

Equity and Debt Market

Report as on March 14, 2014

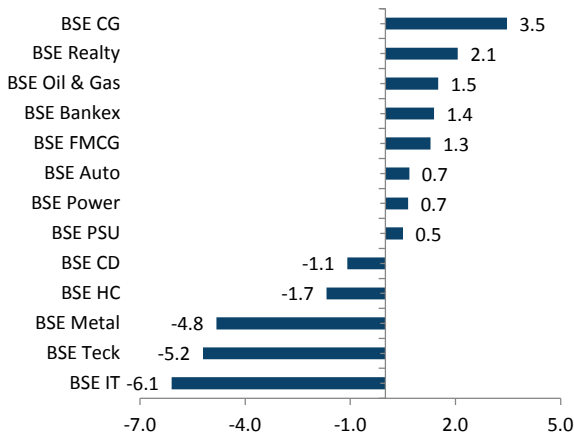
Indian Equity Market - Overview

- Indian equity markets snapped the three-week gaining streak after touching record highs earlier during the week. Bourses gained initially on the back of sustained buying by Foreign Institutional Investors. However, the trend reversed after Chinese trade data came lower. Markets fell further on the back of weakness in the country's merchandise exports in February.
- Sentiments improved to some extent after industrial output data entered into positive territory in January after three consecutive months of contraction. Moreover, retail inflation for February slowed to 25-month lows. Markets rose marginally on the last trading session of the week after wholesale inflation eased to nine-month lows in February.
- On the BSE sectoral front, S&P BSE Capital Goods was the top gainer, rising by 3.35%. S&P BSE Realty and S&P BSE Oil & Gas rose by 2.03% and 1.48%, respectively. However, S&P BSE IT was the major laggard and fell 6.49% as the rupee strengthened against the dollar after the Current Account Deficit narrowed further during the third quarter of the financial year 2013-14. S&P BSE TECK fell 5.48% during the week.

Indian Debt Market - Overview

- Bond yields fell on the back of strong foreign fund inflows. However, gains were capped as investors booked profits following recent gains. Uncertainty over the RBI's stance at its upcoming monetary policy and concerns over liquidity also hit bond markets to some extent.
- The 10-year benchmark bond yield stood at 8.79%, down 2 bps, against the previous close of 8.81%.
- Banks' net average borrowings under the Liquidity Adjustment Facility stood at Rs. 28,591.40 crore (for Friday, only morning repo session considered), compared to the previous week's borrowing of Rs. 6,489 crore.
- Banks' average borrowings through the RBI's Marginal Standing Facility window stood at Rs. 1,375 crore till Thursday at 9% (higher 100 bps than the repo rate) compared to Rs. 2,351 crore borrowed during the same period previous week.

Sectoral Indices (%)



Domestic Index	Closing Value	% Returns		
		Weekly	Monthly	Yearly
S&P BSE SENSEX	21809.8	-0.5	7.1	11.4
CNX NIFTY INDEX	6504.2	-0.3	7.5	10.1
S&P BSE MID CAP	6656.2	-0.6	5.5	3.6
S&P BSE 200	2578.4	-0.4	7.0	8.1

World Market Index	Closing Value	% Returns		
		Weekly	Monthly	Yearly
Dow Jones	16065.7	-2.4	-0.5	10.5
Nasdaq 100	3627.9	-2.0	-1.0	29.2
CAC -40 Index	4216.4	-3.4	-2.9	8.9
DAX Index	9056.4	-3.1	-6.3	12.4
Hang Seng	21539.5	-4.9	-3.4	-4.8
Nikkei	14327.7	-6.2	0.1	15.7

Debt Market	Closing Value	Wk Ago	Mth Ago	Yr Ago
Inflation (%)	4.7	5.0	5.0	6.6
Repo Rate	8.0	8.0	8.0	7.8
Reverse Repo	7.0	7.0	7.0	6.8
91 Days T-Bill	9.2	9.2	9.0	8.1
364 Days T-Bill	8.9	9.0	9.0	7.9
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)	30382.0	30504.0	30178.0
Silver (Rs./kg)	46262.0	46354.0	45461.0
Brent Crude (\$/bbl)	109.0	110.0	109.6
Currency			
US Dollar	61.5	61.0	62.3
Pound Sterling	102.2	102.1	103.7

FII vs MFs - Fund Flow (Amt in Rs. Crores)

By FIIs

Nature	Gross Purchase	Gross Sale	Net Weekly	Net Monthly
Equity	154942.4	147755.6	7186.5	5067.9
Debt	83644.3	45558.3	38086.4	14140.8

By MFs

Nature	Gross Purchase	Gross Sale	Net Weekly	Net Monthly
Equity	22798.8	29255.6	-6456.7	-2596.0
Debt	348791.1	193112.9	155678.5	48248.3

Mutual Fund

Debt Category returns (%)

	1 year	2 year
Liquid Funds	8.8	8.8
Ultra Short Term	8.7	8.8
Floating Rate Funds	9.1	9.3
Short Term Funds	7.7	8.8
Income Funds(Long Term)	4.7	7.5
Gilt Funds	3.5	6.6
Benchmarks		
Crisil Liquid Fund Index	9.2	8.8
Crisil Short Term Bond Fund Index	8.5	8.8
Crisil Composite Bond Fund Index	3.8	6.6

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

Equity Category returns (%)

	1 year	3 year
Balanced Funds	10.7	7.7
Mid & Small Cap Funds	16.2	10.1
Diversified Funds	11.2	6.3
Large Cap Funds	10.2	7.0
Others		
Gold ETF	1.0	11.6
Benchmarks		
Sensex	11.4	5.8
Nifty	10.1	5.5
S&P BSE Mid Cap	3.6	0.5
S&P BSE Small Cap	6.4	-5.8
Price of Gold	3.7	13.3

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

Mutual Fund News

- The Assets Under Management (AUM) of the Indian Mutual Fund industry increased by 1.45% in February to Rs. 9,16,393 crore against Rs. 9,03,255 crore recorded in January. The Fund of Funds overseas category witnessed the maximum rise in the AUM while the maximum decline was seen in the AUM of GILT category, which fell by 12.34% in February. The net inflows in the industry stood at Rs. 3,403 crore compared to the last month's inflow of Rs. 83,534 crore.
- The Securities & Exchange Board of India (SEBI) is planning to increase the cap for cash payment in mutual fund products from the current Rs 20,000 to Rs. 50,000. Accordingly, investors might soon be allowed to buy in cash mutual funds worth up to Rs 50,000, without declaring their Permanent Account Number (PAN). The issue was discussed at a meeting of the Financial Stability and Development Council last month, and the market regulator is expected to shortly issue a circular permitting the higher limit.
- HDFC Mutual Fund is looking at 15-20 % growth in its assets in the next financial year with continued focus on retail investors. Managing Director of HDFC Mutual Fund said that the company believes that it has the distribution ability, fund management capability and demonstrated track-record to achieve such growth.
- SEBI has sought tax incentives for investments in mutual funds and new classes of such funds to expand the industry from the existing Rs.8 trillion to Rs. 20 trillion in five years. The plan was conceptualized last month by SEBI's mutual fund advisory committee.
- The Managing Director of Sundaram Mutual Fund said that the company plans to launch more close-ended schemes. The objective is to make the retail investor committed with the fund for a longer period.
- Franklin Templeton Mutual Fund has decided to change the name of Templeton Floating Rate Income Fund to Franklin India Savings Plus Fund. The change will be effective from March 18.
- Reliance Mutual Fund has announced that in addition to the existing options of dividend plans, as mentioned in the SID of Reliance Arbitrage Advantage Fund, it will introduce monthly dividend payout option and monthly dividend re-investment option under dividend plan and direct plan-dividend plan in the above mentioned scheme, with effect from March 25.

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