

Equity Market

- Indian stocks closed the session higher today, reversing yesterday's losses. Sentiment today received a boost after the September HSBC (flash) manufacturing PMI rose to 49.6 from 48.5 in August. Some value-buying, following yesterday's decline also aided the benchmark indices. Today's primary leaders were banking, capital goods and realty stocks. The Sensex ended the day higher at 19,517.15 (+0.71%) and Nifty closed at 5780.05 (+0.78%).
- The BSE Bankex ended higher at 11,257.05 (+2.67%). SBI ended higher at INR 1,643.50 (+1.75%) and ICICI Bank ended up at INR 911.00 (+2.94%).
- Asian equities ended the session mostly in the green today. However, most of the intraday gains were pared following the partial shutdown of the US Government. Nikkei ended higher by 0.20% after the Tankan Large Manufacturers' Index showed a greater than expected increase in business confidence in the region. Kospi rose by 0.10%, led by technology shares. Australia's ASX however, ended down by 0.23%. Hang Seng and Shanghai Composite remained closed for trade on account of a public holiday.

Debt Market

- Indian Government bonds ended higher today as RBI's announcement of OMO purchase worth INR 100 bn aided the bonds. Meanwhile, better than expected current account balance data print released yesterday added to the gains. Going ahead, markets will also closely watch auction sale of dated securities worth INR 150 bn scheduled on Friday for further cues. The yield on the benchmark 7.16% bond due 2023 ended the day at 8.73% as against yesterday's close of 8.77%.
- India's call rate closed at 9.25%, as against yesterday's close of 9.40%. Meanwhile, RBI injected INR 377.41 bn, INR 915.95 bn and INR 427.04 bn under LAF, MSF and Special Refinance facility respectively yesterday.
- US Treasuries are trading lower today amidst speculations that the temporary shutdown of the US Government over the Obamacare bill would be short-lived. The 10-year benchmark yield is currently trading around 2.65%, as against yesterday's close of 2.61%. (17:15 IST)

Forex Market

- The Indian Rupee opened the session on a stronger note as markets factored in a lower than expected increase in Q1 FY2014 current account deficit, released post market hours yesterday. Intraday, weakness in the US Dollar, following the partial shutdown of the US Government aided the Rupee. Also, reported Dollar sales by some PSU and foreign banks lent support to the currency. Meanwhile, official sources reported that gold imports for the period of September 1-25th were 7.2 tonnes vs. 3.4 tonnes in August 2013 – and as compared to 40 tonnes in June 2013. This has helped ease some concerns with regard to financing the current account deficit, thereby aiding sentiment in the currency markets. The USDINR cross ended the session at 62.45 vs. yesterday's close of 62.60.
- The 6 and 12-month forward premia closed at 8.98% and 7.86% respectively compared to prior close of 9.10% and 7.94%.
- The US Dollar index is trading weaker following the partial shutdown of the US Government after lawmakers failed to reach an agreement to extend Government funding. The Japanese Yen is trading stronger, largely aided by safe-haven demand on the back of the budget stalemate in the US. In allied news, Prime Minister Abe announced a hike in sales tax to 8% as planned today. The Euro is trading slightly higher after September manufacturing PMI for the region was confirmed at 51.1, unchanged from the flash estimates. Meanwhile, data also showed that unemployment in the region remained largely unchanged at 12% in August 2013. The Sterling is also trading stronger, largely on the back of Dollar weakness. Gains in the currency, however, were limited after the September manufacturing PMI unexpectedly declined to 56.7 from 57.1 (revised) in August. The Dollar index is currently at 80.05 compared to yesterday's close of 80.22. EUR/USD is hovering around 1.3542 vs. yesterday's close of 1.3527; GBP/USD is trading around 1.6230, vs. previous close of 1.6186. USD/JPY is trading around 97.73 compared to previous close of 98.27 (17:00 IST).

Commodities Market

- WTI is trading little changed today on value buying following substantial losses in yesterday's trading session. Brent is trading lower today, extending yesterday's losses. Meanwhile, temporary shutdown of US government over budget stalemate weighed on the crude oil prices. Going ahead, markets will closely watch American Petroleum Institute's oil inventory data due today and US Energy Department's oil inventory report due tomorrow for further cues. The front-month WTI future is currently trading at USD 102.30/bbl, compared to USD 102.33/bbl yesterday. Brent is trading at USD 107.16/bbl, compared to yesterday's close of USD 108.37/bbl. (17:15 IST)
- Gold prices are trading higher after US government entered a shutdown today, which aided the safe haven demand for the metal. Some value buying also supported the prices as the metal declined by 0.59% in yesterday's trading session. Further, a weaker Dollar also added to the gains. Meanwhile, holdings in SPDR Gold Trust remained unchanged at 905.99 tonnes yesterday which also aided the prices. Spot gold is currently trading at USD 1326.62/oz, as compared yesterday's close of USD 1329.03/oz. (17:15 IST)

Fixed Income Market

GOI Sec Market

Security	Closing Yield	Previous Yield
7.16% GOI 2023	8.73%	8.77%
8.15% GOI 2022	9.15%	9.21%
8.19% GOI 2020	--	9.01%
8.79% GOI 2021	--	8.97%

Overnight Indexed Swap

Tenor	October 1	September 30
1 Year	8.74	8.75
2 Year	8.37	8.37
5 Year	8.37	8.38

MIFOR

Tenor	October 1	September 30
1 Year	8.45	8.20
3 Year	7.60	7.55
5 Year	7.75	7.75

Money Market

	October 1	September 30
Call Money Range	9.25	9.40
MIBOR	9.65	10.00
Reverse Repo Amt	--	155.86
Repo Amt	391.52	377.41

Global Treasury Yields

	October 1	September 30
US 10 Year	2.65	2.61
EURO 10 Year	1.81	1.78
GBP 10 Year	2.73	2.72
JPY 10 Year	0.67	0.69

Swap Rate

Currency	1-year	2-year	5-year	10-year
USD	0.31	0.4666	1.57	2.8051
EUR	0.414	0.5640	1.2540	2.1000
GBP	0.649	0.8393	1.7430	2.6950
JPY	0.224	0.2445	0.3975	0.8500
CHF	0.0946	0.0000	0.0000	0.0000

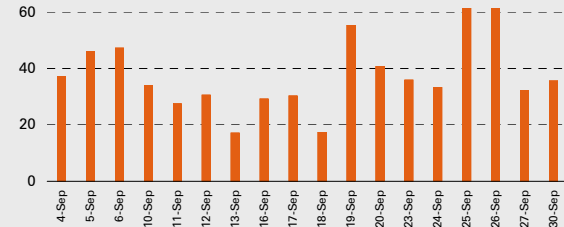
Forex Market

Currency	USD	EUR	GBP	JPY	CHF
USD	-	0.7383	0.6160	97.74	0.9041
EUR	1.3545	-	0.8343	132.38	1.2246
GBP	1.6235	1.1986	-	158.67	1.4678
JPY	0.0102	0.7554	0.6302	-	0.9251
CHF	1.1061	0.8166	0.6813	108.10	-

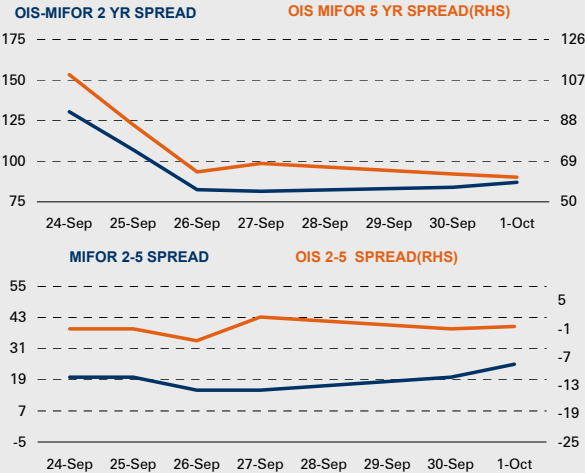
USD INR Forwards

	Annualised	Paise
3-month	9.72	144.50
6-month	8.98	267.00
9-month	8.33	382.50
12-month	7.86	484.50

NSE WDM Volumes (INR bn)



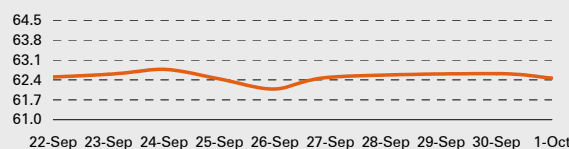
OIS-MIFOR Spreads



LIBOR

	3 month	6 month
EURO LIBOR	0.16	0.26
USD LIBOR	0.25	0.37
GBP LIBOR	0.52	0.59
JPY LIBOR	0.15	0.22
CHF LIBOR	0.08	0.08

USD/INR Movement



Asia Pacific Currencies

	October 1	September 30
USD/INR	62.45	62.60
USD/SGD	1.2517	1.2558
AUD/USD	0.9427	0.9317
USD/THB	31.16	31.24
USD/KRW	1073.56	1074.64

Vols (1 month)

Currency	October 1	September 30
INR	15.71	15.71
EUR	7.60	7.39
JPY	11.45	11.39
GBP	7.62	7.37
CHF	9.89	9.97

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