

Weekly Market Wrap

Equity and Debt Market

Report as on March 21, 2014

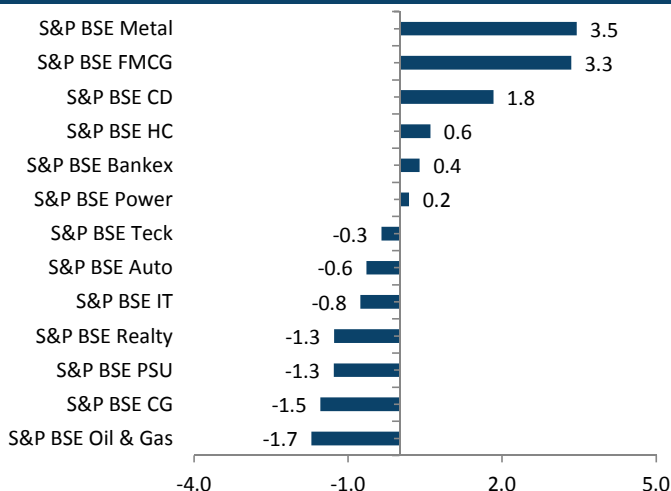
Indian Equity Market - Overview

- Indian equity markets declined marginally during the week on absence of any major trigger. Initially during the week, indices touched fresh all-time highs before paring gains as investors resorted to profit booking.
- Later in the week markets declined as global cues weighed on the sentiments after U.S. Federal Reserve Chief Janet Yellen hinted at raising interest rates sooner than expected.
- Federal Reserve announcement that bond buyback program will be tapered further by \$10 billion this month added to the concern. However fall was arrested with bullish bets from foreign institutions supporting the markets.
- On the BSE sectoral front, S&P BSE Metal was the top gainer, rising by 3.50%. S&P BSE FMCG and S&P BSE Consumer Durables rose by 3.30% and 1.80%, respectively. However, S&P BSE Oil & Gas was the major laggard and fell 1.70% followed by S&P BSE Capital Goods which declined by 1.50%.

Indian Debt Market - Overview

- Bond yields inched up after moving in a range bound manner during the week. Initially, yields inched up marginally on tight liquidity conditions because of advance corporate tax payments. However, initial losses recovered as market participants covered their short positions ahead of the key U.S. Federal Reserve (Fed) meeting.
- Later, bond yields rose the most in the second last day during the week after the U.S. Fed Chief said that it could start raising interest rates around six months later. This led to concerns of an earlier-than-expected increase in U.S. interest rates.
- The 10-year benchmark bond yield stood at 8.80%, down 1 bps, against the previous close of 8.79%.
- Banks' net average borrowings under the Liquidity Adjustment Facility stood at Rs. 37,661 crore (for Friday, only repo session considered), compared to the previous week's borrowing of Rs. 28,428.60 crore.

Sectoral Indices (%)



Domestic Index	Closing Value	% Returns		
		Weekly	Monthly	Yearly
S&P BSE SENSEX	21753.8	-0.3	5.1	15.8
CNX NIFTY INDEX	6493.2	-0.2	5.5	14.7
S&P BSE MID CAP	6769.9	1.7	5.4	11.1
S&P BSE 200	2584.3	0.2	5.5	13.5

World Market Index	Closing Value	% Returns		
		Weekly	Monthly	Yearly
Dow Jones	16302.8	1.5	1.2	13.0
Nasdaq 100	3653.1	0.7	-0.3	31.6
CAC -40 Index	4335.3	2.8	-1.0	14.8
DAX Index	9342.9	3.2	-3.3	17.8
Hang Seng	21436.7	-0.5	-5.0	-3.6
Nikkei	14224.2	-0.7	-4.3	12.6

Debt Market	Closing Value	Wk Ago	Mth Ago	Yr Ago
Inflation (%)	4.7	4.7	5.0	6.6
Repo Rate	8.0	8.0	8.0	7.5
Reverse Repo	7.0	7.0	7.0	6.5
91 Days T-Bill	8.8	9.2	9.0	8.0
364 Days T- Bill	8.8	8.9	8.9	7.7
10 Y G-Sec Yield	8.8	8.8	8.8	7.9

Commodity / Currency Details	Closing Value	Value	
		Wk Ago	Mth Ago
Commodity			
Gold(Rs./10gm)	29767.0	30382.0	30585.0
Silver (Rs./kg)	44643.0	46262.0	47345.0
Brent Crude (\$/bbl)	108.1	109.0	110.0
Currency			
US Dollar	61.0	61.5	62.2
Pound Sterling	100.8	102.2	103.4

FII's vs MF's - Fund Flow (Amt in Rs. Crores)

By FIIs				
Nature	Gross		Net Weekly	Net Monthly
	Purchase	Gross Sale		
Equity	17261.5	12732.2	4529.2	9597.1
Debt	5173.6	6498.1	-1324.5	12816.3
By MFs				
Nature	Gross		Net Weekly	Net Monthly
	Purchase	Gross Sale		
Equity	2086.3	2688.2	-602.0	-3198.0
Debt	51867.3	28318.2	23549.2	71797.5

Weekly Market Wrap

Mutual Fund

Debt Category returns (%)

	1 year	2 year
Liquid Funds	8.8	8.8
Ultra Short Term	8.7	8.9
Floating Rate Funds	9.1	9.3
Short Term Funds	7.8	8.8
Income Funds(Long Term)	5.1	7.6
Gilt Funds	3.9	6.9

Benchmarks

Crisil Liquid Fund Index	9.3	8.8
Crisil Short Term Bond Fund Index	8.6	8.9
Crisil Composite Bond Fund Index	4.0	6.6

Returns are SIMPLE ANNUALIZED for <1 yr and COMPOUND ANNUALIZED for >=1 yr

Equity Category returns (%)

	1 year	3 year
Balanced Funds	14.9	8.4
Mid & Small Cap Funds	24.2	11.2
Diversified Funds	16.9	7.1
Large Cap Funds	15.4	7.8
Others		
Gold ETF	-2.6	10.6

Benchmarks

Sensex	15.8	6.8
Nifty	14.8	6.6
S&P BSE Mid Cap	11.1	1.4
S&P BSE Small Cap	16.4	-4.4
Price of Gold	0.4	12.4

Returns are ABSOLUTE for <1 yr and COMPOUND ANNUALIZED for >=1 yr

Mutual Fund News

- The Securities and Exchange Board of India (SEBI) has notified a new set of norms to ease the process of making Know-Your-Client (KYC) for investors. The newly issued set of norms will allow various market entities like brokers and Asset Management Companies to get details from the centralized KYC agencies, instead of carrying out a fresh KYC verification procedure.
- The Central Public Sector Enterprise (CPSE) ETF launched by the Government of India and managed by Goldman Sachs, witnessed Rs. 835 crore worth of anchor investor subscription. The NFO of the scheme closed on 19th March for anchor investors and remained opened till 21st March for others. The anchor investors included Bharti Axa Life Insurance Company, General Insurance Corporation of India, Life Insurance Corporation of India, National Insurance Company, State Bank of India, The New India Assurance Co. and United India Insurance Co.
- The CPSE ETF received encouraging response from investors and received total subscription for its new fund offer (NFO) above the target of Rs. 3,000 crore set by the Government.
- HSBC Mutual Fund has announced that HSBC Small Cap Fund shall be merged with HSBC Midcap Equity Fund, with effect from April 26, 2014.
- Tata Mutual Fund has announced change in exit load of Tata Floating Rate Long Term Fund from 0.25%, if redeemed on or before expiry of 30 days to NIL, with the effect from March 18, 2014.

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