

**Indices**

Global	July 8	July 7	Absolute Change	% Change
DJIA	16907	17024	-118	-0.69
Nasdaq	4391	4452	-60	-1.35
FTSE	6738	6824	-85	-1.25
Nikkei	15314	15379	-65	-0.42
Hang Seng	23541	23541	0.46	0.00
India	July 8	July 7	Absolute Change	% Change
S&P BSE Sensex	25582	26100	-518	-1.98
CNX Nifty	7623	7787	-164	-2.11
CNX 100	7564	7751	-187	-2.41
CNX Bank Index	14998	15368	-370	-2.41
SGX Nifty	7641	7792	-151	-1.94
S&P BSE Power	2244	2397	-153	-6.37
S&P BSE SmallCap	10128	10571	-443	-4.19
S&P BSE Healthcare	11770	11914	-144	-1.21

**P/E, Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
July 8	18.41	1.37	20.64	1.29
Month Ago	18.77	1.38	20.75	1.28
Year Ago	17.15	1.57	17.71	1.42

Nifty – Top Out performers	% Change
Sun Pharma	0.35
ITC	0.30
Kotak Mahindra	0.16
Nifty – Top Under performers	% Change
BHEL	-8.29
DLF	-7.84
Power Grid Corp	-5.68

Advance Decline Ratio		
	BSE	NSE
Advances	751	222
Declines	2259	1359
Unchanged	86	36

FII / Mutual Fund data			
(Rs Cr)	July 7	MTD	YTD
FIIs	783.49	5203.03	64723.88
Mutual Funds	346.80	-115.40	-7118.60

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** retreated on Tuesday on caution ahead of the start of corporate earnings season.
- **At 9.00 am in the morning**, Asian markets were trading lower with Nikkei trading 0.25% down and Hang Seng trading 1.13% lower.
- **Nikkei** closed down on Tuesday weighed down by stronger yen and weakness in the US markets.
- **Hang Seng** index ended flat on Tuesday as gains in shares of utility firms were set off by losses in Macau casino stocks.
- **FTSE** index fell sharply on Tuesday as airline stocks plunged following a profit warning from Air France-KLM.

**INDIAN EQUITY MARKET**

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.13% lower.
- Indian equity indices fell sharply on Tuesday, the biggest single day decline since September 2013, due to not-so-attractive Railway budget announcement.
- Investors largely ignored the proposal of introduction of FDI in the railway sector.
- Heavy profit booking was witnessed in the shares of power, real estate, metals and capital goods; with BHEL (the top Nifty loser), DLF, NTPC, Tata Power, NMDC, L&T, Jindal Steel and Tata Steel, tumbling 4.2-8.3%.
- Railway stocks were among the prominent losers; with BEML, Titagarh Wagons and Kalindee Rail Nirman Engineers falling 5% each.
- Among other related counters, Alstom T&D India, MIC Electronics, Zicom Electronic Security Systems, Bartronics India, Stone India, Kernex Microsystems (India), Container Corporation of India and Siemens lost 2-8%.
- Meanwhile, stocks of Sun Pharma (the top Nifty gainer), ITC, Kotak Mahindra and HDFC were the only performers on Nifty, gained marginally 0.2-0.4%.

**DOMESTIC NEWS**

- Highlights of the Railway Budget:
  - Government plans total outlay of Rs 65,445 cr to the railways for the current fiscal, with a budgetary support of over Rs 30,000 cr.
  - Borrowing estimated at Rs 11,790 cr from the market through IRFC and Rail Vikas Nigam Ltd for capital expenditure during 2014-15.
  - Railways' receipts in 2013-14 were Rs 139,550 cr; expenditure was Rs 130,321 cr.
  - Railways plans to set up a Diamond Quadrilateral network of high speed rails connecting major metros and growth centres.
  - Railways estimates that fare revision will bring in Rs 8000 cr; needs another Rs 9000 cr for the golden quadrilateral project.
  - Proposal to attract private domestic and FDI in infrastructure projects and pursuing private-public partnership to boost railways' finances.
  - Ticketing system to be further modernized; will be capable of issuing 7,200 tickets per minute.
- Industry body FICCI lowers its GDP growth forecast for the current fiscal, pegging India's economic expansion rate at 5.3% compared to its 5.5% previous estimate.
- British finance minister George Osborne announces a 1bn pound credit line for investment in Indian infrastructure projects.
- Government plans to sell a 5 to 10% stake in ONGC in a deal that could fetch it as much as Rs 35000 cr at current market price; also plans sale of 5% stake in SAIL in the current fiscal.
- Government says there is no proposal to dilute its ownership in public sector banks (PSBs) below 50%.
- RBI allows foreign portfolio investors to acquire up to 51.5% of the paid-up capital of IDFC.
- SEBI says offshore companies owned by NRIs or persons of Indian origin can act as investment manager for Foreign Portfolio Investors, provided they are well regulated in their jurisdiction.
- A Crisil report says stricter norms by USFDA will lead to higher compliance costs for Indian pharmaceutical companies.
- Siemens bags an order worth Rs 52 cr from NTPC for supply of Distributed Control System to their power plant in Bihar.
- ONGC Videsh Ltd (OVL) raises \$2.23bn from global markets through long term bonds to refinance loans for acquiring stake in oil field in Mozambique.
- Abu Dhabi Investment Authority sells shares worth Rs 421 cr in Kotak Mahindra Bank in stocks market deals.

### FII Derivative Trade Statistics – July 7

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1094.08	1944.68	12093.13
Index Options	5418.52	6270.48	54249.58
Stock Futures	3835.48	3613.25	59282.17
Stock Options	1187.12	1194.18	3343.46
<b>Total</b>	<b>11535.20</b>	<b>13022.59</b>	<b>128968.34</b>

### Derivative Statistics- Nifty Options

	July 8	July 7	Change
Put Call Ratio (Open Interest)	0.72	0.73	-0.01
Put Call Ratio (Volume)	0.82	0.73	0.09

Debt Watch	July 8	Week Ago	Month Ago	Year Ago
Call Rate	9.00%	7.50%	8.40%	7.70%
CBLO	8.62%	8.31%	8.73%	6.81%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.43%	8.44%	8.45%	7.48%
364 D T- Bill	8.63%	8.63%	8.53%	7.50%
10 Yr Gilt	8.73%	8.74%	8.51%	7.57%
G-sec Volume (Rs Cr)	20300	21900	72185	31565
1-mth CP rate	8.54%	8.51%	8.67%	7.78%
3-mth CP rate	8.84%	8.60%	8.73%	8.43%
5 yr Corp Bond	9.18%	9.19%	9.09%	8.68%
1-mth CD rate	8.42%	8.40%	8.43%	7.45%
3-mth CD rate	8.54%	8.45%	8.52%	7.82%
1 yr CD rate	8.87%	8.86%	8.89%	8.22%

### Currencies Vs INR

	July 8	July 7	Change
USD	59.78	60.01	0.23
GBP	102.42	102.78	0.36
Euro	81.32	81.39	0.07
100 Yen	58.73	58.71	-0.02

Commodity Prices	July 8	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	103.40	105.34	102.66	103.14
London Brent Crude Oil (\$/bbl)	108.94	112.29	108.61	107.43
Gold (oz/\$)	1323	1328	1248	1235
Gold (Rs per 10 gms)	27800	28200	26700	26160

### DERIVATIVES MARKET

- Nifty July (near future) rose up against the spot index with 25.55 point premium; it however witnessed 0.64 mn decrease in open interest.
- Put Call Ratio (open interest) fell marginally from 0.73 on July 7 to 0.72 on July 8.
- 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) fell from 19.41 on July 7 to 19.18 on July 8.

### INDIAN DEBT MARKET

- The interbank call money rate ended at 8.95-9.00% on Tuesday, as against 8.90-9.00% on Monday on demand for funds from banks to meet reserve requirements.
- The liquidity deficit in the banking system widened on account of service and excise tax outflows.
- Banks borrowed Rs 20,854 cr at the LAF repo auction on Tuesday compared with net borrowing of Rs 13,660 cr on Monday from both LAF tenders.
- Government bond prices ended lower on Tuesday on caution ahead of the Budget.
- Doubts about the government's market borrowing numbers and fiscal deficit target for FY15 dented sentiment for gilts.
- Earlier in the session, bond prices received some support after data released on Monday indicated a new 10 year paper will not be issued this week.
- The 10-year benchmark 8.83% 2023 bond ended at 8.73% yield on Tuesday as against 8.70% yield on Monday.

### Currency Overview

- The rupee ended higher against the dollar on Tuesday on account of bunched up dollar inflows from the US following the Independence Day holiday on July 4.
- Subdued demand for the dollar from importers also kept the rupee supported.
- A sharp fall in domestic equities and dollar purchases by state-owned banks however checked the local currency's gains.

### Commodity Overview

- Crude oil prices fell 13 cents to settle at \$103.40 a barrel on the NYMEX.
- Gold prices ended higher supported by fall in the equity markets.
- Multi Commodity Exchange's anchor investor, Financial Technologies sells 2% of its stake in the commodity exchange in the form of a block deal.

### INTERNATIONAL NEWS

- US consumer credit increased by \$19.6bn in May to \$3.19 trillion.
- UK's industrial production declined by a seasonally adjusted 0.7% in May, after rising 0.3% in April.
- UK's NIESR estimates that the country's economy expanded 0.9% in Q2 2014, up from 0.8% in the first quarter.
- China's consumer price index rose 2.3% in June from a year earlier, compared with a 2.5% rise in May.
- China's producer-price index fell 1.1% in June from a year earlier, compared with a 1.4% fall in May.
- Japan's Eco Watchers current conditions index improved to 47.7 in June from 45.1 in May; the outlook index fell to 53.3 in June from 53.8 a month ago.

Source: CRISIL Research

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