

Indices				
Global	Oct 21	Oct 20	Absolute Change	% Change
DJIA	16615	16400	215	1.31
Nasdaq	4419	4316	103	2.40
FTSE	6372	6267	105	1.68
Nikkei	14804	15111	-307	-2.03
Hang Seng	23089	23070	18	0.08
India	Oct 21	Oct 20	Absolute Change	% Change
S&P BSE Sensex	26576	26430	146	0.55
CNX Nifty	7928	7879	48	0.61
CNX 100	7873	7822	50	0.64
CNX Bank Index	16427	16217	211	1.30
SGX Nifty	7996	7898	98	1.24
S&P BSE Power	2069	2018	51	2.55
S&P BSE SmallCap	10383	10363	19	0.19
S&P BSE Healthcare	13615	13632	-17	-0.13

Date	P/E, Dividend Yield		P/E, Div. Yield	
	Sensex	Nifty	Sensex	Nifty
Oct 21	18.26	1.27	20.53	1.33
Month Ago	18.55	1.26	21.23	1.25
Year Ago	18.02	1.43	18.07	1.49

Nifty – Top Out performers	% Change
Jindal Steel	7.34
DLF	5.43
GAIL	4.81
Nifty – Top Under performers	% Change
ONGC	-2.63
M&M	-2.51
PNB	-2.41

Advance Decline Ratio		
	BSE	NSE
Advances	1494	799
Declines	1332	695
Unchanged	106	76

FII / Mutual Fund data			
(Rs Cr)	Oct 20	MTD	YTD
FIIs	1536.21	-3458.34	79561.55
Mutual Funds	-256.60	3490.00	12679.50

Economic Indicators			
YoY (%)	Current	Quarter Ago	Year Ago
Monthly Inflation	2.38% (Sep-14)	5.66% (Jun-14)	7.05% (Sep-13)
IIP	0.40% (Aug-14)	5.60% (May-14)	0.40% (Aug-13)
GDP	5.70% (Apr-Jun 14)	4.60% (Jan-Mar 14)	4.70% (Apr-Jun 13)

GLOBAL INDICES

- **Dow Jones** rallied on Tuesday due to upbeat earnings from Apple Inc. and on reports that the European Central Bank was considering buying corporate bonds.
- **At 9.00 am in the morning**, Asian markets were trading higher with Hang Seng 1.19% up and Nikkei trading 1.71% up.
- **Nikkei** index ended lower on Tuesday due to stronger yen and profit booking after the recent rally.
- **Hang Seng** index ended marginally higher on Tuesday following the release of slightly better-than-expected growth data from China.
- **FTSE** index ended higher on Tuesday helped by a rise in major oil stocks and drugmaker Shire.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.95% higher.
- Indian benchmark indices ended higher on Tuesday after the Cabinet announced an ordinance to resolve the coal sector issues arising from the Supreme Court's cancellation of allocation of 204 blocks in September.
- Shares of metal, mining and power rallied on the prospect of winning bids for coal blocks while those of banks rose due easing concerns over the asset quality relating to loan exposure to companies which lost their rights to their allocated mines.
- Shares of Jindal Steel (the top Nifty gainer), Sesa Sterlite, Power Grid Corp, Tata Steel and Tata Power gained 1.2-7.3%.
- However, state-run coal mining company - Coal India (down 1.7%) - succumbed to selling pressure due to worries that the company may lose some of the coal blocks it currently holds following the e-auction.
- Among earnings-related shares, South Indian Bank and Just Dial declined 4% and 3%, respectively, on reporting downbeat earnings numbers.
- IDBI Bank added 3.3% on news that it is planning to raise funds through issuance of dollar-denominated senior notes.

DOMESTIC NEWS

- Moody's says Centre's move to remove price controls on diesel and to raise natural gas prices signals fiscal discipline and is a "credit positive" step, although the overall impact could be limited.
- Prime Minister Narendra Modi pitch for revamping urban governance while linking it to the 'Digital India Mission' and 'Swachh Bharat' campaign.
- Government orders Financial Technologies to fully absorb its defunct unit National Spot Exchange Ltd (NSEL) and assume its outstanding liabilities.
- Finance Minister Arun Jaitley says the revised Constitution Amendment Bill to roll out Goods and Services Tax will be introduced in the Winter Session of Parliament.
- A member of RBI's technical advisory committee says the central bank may consider cutting interest rates as early as March should inflation cool further on the back of a fall in global oil prices.
- RBI asks banks to partially freeze and subsequently close accounts of customers who have not complied with KYC requirements despite repeated reminders.
- RBI eased some rules for identifying defaulters and taking corrective actions since banks found it impossible to comply with the strict norms.
- SEBI says stock exchanges can waive penalty on stock brokers in cases related to modification of client codes for non-institutional trades.
- GVK Biosciences and Takeda Pharma enter into a Joint Venture for drug research.
- Just Dial plans to raise up to Rs 1,000 cr through issue of equity shares.
- SMC Global Securities files fresh papers with SEBI to mop up Rs 125 cr through public issue.
- Kalyanpur Cements decides not to proceed with the rights issue of equity shares.
- Greenko secures commitment for \$125 mn investment from US based EIG Global Energy Partners.
- Corporation Bank launches e-Mandate (digital mandate) service to provide a robust platform for large volume of repetitive payments.
- Kotak Mahindra Bank reduces its interest rate on savings deposits below Rs. 1 lakh by 0.5% to 5%.
- Aditya Birla Financial Services Group signs a Memorandum of Understanding (MoU) with South Africa's MMI Holdings Limited to enter the Indian health insurance market.

FII Derivative Trade Statistics – Oct 20

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	3341.55	1886.54	11865.61
Index Options	16162.76	16354.92	70080.59
Stock Futures	3231.93	2604.22	43391.31
Stock Options	2881.39	2926.23	2864.24
Total	25617.63	23771.91	128201.75

Derivative Statistics- Nifty Options

	Oct 21	Oct 20	Change
Put Call Ratio (Open Interest)	0.88	0.85	0.03
Put Call Ratio (Volume)	1.00	0.94	0.06

Debt Watch	Oct 21	Week Ago	Month Ago	Year Ago
Call Rate	8.25%	9.05%	7.75%	9.00%
CBLO	8.43%	8.39%	7.83%	8.99%
Repo	8.00%	8.00%	8.00%	7.50%
Reverse Repo	7.00%	7.00%	7.00%	6.50%
91 D T-Bill	8.44%	8.50%	8.55%	8.80%
364 D T- Bill	8.45%	8.55%	8.61%	8.57%
10 Yr Gilt	8.37%	8.40%	8.45%	8.60%
G-sec Volume (Rs Cr)	45345	43335	26495	16785
1-mth CP rate	8.51%	8.56%	8.90%	9.07%
3-mth CP rate	8.83%	8.88%	8.91%	9.31%
5 yr Corp Bond	8.89%	9.00%	9.23%	9.46%
1-mth CD rate	8.38%	8.40%	8.70%	8.89%
3-mth CD rate	8.56%	8.60%	8.64%	8.98%
1 yr CD rate	8.82%	8.93%	9.06%	9.09%

Currencies Vs INR

	Oct 21	Oct 20	Change
USD	61.31	61.36	0.05
GBP	99.16	98.62	-0.54
Euro	78.59	78.15	-0.44
100 Yen	57.63	57.14	-0.49

Commodity Prices	Oct 21	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	83.76	81.84	92.41	99.22
London Brent Crude Oil (\$/bbl)	86.15	85.04	98.39	109.64
Gold (oz/\$)	1250	1235	1220	1318
Gold (Rs per 10 gms)	27400	27390	26550	31170

DERIVATIVES MARKET

- Nifty October futures (near future) rose against the spot index with 18.65 point premium; it also witnessed 0.56 mn increase in open interest.
- Put Call Ratio (open interest) rose from 0.85 on October 20 to 0.88 on October 21.
- Nifty 8000 October Call strike continued to witness the highest open interest.
- Nifty 7500 October Put strike continued to witness the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) fell from 14.19 on Oct 20 to 13.33 on Oct 21.

INDIAN DEBT MARKET

- The interbank call money rate ended off highs at 8.25% on Tuesday as against 8.85-8.90% on Monday as demand for funds declined after the RBI announced an overnight variable rate repo auction for Rs 15,000 cr.
- Call money rates were elevated earlier in the session due to increased demand for funds from banks to meet festival-related outflows.
- The central bank also held a term repo of 13 day tenor for a notified amount of Rs 15,500 cr.
- Banks borrowed Rs 20,954 cr at the LAF repo auction on Tuesday compared with net borrowing of Rs 7,118 cr on Monday from both LAF tenders.
- Government bond prices ended slightly lower on profit sales and a lack of appetite for gilts ahead of the long weekend.
- Tight liquidity conditions also put prices under pressure.
- However, hopes that the RBI may slash interest rates kept sentiment positive and prevented a broad decline in prices.
- Gilts were also supported by the absence of a bond sale this week and the government's move to open up the coal industry to private players.
- The 10-year benchmark 8.40% 2024 bond ended at 8.37% yield on Tuesday as against 8.36% yield on Monday.

Currency Overview

- The rupee ended higher against the US dollar on Tuesday on the back of dollar sales by foreign banks and domestic share indices that ended in positive territory.
- The rupee also gained tracking other Asian currencies following the release of higher than expected Chinese industrial output and GDP data.
- However, demand for the greenback by state-owned banks on behalf of oil importers and a drop in the euro capped further gains.

Commodity Overview

- Crude oil prices rose by \$1.05 to settle at \$83.76 per barrel on NYMEX on news of robust Chinese oil demand.
- Gold prices rose due to concerns about slowdown in China and increased buying interests in Asian markets – top consuming regions.

INTERNATIONAL NEWS

- US existing home sales rose 2.4% to an annual rate of 5.17 mn units, the strongest reading since September 2013, and compared to the August reading of 5.05 mn units.
- UK public sector net borrowing was 11.8 bn pounds in September, up 1.6 bn pounds from the same month last year and compared to 11 bn pounds in August.
- Eurozone 2013 budget deficit revised down to 2.9% of GDP instead of 3%.
- China's retail sales fell to an annual rate of 11.6% in September from 11.9% in the preceding month.
- China's industrial production growth picked up to 8% year on year in September after a sharp slowdown to 6.9% in August.

Source: CRISIL Research

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