

Markets for you

3 November, 2014

Indices				
Global	Oct 31	Oct 30	Absolute Change	% Change
DJIA	17391	17195	195	1.13
Nasdaq	4631	4566	65	1.41
FTSE	6546	6464	83	1.28
Nikkei	16414	15658	756	4.83
Hang Seng	23998	23702	296	1.25
India	Oct 31	Oct 30	Absolute Change	% Change
S&P BSE Sensex	27866	27346	520	1.90
CNX Nifty	8322	8169	153	1.87
CNX 100	8257	8108	149	1.84
CNX Bank Index	17045	16760	285	1.70
SGX Nifty	8382	8170	212	2.59
S&P BSE Power	2166	2125	41	1.94
S&P BSE SmallCap	10931	10827	103	0.96
S&P BSE Healthcare	14354	14116	238	1.69

P/E, Dividend Yield				
	Sensex		Nifty	
Date	P/E	Div. Yield	P/E	Div. Yield
Oct 31	19.05	1.22	21.58	1.27
Month Ago	18.24	1.28	20.82	1.31
Year Ago	18.27	1.40	18.18	1.46

Nifty – Top Out performers		% Change
IDFC		5.43
HDFC		3.87
L&T		3.61
Nifty – Top Under performers		% Change
Bharti Airtel		-2.11
Zee Entertain		-0.89
NA		NA

Advance Decline Ratio		
	BSE	NSE
Advances	1775	1008
Declines	1223	528
Unchanged	114	75

FII / Mutual Fund data			
(Rs Cr)	Oct 30	MTD	YTD
FII	1450.36	-1014.38	82005.51
Mutual Funds	293.50	5487.10	14676.60

Economic Indicators			
YoY (%)	Current	Quarter Ago	Year Ago
Monthly Inflation	2.38% (Sep-14)	5.66% (Jun-14)	7.05% (Sep-13)
HIP	0.40% (Aug-14)	5.60% (May-14)	0.40% (Aug-13)
GDP	5.70% (Apr-Jun 14)	4.60% (Jan-Mar 14)	4.70% (Apr-Jun 13)

GLOBAL INDICES

- Dow Jones** closed at record highs on Friday buoyed by the Bank of Japan's decision to expand its stimulus measures.
- At 9.00 am in the morning**, Asian markets were trading lower with Hang Seng 0.15% down.
- Nikkei** index rose sharply on Friday after Bank of Japan (BoJ) surprisingly expanded its monetary easing measures and reports that the domestic government pension fund to increase its allocation in local and foreign stocks.
- Hang Seng** index ended higher on Friday following upbeat economic growth data from US and Bank of Japan's monetary easing decision.
- FTSE** index closed higher on Friday after the Bank of Japan unexpectedly announced more stimulus measures to support the Japanese economy.

INDIAN EQUITY MARKET

- At 9.00 am in the morning**, the SGX Nifty was trading 0.40% higher.
- Domestic equity indices rose sharply on Friday, closing at record high, bolstered by solid corporate earnings and strong FII inflows.
- Sentiments were also boosted after the Bank of Japan introduced of its massive stimulus programme.
- Stocks of NHPC rose 3.3% after the government approved equity infusion of Rs.1605cr into Chenab Valley Power Projects Pvt Ltd.
- GAIL rose 3.6% as the company posted better-than-expected earnings results.
- M&M ended 1.4% higher on posting strong earnings results.
- Among others, Hindustan Construction, Gateway Distriparks and Whirlpool advanced 4-11%, on reporting positive Jul-Sept earnings.
- Stocks of Bharti Airtel (the top Nifty loser) and Zee Entertain were the only laggards on Nifty, falling 2.1% and 0.9%, respectively.

DOMESTIC NEWS

- India's core sector growth in September plummeted to 1.9%, the slowest pace in eight months, against 9% in the same month last year due to fall in output of crude oil, natural gas, refinery products and fertiliser.
- India's fiscal deficit was Rs 4.39 tn (\$71.5 bn) during April-September, or 82.6% of the full-year target, compared to a deficit of 76% during the comparable period in the previous fiscal.
- Finance Minister Arun Jaitley says increased tax refunds in the current financial year is leading to higher fiscal deficit.
- India forex reserves shot up by \$495.5 mn to \$314.18 bn in the week to October 24.
- Ministry of Petroleum and Natural Gas constitutes a panel to roll out the Make in India campaign in the oil and gas industry.
- Finance Commission gets two month extension to submit report on the devolution of funds from the Centre to the states.
- Government to modernise 350 toll plazas across the country with electronics facility and make highways with less than Rs 50 cr investment toll-free.
- Telecom Commission to meet on November 7 to discuss next round of spectrum auction along with broadband project and TRAI's recommendation on indoor wireless telephony.
- SEBI slaps a fine totalling Rs 34 lakh on six entities for failure to make shareholding disclosures within the stipulated timeline.
- IRDA comes out with a new product planner rule under which an insurer can file only five products for approval in a year.
- IRDA warns that a low interest rate regime could pose a challenge for insurance companies in giving good returns to policy holders.
- Oil marketing companies cut petrol prices by Rs 2.41 a litre and diesel by Rs 2.25 a litre, including taxes.
- Future Group forms a joint venture with Tesco-owned data analytics company Dunhumby for its retail operations.
- TCI Sanmar Chemicals plans to invest around \$150 mn in Egypt.
- Autodesk to invest up to \$100mn in 3D printing companies over the next several years.
- Tata International raises \$150mn Singapore dollars in an overseas bond issue.
- IDFC plans to treble its headcount in the next 11 months as it prepares to start its banking operations from October 2015.
- ICICI Bank and Axis Bank announce partnership for the launch of the Electronic Toll Collection (ETC) programme on the National Highway 8 (NH-8).

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FII Derivative Trade Statistics – Oct 30			
(Rs Cr)	Buy	Sell	Open Interest
Index Futures	5899.35	4612.86	13928.90
Index Options	25953.77	22195.36	50326.69
Stock Futures	12792.33	12261.08	43825.77
Stock Options	1212.82	1018.61	85.09
Total	45858.27	40087.91	108166.45

Derivative Statistics- Nifty Options			
	Oct 31	Oct 30	Change
Put Call Ratio (Open Interest)	0.93	1.32	-0.40
Put Call Ratio (Volume)	0.92	1.18	-0.26

Debt Watch	Oct 31	Week Ago	Month Ago	Year Ago
Call Rate	7.10%	9.00%	8.15%	8.75%
CBLO	6.93%	8.66%	7.66%	8.70%
Repo	8.00%	8.00%	8.00%	7.75%
Reverse Repo	7.00%	7.00%	7.00%	6.75%
91 D T-Bill	8.36%	8.38%	8.48%	8.58%
364 D T- Bill	8.38%	8.40%	8.61%	8.58%
10 Yr Gilt	8.28%	8.36%	8.51%	8.62%
G-sec Volume (Rs Cr)	46025	22760	40300	18170
1-mth CP rate	8.42%	8.51%	8.60%	8.75%
3-mth CP rate	8.68%	8.85%	8.75%	9.15%
5 yr Corp Bond	8.75%	8.97%	9.19%	9.52%
1-mth CD rate	8.23%	8.41%	8.41%	8.60%
3-mth CD rate	8.47%	8.57%	8.51%	8.70%
1 yr CD rate	8.75%	8.84%	9.01%	9.02%

Currencies Vs INR			
	Oct 31	Oct 30	Change
USD	61.36	61.44	0.08
GBP	98.06	98.21	0.15
Euro	77.19	77.45	0.26
100 Yen	55.28	56.34	1.06

Commodity Prices	Oct 31	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	80.54	81.01	91.16	96.38
London Brent Crude Oil (\$/bbl)	85.86	86.13	94.67	108.84
Gold (oz\$)	1164	1233	1217	1324
Gold (Rs per 10 gms)	25925	27300	26800	30640

DERIVATIVES MARKET

- Nifty November futures (near future) rose against the spot index with 30.50 point premium and also witnessed 9.59 mn increase in open interest.
- Put Call Ratio (open interest) fell from 1.32 Oct 30 to 0.93 on Oct 31.
- Nifty 8500 November Call strike witnessed the highest open interest.
- Nifty 8000 November Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 13.27 on Oct 30 to 13.30 on Oct 31.

INDIAN DEBT MARKET

- The interbank call money rate ended near the RBI's reverse repo rate at 7.10% on Friday as against 8.10% on Thursday as there was ample liquidity in the banking system.
- The central bank conducted a 3 day reverse repo auction for a notified amount of Rs 30,000 cr.
- Banks borrowed Rs 9,275 cr at the LAF repo auction on Friday compared with net borrowing of Rs 2,122 cr on Thursday from both LAF tenders.
- Government bond prices ended up as expectation of an interest rate cut by the central bank kept sentiment upbeat.
- Strong appetite for gilts at the RBI's weekly bond auction and upcoming gilt redemptions next week boosted sentiment.
- However a further rise in prices was capped by intermittent profit sales and trimming of positions ahead of the weekend.
- The 10-year benchmark 8.40% 2024 bond ended at 8.28% yield on Friday as against 8.29% yield on Thursday.

Currency Overview

- The rupee ended higher against the US dollar on Friday on custodian banks' dollar sales. Domestic equities that ended at record highs supported the local currency.
- However, increased dollar demand following the Bank of Japan's decision to expand its monetary stimulus programme capped the rupee's rise.

Commodity Overview

- Crude oil prices fell 58 cents to settle at \$80.54 a barrel on the NYMEX.
- Gold prices fell sharply due to stronger dollar and upbeat US economic data.

INTERNATIONAL NEWS

- US personal income rose a seasonally adjusted 0.2% in September from 0.3% in the preceding month.
- US Chicago PMI climbed to a one-year high of 66.2 in October from September's 60.5.
- US Thomson Reuters/University of Michigan's final October reading on the overall index on consumer sentiment finished at 86.9, the highest level since July 2007, up from 84.6 at the end of September.
- Euro zone's inflation edged up to 0.4% for October from 0.3% in September; the unemployment rate remained unchanged at 11.5% in September compared to August.
- China's official purchasing managers' index (PMI) fell to 50.8 in October from 51.1 in September.
- China's HSBC Manufacturing PMI rose to a final reading of 50.4 in October from 50.2 in September.
- The Bank of Japan decides to add up to 20 tn yen to its current asset-buying scheme, bringing it to 80 tn yen annually.

Source: CRISIL Research

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