

Indices				
Global	June 9	June 6	Absolute Change	% Change
DJIA	16943	16924	19	0.11
Nasdaq	4336	4321	15	0.34
FTSE	6875	6858	17	0.24
Nikkei	15124	15077	47	0.31
Hang Seng	23117	22951	166	0.73
India	June 9	June 6	Absolute Change	% Change
S&P BSE Sensex	25580	25396	184	0.72
CNX Nifty	7655	7583	71	0.94
CNX 100	7623	7555	68	0.90
CNX Bank Index	15567	15543	24	0.16
SGX Nifty	7664	7593	71	0.94
S&P BSE Power	2380	2327	53	2.26
S&P BSE SmallCap	9991	9774	217	2.22
S&P BSE Healthcare	10392	10334	58	0.56

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 9	18.88	1.37	20.85	1.26
Month Ago	17.88	1.43	19.10	1.41
Year Ago	17.26	1.56	17.76	1.41

Nifty – Top Out performers	% Change
Grasim	11.55
Power Grid Corp	7.22
Coal India	5.77
Nifty – Top Under performers	% Change
ONGC	-2.68
BPCL	-2.08
SBI	-1.17

	Advance Decline Ratio	
	BSE	NSE
Advances	2348	1173
Declines	748	423
Unchanged	72	31

FII / Mutual Fund data			
(Rs Cr)	June 6	MTD	YTD
FII's	3425.95	5969.60	54585.20
Mutual Funds	-54.90	-248.30	-10591.10

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** closed slightly higher on Monday, supported by some deal news, including Merck & Co's decision to buy Idenix Pharmaceuticals Inc for \$3.85bn.
- **At 9.00 am in the morning**, Asian markets were trading mixed with Nikkei trading 0.44% lower and Hang Seng 0.37% up.
- **Nikkei** index closed higher on Monday on tracking upbeat US jobs report.
- **Hang Seng** index advanced on Monday following encouraging US jobs and Chinese trade data.
- **FTSE** index ended higher on Monday led by shares of mining companies after robust Chinese and US economic data raised hopes of a global economic recovery.

## INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.16% higher.
- Indian equity indices ended higher on Monday following strong foreign institutional investors (FIIs) inflows and hopes that the government will announce several measures in its budget due next month.
- Grasim was the top gainer on the Nifty surging 11.55% due to brokerage upgrade.
- Positive momentum after the recently undertaken price hikes and hope of policy reforms for the sector from the new government continued to aid cement stocks.
- Shares such as Shree Cement, Heidelberg Cement India, JK Cement, Ambuja Cement, India Cements, Prism Cement and Andhra Cements gained 1.76-10.44%.
- Shares of railway-related stocks gained as President Pranab Mukherjee in his address to the joint session of Parliament said investment in the railway sector will be increased.
- Shares of Kalindee Rail Nirman (Engineers), Kernex Microsystems (India), Titagarh Wagons, Texmaco Rail and Engineering climbed 4.96-9.98%.
- Jain Irrigation Systems surged 7.31% after President said that the new government will encourage micro irrigation.
- Some of the major laggards on the Nifty were ONGC (Top loser on the Nifty), SBI, HUL, Infosys and Cairn India falling 0.33-2.68%.

## DOMESTIC NEWS

- President Pranab Mukherjee addresses Parliament; announces a slew of measures including curbing food inflation and encouraging investment to promote economic growth and job creation.
- Government mulls urea price hike by at least 10% to contain subsidy costs that are straining the budget.
- Government to revamp the Modified National Agricultural Insurance Scheme (MNAIS); will focus on increasing farmers' crop based income rather than insuring them against crop losses.
- India Meteorological Department (IMD) says monsoon seasonal rainfall for the country is likely to be 93% of the long period average, according to the latest long range forecast update for 2014.
- RBI tells banks to maintain 60% liquidity coverage ratio from January 2015 and raise the level to 100% over the next four years.
- RBI eases address proof norms for opening a bank account; says customers may submit only one documentary proof of address (either current or permanent) for this purpose.
- RBI signs an MoU with financial regulators in South Korea for supervisory cooperation and exchange of information.
- JSW Steel to acquire Welspun Maxsteel for about Rs 1100 cr.
- Auto components maker Samvardhana Motherson International Ltd (SMIL) inks a 50:50 joint venture pact with Italy's Magneti Marelli Spa to enter the automotive shock absorbers segment in India.
- RCom launches 'One India One Rate Plans' that will allow customers to pay the same rate for local, STD and roaming calls from anywhere in the country.
- SEBI data shows Indian companies mopped up over Rs 9,000 cr through private placement of corporate debt securities or bonds in May, the lowest in nine months.
- Data from SEBI shows net investments by FIIs into Indian equity markets stood at Rs 51,433 cr this year so far, while the same for debt markets was at Rs 52,115 cr, mainly on hopes of a stable government.
- IDBI Bank to raise Rs 4000 cr through either a QIP or follow-on equity issue.
- National Bank for Agriculture and Rural Development (NABARD) cuts the interest rate by 0.2% on its long-term refinance facility to banks to help promote farm sector investments.

## FII Derivative Trade Statistics – June 6

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	1568.41	1989.77	9990.22
Index Options	11201.26	10618.07	54359.24
Stock Futures	4170.80	3563.48	56540.29
Stock Options	2450.40	2481.75	3160.51
<b>Total</b>	<b>19390.87</b>	<b>18653.07</b>	<b>124050.26</b>

## Derivative Statistics- Nifty Options

	June 9	June 6	Change
Put Call Ratio (Open Interest)	0.87	0.84	0.03
Put Call Ratio (Volume)	0.89	0.97	-0.08

Debt Watch	June 9	Week Ago	Month Ago	Year Ago
Call Rate	8.00%	7.10%	9.00%	7.60%
CBLO	8.73%	8.73%	8.73%	7.50%
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%	8.55%	8.81%	7.36%
364 D T- Bill	8.54%	8.65%	8.82%	7.29%
10 Yr Gilt	8.55%	8.66%	8.75%	NA
G-sec Volume (Rs Cr)	63035	25200	45240	31785
1-mth CP rate	8.75%	8.72%	8.75%	8.30%
3-mth CP rate	8.78%	8.82%	9.30%	8.44%
5 yr Corp Bond	9.08%	9.25%	9.42%	8.14%
1-mth CD rate	8.50%	8.58%	8.57%	8.05%
3-mth CD rate	8.54%	8.63%	9.00%	8.07%
1 yr CD rate	8.89%	9.02%	9.17%	8.25%

## Currencies Vs INR

	June 9	June 6	Change
USD	59.20	59.18	-0.02
GBP	99.35	99.52	0.17
Euro	80.62	80.83	0.22
100 Yen	57.65	57.85	0.20

Commodity Prices	June 9	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	104.41	102.47	99.99	96.03
London Brent Crude Oil (\$/bbl)	109.99	108.83	107.89	104.56
Gold (oz/\$)	1254	1247	1291	1386
Gold (Rs per 10 gms)	26660	26815	29830	27800

## DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 15.15 point premium; it also witnessed 1.24 mn increase in open interest.
- Put Call Ratio (open interest) rose from 0.84 on June 6 to 0.87 on June 9.
- 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 15.98 on June 6 to 17.10 on June 9.

## INDIAN DEBT MARKET

- The interbank call money rate ended at the RBI's repo rate of 8% on Monday as against 8.40% on Friday as demand for funds remained strong to meet mandatory reserve needs.
- During the session, call money rates remained elevated as the liquidity deficit had widened after companies made excise and service tax payments over the weekend.
- Banks borrowed Rs 18,424 cr at the LAF repo auction on Monday compared with net borrowing of Rs 1,592 cr on Friday from both LAF tenders.
- Gilt prices ended in the red as foreign institutional investors (FII) were forced to halt bond purchases after they reached the investment limit of 90%.
- Finance ministry secretary Arvind Mayaram's comments that the government was not considering increasing the FII investment limit in gilts further dented sentiment.
- Gilt prices recovered partially later in the session after Finance minister Arun Jaitley remarked that the government is committed to breaking the vicious cycle between inflation and interest rates.
- Value buying and lack of a gilt auction this week also protected bonds from further losses.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.55% yield on Monday as against 8.51% yield on Friday.

## Currency Overview

- The rupee gave up gains and ended slightly lower against the dollar on Monday due to state-owned banks' dollar purchases on behalf of the RBI.
- The rupee came under slight pressure after the President announced that the government intended to increase defence procurement.
- Global cues, namely a cut in interest rates by the European Central Bank and a strong jobs report from the US last week also supported the rupee at the start of the session.

## Commodity Overview

- Crude oil prices rose \$1.75 to settle at \$104.41 a barrel on the NYMEX as robust Chinese and US data raised hopes of higher demand for oil from the world's top two consumers.
- Gold prices rose slightly but gains were limited due to strength in the equities.

## INTERNATIONAL NEWS

- Euro zone Sentix investor sentiment index fell unexpectedly to 8.5 in June, the lowest since December 2013, from 12.8 in May.
- Japan's Eco Watchers current conditions index rose more-than-expected to 45.1 in May from 41.6 in April; the Outlook index came in at 53.8 in May, up from 50.3 in April.
- Japan's trade deficit widened to 780.4 bn yen in April from 708.2 bn yen in the year-ago period.
- Japan's tertiary index plunged a seasonally adjusted 5.4% month-on-month in April.
- Merck & Co to buy Idenix Pharmaceuticals Inc in a \$3.85bn deal.

Source: CRISIL Research

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