Yen	58.28	58.13	-0.15

Commodity Prices	June 13	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	106.91	102.66	101.70	96.69
London Brent Crude Oil (\$/bbl)	113.41	108.61	109.24	104.25
Gold (oz/\$)	1273	1248	1297	1385
Gold (Rs per 10 gms)	27170	26700	29535	27925

DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 17.90 point premium; it however witnessed 1.56 mn decrease in open interest.
- Put Call Ratio (open interest) fell from 0.88 on June 12 to 0.83 on June 13.
- Nifty 8000 June Call strike continued to witness the highest open interest.
- Nifty 7500 June Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 16.90 on June 12 to 17.76 on June 13.

INDIAN DEBT MARKET

- The interbank call money rate ended higher near the RBI's MSF rate at 8.70-8.75% on Friday as against 7.00-7.05% on Thursday as banks borrowed funds to meet weekend reserve needs.
- Demand for funds was also elevated as banks borrowed to make advance tax payments over the weekend.
- Banks borrowed Rs 14,125 cr at the LAF repo auction on Friday compared with net borrowing of Rs 7,834 cr on Thursday from both LAF tenders.
- Government bond prices ended sharply down on Friday on the back of rising global crude oil prices which hit nine month highs because of escalating tensions in Iraq.
- Profit sales and concerns that the government may decide to not increase FIIs' investment limits in gilts also weighed on prices.
- Data released on June 12 which showed that retail inflation for India had eased in May however brought some cheer to investors earlier in the session and helped cut some losses.
- Value buying during the session also lent some support to gilts.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.60% yield on Friday as against 8.55% yield on Thursday.

Currency Overview

- The rupee ended at a one month low against the dollar on Friday as investors took to safe-haven assets concerned by rising crude oil prices and geopolitical tensions in Iraq.
- Significant intraday dollar purchases by oil importers and for making defence-related payments pulled the local unit down further.

Commodity Overview

- Crude oil prices rose 38 cents to settle at \$106.91 a barrel on the NYMEX.
- Gold prices rose as turmoil in Iraq boosted metal's safe-haven appeal.

INTERNATIONAL NEWS

- US Thomson Reuters/University of Michigan's preliminary June reading on the overall index on consumer sentiment came in at 81.2, down from 81.9 the month before.
- Euro zone's trade balance for April stood at a surplus of 15.7 bn euros compared to a surplus of 16.7 bn euros for March.
- Employment in the Euro zone increased by a seasonally-adjusted rate of 0.1% in Q1 2014, the same growth rate as the previous quarter (Q4 2013).
- Japan's central bank to continue its current policy of monetary easing to overcome deflation; will conduct money market operations so that the monetary base will increase at an annual pace of about 60-70 tn yen.
- Japan's industrial output rose by 3.8% in April following a 6.4% increase in March.
- China's industrial production rose 8.8% in May up from 8.7% in April.
- China's retail sales rose 12.5% on year in May from 11.9% in the preceding month.

Source: CRISIL Research

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