

Indices				
Global	July 7	July 4	Absolute Change	% Change
DJIA	17024	Closed	-44*	-0.26*
Nasdaq	4452	Closed	-34*	-0.77*
FTSE	6824	6866	-43	-0.62
Nikkei	15379	15437	-58	-0.37
Hang Seng	23541	23546	-5	-0.02
India	July 7	July 4	Absolute Change	% Change
S&P BSE Sensex	26100	25962	138	0.53
CNX Nifty	7787	7752	36	0.46
CNX 100	7751	7720	30	0.39
CNX Bank Index	15368	15556	-189	-1.21
SGX Nifty	7792	7792	0	0.00
S&P BSE Power	2397	2370	27	1.12
S&P BSE SmallCap	10571	10508	63	0.60
S&P BSE Healthcare	11914	11819	95	0.80

*Data with respect to July 3

Date	P/E, Dividend Yield		Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield	P/E	Div. Yield
July 7	18.73	1.35	21.08	1.26		
Month Ago	18.77	1.38	20.75	1.28		
Year Ago	17.27	1.56	17.87	1.41		

Nifty – Top Out performers	% Change
IDFC	6.34
Tata Power	3.69
TCS	3.24
Nifty – Top Under performers	% Change
IndusInd Bank	-2.37
United Spirits	-2.16
HDFC Bank	-1.89

Advance Decline Ratio		
	BSE	NSE
Advances	1700	801
Declines	1383	770
Unchanged	93	55

FII / Mutual Fund data			
(Rs Cr)	July 4	MTD	YTD
FIIs	995.22	4419.54	63940.39
Mutual Funds	-93.10	-462.20	-7465.40

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 lower on Monday following selling in cyclical and small-cap stocks.
- **At 9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.46% down and Hang Seng trading 0.12% lower.
- **Nikkei** ended slightly lower on Monday as investors booked profits after the recent rally.
- **Hang Seng** index ended little changed on Monday as gains in property shares were set off by losses in recently outperforming Macau casino stocks.
- **FTSE** index fell on Monday as mining stocks retreated after metals prices dropped on speculation that the US Federal Reserve may raise rates sooner than anticipated.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.24% higher.
- Indian equity indices ended higher on Monday, closing at another record level high, owing to sustained FII buying amid optimism over the government's federal budget outcome.
- IT stocks led the rally ahead of the quarterly earnings results from Infosys. Tech counters such as TCS, Infosys, HCL Tech and Tech Mahindra rose 1.0%-3.2%.
- IDFC was the topmost gainer on Nifty, adding 6.3% on brokerage upgrade.
- Buying was witnessed in pharma shares as investors tried to de-risk their portfolio in defensive counters; with Dr Reddy's Labs and Sun Pharma, gaining 1.9% each, respectively.
- Power shares ended positive with Tata Power, NTPC and BHEL ending up 0.7%-3.7%, on hopes that the budget would provide support to the sector.
- On the other hand, banking and oil and gas stocks were among the laggards as investors trimmed their positions - IndusInd Bank (the top Nifty loser), HDFC Bank, ONGC, Kotak Mahindra, Bank of Baroda and BPCL fell 1.1-2.4%.

DOMESTIC NEWS

- PMEAC Chairman C Rangarajan defends his calculation that 3 out of 10 in India are poor; says poverty numbers provided by him are not conservative estimates, and that they are at par with global standards.
- World Bank plans to invest \$775mn in clean energy projects across India.
- Government informs the parliament that it has approved minimum monthly pension of Rs 1,000 under Employees' Pension Scheme 1995 (EPS-95) run by the EPFO.
- Government revamps natural gas allocation policy; will give city gas projects selling CNG to automobiles and piped cooking gas to house-holds top priority rather than urea-manufacturing fertilizer plants.
- RBI relaxes the rules of suppliers' and buyers' credit for importing rough, cut and polished diamonds to up to 180 days from 90 days with immediate effect.
- EPFO settles 11.94 lakh claims last month, with 34% of these being settled within three days.
- Neyveli Lignite Corporation (NLC) to expand its Mine-1 A capacity to 7 MTPA from the current 3 MTPA at an outlay of Rs 1453 cr.
- Cipla Limited to invest 100 mn pounds in its subsidiary in the UK to fund the launch of a range of drugs, as well as research and development, clinical trials and further expansion.
- Vedanta Resources mulls setting up a 5 mn tonnes per annum (mtpa) steel plant in Karnataka which may entail an investment of Rs 30,000 cr.
- Hero MotoCorp commences setting up of its \$70 mn manufacturing facility in Colombia, South America as part of its plans to expand its global footprint.
- Energy Efficiency Services Limited (EESL) to invest Rs 1,000 cr on energy conversion and efficiency measures over a period of 2-3 years in Andhra Pradesh.
- Ernst & Young LLP opens its second cyber forensics and e-discovery centre in India at Hyderabad, with the first being in Mumbai.
- CRISIL report says companies to raise at least Rs 60,000 cr through stake sale in the current fiscal, prompted by buoyant market condition.
- Standard Chartered Private Equity agrees to invest Rs 500 cr through a minority stake purchase in Sterlite Power Grid Ventures.
- Tata Motors to raise funds through fixed deposit schemes to be offered to the general public and shareholders to meet requirements of operations.
- Muthoot Finance Ltd launches new gold loan scheme called 'Muthoot Advantage Loan' offering 75% of gold value loan with an initial rate of interest of 18%.

FII Derivative Trade Statistics – July 4

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1228.76	1175.36	12030.12
Index Options	7917.12	8058.55	52856.54
Stock Futures	2404.84	3160.99	58658.32
Stock Options	1337.61	1354.31	3156.31
Total	12888.33	13749.21	126701.29

Derivative Statistics- Nifty Options

	July 7	July 4	Change
Put Call Ratio (Open Interest)	0.73	0.75	-0.02
Put Call Ratio (Volume)	0.73	0.88	-0.15

Debt Watch	July 7	Week Ago	Month Ago	Year Ago
Call Rate	9.00%	8.70%	8.40%	6.60%
CBLO	8.20%	9.08%	8.73%	6.45%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.40%	8.49%	8.45%	7.40%
364 D T- Bill	8.63%	8.65%	8.53%	7.45%
10 Yr Gilt	8.70%	8.74%	8.51%	7.50%
G-sec Volume (Rs Cr)	18025	19095	72185	25035
1-mth CP rate	8.48%	8.70%	8.67%	7.56%
3-mth CP rate	8.82%	8.69%	8.73%	8.44%
5 yr Corp Bond	9.14%	9.17%	9.09%	8.61%
1-mth CD rate	8.33%	8.55%	8.43%	7.23%
3-mth CD rate	8.55%	8.50%	8.52%	7.80%
1 yr CD rate	8.87%	8.91%	8.89%	8.20%

Currencies Vs INR

	July 7	July 4	Change
USD	60.01	59.72	-0.29
GBP	102.78	102.66	-0.12
Euro	81.39	81.32	-0.07
100 Yen	58.71	58.60	-0.11

Commodity Prices	July 7	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	103.53	105.37	102.66	103.22
London Brent Crude Oil (\$/bbl)	110.24	112.36	108.61	107.72
Gold (oz/\$)	1313	1315	1248	1213
Gold (Rs per 10 gms)	27820	28110	26700	26185

DERIVATIVES MARKET

- Nifty July (near future) rose up against the spot index with 11.45 point premium; it also witnessed 0.08 mn increase in open interest.
- Put Call Ratio (open interest) fell from 0.75 on July 4 to 0.73 on July 7.
- Nifty 8000 July Call strike continued to witness the highest open interest.
- Nifty 7500 July Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 18.16 on July 4 to 19.41 on July 7.

INDIAN DEBT MARKET

- The interbank call money rate ended near the RBI's MSF rate at 8.90-9.00% on Monday as against 7.90-8.00% on Friday on demand for funds from banks to meet service and excise tax outflows.
- Demand for funds also remained firm as banks borrowed to meet mandatory reserve requirements for the reporting fortnight.
- Banks borrowed Rs 16,229 cr at the LAF repo auction on Monday compared with net lending of Rs 4,159 cr on Friday from both LAF tenders.
- Government bond prices ended lower on Monday on expectation that the government will issue a new 10-year paper at its weekly auction this week.
- The overall appetite for gilts however remained firm ahead of the Union Budget, with participants expecting the government to announce measures for fiscal consolidation and economic reforms.
- The 10-year benchmark 8.83% 2023 bond ended at 8.70% yield on Monday as against 8.66% yield on Friday.

Currency Overview

- The rupee ended lower against the dollar on Monday on account of dollar demand by importers.
- A lack of dollar inflows following a public holiday in the United States on July 4 weighed on the rupee.
- Dollar sales by foreign banks however kept the local currency supported.

Commodity Overview

- Crude oil prices fell 53 cents to settle at \$103.53 a barrel on the NYMEX.
- Gold prices fell due to stronger dollar and speculation of an earlier-than-expected hike in U.S. interest rates following strong jobs data.
- NCDEX introduces direct delivery refined soy oil futures contract with modified contract specifications.

INTERNATIONAL NEWS

- Euro zone Sentix investor confidence rose to 10.1 in July from a reading of 8.5 in June.
- Japan's exports rose 2% in May from a year ago, slower than a 6.2% annual gain in April, while imports fell an annual 0.4%, following a 6.6% annual increase in April; as a result, the trade deficit in May narrowed to 675.9bn yen.
- Japan's current account surplus came in at 522.8bn yen in May, compared with a surplus of 187.4 billion yen in April.
- Japan's leading index fell more-than-expected to 105.7 in May, the lowest score since February 2013, from 106.5 in April; its coincident index remained unchanged at 111.1 in May.

Source: CRISIL Research

Disclaimer:

The views expressed herein constitute only the opinions and do not constitute any guidelines or recommendation on any course of action to be followed by the reader. This information is meant for general reading purposes only and is not meant to serve as a professional guide for the readers. Certain factual and statistical (both historical and projected) industry and market data and other information was obtained by RCAM from independent, third-party sources that it deems to be reliable, some of which have been cited above. However, RCAM has not independently verified any of such data or other information, or the reasonableness of the assumptions upon which such data and other information was based, and there can be no assurance as to the accuracy of such data and other information. Further, many of the statements and assertions contained in these materials reflect the belief of RCAM, which belief may be based in whole or in part on such data and other information. The Sponsor, the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice, verify the contents and arrive at an informed investment decision before making any investments. None of the Sponsor, the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. The Sponsor, the Investment Manager, the Trustee, any of their respective directors, employees including the fund managers, affiliates, representatives including persons involved in the preparation or issuance of this material may from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies) / specific economic sectors mentioned herein.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.