

Indices				
Global	July 2	July 1	Absolute Change	% Change
DJIA	16976	16956	20	0.12
Nasdaq	4458	4459	-1	-0.02
FTSE	6816	6803	13	0.20
Nikkei	15370	15326	44	0.29
Hang Seng	23550	Closed	359*	1.55*
India	July 2	July 1	Absolute Change	% Change
S&P BSE Sensex	25841	25516	325	1.27
CNX Nifty	7725	7635	90	1.18
CNX 100	7699	7599	100	1.31
CNX Bank Index	15490	15321	169	1.10
SGX Nifty	7747	7670	77	1.00
S&P BSE Power	2370	2325	45	1.93
S&P BSE SmallCap	10434	10322	113	1.09
S&P BSE Healthcare	11633	11418	214	1.88

\*Data with respect to June 30

Date	P/E, Dividend Yield		Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield	P/E	Div. Yield
July 2	19.19	1.35	20.96	1.27		
Month Ago	18.21	1.42	20.27	1.31		
Year Ago	17.27	1.56	17.84	1.41		

Nifty – Top Out performers	% Change
Sesa Sterlite	4.29
United Spirits	3.04
NTPC	2.85
Nifty – Top Under performers	% Change
HCL Tech	-1.15
PNB	-0.65
GAIL	-0.42

Advance Decline Ratio		
	BSE	NSE
Advances	1902	980
Declines	1171	567
Unchanged	105	64

FII / Mutual Fund data			
(Rs Cr)	July 1	MTD	YTD
FIIs	2257.78	2257.78	61778.63
Mutual Funds	-222.10	-222.10	-7225.30

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 little changed on Wednesday as caution ahead of the announcement of monthly payrolls data on Friday made investors ignore encouraging private sector jobs numbers.
- **At 9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.06% down and Hang Seng trading 0.02% lower.
- **Nikkei** ended higher on Wednesday buoyed by weaker yen and positive cues from US markets.
- **Hang Seng** index surged on Wednesday following upbeat manufacturing activity data from China and the US.
- **FTSE** index closed slightly higher on Wednesday, supported by gains in banking, mining and auto shares.

## INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.42% higher.
- Domestic equity indices rallied on Wednesday, reaching at a record high, on rising optimism that the government would unveil a fiscally prudent budget due next week.
- Markets were also helped by upbeat manufacturing numbers from US and China to certain extent.
- Mid and small-cap companies continued to shine with several companies hitting record high.
- Shares of Colgate Palmolive, PTC India Financial Services, Exide Industries, Tree House Education, Peninsula Land, JK Lakshmi Cement, Greaves Cotton, Simplex Infrastructure, GOL Offshore, Venky's India and Asahi India Glass soared over 5-10%.
- Adani group shares were among the prominent gainers in the mid-cap space; with Adani Enterprises, Adani Power and Adani Ports and SEZ, advancing 3-11%.
- Positive Chinese manufacturing data boosted metal stocks; with Hindalco, Jindal Steel and Sesa Sterlite (the top Nifty gainer), adding 1.6-4.2%.
- Tech counters fell the most on Nifty as the rupee hit a two-week high against the dollar - Infosys, Tech Mahindra and HCL Tech (the top Nifty loser), 0.2-1.2%.

## DOMESTIC NEWS

- Rating agency S&P's says implementing the proposed regime to resolve problems of distressed financial institutions in India will test political will as it needs drastic changes in laws and regulations.
- Government extends the validity period of industrial licence to three years with a provision for further extension of two years to improve ease of doing business in India.
- Government hikes minimum export price (MeP) on onions to \$500 a tonne from \$300 a tonne to arrest rise in domestic prices of the edible bulb.
- Government defers the upward revision of prices for domestic LPG and kerosene in some states by a month.
- RBI to conduct a 4-day term reverse repo variable rate auction for a notified amount of Rs 20,000 cr on July 3.
- SEBI chairman UK Sinha to meet Finance Minister Arun Jaitley on July 3; will push for simplifying RGESS for retail investors, tax exemptions in mutual fund pension schemes, and simplified tax rules.
- L&T Construction says it bagged new orders worth Rs 2002 cr across various business segments during June.
- Reliance Capital merges its global film and media services business with Prime Focus to create an entity with a combined turnover of over Rs. 1,800 cr.
- Tech Mahindra signs a joint venture agreement with Saudi Arabia-based Midad Holding to create a synergic value proposition for customers in Saudi.
- Vijaya Bank announces 5-50 basis points reduction in interest rates on domestic term deposits in a move to bring down its cost of deposits.
- RCom is planning to raise Rs 5000 cr by selling its real estate assets across the country.
- Diageo acquires an additional 26% in United Spirits Limited (USL) to take its total stake to 54.78%; consolidates USL into its global balance sheet.
- Jaiprakash Associates launches a share sale to institutional investors to raise up to Rs 1,500 cr.
- LIC opposes participation in the repository system initiated by IRDA to house insurance policies in an electronic form, saying the huge cost involved will impact its policyholders.

**FII Derivative Trade Statistics – July 1**

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1155.18	1202.59	11007.33
Index Options	4592.43	4196.76	46192.24
Stock Futures	3157.00	2493.06	55880.44
Stock Options	1358.86	1371.12	2304.51
<b>Total</b>	<b>10263.47</b>	<b>9263.53</b>	<b>115384.52</b>

**Derivative Statistics- Nifty Options**

	July 2	July 1	Change
Put Call Ratio (Open Interest)	0.79	0.74	0.05
Put Call Ratio (Volume)	0.95	1.07	-0.12

Debt Watch	July 2	Week Ago	Month Ago	Year Ago
Call Rate	7.00%	7.60%	7.10%	7.15%
CBLO	7.89%	8.28%	7.94%	6.79%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.47%	8.52%	8.55%	7.46%
364 D T- Bill	8.60%	8.66%	8.65%	7.41%
10 Yr Gilt	8.66%	8.70%	8.66%	7.46%
G-sec Volume (Rs Cr)	41030	37160	25200	25860
1-mth CP rate	8.51%	8.70%	8.72%	7.92%
3-mth CP rate	8.82%	8.74%	8.82%	8.55%
5 yr Corp Bond	9.16%	9.19%	9.25%	8.55%
1-mth CD rate	8.40%	8.55%	8.58%	7.60%
3-mth CD rate	8.59%	8.54%	8.63%	7.98%
1 yr CD rate	8.86%	8.92%	9.02%	8.20%

**Currencies Vs INR**

	July 2	July 1	Change
USD	59.69	60.07	0.38
GBP	102.90	102.83	-0.07
Euro	82.02	82.28	0.26
100 Yen	59.05	59.27	0.22

Commodity Prices	July 2	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	104.48	106.50	102.47	99.60
London Brent Crude Oil (\$/bbl)	111.24	114.00	108.83	104.00
Gold (oz/\$)	1327	1317	1247	1253
Gold (Rs per 10 gms)	28080	28170	26815	26250

**DERIVATIVES MARKET**

- Nifty July (near future) rose up against the spot index with 24.70 point premium; it also witnessed 0.91 mn increase in open interest.
- Put Call Ratio (open interest) rose from 0.74 on July 1 to 0.79 on July 2.
- 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) fell from 17.66 on July 1 to 17.57 on July 2.

**INDIAN DEBT MARKET**

- The interbank call money rate ended at RBI's reverse repo rate of 7% on Wednesday as against 7.50% on Tuesday tracking the fall in rates of collateralized borrowing and lending obligations.
- Systemic liquidity has improved on inflow of funds due to month-end spending by the government.
- Banks borrowed Rs 19,867 cr at the LAF repo auction on Wednesday compared with net borrowing of Rs 11,774 cr on Tuesday from both LAF tenders.
- Government bond prices ended sharply up taking cues from a strengthening rupee and on finance minister Arun Jaitley's comments on fiscal consolidation on July 1.
- Stable crude oil prices also lent support to bond prices.
- The 10-year benchmark 8.83% 2023 bond ended at 8.66% yield on Wednesday as against 8.74% yield on Tuesday.

**Currency Overview**

- The rupee ended at a near three-week high against the US dollar on Wednesday on heavy custodial inflows and tracking gains in Indian share indices, which ended at record highs.
- However, dollar purchases by state-owned banks capped the rupee's gains.

**Commodity Overview**

- Crude oil prices fell 86 cents to settle at \$104.48 a barrel on the NYMEX.
- US crude oil inventories fell 3.2mn barrels to 384.9mn barrels for the week ended June 27.
- Gold prices ended flat due to gains in the equities and caution ahead of the release of US monthly jobs data.

**INTERNATIONAL NEWS**

- US ADP report says private sector employers added 281,000 jobs in June, compared to 179,000 jobs in May.
- US factory orders fell 0.5% in May as compared to an increase of 0.8% in April.
- Euro zone's producer price index eased down by a seasonally adjusted 0.1% in May, after inching down 0.1% in April.

Source: CRISIL Research

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