

Indices				
Global	June 17	June 16	Absolute Change	% Change
DJIA	16808	16781	27	0.16
Nasdaq	4337	4321	16	0.37
FTSE	6767	6755	12	0.18
Nikkei	14976	14933	43	0.29
Hang Seng	23204	23301	-97	-0.42
India	June 17	June 16	Absolute Change	% Change
S&P BSE Sensex	25521	25190	331	1.31
CNX Nifty	7632	7534	98	1.30
CNX 100	7568	7469	99	1.32
CNX Bank Index	15373	15030	343	2.28
SGX Nifty	7660	7564	96	1.27
S&P BSE Power	2269	2227	42	1.88
S&P BSE SmallCap	9902	9704	197	2.03
S&P BSE Healthcare	10849	10839	10	0.10

P/E, Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
June 17	18.71	1.38	20.76	1.28
Month Ago	18.79	1.38	19.93	1.34
Year Ago	17.10	1.57	17.75	1.42

Nifty – Top Out performers		% Change
ONGC		4.26
Asian Paints		3.84
Axis Bank		3.75
Nifty – Top Under performers		% Change
M&M		-1.42
United Spirits		-1.32
Hero Motocorp		-0.76

Advance Decline Ratio		
	BSE	NSE
Advances	2047	1172
Declines	954	382
Unchanged	109	51

FII / Mutual Fund data			
(Rs Cr)	June 16	MTD	YTD
FIIs	-143.06	10874.36	59489.96
Mutual Funds	-61.70	-611.10	-10953.90

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** ended slightly higher on Tuesday, supported by gains in financial and technology shares.
- **At 9.00 am in the morning**, Asian markets were trading mixed with Nikkei trading 0.42% higher and Hang Seng 0.09% down.
- **Nikkei** index ended higher on Tuesday on bargain buying, and as a weaker yen boosted exporters' shares.
- **Hang Seng** index ended lower on Tuesday, pulled down by shares of financial companies and Macau gaming sector.
- **FTSE** index rose moderately on Tuesday as earlier gains on the back of positive domestic inflation numbers were capped by lower-than-expected US housing data.

INDIAN EQUITY MARKET

- **At 9.00 am in the morning**, the SGX Nifty was trading 0.01% lower.
- Indian share indices rebounded on Tuesday underpinned by short covering in banking stocks after the rupee recovered its earlier losses.
- Banking stocks led the gains with ICICI Bank, Bank of Baroda, SBI, IndusInd Bank, PNB and Axis Bank, adding 2.5-3.8%.
- Other sectors such as capital goods, power, infrastructure and oil and gas too rallied.
- State-run oil companies were benefited on bargain buying and renewed hopes of reforms from the government; with BPCL, HPCL, Indian Oil Corp and ONGC (the top Nifty gainer), adding 3-4%.
- Sugar and fertilizer stocks ended positive led by reform expectations; with Shree Renuka Sugars, Bajaj Hindusthan, Balrampur Chini Mills, Rashtriya Chemicals & Fertilizers, Chambal Fertilisers & Chemicals and Oswal Chemicals & Fertilizers, surging over 4-9%.
- Meanwhile, profit booking weighed on defensive pack; with Cipla, ITC and HUL, losing 0.2-0.7%.
- Auto stocks were also among the laggards - Bajaj Auto and M&M (the top Nifty loser) fell 0.4% and 1.4%, respectively.

DOMESTIC NEWS

- Finance Minister Arun Jaitley reiterates government's commitment to easing bottlenecks that have caused inflation to spike; blames energy costs and "speculative hoarding" for a rise in wholesale prices.
- Government may extend the deadline of August 2014 earlier given to states to roll out with National Food Security Bill (NFSB).
- Government imposes a minimum export price of \$300 per tonne on onion to curb their exports and help cool spiralling domestic prices.
- RBI Governor Raghuram Rajan says he is not in favour of taking regulation of bond markets away from the central bank as the move may hamper development of the market.
- RBI to conduct a 2 day term repo variable rate auction for a notified amount of Rs 10,000 cr on June 18.
- SEBI says investments by foreign portfolio investors (FPIs) in non-convertible shares or debentures will be included within the \$51bn limit meant for corporate debts.
- SEBI sets minimum subscription for public issue of debt securities at 75% of the base issue size for both NBFCs and non NBFC issuers; also sets minimum base issue size for the same at Rs 100 cr.
- SEBI finalises detailed norms for research analysts to ward off any conflict of interest in their activities and safeguard Indian markets from manipulative research reports.
- Australian government defers approval of Adani Group's \$15 bn coal project in that country amid environmental concerns.
- Cairn India receives environmental nod for raising crude oil production from its Rajasthan fields by 50% to 300,000 barrels per day (15 mn tons a year).
- Hero MotoCorp plans to set up a plant in South India to cater to the domestic market and take its overall annual capacity to 12 mn units.
- Punjab National Bank (PNB) partners with Nasdaq-listed Xoom Corporation to launch remittance services from the US to any bank account in India instantly.
- Adani Group to raise \$2.5 bn from new share issues and foreign loans.
- ICICI Lombard General Insurance partners with redBus.in to offer domestic travel insurance policy for bus commuters travelling within India.

FII Derivative Trade Statistics – June 16

(Rs Cr)	Buy	Sell	Open Interest
Index Futures	2340.49	2262.32	14248.41
Index Options	15391.72	14813.39	63647.72
Stock Futures	3331.67	3729.30	55295.55
Stock Options	3111.99	3155.55	4058.73
Total	24175.87	23960.56	137250.41

Derivative Statistics- Nifty Options

	June 17	June 16	Change
Put Call Ratio (Open Interest)	0.89	0.83	0.06
Put Call Ratio (Volume)	0.96	0.95	0.01

Debt Watch	June 17	Week Ago	Month Ago	Year Ago
Call Rate	8.20%	7.20%	7.50%	7.30%
CBLO	8.73%	8.73%	8.73%	7.04%
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%	8.45%	8.73%	7.33%
364 D T- Bill	8.59%	8.56%	8.80%	7.23%
10 Yr Gilt	8.60%	8.56%	8.83%	7.45%
G-sec Volume (Rs Cr)	35405	41115	52985	62430
1-mth CP rate	8.76%	0.87%	8.72%	8.30%
3-mth CP rate	8.80%	8.80%	9.20%	8.52%
5 yr Corp Bond	9.14%	9.10%	9.35%	8.20%
1-mth CD rate	8.56%	8.50%	8.52%	8.12%
3-mth CD rate	8.57%	8.61%	8.88%	8.15%
1 yr CD rate	8.90%	8.88%	9.07%	8.38%

Currencies Vs INR

	June 17	June 16	Change
USD	60.03	60.15	0.12
GBP	102.48	102.00	-0.48
Euro	81.87	81.25	-0.61
100 Yen	59.21	58.96	-0.25

Commodity Prices	June 17	Week Ago	Month Ago	Year Ago
NYMEX Crude Oil (\$/bbl)	106.36	104.35	102.02	97.77
London Brent Crude Oil (\$/bbl)	113.45	109.52	109.75	105.47
Gold (oz/\$)	1268	1260	1292	1385
Gold (Rs per 10 gms)	27350	26700	29050	27820

DERIVATIVES MARKET

- Nifty June (near future) rose against the spot index with a 25.70 point premium; it however witnessed 0.15 mn decrease in open interest.
- Put Call Ratio (open interest) rose from 0.83 on June 16 to 0.89 on June 17.
- 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) fell from 17.98 on June 16 to 17.70 on June 17.

INDIAN DEBT MARKET

- The interbank call money rate ended near the RBI's repo rate at 7.90-8.20% on Tuesday as against 8.60-8.75% on Monday on subdued demand for funds towards the end of the session.
- The RBI's decision to hold a two day term repo auction for Rs 10000 cr on June 18 also put downward pressure on call rates.
- Banks borrowed Rs 21,011 cr at the LAF repo auction on Tuesday compared with net borrowing of Rs 17,640 cr on Monday from both LAF tenders.
- Government bond prices ended up on Tuesday on the back of value buying.
- Bond prices also rose as the rupee staged a sharp intraday recovery against the US dollar.
- Earlier in the session, bond prices were weighed down by concerns about the conflict in Iraq.
- The 10-year benchmark 8.83%, 2023 bond ended at 8.60% yield on Tuesday as against 8.65% yield on Monday.

Currency Overview

- The rupee ended higher against the dollar on Tuesday tracking a sharp recovery in local share indices and on dollar sales by exporters.
- Encouraging comments by RBI Governor Raghuram Rajan also supported the local unit.
- The central bank chief said India's external debt was in a better position than last year, given the lower current account deficit and sufficient foreign exchange reserves.

Commodity Overview

- Crude oil prices fell 54 cents to settle at \$106.36 a barrel on the NYMEX.
- Gold prices fell due to stronger dollar, easing of the Iraq tensions and caution ahead of the US Federal Reserve meeting.

INTERNATIONAL NEWS

- US housing starts in May fell 6.5% to a seasonally adjusted annual rate of 1,001,000, less than the revised April estimate of 1,071,000.
- US building permits in May fell 6.4% to a seasonally adjusted annual rate of 991,000, less than the revised April figure of 1,059,000.
- US consumer prices rose 0.4% in May (the fastest increase since February 2013) after rising 0.3% in April.
- Euro zone ZEW economic sentiment index rose to 58.4 in June from 55.2 in May.
- Bank of Japan's meeting minutes showed that Japanese exports face headwinds with the political crisis in Thailand, a key supply chain hub, hurting business and acting as an economic drag.
- Japan's trade deficit in May narrowed 8.3% from a year ago to 909bn yen; imports were down 3.6% to 6.5 trillion yen, while exports fell 2.7% to 5.6 trillion yen.

Source: CRISIL Research

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