

Indices				
Global	June 11	June 10	Absolute Change	% Change
DJIA	16844	16946	-102	-0.60
Nasdaq	4332	4338	-6	-0.14
FTSE	6839	6874	-35	-0.50
Nikkei	15069	14995	75	0.50
Hang Seng	23257	23316	-58	-0.25
India	June 11	June 10	Absolute Change	% Change
S&P BSE Sensex	25474	25584	-110	-0.43
CNX Nifty	7627	7656	-30	-0.39
CNX 100	7578	7619	-41	-0.54
CNX Bank Index	15451	15428	23	0.15
SGX Nifty	7611	7663	-52	-0.68
S&P BSE Power	2295	2360	-65	-2.75
S&P BSE SmallCap	9950	10017	-67	-0.67
S&P BSE Healthcare	10666	10596	70	0.66

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 11	18.76	1.38	20.78	1.28
Month Ago	17.88	1.43	19.10	1.41
Year Ago	17.00	1.58	17.47	1.43

Nifty – Top Out performers	% Change
Infosys	3.84
Kotak Mahindra	3.16
TCS	2.26
Nifty – Top Under performers	% Change
DLF	-5.29
Tata Power	-4.93
Hindalco	-4.18

	Advance Decline Ratio	
	BSE	NSE
Advances	1647	691
Declines	1487	897
Unchanged	70	37

FII / Mutual Fund data			
(Rs Cr)	June 10	MTD	YTD
FIIs	771.77	7324.39	55939.99
Mutual Funds	-556.00	-802.40	-11145.20

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** fell sharply on Wednesday after the World Bank cut the global growth forecast, saying that the winter in the US and the Russia-Ukraine conflict pulled down growth in the US and Europe during the first quarter.
- **At 9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.77% lower and Hang Seng 0.26% down.
- **Nikkei** index ended higher on Wednesday on tracking overnight gains on the Wall Street.
- **Hang Seng** index closed lower on Wednesday as investors booked profits after recent gains.
- **FTSE** index declined on Wednesday, weighed down by stocks going ex-dividend, and a dip in shares of Rolls-Royce following the cancellation of a huge order.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.25% higher.
- Indian equity benchmarks ended lower on Wednesday led by losses in real estate, power and metal stocks.
- Power sector witnessed weakness with shares of Power Grid Corp of India, RPower, Tata Power and CESC falling 1.50-4.93%.
- Real estate major DLF (Worst Performer on the Nifty) lost momentum for the second consecutive day, down 5.29%.
- Metal companies such as Hindalco, Tata Steel and Jindal Steel tumbled 1.66-4.18%.
- Profit booking and rating downgrade weighed on cement shares, with UltraTech Cement declining 0.80%.
- Stocks such as ACC, Ambuja Cements, Shree Cement and India Cements closed down 0.55-1.48%.
- IT major Infosys was the top gainer on the Nifty rising 3.84% on talks that the company is planning a share buyback and that the former Chief Executive Officer Nandan Nilekani might return to the company.
- Banking stocks such SBI, HDFC Bank, Axis Bank, Kotak Mahindra and Bank of Baroda gained 0.37-3.16%.

DOMESTIC NEWS

- India's trade deficit rose to a 10-month high of \$11.23 bn in May compared to \$10.09 bn in April; the trade deficit a year ago was \$19.37 bn. Exports in May rose to \$28 bn while imports dipped to \$39.23 bn.
- Senior IMF official Thomas J Richardson suggests India should continue to gradually bring down the fiscal deficit and usher in fuel subsidy reforms to bolster economic growth; the agency sees the Indian economy recovering to a potential growth of 6.75% to 7% in the coming years.
- Foreign Investment Promotion Board clears 26 FDI proposals including that of Italian luxury retailer Bulgari, Stephano Ricci and Walt Disney.
- Government approves a hike in the threshold for mandatory PF savings to Rs 15,000 a month from Rs 6,500 earlier.
- Government cashes in 228 mn euros in bank guarantees from the scrapped helicopter deal with Finmeccanica.
- RBI issues guidelines for audit of banks' Information Systems (IS).
- Sahara Group makes a partial payment of Rs 3000 cr to SEBI after the Supreme Court lifted a freeze on its assets.
- Canada-based Brookfield Property enters into an agreement with Unitech Corporate Park (UCP) for acquiring its subsidiary Candor Investments in a deal worth around Rs 2,000 cr.
- Japanese pharma major Meiji Holdings buys Bangalore-based pharma firm Medreich for \$290mn.
- Tech Mahindra enters into a global services alliance agreement with HPS, a Morocco-based provider of solutions to the cards and payments industry.
- Ashapura Minechem plans to acquire Orient Abrasive for Rs 400 cr.
- Lodha Group ties up with IBM to manage its planned megacity Palava's smart city infrastructure.
- BSE pitches for reduction in securities transaction tax and rationalise the taxation norms for different financial products to attract more investors into the stock market.
- SBI rejects SREI Infrastructure's bid to buy a power plant built by the Abhijeet Group of companies and invites fresh bids as the previous one undervalued the assets.

FII Derivative Trade Statistics – June 10

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1953.21	2912.81	12494.96
Index Options	12190.03	12353.83	59644.49
Stock Futures	3775.86	3506.87	58404.81
Stock Options	2288.47	2262.98	3559.26
Total	20207.57	21036.49	134103.52

Derivative Statistics- Nifty Options

	June 11	June 10	Change
Put Call Ratio (Open Interest)	0.86	0.86	0.00
Put Call Ratio (Volume)	1.05	0.96	0.09

Debt Watch	June 11	Week Ago	Month Ago	Year Ago
Call Rate	7.25%	8.35%	9.00%	7.15%
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	8.49%	8.45%	8.81%	7.45%
364 D T- Bill	8.55%	8.57%	8.82%	7.36%
10 Yr Gilt	8.54%	8.59%	8.75%	7.53%
G-sec Volume (Rs Cr)	47150	49490	45240	47065
1-mth CP rate	8.83%	8.66%	8.75%	8.33%
3-mth CP rate	8.79%	8.77%	9.30%	8.54%
5 yr Corp Bond	9.12%	9.14%	9.42%	8.30%
1-mth CD rate	8.61%	8.48%	8.57%	8.08%
3-mth CD rate	8.58%	8.54%	9.00%	8.15%
1 yr CD rate	8.88%	8.90%	9.17%	8.35%

Currencies Vs INR

	June 11	June 10	Change
USD	59.27	59.29	0.02
GBP	99.42	99.63	0.21
Euro	80.32	80.59	0.27
100 Yen	57.99	57.95	-0.04

Commodity Prices	June 11	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	104.40	102.64	99.99	95.38
London Brent Crude Oil (\$/bbl)	109.95	108.40	107.89	102.97
Gold (oz/\$)	1262	1245	1291	1374
Gold (Rs per 10 gms)	26800	26750	29830	27710

DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 10.30 point premium; it however witnessed 0.01 mn decrease in open interest.
- Put Call Ratio (open interest) remained unchanged at 0.86 on June 11.
- Nifty 8000 June Call strike continued to witness the highest open interest.
- Nifty 7500 June Put strike witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 16.66 on June 10 to 17.06 on June 11.

INDIAN DEBT MARKET

- The interbank call money rate ended firm at 7.10-7.25% on Wednesday as against 7.00-7.20% on Tuesday as demand for funds tapered in the later part of the session after banks met their funding requirements.
- Earlier in the session, overnight borrowing rates had risen above the RBI repo rate on strong demand from banks to meet their reserve needs and also due to subdued lending.
- Banks borrowed Rs 18,422 cr at the LAF repo auction on Wednesday compared with net borrowing of Rs 15,660 cr on Tuesday from both LAF tenders.
- Gilt prices ended up on Wednesday on the expectation that foreign institutional investors (FIIs) will resume bond purchases after SEBI auctioned the remainder of the unutilized investment limits.
- Media reports that the government would issue a new 10 year bond only after the Union budget supported the benchmark paper.
- Some gains were cut however as sentiment was hurt by the absence of FII activity.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.54% yield on Wednesday as against 8.56% yield on Tuesday.

Currency Overview

- The rupee ended marginally higher against the dollar on Wednesday on foreign banks' dollar sales towards the end of the session.
- Further gains were cut by state owned banks' dollar purchases.

Commodity Overview

- Crude oil prices rose 5 cents to settle at \$104.40 a barrel on the NYMEX.
- US crude oil inventories fell 2.6mn barrels to 386.9mn barrels for the week ended June 7.
- Gold prices ended higher due to weakness in the equity markets.
- Gold imports in May dipped by 72% to \$2.19 bn, as against \$7.7 bn in May 2013.

INTERNATIONAL NEWS

- World Bank lowers its forecast for the world economic growth to 2.8% this year, below its prior forecast of 3.2% because of a harsh US winter and the impact of the Ukraine crisis.
- World Bank cuts its growth forecast for the US to 2.1% this year from 2.8% forecasted earlier as the harsh winter took a toll on the country's growth.
- US government recorded a budget deficit of \$130bn in May, 6% lower than in the same month last year.
- World Bank estimates the Eurozone to grow 1.1% this year after shrinking in 2012 and 2013.
- UK's unemployment rate fell to 6.6% in the three months to April from 6.8% in the previous three months.
- Japan's BSI (Large) All Industry Index was down 14.6% for the second quarter after rising 12.7% in the first quarter.

Source: CRISIL Research

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