

| Indices | | | | |
|--------------------|--------|--------|-----------------|----------|
| Global | Oct 24 | Oct 23 | Absolute Change | % Change |
| DJIA | 16805 | 16678 | 128 | 0.76 |
| Nasdaq | 4484 | 4453 | 31 | 0.69 |
| FTSE | 6389 | 6419 | -31 | -0.48 |
| Nikkei | 15292 | 15139 | 153 | 1.01 |
| Hang Seng | 23302 | 23333 | -31 | -0.13 |
| India | Oct 23 | Oct 22 | Absolute Change | % Change |
| S&P BSE Sensex | 26851 | 26787 | 64 | 0.24 |
| CNX Nifty | 8015 | 7996 | 19 | 0.23 |
| CNX 100 | 7965 | 7943 | 22 | 0.28 |
| CNX Bank Index | 16470 | 16445 | 25 | 0.15 |
| SGX Nifty | 8019 | 8026 | -8 | -0.09 |
| S&P BSE Power | 2083 | 2081 | 2 | 0.11 |
| S&P BSE SmallCap | 10663 | 10504 | 159 | 1.51 |
| S&P BSE Healthcare | 13922 | 13843 | 79 | 0.57 |

| Date | Sensex | | Nifty | |
|-----------|--------|------------|-------|------------|
| | P/E | Div. Yield | P/E | Div. Yield |
| Oct 23 | 18.45 | 1.26 | 20.70 | 1.32 |
| Month Ago | 18.48 | 1.27 | 20.96 | 1.27 |
| Year Ago | 17.91 | 1.44 | 17.83 | 1.49 |

| Nifty – Top Out performers | % Change |
|------------------------------|----------|
| Jindal Steel | 10.11 |
| Kotak Mahindra | 4.86 |
| Hero Motocorp | 3.99 |
| Nifty – Top Under performers | % Change |
| ONGC | -2.63 |
| M&M | -2.51 |
| PNB | -2.41 |

| Advance Decline Ratio | | |
|-----------------------|------|------|
| | BSE | NSE |
| Advances | 2031 | 1193 |
| Declines | 518 | 255 |
| Unchanged | 76 | 54 |

| FII / Mutual Fund data | | | |
|------------------------|--------|----------|-----------|
| (Rs Cr) | Oct 21 | MTD | YTD |
| FIIs | 115.50 | -3342.84 | 79677.05 |
| Mutual Funds | NA | 3490* | 12679.50* |

*Data as on Oct 20

| 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** ended higher on Friday following positive earnings report from Microsoft.
- **At 9.00 am in the morning**, Asian markets were trading mixed with Hang Seng 0.88% down and Nikkei trading 0.37% higher.
- **Nikkei** index ended higher on Friday as weaker yen boosted exporter shares.
- **Hang Seng** index closed slightly lower on Friday due to disappointing earnings from China Construction Bank and report showed that prices of new homes in China fell for the first time in two years.
- **FTSE** index closed lower on Friday as energy firms fell after crude oil prices declined.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.36% higher.
- Indian stock indices gained in a special "Muhurat" trading session for Diwali on Thursday led by persistent FII buying amid renewed hopes after the government announced reforms in oil and gas and coal sectors.
- Stocks of oil and gas, consumer durables, capital goods, pharma, FMCG, realty, metal and banking rallied.
- Indian equity indices gained on Wednesday buoyed by rally in auto, capital goods and pharma stocks.
- Trade however remained in the narrow range due to ongoing corporate earnings and other developments.
- Auto shares were boosted on optimism of strong sales on the occasion of Dhanteras and Diwali - Maruti Suzuki, Bajaj Auto, Tata Motors and Hero MotoCorp added 3-4%.
- Jindal Steel was the topmost gainer on Nifty, surging 10.1% bolstered by bargain buying.
- Among earning-related stocks, Kotak Mahindra rallied 4.9% on upbeat earnings results.

DOMESTIC NEWS

- Government clears defence projects worth Rs 80000 cr.
- Government removes the price of LNG imports from the gas pricing formula to avoid conflict of interest where a company is an LNG importer as well as natural gas producer.
- India and Nepal ink a power trade agreement that allows for the exchange of electricity and open up new areas of cooperation in the hydropower sector.
- DIPP suggests steps to improve business climate.
- RBI governor Raghuram Rajan finalizes organizational restructuring of the central bank by reassigning responsibilities of deputy governors under four new clusters.
- RBI fires warning shots on companies' lack of hedging.
- SEBI permits stock brokers to take proprietary positions in currency derivatives as long as they do not exceed 15% of total open interest or as long as it does not exceed the equivalent of \$50 mn.
- NHPC signs an agreement with Uttar Pradesh New and Renewable Energy Development Agency for setting up its first solar power project in the state at a cost of Rs 400 cr.
- Odisha Industrial Infrastructure Development Corporation (IDCO) transfers 85 acres land to Essar Power for establishment of a coal-based captive power plant (CPP).
- Wipro invests an additional \$8.2mn in Opera Solutions.
- HCL Technologies bags a multi-million dollar IT infrastructure transformation deal from the De Beers Group of Companies.
- State governments to sell gilts for an aggregate amount of Rs 9,650 cr on October 28.
- Bombay Stock Exchange's (BSE) shareholders approve its proposed merger with United Stock Exchange of India Ltd (USE); the bourse also signs a Memorandum of Understanding (MoU) with Yes Bank aimed at sharing knowledge in SME listing.
- NABARD sanctions projects worth Rs 1024 cr for Odisha under the 20th tranche of Rural Infrastructure Development Fund (RIDF) for 2014-15.
- Fullerton India Credit Company to raise Rs 450 cr from International Finance Corporation through non-convertible debentures.
- SKS Microfinance completes its first securitisation transaction of Rs 316 cr in the current financial year.

FII Derivative Trade Statistics – Oct 21

| (Rs Cr) | Buy | Sell | Open Interest |
|---------------|-----------------|-----------------|------------------|
| Index Futures | 2122.40 | 1723.87 | 13082.37 |
| Index Options | 19433.07 | 18264.88 | 71515.90 |
| Stock Futures | 3135.72 | 3288.64 | 44115.20 |
| Stock Options | 2954.81 | 3003.96 | 2919.53 |
| Total | 27646.00 | 26281.35 | 131633.00 |

Derivative Statistics- Nifty Options

| | Oct 22 | Oct 21 | Change |
|--------------------------------|--------|--------|--------|
| Put Call Ratio (Open Interest) | 0.87 | 0.88 | -0.01 |
| Put Call Ratio (Volume) | 1.13 | 1.00 | 0.13 |

| Debt Watch | Oct 22 | Week Ago | Month Ago | Year Ago |
|----------------------|--------|----------|-----------|----------|
| Call Rate | 9.00% | 9.05% | 7.20% | 9.00% |
| CBLO | 8.66% | 8.39% | 7.97% | 8.98% |
| Repo | 8.00% | 8.00% | 8.00% | 7.50% |
| Reverse Repo | 7.00% | 7.00% | 7.00% | 6.50% |
| 91 D T-Bill | 8.38% | 8.50% | 8.53% | 8.80% |
| 364 D T- Bill | 8.40% | 8.55% | 8.61% | 8.59% |
| 10 Yr Gilt | 8.36% | 8.40% | 8.44% | 8.61% |
| G-sec Volume (Rs Cr) | 22760 | 43335 | 36620 | 19665 |
| 1-mth CP rate | 8.51% | 8.56% | 8.91% | 9.08% |
| 3-mth CP rate | 8.85% | 8.88% | 8.90% | 9.31% |
| 5 yr Corp Bond | 8.97% | 9.00% | 9.21% | 9.49% |
| 1-mth CD rate | 8.41% | 8.40% | 8.71% | 8.87% |
| 3-mth CD rate | 8.57% | 8.60% | 8.63% | 8.98% |
| 1 yr CD rate | 8.84% | 8.93% | 9.06% | 9.02% |

Currencies Vs INR

| | Oct 22 | Oct 21 | Change |
|---------|--------|--------|--------|
| USD | 61.27 | 61.31 | 0.04 |
| GBP | 98.67 | 99.16 | 0.49 |
| Euro | 77.97 | 78.59 | 0.62 |
| 100 Yen | 57.27 | 57.63 | 0.36 |

| Commodity Prices | Oct 22 | Week Ago | Month Ago | Year Ago |
|---------------------------------|--------|----------|-----------|----------|
| NYMEX Crude Oil (\$/bbl) | 81.01 | 82.75 | 92.80 | 97.11 |
| London Brent Crude Oil (\$/bbl) | 86.13 | 86.16 | 96.95 | 106.99 |
| Gold (oz/\$) | 1233 | 1234 | 1217 | 1345 |
| Gold (Rs per 10 gms)* | 27300 | 27390 | 26400 | 31300 |

*Data with respect to Oct 22

DERIVATIVES MARKET

- Nifty October futures (near future) rose against the spot index with 17.90 point premium; it also witnessed 0.32 mn increase in open interest.
- Put Call Ratio (open interest) fell marginally from 0.88 on October 21 to 0.87 on October 22.
- 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 13.33 on Oct 21 to 13.03 on Oct 22.

INDIAN DEBT MARKET

- The interbank call money rate ended at the RBI's MSF rate of 9% on Wednesday as against 8.25% on Tuesday on strong demand for funds from banks to cover funding needs for the long weekend.
- The overnight borrowing rate also remained high due to festival related outflows.
- The central bank held a repo auction of 5 day tenor for Rs 10,000 cr in addition to a 16 day term repo for Rs 15,500 cr.
- Banks borrowed Rs 21,209 cr at the LAF repo auction on Wednesday compared with net borrowing of Rs 13,233 cr on Tuesday from both LAF tenders.
- Government bond prices ended slightly higher on value buying.
- Hopes of further reforms by the government and an interest rate cut by the RBI supported gilt prices.
- However, tight liquidity conditions and hesitation by participants to take positions ahead of the weekend weighed on bonds and capped further gains.
- The 10-year benchmark 8.40% 2024 bond ended at 8.36% yield on Wednesday as against 8.37% yield on Tuesday.

Currency Overview

- The rupee ended off highs against the US dollar on Wednesday owing to state-owned banks' dollar purchases. Earlier in the session, the rupee rose on the back of dollar sales by custodian banks tracking a rally in domestic equities.

Commodity Overview

- Crude oil prices fell \$1.08 to settle at \$81.01 a barrel on the NYMEX amid signs of rising global oil supplies.
- Gold prices ended flat due to positive global economic data and stronger dollar.

INTERNATIONAL NEWS

- US new home sales rose 0.2% to 467000 units in September, compared with a downwardly revised annual rate of 466000 units in August.
- US initial jobless claims rose by 17000 to a seasonally adjusted 283000 in the week ended October 18 from the previous week's revised total of 266000.
- The European Central Bank says roughly one in five of the euro zone's top lenders failed landmark health checks at the end of last year but most have since repaired their finances.
- Eurozone flash manufacturing PMI rose to 50.7 in October from 50.3 in September.
- UK's GDP grew 0.7% in the three months to September, compared with a 0.9% expansion in the second quarter.
- Bank of England meeting minutes showed that majority of the central bank's members were firmly against raising interest rates, citing insufficient evidence of inflationary pressure.
- China's industrial production rose 8% in September from a year earlier, compared with a 6.9% increase in August.

Source: CRISIL Research

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