

Indices Performance

Global Indices	18-May	Prev_Day	Abs. Change	% Change [#]
Dow Jones	17,527	17,530	-3	-0.02
Nasdaq	4,739	4,716	23	0.50
FTSE	6,166	6,168	-2	-0.03
Nikkei	16,645	16,653	-8	-0.05
Hang Seng	19,826	20,119	-292	-1.45
Indian Indices	18-May	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	25,705	25,774	-69	-0.27
Nifty 50	7,870	7,891	-21	-0.26
Nifty 100	7,989	8,007	-17	-0.22
Nifty Bank	16,729	16,763	-34	-0.20
SGX Nifty	7,865	7,888	-23	-0.29
S&P BSE Power	1,818	1,824	-6	-0.33
S&P BSE Small Cap	11,169	11,145	24	0.22
S&P BSE HC	15,563	15,540	23	0.15

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
18-May	18.91	1.50	21.57	1.37
Month Ago	19.51	1.28	21.68	1.41
Year Ago	20.07	1.33	22.57	1.41

Nifty 50 Top 3 Gainers

Company	18-May	Prev_Day	% Change [#]
PNB	76	74	3.32
ONGC	214	210	1.90
SBI	180	177	1.75

Nifty 50 Top 3 Losers

Company	18-May	Prev_Day	% Change [#]
Bosch Limited	21053	21603	-2.55
Zee Entertainment	436	445	-2.12
Hero Moto	2878	2932	-1.84

Advance Decline Ratio

	BSE	NSE
Advances	1223	734
Declines	1336	779
Unchanged	178	101

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	132	14370
MF Flows**	-152	4466

*18th May 2016; **16th May 2016

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.34% (Apr-16)	-1.07% (Jan-16)	-2.43% (Apr-15)
IIP	0.10% (Mar-16)	-1.50% (Dec-15)	2.50% (Mar-15)
GDP	7.30 (Dec-15)	7.70 (Sep-15)	6.60 (Dec -14)

Global Indices

- Asian markets fell on concerns that the Fed might increase interest rates sooner than expected. Today (As on May 19), Asian stocks opened on mixed note. Minutes of the Fed's policy meeting held in Apr indicated the possibility of an interest rate hike in June which weighed on the market sentiment. Nikkei Average was trading up 0.54% and Hang Seng was trading down 0.79% (as at 8.00 a.m IST).
- As per the last close, European markets closed mostly higher which can be attributed mostly to the strength in banking stocks which were boosted on hopes that the sector would benefit if there was a consolidation among some of the smaller banks in Italy.
- As per the last close, U.S. equities witnessed volatility and closed on a mixed note following the release of the minutes of the Fed's monetary policy meeting in Apr. The minutes increased the possibility of an interest rate hike in June as it revealed that most of the participants were of the view that it would be appropriate to increase interest rates in June if the incoming economic data indicated improvement in the labour market conditions, inflation and economic growth of the country.

Indian Equity Market

- Indian equity market closed in the negative terrain amid concerns over imminent rate hike by the U.S. Federal Reserve. U.S. consumer prices for Apr 2016 increased in a fastest pace in the past three years. Also, recent comments by some of the Fed officials regarding potential rate hike in Jun 2016 added to the woes.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.27% and 0.26% to close at 25,704.61 points and 7,870.15 points, respectively. S&P BSE Mid-Cap fell 0.01% while S&P BSE Small-Cap gained 0.22%.
- The overall market breadth on BSE was weak with 1,336 scrips declining and 1,223 scrips advancing. A total of 178 scrips remained unchanged.
- On the BSE sectoral front, most of the indices closed in the red. While, S&P BSE Auto (-1.28%) stood as the major laggard followed by S&P BSE Consumer Discretionary Goods & Services (-0.66%) and S&P BSE Utilities (-0.35%). S&P BSE Realty (2.11%) stood as the major gainer followed by S&P BSE Capital Goods (0.64%) and S&P BSE Metal (0.61%). The auto sector fell following news that several India-made vehicles failed an international safety test.

Domestic News

- According to the secretary of economic affairs, India is planning to launch a new ratings system for infrastructure projects to boost domestic funding and foreign investment in the sector. The Indian government expects BRICS Bank to adopt the same rating system before any other country opts for it.
- As per media reports, the government has set up a new committee to review the Fiscal Responsibility and Budget Management (FRBM) Act and to decide whether flexible fiscal deficit targets would be exercised instead of fixed ones. The committee will also consider the possibility of fiscal expansion or contraction in relation to credit expansion and contraction. The committee will be chaired by former Member of Parliament and revenue and expenditure secretary. The other members of the committee are deputy governor of RBI, chief economic advisor, a former finance secretary, and the director of National Institute of Public Finance and Policy.
- Punjab National Bank recorded a net loss of Rs. 5,367.14 crore for the quarter ended Mar 2016, compared with a net profit of Rs. 306.56 crore in the corresponding period last fiscal. It's the biggest quarterly loss posted by any listed Indian bank. Gross non-performing assets (NPAs) almost doubled to 12.9% in the quarter from 6.55% a year ago. Net NPAs also surged to 8.61% as against 4.06%.
- GlaxoSmithKline Consumer Healthcare's standalone net profit fell 8.18% YoY to Rs. 180.68 crore in the quarter ended Mar 2016. Net sales were down 9.63% YoY to Rs. 1,052.83 crore during the reported period.
- Dr Reddy's Laboratories is voluntarily recalling over 50,000 bottles of Ondansetron tablets on account of failed impurities/ degradation specifications, as per US Food and Drug Administration. The recalled tablets were manufactured at the company's Bachupally plant in India.

FII Derivative Trade Statistics	18-May		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2018.15	1721.66	14389.07
Index Options	26567.68	25920.47	71253.72
Stock Futures	4796.64	4393.15	50576.49
Stock Options	2924.69	2934.52	4082.22
Total	36307.16	34969.80	140301.50

Derivative Statistics- Nifty Options			
	18-May	Prev_Day	Change
Put Call Ratio (OI)	0.95	0.96	-0.01
Put Call Ratio(Vol)	0.86	0.98	-0.12

Debt Watch				
	18-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.41%	6.56%	6.53%	7.60%
CBLO	6.46%	6.53%	6.48%	7.61%
Repo	6.50%	6.50%	6.50%	7.50%
Reverse Repo	6.00%	6.00%	6.00%	6.50%
91 Day T-Bill	6.77%	6.82%	6.75%	7.84%
364 Day T-Bill	6.93%	6.94%	6.89%	7.88%
10 Year Gilt	7.48%	7.43%	7.42%	7.90%
G-Sec Vol. (Rs.Cr)	34803	28381	38327	50131
1 Month CP Rate	7.71%	7.79%	7.68%	8.41%
3 Month CP Rate	7.99%	8.15%	7.95%	8.64%
5 Year Corp Bond	8.07%	8.08%	7.97%	8.53%
1 Month CD Rate	7.03%	7.08%	7.08%	8.03%
3 Month CD Rate	7.29%	7.35%	7.27%	8.26%
1 Year CD Rate	7.48%	7.45%	7.38%	8.41%

Currency Market			
Currency	18-May	Prev_Day	Change
USD/INR	66.91	66.72	0.19
GBP/INR	96.61	96.60	0.01
EURO/INR	75.48	75.49	-0.01
JPY/INR	0.61	0.61	0.00

Commodity Prices				
Currency	18-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	48.12	46.21	39.74	59.44
Brent Crude(\$/bl)	49.33	46.03	41.64	64.85
Gold(\$/oz)	1258	1277	1231	1225
Gold(Rs./10 gm)	29850	29885	29098	27596

Source: ICRON Research

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Derivatives Market

- Nifty May 2016 Futures were at 7,879.30 points, a premium of 9.15 points, over the spot closing of 7,870.15. The turnover on NSE's Futures and Options segment moved up from Rs. 2,63,871.56 crore on May 17 to Rs. 2,92,288.03 crore on May 18.
- The Put-Call ratio stood at 0.82, compared with the previous session's close of 0.89.
- The Nifty Put-Call ratio stood at 0.95, compared with the previous session's close of 0.96.
- The open interest on Nifty Futures stood at 18.99 million, compared with the previous session's close of 18.81 million.

Indian Debt Market

- Bond yields went up because of rise in crude oil prices, which increased expectation of higher domestic inflation and concern over the further monetary easing in the near term. Also, weakness in the domestic currency pushed up the yield.
- Yield on 10-year benchmark bond (7.59% GS 2026) increased 3 bps to stand at 7.48%, compared with the previous day's close of 7.45%. During the session, bond yields traded in the region of 7.45% to 7.48%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 5,281 crore (gross), compared with borrowings of Rs. 12,497 crore (gross) on May 17. Sale of securities by Reserve Bank of India under reverse repo stood at Rs. 3,103 crore on May 17.

Currency Market Update

- The Indian rupee fell for the fifth straight session to more than two-month low level against the U.S. dollar as speculation for sooner than expected rate hike by the U.S. Fed boosted the greenback. The rupee dropped 0.15% to close at 66.97 compared with the previous day's close of 66.87.
- Euro weakened against the greenback after the U.S. consumer prices data came better than expected. Euro was trading at \$1.1282, down 0.26% compared with the previous day's close of \$1.1311.

Commodity Market Update

- Gold prices dipped since the U.S. dollar climbed to a three-week high level following strong U.S. economic data.
- Brent crude prices dropped as investors awaited Energy Information Assessment's inventory data due later during the day.

International News

- The Labor Department revealed that rise in U.S. consumer prices was higher than expected in Apr 2016, mainly due to sharp jump in energy prices. Sequentially, consumer price inflation accelerated to 0.4% in Apr from 0.1% in Mar 2016.
- The Cabinet Office showed that Japan's Gross Domestic Product (GDP) increased 0.4% sequentially in the quarter ended Mar 2016, much better than expectations. In the Dec quarter of 2015, GDP was downwardly revised to 0.4% decline, compared with a 0.3% decline estimated earlier. On a yearly basis, GDP growth of 1.7% in Mar quarter was far ahead of market expectations.