

Indices				
Global	July 3	July 2	Absolute Change	% Change
DJIA	17068	16976	92	0.54
Nasdaq	4486	4458	28	0.63
FTSE	6865	6816	49	0.72
Nikkei	15348	15370	-22	-0.14
Hang Seng	23531	23550	-18	-0.08
India	July 3	July 2	Absolute Change	% Change
S&P BSE Sensex	25824	25841	-17	-0.07
CNX Nifty	7715	7725	-10	-0.13
CNX 100	7686	7699	-13	-0.16
CNX Bank Index	15452	15490	-39	-0.25
SGX Nifty	7734	7747	-13	-0.17
S&P BSE Power	2350	2370	-20	-0.86
S&P BSE SmallCap	10419	10434	-15	-0.14
S&P BSE Healthcare	11763	11633	130	1.12

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
July 3	19.15	1.35	20.93	1.27
Month Ago	18.30	1.41	20.46	1.30
Year Ago	17.00	1.58	17.57	1.42

Nifty – Top Out performers	% Change
Tata Motors	3.06
Wipro	2.71
Sun Pharma	1.94
Nifty – Top Under performers	% Change
Hero Motocorp	-3.41
Hindalco	-2.52
Tata Power	-2.33

Advance Decline Ratio		
	BSE	NSE
Advances	1261	648
Declines	1509	917
Unchanged	93	65

FII / Mutual Fund data			
(Rs Cr)	July 2	MTD	YTD
FIIs	-4126.29	-1868.51	57652.34
Mutual Funds	72.00	-150.10	-7153.30

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 at new record highs on Thursday, buoyed by upbeat domestic monthly jobs report.
- **At 9.00 am in the morning**, Asian markets were trading higher with Nikkei trading 0.60% down and Hang Seng trading 0.07% higher.
- **Nikkei** ended slightly lower on Thursday on profit booking and caution ahead of release of US monthly jobs data.
- **Hang Seng** index ended slightly lower on Thursday as investors booked profits ahead of the release of key US jobs data.
- **FTSE** index closed higher on Thursday following gains in shares of commodity producers and Vodafone Group Plc.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.16% higher.
- Indian equity indices ended slightly lower on Thursday, falling from their record high, as investors booked profits after recent rally.
- Trading on BSE was disrupted for three hours due to technical glitch.
- Sectors such as realty, oil and gas and power were weighed by profit booking; with Tata Power, ONGC, Cairn India, NTPC and DLF declining 1.3-2.3%.
- Stocks of Hero Motocorp were the top loser on Nifty, losing 3.4%.
- Shares of Bajaj Auto lost 2.1% on reporting fall in June sales numbers.
- Meanwhile, Tata Motors gained the most on Nifty, rising 3.1% after shareholders rejected a proposal on the remuneration for Karl Slym, late managing director, and other executive directors.
- Apollo Tyres added over 3% after its board approved to expand Chennai tyre plant and also approved raising foreign FII limit to 45%.
- Pharma stocks however enjoyed gains; with Sun Pharma, Cipla and Lupin gaining 0.7-1.9%.

DOMESTIC NEWS

- India's Services PMI rose to a 17-month peak of 54.4 in June from a reading of 50.2 in May.
- World Bank's India director Onno Ruhl says inflation is still uncomfortably high in the country and that the new government should avoid fiscal slippage as it seeks to revive the economy.
- Government plans solar and wind power projects in deserts, entailing an investment of over Rs 2 lakh cr by 2022.
- Foreign Investment and Promotion Board clears six FDI proposals with estimated investments of Rs 551 cr.
- India refuses to sign the trade facilitation pact with the World Trade Organization; pushes for finding a long term solution to the food security issue in the country.
- Government estimates that the hike in the price of non-subsidized cooking gas will impact less than 1% customers, as most do not use the quota of 12 subsidized cylinders per year.
- RBI restores the limit on Indian corporates' overseas direct investments under the automatic route to 400% of networth, compared with the earlier limit of 100%.
- SEBI seeks reply from the BSE, which had shutdown trading yesterday for three hours due to a network outage.
- Infosys ties-up with Philippines-based SMART Enterprise to develop new industry solutions in the areas of Machine to Machine (M2M) Communication and Internet of Everything (IoE).
- Cairn India signs up Halliburton Company for a Rs 1200 cr contract to drill 100 wells at the Rajasthan block over the next 18 months.
- Edible oil manufacturer Adani Wilmar to invest Rs 600 cr this fiscal to expand capacity in its refineries across the country.
- SEBI data shows Indian companies mopped up over Rs 1,400 cr via retail issuance of non-convertible debentures in the first quarter the current fiscal, primarily to meet the working capital requirements.
- Asian Development Bank commits \$350 mn in loan and equity investment to improve Assam's power sector and to help renewable energy company ReNew Power Ventures meet its clean energy targets.
- Export-Import Bank of India extends a Line of Credit (LOC) of \$82 mn to the Government of the Democratic Republic of Congo for financing completion of the Ketende hydroelectric project.
- Power Finance Corporation raises Rs 2350 cr through private placement of non-convertible debentures.

FII Derivative Trade Statistics – July 2

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	2056.99	1496.01	12315.47
Index Options	6890.73	6268.16	49007.22
Stock Futures	3231.82	3155.68	56874.09
Stock Options	1126.64	1145.51	2570.90
Total	13306.18	12065.36	120767.68

Derivative Statistics- Nifty Options

	July 3	July 2	Change
Put Call Ratio (Open Interest)	0.77	0.79	-0.02
Put Call Ratio (Volume)	1.00	0.95	0.05

Debt Watch	July 3	Week Ago	Month Ago	Year Ago
Call Rate	7.05%	7.10%	8.25%	6.50%
CBLO	7.68%	8.13%	7.87%	6.82%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.44%	8.52%	8.50%	7.48%
364 D T- Bill	8.63%	8.65%	8.55%	7.48%
10 Yr Gilt	8.66%	8.73%	8.60%	7.50%
G-sec Volume (Rs Cr)	37465	23560	65965	30705
1-mth CP rate	8.48%	8.69%	8.64%	7.92%
3-mth CP rate	8.77%	8.76%	8.77%	8.51%
5 yr Corp Bond	9.15%	9.20%	9.15%	8.62%
1-mth CD rate	8.33%	8.54%	8.50%	7.60%
3-mth CD rate	8.55%	8.54%	8.61%	7.95%
1 yr CD rate	8.86%	8.93%	8.95%	8.27%

Currencies Vs INR

	July 3	July 2	Change
USD	59.74	59.69	-0.05
GBP	102.45	102.90	0.45
Euro	81.54	82.02	0.48
100 Yen	58.62	59.05	0.43

Commodity Prices	July 3	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	104.06	105.84	102.66	101.24
London Brent Crude Oil (\$/bbl)	111.00	113.21	108.82	105.76
Gold (oz/\$)	1318	1312	1243	1250
Gold (Rs per 10 gms)	28000	28100	26770	26280

DERIVATIVES MARKET

- Nifty July (near future) rose up against the spot index with 21.25 point premium; it however witnessed 0.17 mn decrease in open interest.
- Put Call Ratio (open interest) fell from 0.79 on July 2 to 0.77 on July 3.
- Nifty 8000 July Call strike continued to witness the highest open interest.
- Nifty 7500 July Put strike witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 17.57 on July 2 to 17.81 on July 3.

INDIAN DEBT MARKET

- The interbank call money rate ended near the RBI's reverse repo rate at 7.05% on Thursday, as against 7% on Wednesday as demand for funds was low due to comfortable liquidity in the banking system.
- The RBI conducted a 4 day reverse repo auction for a notified amount of Rs 20,000 cr.
- Banks borrowed Rs 3,400 cr at the LAF repo auction on Thursday compared with net lending of Rs 17,367 cr on Wednesday from both LAF tenders.
- Government bond prices ended steady on caution ahead of the RBI's weekly gilt auction.
- The government is set to auction gilts worth Rs 15,000 cr on July 4.
- Gilt prices were under pressure following the release of strong private sector jobs data in the US on July 2.
- The 10-year benchmark 8.83% 2023 bond ended unchanged at 8.66% yield on Thursday.

Currency Overview

- The rupee gave up intraday gains and ended lower against the US dollar on Thursday on dollar demand from importers.
- Weakness in local share indices and dollar purchases by state-owned banks also put the local currency under pressure.

Commodity Overview

- Crude oil prices fell 42 cents to settle at \$104.06 a barrel on the NYMEX.
- Gold prices ended lower due to release of encouraging US monthly jobs data.

INTERNATIONAL NEWS

- US non-farm payrolls rose by a seasonally adjusted 288,000 in June following an upwardly revised 224,000 in May; the unemployment rate ticked down to a five-and-a-half year low of 6.1% in June from 6.3% in May.
- US trade deficit narrowed 5.6% in May to \$44.4 bn after hitting a two-year high of \$47 bn in April.
- US ISM non-manufacturing PMI edged down to 56 in June from 56.3 in May.
- US Services PMI hit 61 in June, the highest final reading since the survey began in October 2009, compared with May's final reading of 58.1.
- US composite PMI hit 61 in June, a record high for a final reading, versus 58.4 in May.
- US Initial claims for state unemployment benefits rose by 2,000 to a seasonally adjusted 315,000 for the week ended June 28.
- The European Central Bank leaves its main interest rate unchanged at a record low of 0.15%, holding off fresh policy action while it waits for stimulus measures announced last month to take effect.
- China's HSBC services PMI rose to 53.1 in June from 50.7 in May.

Source: CRISIL Research

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