

Indices

Global	July 4	July 3	Absolute Change	% Change
DJIA	Closed	17068	NA	NA
Nasdaq	Closed	4486	NA	NA
FTSE	6866	6865	1	0.01
Nikkei	15437	15348	89	0.58
Hang Seng	23546	23531	15	0.06
India	July 4	July 3	Absolute Change	% Change
S&P BSE Sensex	25962	25824	138	0.54
CNX Nifty	7752	7715	37	0.48
CNX 100	7720	7686	34	0.44
CNX Bank Index	15556	15452	105	0.68
SGX Nifty	7792	7734	58	0.74
S&P BSE Power	2370	2350	21	0.89
S&P BSE SmallCap	10508	10419	89	0.85
S&P BSE Healthcare	11819	11763	57	0.48

P/E, Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
July 4	19.10	1.35	20.99	1.26
Month Ago	18.24	1.42	20.42	1.31
Year Ago	17.20	1.56	17.77	1.42

Nifty – Top Out performers	% Change
Power Grid Corp	2.63
RIL	2.53
HDFC Bank	2.37
Nifty – Top Under performers	% Change
ACC	-1.97
Sesa Sterlite	-1.80
Wipro	-1.58

Advance Decline Ratio		
	BSE	NSE
Advances	1636	875
Declines	1418	675
Unchanged	111	69

FII / Mutual Fund data			
(Rs Cr)	July 3	MTD	YTD
FIIs	5292.83	3424.32	62945.17
Mutual Funds	-219.00	-369.10	-7372.30

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

- At **9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.37% down and Hang Seng trading 0.37% lower.
- Nikkei** ended higher on Friday buoyed by the encouraging US monthly jobs data.
- Hang Seng** ended marginally higher on Friday as early gains on the back of robust US jobs data were cut short by weakness in Chinese markets.
- FTSE** index ended flat on Friday on lack of any strong cues.

INDIAN EQUITY MARKET

- At **9.00 am in the morning**, the SGX Nifty was trading 0.01% lower.
- Indian share indices ended higher on Friday supported by FII buying amid optimism ahead of the Union Budget outcome.
- Power Grid Corp was the top performer on Nifty, gaining 2.6%.
- Index heavyweights led the gains on Nifty with ITC, Infosys, RIL and ICICI Bank, rising 0.6-2.5%.
- Stocks of HDFC Bank rallied 2.4% on brokerage upgrade.
- Oil and gas sector was boosted on news that the oil ministry has approved continuation of monthly increase of 40-50 paise per litre in diesel prices.
- Mid and small cap stocks too ended in the positive territory; with Cox and Kings and United Bank of India, soaring 9.4% and 13.8%, respectively.
- Videocon Industries added 5% on report that the company's arm - Videocon d2h - is likely to launch its IPO of shares in 2014-15 (Apr-Mar).
- Meanwhile, ACC was the topmost laggard on Nifty, falling 2%.

DOMESTIC NEWS

- India's foreign exchange reserves increased by \$856.6 mn to \$315.78 bn in the week ended June 27.
- Government proposes setting up a special economic zone for the Indian chemical industry in Myanmar and Iran.
- Government plans to revise the Real Estate Regulatory Bill, 2013, aiming to have increased participation from the private sector.
- RBI Deputy Governor R Gandhi says the banking regulator plans to issue guidelines for on-tap and differentiated banking licenses later this year.
- SEBI grants three months more time to bring supervisory and monitoring framework pertaining to issuance and processing of Delivery Instruction Slips into force, taking into account the grievances of depository participants.
- Supreme Court dismisses a petition challenging the former government's decision in 2012 to sell its stake in Hindustan Zinc Ltd (HZL) to Vedanta Group.
- Oil India Ltd completes acquisition of 50% stake in an oil block in Russia for \$85 mn from PetroNeft Resources.
- Adani Ports and Special Economic Zone Ltd (APSEZL) forms joint venture with France-based CMA CGM Group to develop a new container terminal at its Mundra port.
- JSW Steel plans a capital expenditure of Rs 12,000 cr for next two years to increase its production capacity to 18 mtpa.
- GVK Group owned Hancock Coal in Australia acquires 75% of the land for a proposed rail line that connects its coal blocks in Queensland.
- Mahindra Holidays & Resorts plans to invest Rs 600 cr in the next 18 months to increase its inventory.
- SEBI data shows probes on cases related to market manipulation and share price rigging in Indian markets touched a six-year high in 2012-13.
- Dena Bank seeks Rs 1200 cr capital infusion from the government in the current fiscal.
- International Finance Corporation to infuse Rs 160 cr into micro finance institution Bandhan.
- United Spirits gets shareholders' nod to sell its Scotland based subsidiary Whyte & Mackay for Rs 4,400 cr to Philippines based Emperador.
- Tata Power to sell its 5% stake in PT Kaltim Prima Coal for \$250mn to reduce its debt.
- JSW Energy plans to raise Rs 5000 cr through a qualified institutional placement in the current fiscal.
- Aban Offshore raises Rs 750 cr through a qualified institutional placement of equity shares.
- Panchshil Realty and PE firm Blackstone buy Express Towers for Rs 870 cr.
- Gammon Infrastructure Projects plans to raise Rs 500 cr through a qualified institutional placement to fund some projects and retire a part of its debt.

FII Derivative Trade Statistics – July 3

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1031.55	1298.43	12165.74
Index Options	5204.79	5481.94	50226.74
Stock Futures	2752.48	3429.37	57724.55
Stock Options	1320.89	1303.92	2870.23
Total	10309.71	11513.66	122987.26

Derivative Statistics- Nifty Options

	July 4	July 3	Change
Put Call Ratio (Open Interest)	0.75	0.77	-0.02
Put Call Ratio (Volume)	0.88	1.00	-0.12

Debt Watch	July 4	Week Ago	Month Ago	Year Ago
Call Rate	8.00%	8.80%	8.35%	6.30%
CBLO	7.79%	8.39%	7.93%	6.59%
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%	8.50%	8.45%	7.41%
364 D T- Bill	8.60%	8.68%	8.57%	7.40%
10 Yr Gilt	8.66%	8.75%	8.59%	7.42%
G-sec Volume (Rs Cr)	40545	22715	49490	45430
1-mth CP rate	8.45%	8.75%	8.66%	7.59%
3-mth CP rate	8.79%	8.74%	8.77%	8.45%
5 yr Corp Bond	9.14%	9.20%	9.14%	8.60%
1-mth CD rate	8.30%	8.60%	8.48%	7.27%
3-mth CD rate	8.55%	8.53%	8.54%	7.85%
1 yr CD rate	8.86%	8.90%	8.90%	8.22%

Currencies Vs INR

	July 4	July 3	Change
USD	59.72	59.74	0.02
GBP	102.66	102.45	-0.21
Euro	81.32	81.54	0.22
100 Yen	58.60	58.62	0.02

Commodity Prices	July 4	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	Closed	105.74	102.64	101.24
London Brent Crude Oil (\$/bbl)	110.64	113.30	108.40	105.54
Gold (oz/\$)	1319	1318	1245	1252
Gold (Rs per 10 gms)	27950	28150	26750	26275

DERIVATIVES MARKET

- Nifty July (near future) rose up against the spot index with 30.90 point premium; it however witnessed 0.08 mn decrease in open interest.
- Put Call Ratio (open interest) fell from 0.77 on July 3 to 0.75 on July 4.
- 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 17.81 on July 3 to 18.16 on July 4.

INDIAN DEBT MARKET

- The interbank call money rate ended near the RBI's repo rate at 7.90-8.00% on Friday as against 7.05% on Thursday on demand for funds from banks to meet their weekend reserve needs.
- Intraday, the call money rates rose to the RBI's MSF rate of 9% as some banks borrowed aggressively.
- Banks borrowed Rs 2,025 cr at the LAF repo auction on Friday compared with net lending of Rs 17,310 cr on Thursday from both LAF tenders.
- Government bond prices ended steady on Friday amid concerns that the government would issue a new 10-year bond after the final budget.
- The government's Rs 15,000 cr gilt auction had little impact, with results largely along expected lines.
- The 10-year benchmark 8.83% 2023 bond ended unchanged at 8.66% yield on Friday.

Currency Overview

- The rupee ended marginally higher against the dollar on Friday on dollar sales by banks on behalf of their custodian clients.
- Local share indices gained on foreign and domestic investor inflows ahead of the budget, supporting the rupee.
- The local currency also gained on increased global risk appetite after the release of US non-farm payrolls data for June.
- State-owned banks' dollar purchases however kept the rupee under pressure.

Commodity Overview

- Gold prices ended slightly higher but gains were limited due to release of stronger economic data last week.
- Government removes quantitative ceiling on organic sugar exports.

INTERNATIONAL NEWS

- ECB President Mario Draghi says euro area interest rates are set to remain low amid low inflation and that the liquidity measures announced last month are expected to boost lending to the real economy.
- Germany's BMW to invest \$1 bn to build a new luxury car factory in northern Mexico to expand its presence in the United States.

Source: CRISIL Research

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