

**Indices**

Global	June 18	June 17	Absolute Change	% Change
DJIA	16907	16808	98	0.58
Nasdaq	4363	4337	26	0.59
FTSE	6779	6767	12	0.17
Nikkei	15116	14976	140	0.93
Hang Seng	23182	23204	-22	-0.09
India	June 18	June 17	Absolute Change	% Change
S&P BSE Sensex	25246	25521	-275	-1.08
CNX Nifty	7558	7632	-74	-0.96
CNX 100	7498	7568	-70	-0.93
CNX Bank Index	15220	15373	-153	-0.99
SGX Nifty	7226	7660	-435	-5.67
S&P BSE Power	2235	2269	-34	-1.51
S&P BSE SmallCap	9874	9902	-28	-0.28
S&P BSE Healthcare	10856	10849	7	0.06

**P/E, Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 18	18.56	1.39	20.56	1.30
Month Ago	18.79	1.38	19.93	1.34
Year Ago	17.01	1.58	17.64	1.43

Nifty – Top Out performers	% Change
Cipla	2.94
Hindalco	2.55
Kotak Mahindra	2.45
Nifty – Top Under performers	% Change
BPCL	-3.04
IDFC	-2.77
BHEL	-2.60

Advance Decline Ratio		
	BSE	NSE
Advances	1384	614
Declines	1656	947
Unchanged	92	47

FII / Mutual Fund data			
(Rs Cr)	June 17	MTD	YTD
FIIs	67.49	10941.85	59557.45
Mutual Funds	308.10	-303.00	-10645.80

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 higher on Wednesday after the US Federal Reserve indicated a slightly faster pace of interest-rate increases starting next year but suggested rates in the long run would be lower than it had indicated previously.
- **At 9.00 am in the morning**, Asian markets were trading higher with Nikkei trading 1.61% higher and Hang Seng 0.27% up.
- **Nikkei** ended higher on Wednesday supported by weaker yen and overnight gains on the Wall Street.
- **Hang Seng** index closed slightly lower on Wednesday as investors stayed cautious ahead of the outcome of the US Federal Reserve policymaking meeting.
- **FTSE** index ended slightly higher on Wednesday as rising oil prices following the tensions in Iraq boosted energy stocks.

**INDIAN EQUITY MARKET**

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.62% higher.
- Indian equity indices ended down on Wednesday weighed by weaker rupee due to ongoing turmoil in Iraq.
- Sectors such as banks, oil and gas, power and realty were the worst hit on Nifty.
- Market heavyweights such as SBI, HDFC, L&T, HDFC Bank, Tata Motors, HUL, ICICI Bank and BHEL fell 0.4-2.6%.
- Real estate major DLF declined 2.4% following a report that the Kerala government has cancelled clearance to its Kochi project for violation of environment norms.
- Among other performers, Kotak Mahindra Bank added 2.5% on news that the bank has sought shareholders' approval to raise the investment limit of FII and on brokerage upgrade.
- State-run oil companies continued to witness selling pressure on concerns that the tensions in Iraq would further push up the crude oil prices; with Indian Oil Corp, BPCL (the top Nifty loser) and HPCL, losing 2-3%.

**DOMESTIC NEWS**

- Finance Ministry may veto proposals made by the Shome panel including shifting to a moving tax target, merging revenue boards, and abolishment of the post of revenue secretary due to lack of feasibility.
- Steel Ministry pitches for expediting the rehabilitation plan for coking coal rich Jharia region in Jharkhand with a view to help domestic steel-makers.
- Ministry of Corporate Affairs prepares a detailed action plan that includes proposal to repeal a redundant law, for implementing Prime Minister Narendra Modi's suggestions to improve overall governance.
- Government issues new guidelines to check delay in pensions, stating that an employee can now send an undertaking directly to the bank to ensure quick disbursal of pension in his or her account.
- RBI allows urban co-operative banks to open a demat account for customers to provide online trading facility.
- RBI asks banks to disclose sector-wise advances in the 'Notes to Accounts' section of the financial statements from the financial year 2014-15 onwards.
- SEBI board to meet on June 19; the regulator is set to announce a slew of measures, including IPO, Offer For Sale, and Employee Stock Option reforms.
- Securities Appellate Tribunal extends Financial Technologies' divestment deadline to June 26.
- Sesa Sterlite Ltd urges Odisha government to extend the benefits under the state's SEZ (Special Economic Zone) policy to run its idle aluminium SEZ at Jharsuguda.
- Siemens Drive Technologies Division bags orders from BHEL for supply of large gear units and gear components for vertical mills for coal grinding.
- Tata Power Solar commissions 50 MW solar photovoltaic project for NTPC as part of its mandate to expand renewable energy portfolio to 1,000 MW by 2017.
- Flipkart ties up with Federation of Indian Micro and Small and Medium Enterprises (FISME) and National Center for Design and Product Development (NCDDP) to boost manufacturing and entrepreneurship in the country.
- Moody's says India's power sector will continue to be a source of asset quality risk for banks if the poor financial profiles of state electricity board distribution companies do not improve through further structural reforms.
- ICRA report says the quantum of bad loans for public sector banks may rise again in the first half of this financial year.

**FII Derivative Trade Statistics – June 17**

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	2011.53	2201.26	14541.87
Index Options	16377.55	14447.53	65862.76
Stock Futures	2737.93	3970.93	56425.36
Stock Options	2787.35	2824.87	4156.06
<b>Total</b>	<b>23914.36</b>	<b>23444.59</b>	<b>140986.05</b>

**Derivative Statistics- Nifty Options**

	June 18	June 17	Change
Put Call Ratio (Open Interest)	0.83	0.89	-0.06
Put Call Ratio (Volume)	1.17	0.96	0.21

Debt Watch	June 18	Week Ago	Month Ago	Year Ago
Call Rate	7.05%	7.25%	7.50%	7.28%
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	8.51%	8.49%	8.73%	7.41%
364 D T- Bill	8.63%	8.55%	8.80%	7.25%
10 Yr Gilt	8.67%	8.54%	8.83%	7.48%
G-sec Volume (Rs Cr)	31505	47150	52985	38515
1-mth CP rate	8.69%	0.88%	8.72%	8.39%
3-mth CP rate	8.74%	8.79%	9.20%	8.45%
5 yr Corp Bond	9.14%	9.12%	9.35%	8.18%
1-mth CD rate	8.54%	8.61%	8.52%	8.14%
3-mth CD rate	8.55%	8.58%	8.88%	8.05%
1 yr CD rate	8.95%	8.88%	9.07%	8.38%

**Currencies Vs INR**

	June 18	June 17	Change
USD	60.39	60.03	-0.36
GBP	102.00	102.48	0.48
Euro	81.43	81.87	0.44
100 Yen	58.81	59.21	0.40

Commodity Prices	June 18	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	105.97	104.40	102.02	98.44
London Brent Crude Oil (\$/bbl)	114.30	109.95	109.75	106.02
Gold (oz/\$)	1270	1262	1292	1367
Gold (Rs per 10 gms)	27460	26800	29050	28030

**DERIVATIVES MARKET**

- Nifty June (near future) rose against the spot index with a 11.20 point premium; it however witnessed 0.68 mn decrease in open interest.
- Put Call Ratio (open interest) fell from 0.89 on June 17 to 0.83 on June 18.
- 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 17.70 on June 17 to 18.58 on June 18.

**INDIAN DEBT MARKET**

- The interbank call money rate ended near the RBI's reverse repo rate at 7.05% on Wednesday as against 7.90-8.20% on Tuesday as liquidity improved after the RBI conducted a two day term repo auction that infused Rs 10,000 cr into the banking system.
- Earlier in the session, call rates were elevated as banks borrowed to meet mandatory reserve needs.
- Banks borrowed Rs 20,609 cr at the LAF repo auction on Wednesday compared with net borrowing of Rs 18,288 cr on Tuesday from both LAF tenders.
- Government bond prices ended sharply down on Wednesday as the ongoing conflict in Iraq dampened global risk appetite and caused crude oil prices to rise amid supply concerns.
- Bond prices were further pulled down on caution ahead of the conclusion of the Federal Open Market Committee's two-day meeting in the US (to be released after domestic market hours).
- The 10-year benchmark 8.83%, 2023 bond ended at 8.67% yield on Wednesday as against 8.60% yield on Tuesday.

**Currency Overview**

- The rupee ended at a 7 week low against the dollar on Wednesday on dollar purchases amid rising crude oil prices and fears that the conflict in Iraq will persist.
- Domestic share indices fell due to a weak investor risk appetite, weighing on the rupee.
- Intermittent dollar sales by banks during the session capped further rupee losses.

**Commodity Overview**

- Crude oil prices fell 39 cents to settle at \$105.97 a barrel on the NYMEX.
- US crude oil inventories declined 579,000 barrels to 386.5 million barrels in the week ending June 13.
- Gold prices ended higher after the US Federal Reserve cut its outlook for US economic growth.

**INTERNATIONAL NEWS**

- US Federal Reserve reduced its monthly bond buying program from \$45 billion to \$35 billion starting in July.
- US current account deficit widens to \$111.16 bn in Q1 2014 from 87.32 bn in Q4 2013 and 105.49 bn in the same quarter a year ago.
- Bank of England unanimously decides to maintain the bank rate at 0.5% and asset purchases financed with central bank reserves at 375 bn pounds. Japan's trade deficit in May narrowed 8.3% from a year ago to 909bn yen; imports were down 3.6% to 6.5 trillion yen, while exports fell 2.7% to 5.6 trillion yen.

Source: CRISIL Research

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