# Markets for you

**28 October, 2014**

| Indices | | | | |
|---|---|---|---|---|
| **Global** | **Oct 27** | **Oct 24** | **Absolute Change** | **% Change** |
| **DJIA** | 16818 | 16805 | 13 | 0.07 |
| **Nasdaq** | 4486 | 4484 | 2 | 0.05 |
| **FTSE** | 6363 | 6389 | -25 | -0.40 |
| **Nikkei** | 15389 | 15292 | 97 | 0.63 |
| **Hang Seng** | 23143 | 23302 | -159 | -0.68 |
| **India** | **Oct 27** | **Oct 23** | **Absolute Change** | **% Change** |
| **S&P BSE Sensex** | 26753 | 26851 | -98 | -0.37 |
| **CNX Nifty** | 7992 | 8015 | -23 | -0.29 |
| **CNX 100** | 7939 | 7965 | -26 | -0.32 |
| **CNX Bank Index** | 16557 | 16470 | 87 | 0.53 |
| **SGX Nifty** | 7996 | 8019 | -23 | -0.28 |
| **S&P BSE Power** | 2093 | 2083 | 10 | 0.47 |
| **S&P BSE SmallCap** | 10643 | 10663 | -20 | -0.19 |
| **S&P BSE Healthcare** | 13930 | 13922 | 8 | 0.06 |

| P/E, Dividend Yield | | | | |
|---|---|---|---|---|
| | **Sensex** | | **Nifty** | |
| **Date** | **P/E** | **Div. Yield** | **P/E** | **Div. Yield** |
| **Oct 27** | 18.29 | 1.27 | 20.64 | 1.32 |
| **Month Ago** | 18.37 | 1.27 | 20.83 | 1.31 |
| **Year Ago** | 17.83 | 1.44 | 17.73 | 1.50 |

| Nifty – Top Out performers | % Change |
|---|---|
| BHEL | 5.10 |
| Kotak Mahindra | 2.21 |
| IndusInd Bank | 1.92 |
| **Nifty – Top Under performers** | **% Change** |
| Jindal Steel | -7.99 |
| DLF | -7.88 |
| HUL | -5.07 |

| Advance Decline Ratio | | |
|---|---|---|
| | **BSE** | **NSE** |
| **Advances** | 1245 | 621 |
| **Declines** | 1609 | 940 |
| **Unchanged** | 114 | 54 |

| FII / Mutual Fund data | | | |
|---|---|---|---|
| **(Rs Cr)** | **Oct 23** | **MTD** | **YTD** |
| **FIIs** | 129.23 | -3213.61 | 79806.28 |
| **Mutual Funds** | NA | 3678.10* | 12867.60* |

*Data as of Oct 21

| 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 little changed on Monday as investors took a breather after previous week's sharp gains and looked ahead to updates on corporate earnings and US Fed Reserve policy.
- **At 9.00 am in the morning**, Asian markets were trading mixed with Hang Seng 0.56% up and Nikkei trading 0.76% lower.
- **Nikkei** index ended higher on Monday buoyed by weaker yen and strong US economic data.
- **Hang Seng** index closed lower on Monday as shares of brokerage firms fell amid uncertainty over the launch date of a scheme linking the Hong Kong and Shanghai stock exchanges.
- **FTSE** index closed lower on Monday as shares of financials retreated after Lloyds Banking Group just narrowly passed a regulatory health check of Europe's banks.

## INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.27% higher.
- Indian share indices ended lower on Monday led by losses in index majors and as investors booked profits after recent rally.
- FMCG major HUL tumbled 5%, on to weaker-than-expected earnings results.
- Other market heavyweights such as DLF, Cairn India and Tata Motors fell 2.3-7.8%.
- Jindal Steel was the topmost laggard on Nifty, plunging 8% on a report that the CBI has registered a preliminary enquiry against some company officials and environment ministry officials for alleged diversion of forest land in Jharkhand for mining.
- Movements largely remained stock specific due to ongoing earnings season and rollovers ahead of the October derivatives contract expiry.
- Cadila Healthcare lost around 7% as the company recalled 14,568 bottles of the antiepileptic drug Topiramate.
- Jewellery companies advanced on optimism of strong sales during Diwali - Titan Co, Gitanjali Gems, PC Jeweller, Rajesh Exports and Tribhovandas Bhimji Zaveri surged 1-13%.

## DOMESTIC NEWS

- World Bank says India is expected to grow at 5.6% in the current fiscal; growth is expected to accelerate further to 6.4% in 2015-16 and 7% in 2016-17.
- Oil Ministry abolishes the system in which domestic suppliers would win contracts even if their bid was 10% higher than a foreign offer.
- Government mulls raising the import taxes on crude and refined vegetable oils to protect local farmers and the refining industry.
- Government to consider extending the incentives for raw sugar exports after October 29 when leading cane growing states forecast their sugar output for the new season.
- Centre is working to link mobile Subscriber Identity Module (SIM) with the Unique Identification (UID) number or Aadhaar.
- IRDA is expected to suggest to a high-level panel that the new Insurance Bill remove the existing 40% cap on agency commission and leave agent licensing process to insurers themselves.
- Japan's SoftBank plans to invest over $10bn in India over the next few years.
- L&T bags a work order worth Rs 2979 cr from the Gujarat government for constructing the 'Statue of Unity'.
- JSW Steel plans to raise capacity at its Bellary plant by 60% to 16 million tonnes a year at an estimated investment Rs 30000 cr.
- Alstom bags a contract worth 85 mn euros from Delhi Metro Rail Corporation (DMRC) to supply 25 state-of-the-art metros to Kochi Metro Rail Ltd.
- Realty firm Emaar MGF ties up with payment gateway firm PayU India for providing an online payment facility to its customers.
- BSE to soon make a foray into commodity trading.
- UCO Bank identifies Kingfisher Airlines (KFA) as a wilful defaulter and will be sending a notice to the defunct carrier.
- UK-based Internet service provider New Call Telecom acquires a 70% stake in India-headquartered Nimbuzz for about $175mn.
- Infibeam is planning to raise about Rs 1000 cr through an IPO next fiscal.
- KKR India Financial Services plans to raise upto Rs 500 cr through non-convertible debentures to fund the credit business.

# Markets for you

**28 October, 2014**

| FII Derivative Trade Statistics – Oct 23 | | | |
|---|---|---|---|
| (Rs Cr) | Buy | Sell | Open Interest |
| Index Futures | 16.56 | 16.49 | 14443.23 |
| Index Options | 140.05 | 9.17 | 73485.19 |
| Stock Futures | 39.74 | 27.24 | 45112.26 |
| Stock Options | 0.00 | 0.00 | 2921.53 |
| Total | 196.35 | 52.90 | 135962.21 |

| Derivative Statistics- Nifty Options | | | |
|---|---|---|---|
| | Oct 27 | Oct 23 | Change |
| Put Call Ratio (Open Interest) | 0.90 | 0.90 | 0.00 |
| Put Call Ratio (Volume) | 1.00 | 0.99 | 0.01 |

| Debt Watch | Oct 27 | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| Call Rate | 8.40% | 8.90% | 7.25% | 9.00% |
| CBLO | 8.14% | 8.36% | 7.87% | 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 | 8.33% | 8.45% | 8.50% | 8.72% |
| 364 D T- Bill | 8.37% | 8.51% | 8.62% | 8.53% |
| 10 Yr Gilt | 8.32% | 8.36% | 8.44% | 8.58% |
| G-sec Volume (Rs Cr) | 41325 | 29895 | 37265 | 18635 |
| 1-mth CP rate | 8.40% | 8.49% | 8.91% | 9.13% |
| 3-mth CP rate | 8.83% | 8.85% | 8.88% | 9.36% |
| 5 yr Corp Bond | 8.90% | 8.98% | 9.14% | 9.54% |
| 1-mth CD rate | 8.30% | 8.36% | 8.72% | 8.92% |
| 3-mth CD rate | 8.53% | 8.57% | 8.60% | 8.98% |
| 1 yr CD rate | 8.80% | 8.89% | 9.03% | 9.00% |

| Currencies Vs INR | | | |
|---|---|---|---|
| | Oct 27 | Oct 22 | Change |
| USD | 61.30 | 61.27 | -0.03 |
| GBP | 98.53 | 98.67 | 0.14 |
| Euro | 77.75 | 77.97 | 0.22 |
| 100 Yen | 56.71 | 57.27 | 0.56 |

| Commodity Prices | Oct 27 | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| NYMEX Crude Oil ($/bbl) | 81.00 | 82.71 | 93.54 | 97.85 |
| London Brent Crude Oil ($/bbl) | 85.83 | 85.40 | 97.00 | 106.90 |
| Gold (oz/$) | 1229 | 1245 | 1214 | 1348 |
| Gold (Rs per 10 gms) | 27060 | 27250 | 26650 | 31760 |

## DERIVATIVES MARKET

- Nifty October futures (near future) rose against the spot index with 6.30 point premium; it however witnessed 0.99 mn decrease in open interest.
- Put Call Ratio (open interest) remained unchanged at 0.90 on October 23.
- Nifty 8000 October Call strike continued to witness the highest open interest.
- Nifty 8000 October Put strike witnessed the highest open interest.
- India VIX (volatility index based on the Nifty 50 Index Option prices) rose from 12.86 on Oct 23 to 13.52 on Oct 27.

## INDIAN DEBT MARKET

- The interbank call money rate ended above the RBI's repo rate at 8.25-8.40% on Monday as against 9% on Wednesday on demand for funds from banks to meet reserve needs.
- Banks borrowed Rs 17,230 cr at the LAF repo auction on Monday compared with net borrowing of Rs 19,716 cr on Wednesday from both LAF tenders.
- Government bond prices ended higher on Monday as Finance Minister Arun Jaitley's comments over the weekend raised hopes of an interest rate cut by the central bank.
- The Finance Minister said in an interview that he was in favor of a reduction in interest rates to spur growth.
- Low global crude oil prices also supported prices.
- However, further gains were capped by profit sales.
- The 10-year benchmark 8.40% 2024 bond ended at 8.32% yield on Monday as against 8.36% yield on Wednesday.

## Currency Overview

- The rupee ended slightly lower against the US dollar on Monday as state-owned banks bought the greenback to meet month-end demand from importers.
- The local currency was also weighed down by a fall in the euro and weakness in domestic equities.
- Sentiment remained cautious ahead of the US Federal Reserve's two day policy meet this week.

## Commodity Overview

- Crude oil prices fell 1 cent to settle at $81 a barrel on the NYMEX.
- Gold prices ended lower as investors remained cautious ahead of the US Federal Reserve meet.

## INTERNATIONAL NEWS

- US Pending Home Sales Index gained 0.3% in September after falling 1% in August.
- US Markit Services PMI fell to a six month low of 57.3 in October from 58.9 in September.
- US Markit flash composite PMI dipped to 57.4 in October from 59.0 in September.
- US Federal Reserve Bank of Dallas says its production index fell to 13.7 in October from 17.6 in September.
- China's central bank authorises the nation's interbank foreign exchange market to start direct trading between the Chinese yuan and the Singapore dollar.
- Japan's retail sales rose 2.3% in September from a year earlier following a 1.2% annual rise in August.

***Source: CRISIL Research***