

Indices				
Global	June 5	June 4	Absolute Change	% Change
DJIA	16836	16738	99	0.59
Nasdaq	4296	4252	45	1.05
FTSE	6813	6819	-5	-0.08
Nikkei	15079	15068	11	0.08
Hang Seng	23110	23152	-42	-0.18
India	June 5	June 4	Absolute Change	% Change
S&P BSE Sensex	25020	24806	214	0.86
CNX Nifty	7474	7402	72	0.97
CNX 100	7440	7364	77	1.04
CNX Bank Index	15282	15333	-51	-0.33
SGX Nifty	7502	7404	98	1.32
S&P BSE Power	2310	2266	44	1.96
S&P BSE SmallCap	9624	9489	135	1.42
S&P BSE Healthcare	10192	10175	17	0.17

Date	P/E, Dividend Yield		Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield	P/E	Div. Yield
June 5	18.47	1.40	20.60	1.29		
Month Ago	17.43	1.47	18.69	1.42		
Year Ago	17.39	1.55	17.77	1.40		

Nifty – Top Out performers	% Change
BPCL	7.60
Sesa Sterlite	6.50
Hindalco	5.69
Nifty – Top Under performers	% Change
M&M	-1.41
HDFC Bank	-1.38
IndusInd Bank	-1.31

Advance Decline Ratio		
	BSE	NSE
Advances	2158	1128
Declines	879	444
Unchanged	91	56

FII / Mutual Fund data			
(Rs Cr)	June 4	MTD	YTD
FIIs	175.84	1124.22	49739.82
Mutual Funds	NA	-56*	-10398.80*

*Data as on June 3.

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** advanced on Thursday buoyed by the European Central Bank's decision to cut the key interest rate.
- **At 9.00 am in the morning**, Asian markets were trading mixed with Nikkei trading 0.02% lower and Hang Seng 0.09% up.
- **Nikkei** ended flat on Thursday as stronger yen pared earlier gains and as investors remained cautious ahead of the European Central Bank policy meet.
- **Hang Seng** index closed slightly lower on Thursday as investors turned cautious ahead of the European Central Bank policy meeting later in the day.
- **FTSE** index closed marginally lower on Thursday as earlier gains on the back of a rate cut by the European Central Bank were overshadowed by stock specific selling.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.45% higher.
- Indian equity indices rallied on Thursday, closing at lifetime high, underpinned by gains in metal, oil & gas and consumer durables stocks.
- Metal stocks continued its uptrend for the third consecutive session on the back of positive China factory surveys earlier this week; with Sesa Sterlite, Hindalco and Tata Steel, soaring 3.6-6.5%.
- State-run oil companies rose on hopes that the government would continue to trim consumer fuel subsidies in the run-up to his first budget next month; with BPCL (the top Nifty gainer) and IOC, adding 7.6% and 4.3%, respectively.
- Among oil and gas stocks, RIL, Oil India and ONGC gained 1-2%.
- Tyre companies ended positive as prices of natural rubber fell to their lowest in 4-1/2 years in the overseas market; with Apollo Tyres Ltd and Ceat Ltd, closing 3.4% and 4.6% higher.
- Value buying benefited IT counters with Infosys, HCL Tech, Wipro and Tech Mahindra, ending up 1-2%.
- Meanwhile, pharma shares were among the worst hit on Nifty with Cipla and Dr Reddy's Labs, falling 0.9% and 0.4%, respectively.

DOMESTIC NEWS

- The government is likely to hike natural gas rates from July 1 after a new price formulation is approved by the Cabinet.
- Commerce Ministry starts with a new trend of implementing anti subsidy countervailing measures in the form of anti-subsidy countervailing duty.
- The government plans to set up first-of-its-kind co-investment fund to fund the small and medium enterprises (SMEs).
- RBI raises the cash reserve ratio (CRR) for non-scheduled urban co-operative banks (UCBs) by 100bps to 4%.
- SEBI plans to shorten the delisting process to two months.
- SEBI bans Factorial Master Fund, a Cayman Islands-domiciled hedge fund, from dealing in Indian stock markets for allegedly indulging in insider trading.
- The National Pharmaceutical Pricing Authority asks drug makers to provide details related to cost and annual turnover of 106 essential medicines. Suzlon bags a Rs 750 cr order from ReNew Wind Power for its 100.8 MW project in Rajasthan.
- Star India exits from its home shop business.
- Iky Group to buy Hofincons from Transfield Services Australia for Rs 75-100cr.
- ANZ Group gets an in-principle approval from RBI to open two new branches in India.
- Jammu & Kashmir Bank to raise Rs 500-600cr by selling its 5% stake in PNB MetLife India Insurance by the end of this year.
- Piramal acquires 10% stake in Shriram City for Rs 790 cr.

FII Derivative Trade Statistics – June 4

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	673.27	1318.59	10296.51
Index Options	6562.71	6473.57	50091.14
Stock Futures	3551.60	2762.90	54003.14
Stock Options	1670.94	1714.66	2395.33
Total	12458.52	12269.72	116786.12

Derivative Statistics- Nifty Options

	June 5	June 4	Change
Put Call Ratio (Open Interest)	0.78	0.75	0.03
Put Call Ratio (Volume)	0.88	0.87	0.01

Debt Watch	June 5	Week Ago	Month Ago	Year Ago
Call Rate	8.00%	8.75%	7.50%	7.30%
CBLO	8.73%	8.73%	8.73%	7.33%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.52%	8.55%	8.80%	7.33%
364 D T- Bill	8.53%	8.65%	8.90%	7.28%
10 Yr Gilt	8.53%	8.67%	8.74%	7.40%
G-sec Volume (Rs Cr)	70030	39165	43170	50510
1-mth CP rate	8.67%	8.39%	8.92%	8.30%
3-mth CP rate	8.73%	8.87%	9.40%	8.41%
5 yr Corp Bond	9.11%	9.28%	9.41%	8.08%
1-mth CD rate	8.43%	8.20%	8.66%	8.05%
3-mth CD rate	8.51%	8.65%	9.06%	8.09%
1 yr CD rate	8.87%	9.00%	9.20%	8.27%

Currencies Vs INR

	June 5	June 4	Change
USD	59.33	59.33	0.00
GBP	99.34	99.18	-0.16
Euro	80.70	80.76	0.06
100 Yen	57.83	57.76	-0.07

Commodity Prices	June 5	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	102.48	103.58	99.48	93.74
London Brent Crude Oil (\$/bbl)	108.79	109.97	107.72	103.04
Gold (oz/\$)	1253	1255	1281	1404
Gold (Rs per 10 gms)	26785	27000	30000	27100

DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 12.65 point premium; it however witnessed 1.07 mn decrease in open interest.
- Put Call Ratio (open interest) rose from 0.75 on June 4 to 0.78 on June 5.
- Nifty 8000 June Call strike continued to witness the highest open interest.
- Nifty 7000 June Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) fell from 15.57 on June 4 to 15.45 on June 5.

INDIAN DEBT MARKET

- The interbank call money rate ended down at 7.85-8.00% on Thursday as against 8.30-8.35% on Wednesday as demand for funds from banks remained subdued.
- Intraday, the call rate fell to the RBI's reverse repo rate of 7.00% as most banks avoided borrowing although there were many lenders.
- Banks also avoided heavy borrowing of funds as they are waiting for the RBI's 28-day special term repo auction for Rs 20,000 cr on Friday.
- Banks borrowed Rs 5,317 cr through the RBI's repo window on Thursday as against net borrowing of Rs 2,761 cr on Wednesday from both LAF tenders.
- Gilt prices ended sharply higher on Thursday as market participants purchase gilts on fears that they may not get stock at the auction on June 6 due to heavy demand.
- Market participants across the spectrum bought gilts due to the absence of near-term negative cues and on the hope that the RBI may cut its interest rates in the next policy.
- Further gains were however capped as some state-owned banks book profits.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.53% yield on Thursday as against 8.59% yield on Wednesday.

Currency Overview

- The rupee ended flat against the US dollar on Thursday as gains due to positive Asian currencies and local share indices were offset by state-owned banks' dollar purchases.

Commodity Overview

- Crude oil prices fell 16 cents to settle at \$102.48 a barrel on the NYMEX.
- Gold prices rose sharply after ECB cut its interest rates to record lows.

INTERNATIONAL NEWS

- US initial jobless claims rose by 8000 to 312000 in the week ended May 31.
- European Central Bank (ECB) lowers its benchmark interest rate to 0.15% from 0.25%, cuts the interest rate on its deposit facility to -0.1% from 0% and lowers its rate on emergency overnight loans by 35 bps to 0.40%; also opens a 400bn euro liquidity channel tied to bank lending.
- Eurozone retail sales rose by a seasonally adjusted 0.4% in April, following revised 0.1% rise in March.
- Bank of England holds key interest rates unchanged at 0.5%.
- China's HSBC/Markit services purchasing managers' index (PMI) fell to 50.7 in May from 51.4 in April, while composite PMI rose to 50.2 in May from 49.5 in April.

Source: CRISIL Research

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