

Markets for you

17 June, 2014

Indices				
Global	June 16	June 13	Absolute Change	% Change
DJIA	16781	16776	5	0.03
Nasdaq	4321	4311	10	0.24
FTSE	6755	6778	-23	-0.34
Nikkei	14933	15098	-165	-1.09
Hang Seng	23301	23319	-19	-0.08
India	June 16	June 13	Absolute Change	% Change
S&P BSE Sensex	25190	25228	-38	-0.15
CNX Nifty	7534	7542	-9	-0.11
CNX 100	7469	7474	-5	-0.07
CNX Bank Index	15030	15107	-77	-0.51
SGX Nifty	7564	7546	18	0.24
S&P BSE Power	2227	2222	5	0.24
S&P BSE SmallCap	9704	9675	30	0.31
S&P BSE Healthcare	10839	10760	79	0.73

P/E, Dividend Yield				
	Sensex		Nifty	
Date	P/E	Div. Yield	P/E	Div. Yield
June 16	18.46	1.40	20.53	1.28
Month Ago	18.79	1.38	19.93	1.34
Year Ago	16.98	1.59	17.53	1.43

Nifty – Top Out performers		% Change
GAIL		4.30
BPCL		3.72
DLF		2.71
Nifty – Top Under performers		% Change
M&M		-2.51
Axis Bank		-2.47
L&T		-2.10

Advance Decline Ratio		
	BSE	NSE
Advances	1356	693
Declines	1614	844
Unchanged	99	70

FII / Mutual Fund data			
(Rs Cr)	June 13	MTD	YTD
FII's	1250.17	11017.42	59633.02
Mutual Funds	NA	-846.10*	-11188.90*

*Data as on June 12

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** closed marginally higher on Monday as gains due to some corporate deals and upbeat domestic housing market data were cut short by rising conflict in Iraq.
- At 9.00 am in the morning**, Asian markets were trading mixed with Nikkei trading 0.50% higher and Hang Seng 0.31% down.
- Nikkei** index ended lower on Monday dragged down by stronger yen and rising crude oil prices amid escalating tensions in Iraq.
- Hang Seng** index closed marginally lower on Monday as investors exercised caution ahead of the conclusion of the US Federal Reserve meeting on Wednesday.
- FTSE** index ended lower on Monday on escalating tensions in Iraq.

INDIAN EQUITY MARKET

- At 9.00 am in the morning**, the SGX Nifty was trading 0.21% lower.
- Indian equity indices ended slightly lower on Monday amid high volatility as investors abstained from taking bets due to growing uncertainties in Iraq and poor domestic inflation numbers.
- Sectors such as auto and capital goods continued to witness selling pressure while those of realty and oil and gas rebounded on bargain buying.
- Stocks of SBI, PNB, RIL, Tata Motors, HDFC, L&T, Axis Bank, and M&M (the top Nifty loser) were succumbed to profit booking, falling 0.9-2.5%.
- GAIL gained the most on Nifty, rising 4.3% on brokerage upgrade.
- Shares of BPCL, HPCL and Indian Oil Corp added 0.7-3.7%.
- Export-oriented companies benefited from weaker rupee; with ITC, Wipro, Infosys, Sun Pharma and TCS, gaining 1.1-2.5%.

DOMESTIC NEWS

- India's wholesale price index (WPI)-based inflation rose to a five-month high of 6.01% in May against 5.20% in the previous month, driven by costlier protein-based items, fuel and some manufactured products.
- Department of Electronics and IT approves an incubation centre for electronics start ups called Electropreneur Park to encourage domestic manufacturing of electronics.
- RBI tightens anti-money laundering norms by asking companies to appoint a designated director who can impose fines of up to Rs 1 lakh for violation of the law.
- RBI accepts the Nachiket Mor committee's recommendations on introducing payment banks – specialized banks to provide services to small businesses.
- SEBI decides to conduct a nationwide survey to take stock of the savings and investment trends among the Indian households and find out the impact and changing dynamics of securities market.
- SEBI asks designated depository participants to share information about foreign portfolio investors with banks, as part of efforts to harmonise KYC norms.
- SEBI may relax restrictions on sale of bonus shares held by promoters or other investors during an IPO, even if these shares have been held for less than a year.
- IRDA allows insurers to invest in interest rate derivatives for hedging against interest rate risks in their transactions.
- Mahindra Group forays into the affordable housing space through its property development arm Mahindra Lifespaces (MLDL).
- Wipro wins an IT applications and infrastructure contract from Australian convenience store chain 7-Eleven.
- A consortium led by GMR Infrastructure Limited wins orders worth Rs 389 cr for rail line doubling of Multi Modal Transport System (MMTS) in Andhra Pradesh.
- A Moody's report says the RBI's recent guidelines on liquidity risk management are credit positive for banks.
- A report by Fitch indicates state-run banks are likely to face asset quality woes despite recent fall in non-performing loans.
- Industry body CII suggests a five-point plan to revive India's NBFC sector; also sets up an online credit support centre to facilitate easier finance to SMEs.
- Shareholders of YES Bank approve the board's decision to raise \$500 mn capital to support its growth plans.

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FII Derivative Trade Statistics – June 13			
(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1994.87	2569.63	13350.72
Index Options	17791.32	16860.85	63354.86
Stock Futures	3888.55	3436.01	54452.64
Stock Options	3887.64	3936.03	4047.43
Total	27562.38	26802.52	135205.65

Derivative Statistics- Nifty Options			
	June 16	June 13	Change
Put Call Ratio (Open Interest)	0.83	0.83	0.00
Put Call Ratio (Volume)	0.95	1.10	-0.15

Debt Watch	June 16	Week Ago	Month Ago	Year Ago
Call Rate	8.75%	8.00%	7.50%	7.20%
CBLO	8.73%	8.73%	8.73%	7.04%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.50%	8.45%	8.73%	7.39%
364 D T- Bill	8.60%	8.54%	8.80%	7.27%
10 Yr Gilt	8.65%	8.55%	8.83%	7.53%
G-sec Volume (Rs Cr)	30925	63035	52985	42225
1-mth CP rate	8.79%	8.75%	8.72%	8.30%
3-mth CP rate	8.81%	8.78%	9.20%	8.59%
5 yr Corp Bond	9.12%	9.08%	9.35%	8.29%
1-mth CD rate	8.59%	8.50%	8.52%	8.12%
3-mth CD rate	8.60%	8.54%	8.88%	8.20%
1 yr CD rate	8.90%	8.89%	9.07%	8.38%

Currencies Vs INR			
	June 16	June 13	Change
USD	60.15	59.76	-0.39
GBP	102.00	100.93	-1.06
Euro	81.25	80.71	-0.54
100 Yen	58.96	58.28	-0.68

Commodity Prices	June 16	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	106.90	104.41	102.02	97.85
London Brent Crude Oil (\$/bbl)	112.94	109.99	109.75	105.93
Gold (oz/\$)	1276	1254	1292	1391
Gold (Rs per 10 gms)	27620	26660	29050	27695

DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 25.65 point premium; it however witnessed 0.17 mn decrease in open interest.
- Put Call Ratio (open interest) remained unchanged at 0.83 on June 16.
- 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 17.76 on June 13 to 17.98 on June 16.

INDIAN DEBT MARKET

- The interbank call money rate ended firm near the RBI's MSF rate at 8.60-8.75% on Monday as against 8.70-8.75% on Friday on strong demand for funds from banks for making advance tax payments.
- The call money rate also remained high as banks borrowed to meet their daily reserve needs.
- Banks borrowed Rs 21,810 cr at the LAF repo auction on Monday compared with net borrowing of Rs 13,282 cr on Friday from both LAF tenders.
- Government bond prices ended sharply lower on Monday with yield of the benchmark paper rising to a two week high as the market absorbed weak wholesale inflation figures for May.
- Data released showed that inflation measured by the Wholesale Price Index had risen to a five month high of 6.01% in May from 5.20% in April, dashing hopes of an interest rate cut by the RBI.
- Continuing geopolitical tensions in Iraq pushed crude oil prices up and weighed on gilt prices.
- Lack of purchase interest by FIIs after they hit their investment limit last week also impacted gilts.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.65% yield on Monday as against 8.60% yield on Friday.

Currency Overview

- The rupee ended at a six week low against the dollar on Monday on the back of weak domestic wholesale inflation data for May.
- Dollar demand by oil importers also weighed on the rupee.
- Dollar sales by state-owned and foreign banks helped the local unit cut its losses slightly.

Commodity Overview

- Crude oil prices fell 1 cent to settle at \$106.90 a barrel on the NYMEX.
- Gold prices ended higher on safe-buying amid Iran and Ukraine crisis.

INTERNATIONAL NEWS

- IMF cuts US growth outlook for 2014 to 2% from the 2.8% it predicted in April, due to a weak first quarter.
- US industrial production rose 0.6% in May after a 0.3% drop in April; capacity utilization ticked up 0.2% to 79.1% in May.
- US NAHB Housing Market Index rose to 49 in June from 45 in May.
- US Empire State Manufacturing Index rose to 19.28 in June from 19.01 in May.
- US Treasury Department said that net foreign sales of long-term securities totaled \$24.2 bn in April, compared with net purchases of \$4.1 bn in March.
- Annual inflation in the Euro zone fell to 0.5% in May from 0.7% in April.

Source: CRISIL Research

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