

## Equity Market

- Indian equities rose for the fourth consecutive session, led by large-cap stocks amidst reported foreign buying, despite a downbeat manufacturing PMI report (October reading flat at 49.6). Banking, auto and metals stocks were the major gainers. Meanwhile, Finance Minister P.Chidambaram said that he expected the Parliament to approve the bill to allow greater foreign investment in India's insurance sector in the next session of Parliament, ending in December. The Minister further added that the Government was confident of achieving the budgeted disinvestment target of INR 558 bn for FY2014. The Sensex ended at a fresh all-time record high of 21,196.81 (+0.15%) and Nifty closed at 6307.20 (+0.13%).
- The BSE Bankex ended at 13,276.15 (+1.45%). SBI ended higher at INR 1879.40 (+4.67%) and ICICI Bank closed higher at INR 1,133.40 (+1.10%).
- Other Asian equities though closed largely mixed today. Japan's Nikkei fell by 0.88% as Sony, Mitsui Chemicals Corp. posted weaker than expected earnings results. Australia's ASX also fell by 0.26%. However, Hang Seng and Shanghai Composite rose by 0.19% and 0.37% respectively as China's manufacturing PMI rose to an 18-month high of 51.4 in October compared to prior 51.1. Kospi also ended up by 0.46%.

## Debt Market

- Indian Government bonds ended weaker today, extending recent losses. The sentiment was weighed down by the weakness in Rupee along with fiscal concerns as data released yesterday showed that the Government has already attained 76% of its budgeted fiscal deficit target in H1 FY2014. Meanwhile, the Finance Minister P.Chidambaram commented that the Government was confident of achieving the fiscal deficit target of 4.8% of GDP for FY2014. In related news, the cut offs at the dated securities auction came out lower than market expectations. Further, the RBI allotted INR 385.05 bn through 14-day term repos, with the cut-off rate coming at 8.30%, sharply lower compared to 8.71% at the previous auction. The yield on the benchmark 7.16% bond due 2023 ended the day at 8.70%, as against yesterday's close of 8.63%.
- India's call rate closed at 8.35%, as against yesterday's close of 8.70%. The RBI injected INR 602.89 bn (net), INR 143.10 bn and INR 430.90 bn under LAF (including 14-day term repo), MSF and Special Refinance facility respectively yesterday.
- US Treasuries are trading weaker today, holding on to the losses in last few trading sessions. Meanwhile, better than expected Chicago PMI print released yesterday aided prospects of tapering of QE earlier than expected and hence weighed on the Treasuries. Going ahead, markets will closely watch ISM manufacturing print due today for further cues. The 10-year benchmark yield is currently trading at 2.59% as against yesterday's close of 2.55%. (17:45 IST)

## Forex Market

- The Indian Rupee traded weaker today tracking losses in the Euro. However, the depreciation pressure was limited owing to continued gains in equities. In allied news, Finance Minister P.Chidambaram commented that financing of the current account deficit (CAD) this fiscal will be "safe and comfortable". He further assured that the Government will not dip into forex reserves to fund the CAD. USDINR ended higher at 61.74 vs. yesterday's close of 61.50.
- The 6 and 12-month forward premia closed at 8.14% and 7.52% respectively, as against yesterday's close of 8.16% and 7.55%.
- The US Dollar continues to trade stronger ahead of US ISM manufacturing report, which is expected to show continued expansion in activity, thereby raising bets that the US Fed might begin QE-tapering sooner than anticipated. DXY index is currently trading around 80.49, higher than yesterday's close of 80.25. The Euro is trading weaker amidst speculation that a subdued economy might induce the European Central Bank to adopt a dovish stance in its policy meeting next week. EUR/USD is hovering lower around 1.3521 vs. prior close of 1.3582. The Sterling is also trading lower as October manufacturing PMI came in at 56.0, lower than consensus of 56.4. GBP/USD is trading lower at around 1.5963 compared to prior close of 1.6040. Meanwhile, the Japanese Yen is trading slightly stronger against the greenback. USDJPY is currently hovering around 98.29 vs. prior close of 98.35.

## Commodities Market

- Crude oil prices are trading lower today on the back of a stronger Dollar. However, the losses remained limited due to some value buying as WTI and Brent lost 0.40% and 0.93% respectively in yesterday's trading session. Meanwhile, better than expected PMI print from China also supported the prices. WTI is trading at USD 95.81/bbl, compared to yesterday's close of USD 96.38/bbl. Brent is trading at USD 107.77/bbl, compared to yesterday's close of USD 108.84/bbl. (17:45 IST)
- Gold prices are trading lower today, holding on to the losses in last few trading sessions. Meanwhile, a stronger greenback also weighed on the metal prices. Further, positive data prints from US released yesterday also added to the fears of tapering of asset purchase program by the Fed earlier than expected, which weighed on the metal. However, holdings in SPDR Gold Trust remained unchanged for the fifth consecutive session in a row at 872.02 tonnes. Spot gold is currently trading at USD 1314.3/oz, as compared to yesterday's close of USD 1323.06/oz. (17:45 IST)

## Fixed Income Market

## GOI Sec Market

Security	Closing Yield	Previous Yield
7.16% GOI 2023	8.70%	8.63%
8.15% GOI 2022	8.93%	8.85%
8.19% GOI 2020	8.78%	8.78%
8.79% GOI 2021	8.81%	8.78%

## Overnight Indexed Swap

Tenor	November 1	October 31
1 Year	8.43	8.39
2 Year	8.19	8.18
5 Year	8.23	8.19

## MIFOR

Tenor	November 1	October 31
1 Year	8.05	8.10
3 Year	7.50	7.50
5 Year	7.55	7.60

## Money Market

	November 1	October 31
Call Money Range	7.00	8.70
MIBOR	8.71	8.72
Reverse Repo Amt	0.28	0.75
Repo Amt	322.15	408.62

## Global Treasury Yields

	November 1	October 31
US 10 Year	2.58	2.55
EURO 10 Year	1.69	1.67
GBP 10 Year	2.63	2.62
JPY 10 Year	0.60	0.60

## Swap Rate

Currency	1-year	2-year	5-year	10-year
USD	0.29	0.4284	1.4888	2.73
EUR	0.38	0.4825	1.0860	1.9720
GBP	0.637	0.7900	1.6610	2.6210
JPY	0.212	0.2195	0.3450	0.7550
CHF	0.0696	0.1171	0.6200	1.4450

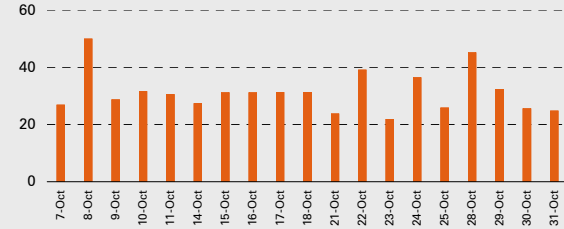
## Forex Market

Currency	USD	EUR	GBP	JPY	CHF
USD	-	0.7400	0.6266	98.37	0.9103
EUR	1.3516	-	0.8469	132.96	1.2304
GBP	1.5959	1.1808	-	156.99	1.4529
JPY	0.0102	0.7522	0.6370	-	0.9254
CHF	1.0984	0.8128	0.6883	108.06	-

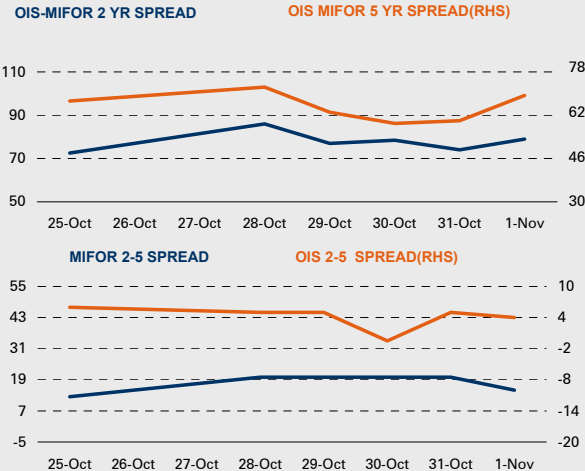
## USD INR Forwards

	Annualised	Paise
3-month	8.44	122.50
6-month	8.14	241.00
9-month	7.79	351.50
12-month	7.52	457.00

## NSE WDM Volumes (INR bn)



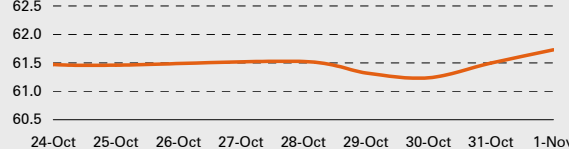
## OIS-MIFOR Spreads



## LIBOR

	3 month	6 month
EURO LIBOR	0.17	0.27
USD LIBOR	0.24	0.35
GBP LIBOR	0.52	0.59
JPY LIBOR	0.14	0.21
CHF LIBOR	0.07	0.07

## USD/INR Movement



## Asia Pacific Currencies

	November 1	October 31
USD/INR	61.74	61.50
USD/SGD	1.2417	1.2418
AUD/USD	0.9476	0.9456
USD/THB	31.19	31.18
USD/KRW	1060.80	1060.73

## Vols (1 month)

Currency	November 1	October 31
INR	10.18	10.18
EUR	7.31	7.14
JPY	8.52	8.40
GBP	6.95	6.87
CHF	9.77	9.78

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Gsec Desk	(+91-22) 2653-1001-05	FX Derivatives	(+91-22) 2653-8941/43
Interest Rate Derivatives	(+91-22) 2653-1011-15	Commodities Desk	(+91-22) 2653-1037-42
Corporate Bonds	(+91-22) 2653-7242		

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