

**Indices**

Global	May 30	May 29	Absolute Change	% Change
DJIA	16717	16699	18	0.11
Nasdaq	4243	4248	-5	-0.13
FTSE	6845	6871	-27	-0.39
Nikkei	14632	14682	-49	-0.34
Hang Seng	23082	23010	72	0.31
India	May 30	May 29	Absolute Change	% Change
S&P BSE Sensex	24217	24234	-17	-0.07
CNX Nifty	7230	7236	-6	-0.08
CNX 100	7181	7183	-2	-0.02
CNX Bank Index	14793	15030	-237	-1.58
SGX Nifty	7237	7237	1	0.01
S&P BSE Power	2167	2150	17	0.78
S&P BSE SmallCap	9016	8985	30	0.34
S&P BSE Healthcare	10315	10055	260	2.59

**P/E, Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
May 30	17.65	1.44	19.82	1.34
Month Ago	17.61	1.46	18.79	1.37
Year Ago	17.58	1.51	18.37	1.36

Nifty – Top Out performers	% Change
HUL	8.43
NTPC	5.49
M&M	4.97
Nifty – Top Under performers	% Change
Bank of Baroda	-3.89
BPCL	-2.65
Power Grid Corp	-2.44

**Advance Decline Ratio**

	BSE	NSE
Advances	1545	763
Declines	1442	789
Unchanged	117	52

**FII / Mutual Fund data**

(Rs Cr)	May 29	MTD	YTD
FIIs	-440.70	13426.40	45530.00
Mutual Funds	264.50	-237.70	-10685.90

**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 little changed on Friday amid mixed domestic economic data.
- **At 9.00 am in the morning**, Asian markets were trading higher with Nikkei trading 1.79% higher.
- **Nikkei** ended slightly lower on Friday due to stronger yen and profit booking after the recent rally.
- **Hang Seng** ended higher on Friday on buying in shares of property developers and Chinese banks.
- **FTSE** index ended lower on Friday as mining shares declined due to a slump in iron-ore prices.

**INDIAN EQUITY MARKET**

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.02% lower.
- Indian equity indices ended flat on Friday amid high volatility due to caution ahead of the key GDP data and the RBI's monetary review.
- Banking shares witnessed selling pressure with Bank of Baroda (the top Nifty loser), SBI, PNB, HDFC Bank and ICICI Bank, falling 1.3-3.9%.
- FMCG major HUL was the topmost gainer on Nifty, soaring 8.4%, on reports that its weight will increase in the MSCI index.
- Majority of the pharma shares closed in positive territory; with Sun Pharma, Cipla, Dr Reddy's Lab and Lupin, rising 1.6-4.1%.
- Stocks of M&M (up 5%) were among the top performer on Nifty after the company posted better-than-expected earnings results.
- Defence companies rallied following reports that the trade minister has approved a Cabinet note that proposes to allow up to 100% Foreign Direct Investment (FDI) in the sector; with Astra Microwave Products, BEML, Rolta India, Bharat Electronics, L&T, and Pipavav Defence and Offshore Engineering Co, surging 2-20%.
- Railway companies were benefited on news that FDI in the sector is likely to be approved soon; with Kernex Microsystems, Texmaco Rail and Engineering, Titagarh Wagons, Kalindee Rail Nirman Engineers and Zicom Electronic Security Systems, rising 4-8%.

**DOMESTIC NEWS**

- India's Gross Domestic Product (GDP) for the fourth quarter of the financial year 2013-2014 grew at 4.6%. The GDP for the entire fiscal year grew at 4.7%.
- India's fiscal deficit during the 2013-14 fiscal year that ended in March was Rs 5.08 lakh cr, or equivalent to 4.5% of the country's gross domestic product; net tax receipts were Rs 8.16 lakh cr and total expenditure was Rs 15.6 lakh cr during the fiscal year.
- India's Consumer Price Index for Industrial Workers rises to 7.08% in April from 6.70% in March.
- India's foreign exchange reserves dipped by \$2.269 bn to \$312.656 bn in the week to May 23 (first time in five weeks).
- Pakistan to grant India the status of Non-Discriminatory Market Access (NDMA) to facilitate enhanced bilateral trade.
- Government draws up a Rs 25000 cr plan to create a waterway grid linking Ganga, Brahmaputra, Mahanadi and Godavari rivers.
- RBI to conduct a 4-day term reverse repo variable rate auction for a notified amount of Rs. 15,000 cr on June 2, with a greenshoe option to accept offers up to an additional amount of Rs. 10,000 cr above the notified amount.
- RBI allows banks to carry out foreign exchange proprietary trades in which bank treasuries bet on the dollar-rupee movement.
- RBI says urban co-operative banks should create deferred tax liability on special reserves.
- IRDA is likely to release final guidelines on e-insurance in the first week of June.
- Cadila Healthcare's US subsidiary recalls 10,200 bottles of its allergy-relief drug due to the presence of foreign tablets of another drug (atenolol) in the bottles of a particular lot.
- BSE plans to sell a part of its stake in Central Depository Services through an IPO to comply with SEBI's norms on ownership.
- Syndicate Bank raises \$400 mn through a senior unsecured bond offering.
- ICICI bank raises \$250 mn through Reg S bonds.
- IDFC is planning to sell loans worth Rs 5000 cr given to power and road projects.
- Suzlon Energy plans to raise about Rs 1000 cr from sale of non-core assets this financial year.

**FII Derivative Trade Statistics – May 29**

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	6829.82	6929.84	8944.31
Index Options	21681.72	19988.27	40876.28
Stock Futures	14475.34	17395.51	50290.02
Stock Options	2816.25	2772.95	271.35
<b>Total</b>	<b>45803.13</b>	<b>47086.57</b>	<b>100381.96</b>

**Derivative Statistics- Nifty Options**

	May 30	May 29	Change
Put Call Ratio (Open Interest)	0.67	0.73	-0.06
Put Call Ratio (Volume)	0.88	0.82	0.06

Debt Watch	May 30	Week Ago	Month Ago	Year Ago
Call Rate	7.30%	8.40%	9.00%	6.85%
CBLO	8.73%	8.73%	8.73%	6.15%
Repo	8.00%	8.00%	8.00%	7.25%
Reverse Repo	7.00%	7.00%	7.00%	6.25%
91 D T-Bill	8.50%	8.54%	8.81%	7.31%
364 D T- Bill	8.62%	8.68%	8.88%	7.26%
10 Yr Gilt	8.64%	8.64%	8.83%	7.44%
G-sec Volume (Rs Cr)	74015	64090	32230	62750
1-mth CP rate	8.39%	8.51%	9.02%	8.18%
3-mth CP rate	8.80%	8.84%	9.35%	8.49%
5 yr Corp Bond	9.23%	9.27%	9.49%	8.10%
1-mth CD rate	8.21%	8.32%	8.79%	7.63%
3-mth CD rate	8.52%	8.64%	9.07%	8.10%
1 yr CD rate	9.00%	9.00%	9.20%	8.32%

**Currencies Vs INR**

	May 30	May 29	Change
USD	59.09	59.02	-0.07
GBP	98.91	98.41	-0.50
Euro	80.34	80.03	-0.30
100 Yen	58.10	57.85	-0.25

Commodity Prices	May 30	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	102.71	104.35	99.74	93.61
London Brent Crude Oil (\$/bbl)	109.41	110.54	109.07	102.19
Gold (oz/\$)	1251	1292	1289	1414
Gold (Rs per 10 gms)	26950	27585	29950	26880

**DERIVATIVES MARKET**

- Nifty June (near future) rose against the spot index with a 3.70 point premium; it also witnessed 5.87 mn increase in open interest.
- Put Call Ratio (open interest) fell from 0.73 on May 29 to 0.67 on May 30.
- 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) fell from 16.69 on May 29 to 16.34 on May 30.

**INDIAN DEBT MARKET**

- The interbank call money rate ended lower at 7.30% on Friday versus 8.70-8.75% on Thursday as demand for funds remained subdued due to comfortable liquidity in the banking system.
- Liquidity is expected to improve further next week due to the government's month-end spending.
- Banks borrowed Rs 6,159 cr through the RBI's repo window on Friday as against net borrowing of Rs 7,079 cr on Thursday from both LAF tenders.
- Government bond prices ended off near four month intraday highs on Friday on strong demand at the RBI's weekly debt sale.
- Earlier in the session, bonds rose after RBI Governor Raghuram Rajan said that he expected the public's inflation expectations to fall in the future.
- Further gains were capped by profit taking and caution before the release of domestic fiscal deficit data.
- The yield on the 10-year benchmark 8.83% 2023 bond ended at 8.64% on Friday as against 8.67% on Thursday.

**Currency Overview**

- The rupee ended lower against the dollar on Friday due to greenback purchases by banks on behalf of oil importers.
- Lack of support from domestic share indices and caution ahead of the release of gross domestic product (GDP) data also prevented rupee gains.
- However, large dollar inflows seen during the session helped the rupee cut some of its losses.

**Commodity Overview**

- Crude oil prices fell 87 cents to settle at \$102.71 a barrel on the NYMEX.
- Gold prices ended lower as optimism about US economy and easing Ukraine tensions dented safe-haven appeal of the precious metal.
- National Commodity and Derivatives Exchange to increase transaction charges on almost all farm futures effective June 2.

**INTERNATIONAL NEWS**

- US personal consumption fell a seasonally adjusted 0.1% in April following an upwardly revised growth of 1% in March; personal income rose 0.3% in April, down slightly from 0.5% growth in March.
- US Institute for Supply Management-Chicago business barometer was 65.5 in May, up from 63.0 in April.
- US Thomson Reuters/University of Michigan's final May reading on the overall index on consumer sentiment came in at 81.9, down from 84.1 the month before.
- US seeks more than \$10 bn from French bank BNP Paribas to settle charges that it violated US sanctions on Iran, Sudan and Cuba.
- China's official manufacturing Purchasing Managers Index rose to 50.8 in May compared with 50.4 in April.

Source: CRISIL Research

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