

Indices				
Global	June 16	June 13	Absolute Change	% Change
DJIA	16781	16776	5	0.03
Nasdaq	4321	4311	10	0.24
FTSE	6755	6778	-23	-0.34
Nikkei	14933	15098	-165	-1.09
Hang Seng	23301	23319	-19	-0.08
India	June 16	June 13	Absolute Change	% Change
S&P BSE Sensex	25190	25228	-38	-0.15
CNX Nifty	7534	7542	-9	-0.11
CNX 100	7469	7474	-5	-0.07
CNX Bank Index	15030	15107	-77	-0.51
SGX Nifty	7564	7546	18	0.24
S&P BSE Power	2227	2222	5	0.24
S&P BSE SmallCap	9704	9675	30	0.31
S&P BSE Healthcare	10839	10760	79	0.73

P/E, Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 16	18.46	1.40	20.53	1.28
Month Ago	18.79	1.38	19.93	1.34
Year Ago	16.98	1.59	17.53	1.43

Nifty – Top Out performers	% Change
GAIL	4.30
BPCL	3.72
DLF	2.71
Nifty – Top Under performers	% Change
M&M	-2.51
Axis Bank	-2.47
L&T	-2.10

Advance Decline Ratio		
	BSE	NSE
Advances	1356	693
Declines	1614	844
Unchanged	99	70

FII / Mutual Fund data			
(Rs Cr)	June 13	MTD	YTD
FII	1250.17	11017.42	59633.02
Mutual Funds	NA	-846.10*	-11188.90*

\*Data as on June 12

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** closed marginally higher on Monday as gains due to some corporate deals and upbeat domestic housing market data were cut short by rising conflict in Iraq.
- **At 9.00 am in the morning**, Asian markets were trading mixed with Nikkei trading 0.50% higher and Hang Seng 0.31% down.
- **Nikkei** index ended lower on Monday dragged down by stronger yen and rising crude oil prices amid escalating tensions in Iraq.
- **Hang Seng** index closed marginally lower on Monday as investors exercised caution ahead of the conclusion of the US Federal Reserve meeting on Wednesday.
- **FTSE** index ended lower on Monday on escalating tensions in Iraq.

## INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.21% lower.
- Indian equity indices ended slightly lower on Monday amid high volatility as investors abstained from taking bets due to growing uncertainties in Iraq and poor domestic inflation numbers.
- Sectors such as auto and capital goods continued to witness selling pressure while those of realty and oil and gas rebounded on bargain buying.
- Stocks of SBI, PNB, RIL, Tata Motors, HDFC, L&T, Axis Bank, and M&M (the top Nifty loser) were succumbed to profit booking, falling 0.9-2.5%.
- GAIL gained the most on Nifty, rising 4.3% on brokerage upgrade.
- Shares of BPCL, HPCL and Indian Oil Corp added 0.7-3.7%.
- Export-oriented companies benefited from weaker rupee; with ITC, Wipro, Infosys, Sun Pharma and TCS, gaining 1.1-2.5%.

## DOMESTIC NEWS

- India's wholesale price index (WPI)-based inflation rose to a five-month high of 6.01% in May against 5.20% in the previous month, driven by costlier protein-based items, fuel and some manufactured products.
- Department of Electronics and IT approves an incubation centre for electronics start ups called Electropreneur Park to encourage domestic manufacturing of electronics.
- RBI tightens anti-money laundering norms by asking companies to appoint a designated director who can impose fines of up to Rs 1 lakh for violation of the law.
- RBI accepts the Nachiket Mor committee's recommendations on introducing payment banks – specialized banks to provide services to small businesses.
- SEBI decides to conduct a nationwide survey to take stock of the savings and investment trends among the Indian households and find out the impact and changing dynamics of securities market.
- SEBI asks designated depository participants to share information about foreign portfolio investors with banks, as part of efforts to harmonise KYC norms.
- SEBI may relax restrictions on sale of bonus shares held by promoters or other investors during an IPO, even if these shares have been held for less than a year.
- IRDA allows insurers to invest in interest rate derivatives for hedging against interest rate risks in their transactions.
- Mahindra Group forays into the affordable housing space through its property development arm Mahindra Lifespaces (MLDL).
- Wipro wins an IT applications and infrastructure contract from Australian convenience store chain 7-Eleven.
- A consortium led by GMR Infrastructure Limited wins orders worth Rs 389 cr for rail line doubling of Multi Modal Transport System (MMTS) in Andhra Pradesh.
- A Moody's report says the RBI's recent guidelines on liquidity risk management are credit positive for banks.
- A report by Fitch indicates state-run banks are likely to face asset quality woes despite recent fall in non-performing loans.
- Industry body CII suggests a five-point plan to revive India's NBFC sector; also sets up an online credit support centre to facilitate easier finance to SMEs.
- Shareholders of YES Bank approve the board's decision to raise \$500 mn capital to support its growth plans.

**FII Derivative Trade Statistics – June 13**

(Rs Cr)	Buy	Sell	Open Interest
<b>Index Futures</b>	1994.87	2569.63	13350.72
<b>Index Options</b>	17791.32	16860.85	63354.86
<b>Stock Futures</b>	3888.55	3436.01	54452.64
<b>Stock Options</b>	3887.64	3936.03	4047.43
<b>Total</b>	27562.38	26802.52	135205.65

**Derivative Statistics- Nifty Options**

	June 16	June 13	Change
<b>Put Call Ratio (Open Interest)</b>	0.83	0.83	0.00
<b>Put Call Ratio (Volume)</b>	0.95	1.10	-0.15

Debt Watch	June 16	Week Ago	Month Ago	Year Ago
<b>Call Rate</b>	8.75%	8.00%	7.50%	7.20%
<b>CBLO</b>	8.73%	8.73%	8.73%	7.04%
<b>Repo</b>	8.00%	8.00%	8.00%	7.25%
<b>Reverse Repo</b>	7.00%	7.00%	7.00%	6.25%
<b>91 D T-Bill</b>	8.50%	8.45%	8.73%	7.39%
<b>364 D T-Bill</b>	8.60%	8.54%	8.80%	7.27%
<b>10 Yr Gilt</b>	8.65%	8.55%	8.83%	7.53%
<b>G-sec Volume (Rs Cr)</b>	30925	63035	52985	42225
<b>1-mth CP rate</b>	8.79%	8.75%	8.72%	8.30%
<b>3-mth CP rate</b>	8.81%	8.78%	9.20%	8.59%
<b>5 yr Corp Bond</b>	9.12%	9.08%	9.35%	8.29%
<b>1-mth CD rate</b>	8.59%	8.50%	8.52%	8.12%
<b>3-mth CD rate</b>	8.60%	8.54%	8.88%	8.20%
<b>1 yr CD rate</b>	8.90%	8.89%	9.07%	8.38%

**Currencies Vs INR**

	June 16	June 13	Change
<b>USD</b>	60.15	59.76	-0.39
<b>GBP</b>	102.00	100.93	-1.06
<b>Euro</b>	81.25	80.71	-0.54
<b>100 Yen</b>	58.96	58.28	-0.68

Commodity Prices	June 16	Week Ago	Month Ago	Year Ago
<b>NYMEX Crude Oil (\$/bbl)</b>	106.90	104.41	102.02	97.85
<b>London Brent Crude Oil (\$/bbl)</b>	112.94	109.99	109.75	105.93
<b>Gold (oz/\$)</b>	1276	1254	1292	1391
<b>Gold (Rs per 10 gms)</b>	27620	26660	29050	27695

**DERIVATIVES MARKET**

- Nifty June (near future) rose against the spot index with a 25.65 point premium; it however witnessed 0.17 mn decrease in open interest.
- Put Call Ratio (open interest) remained unchanged at 0.83 on June 16.
- Nifty 8000 June Call strike continued to witness the highest open interest.
- Nifty 7500 June Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 17.76 on June 13 to 17.98 on June 16.

**INDIAN DEBT MARKET**

- The interbank call money rate ended firm near the RBI's MSF rate at 8.60-8.75% on Monday as against 8.70-8.75% on Friday on strong demand for funds from banks for making advance tax payments.
- The call money rate also remained high as banks borrowed to meet their daily reserve needs.
- Banks borrowed Rs 21,810 cr at the LAF repo auction on Monday compared with net borrowing of Rs 13,282 cr on Friday from both LAF tenders.
- Government bond prices ended sharply lower on Monday with yield of the benchmark paper rising to a two week high as the market absorbed weak wholesale inflation figures for May.
- Data released showed that inflation measured by the Wholesale Price Index had risen to a five month high of 6.01% in May from 5.20% in April, dashing hopes of an interest rate cut by the RBI.
- Continuing geopolitical tensions in Iraq pushed crude oil prices up and weighed on gilt prices.
- Lack of purchase interest by FIIs after they hit their investment limit last week also impacted gilts.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.65% yield on Monday as against 8.60% yield on Friday.

**Currency Overview**

- The rupee ended at a six week low against the dollar on Monday on the back of weak domestic wholesale inflation data for May.
- Dollar demand by oil importers also weighed on the rupee.
- Dollar sales by state-owned and foreign banks helped the local unit cut its losses slightly.

**Commodity Overview**

- Crude oil prices fell 1 cent to settle at \$106.90 a barrel on the NYMEX.
- Gold prices ended higher on safe-buying amid Iran and Ukraine crisis.

**INTERNATIONAL NEWS**

- IMF cuts US growth outlook for 2014 to 2% from the 2.8% it predicted in April, due to a weak first quarter.
- US industrial production rose 0.6% in May after a 0.3% drop in April; capacity utilization ticked up 0.2% to 79.1% in May.
- US NAHB Housing Market Index rose to 49 in June from 45 in May.
- US Empire State Manufacturing Index rose to 19.28 in June from 19.01 in May.
- US Treasury Department said that net foreign sales of long-term securities totaled \$24.2 bn in April, compared with net purchases of \$4.1 bn in March.
- Annual inflation in the Euro zone fell to 0.5% in May from 0.7% in April.

Source: CRISIL Research

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