

Indices				
Global	June 6	June 5	Absolute Change	% Change
DJIA	16924	16836	88	0.52
Nasdaq	4321	4296	25	0.59
FTSE	6858	6813	45	0.66
Nikkei	15077	15079	-2	-0.01
Hang Seng	22951	23110	-159	-0.69
India	June 6	June 5	Absolute Change	% Change
S&P BSE Sensex	25396	25020	377	1.51
CNX Nifty	7583	7474	109	1.46
CNX 100	7555	7440	115	1.54
CNX Bank Index	15543	15282	261	1.71
SGX Nifty	7593	7502	92	1.22
S&P BSE Power	2327	2310	17	0.74
S&P BSE SmallCap	9774	9624	150	1.56
S&P BSE Healthcare	10334	10192	142	1.39

Date	P/E, Dividend Yield		Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield	P/E	Div. Yield
June 6	18.77	1.38	20.75	1.28		
Month Ago	17.48	1.47	18.74	1.41		
Year Ago	17.34	1.55	17.89	1.40		

Nifty – Top Out performers		% Change
ONGC		11.09
GAIL		7.94
DLF		6.12
Nifty – Top Under performers		% Change
Sesa Sterlite		-2.51
NMDC		-1.42
Infosys		-1.25

Advance Decline Ratio		
	BSE	NSE
Advances	2143	1100
Declines	972	489
Unchanged	79	42

FII / Mutual Fund data			
(Rs Cr)	June 5	MTD	YTD
FIIs	1419.43	2543.65	51159.25
Mutual Funds	-204.80	-281.70	-10624.50

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** surged on Friday following encouraging domestic jobs data.
- **At 9.00 am in the morning**, Asian markets were trading higher with Nikkei trading 0.52% higher and Hang Seng 0.80% up.
- **Nikkei** ended flat on Friday despite ECB's decision of rate cut and launch of easing measures to fight deflation and stimulate euro zone economy.
- **Hang Seng** index ended lower on Friday as earlier gains on the back of European Central Bank's latest stimulus package were overshadowed by losses on tracking decline in the Chinese markets.
- **FTSE** index advanced on Friday on tracking upbeat jobs data from the US.

## INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.56% higher.
- Domestic equity indices continued to touch lifetime high on Friday bolstered by FII buying amid hopes of speedy policy reforms from the new government.
- Oil and gas stocks were among the top gainers on Nifty on expectations that the government will soon approve the revised gas prices; with ONGC, being the topmost gainer on Nifty, and RIL, soaring 11.1% and 3%, respectively.
- State-run oil companies were boosted by optimism of a hike in kerosene and liquefied petroleum gas prices; with BPCL, HPCL and Indian Oil Corp, rising 1-2%.
- Real estate stocks ended firm on hopes that the government will soon allow setting up of a real estate investment trust; with HDIL, Phoenix Mills, Puravankara Projects, Unitech, Prestige Estates, Brigade Enterprises, DLF and Sobha Developers, jumping 3-17%.
- Meanwhile, IT and metal stocks were among the prominent laggards on Nifty.
- Decline in IT pack was primarily weighed by Infosys shares (down 1.3%) following exit of its senior vice-president and global head of strategic sales Prasad Thrikutam.
- Metal shares such as Hindalco and Sesa Sterlite (the top Nifty loser) ended down 0.4% and 2.5%, respectively.

## DOMESTIC NEWS

- According to data from the department of industrial policy & promotion, FDI in the services sector declined by about 54% year-on-year to \$2.22bn last fiscal.
- India's foreign exchange reserves fell by \$274 mn to \$312.38 bn for the week ending May 30.
- Government may drop attestation of documents by gazetted officers.
- Coal Ministry says it will take all mines related cases against government to the Supreme Court.
- RBI allows registered FIIs, QFIs deemed as registered FPI, long term investors registered with SEBI - Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds, foreign Central Banks to invest on repatriation basis, in non-convertible/redeemable preference shares or debentures issued by an Indian company.
- RBI allows non-resident investor to pledge shares in Indian company in favour of NBFCs.
- SEBI suggests to the government to allow all PSUs to park their surplus cash in mutual funds; also seeks a uniform tax treatment for all pension funds.
- AMFI sends a proposal to the finance ministry allow insurance companies to outsource fund management to mutual funds registered with SEBI.
- Transport Corporation of India to invest Rs 250 cr in the current fiscal to increase capacity.
- Suzuki Motor Corporation to spend Rs 18500 cr to set up a new factory in Gujarat.
- Shree Cement proposes grinding plant in Dhenkanal.
- Strides Arcolab gets FDA approval to market skin disease drug in US.
- Exim Bank seeks the government's nod to retain its earnings instead of paying dividend, and also asks it the government for an additional capital infusion of Rs 250 cr annually over the next decade.

**FII Derivative Trade Statistics – June 5**

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1281.26	2171.02	9711.45
Index Options	10310.06	9686.41	51736.10
Stock Futures	4374.50	3509.24	55318.33
Stock Options	2187.28	2199.97	2783.14
<b>Total</b>	<b>18153.10</b>	<b>17566.64</b>	<b>119549.02</b>

**Derivative Statistics- Nifty Options**

	June 6	June 5	Change
Put Call Ratio (Open Interest)	0.84	0.78	0.06
Put Call Ratio (Volume)	0.97	0.88	0.09

Debt Watch	June 6	Week Ago	Month Ago	Year Ago
Call Rate	8.40%	7.30%	7.50%	7.35%
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	8.45%	8.50%	8.78%	7.36%
364 D T- Bill	8.53%	8.62%	8.87%	7.28%
10 Yr Gilt	8.51%	8.64%	8.78%	7.41%
G-sec Volume (Rs Cr)	72185	74015	33480	39205
1-mth CP rate	8.67%	8.39%	8.85%	8.31%
3-mth CP rate	8.73%	8.80%	9.39%	8.44%
5 yr Corp Bond	9.09%	9.23%	9.41%	8.09%
1-mth CD rate	8.43%	8.21%	8.63%	8.06%
3-mth CD rate	8.52%	8.52%	9.05%	8.08%
1 yr CD rate	8.89%	9.00%	9.20%	8.25%

**Currencies Vs INR**

	June 6	June 5	Change
USD	59.18	59.33	0.15
GBP	99.52	99.34	-0.18
Euro	80.83	80.70	-0.13
100 Yen	57.85	57.83	-0.02

Commodity Prices	June 6	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	102.66	102.71	99.50	94.76
London Brent Crude Oil (\$/bbl)	108.61	109.41	107.06	103.61
Gold (oz/\$)	1248	1251	1306	1400
Gold (Rs per 10 gms)	26700	26950	30000	27600

**DERIVATIVES MARKET**

- Nifty June (near future) rose against the spot index with a 7.35 point premium; it however witnessed 0.11 mn decrease in open interest.
- Put Call Ratio (open interest) rose from 0.78 on June 5 to 0.84 on June 6.
- 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) rose from 15.45 on June 5 to 15.98 on June 6.

**INDIAN DEBT MARKET**

- The interbank call money rate ended higher at 8.40% on Friday as against 7.85-8.00% on Thursday as demand for funds from banks increased toward session-end to cover weekend reserve needs.
- The call rates also increased as the RBI only auctioned Rs 9,125 cr of the total Rs 20,000 cr that was scheduled in the special term repo window.
- Banks borrowed to cover outflow of funds over the weekend on account of excise and sales tax payment by companies.
- Banks borrowed Rs 2,485 cr at the LAF repo auction on Friday compared with net borrowing of Rs 1,457 cr on Thursday from both LAF tenders.
- Gilt prices ended positive on Friday as appetite for gilts remained strong.
- Some amount of value buying also helped government bonds recover from the session's lows.
- Intraday gilt prices fell sharply on fears that the RBI was considering issuing a new 10-year bond, but the strong FII appetite managed to offset the bearish sentiment.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.51% yield on Friday as against 8.53% on Thursday.

**Currency Overview**

- The rupee ended higher against the dollar on Friday on heavy dollar sales by foreign banks and tracking rise in domestic equities.
- However, sustained dollar purchases by state-owned banks likely on behalf of the RBI restricted rupee's rise.

**Commodity Overview**

- Crude oil prices rose 18 cents to settle at \$102.66 a barrel on the NYMEX.
- Gold prices ended lower due to positive US jobs data and gains in the equities.

**INTERNATIONAL NEWS**

- US non-farm payrolls rose 217,000 in May following 282,000 rise in April; unemployment rate in May was unchanged at 6.3%.
- US Consumer borrowing was \$11.1bn in April following a revised \$8.4bn in March.
- UK's trade deficit widened to 9.6 bn pounds in April from 8.3 bn pounds in the preceding month.
- China's exports rose 7% in May from a year earlier, compared with 0.9% rise April, while imports fell 1.6% as against a 0.8% rise in April; trade surplus widened to \$35.9bn in May from \$18.5bn in April.
- Japan's economy grew by 1.6% between January and March, slightly faster than an initial estimate of 1.5%; on an annualised basis it grew 6.7% during the quarter.
- Japan's current account surplus stood at 187.4bn yen in April, as against the prior month's surplus of 116.4bn yen.
- Japan's index of leading economic indicators rose to a seasonally adjusted 106.6 in May, from 107.1 in April whose figure was revised up from 106.5.

Source: CRISIL Research

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