

# Current Market Scenario

\* S&P CNX NIFTY (8,087.05, 8,114.30, 8,071.60, 8,105.50)

# September Meeting

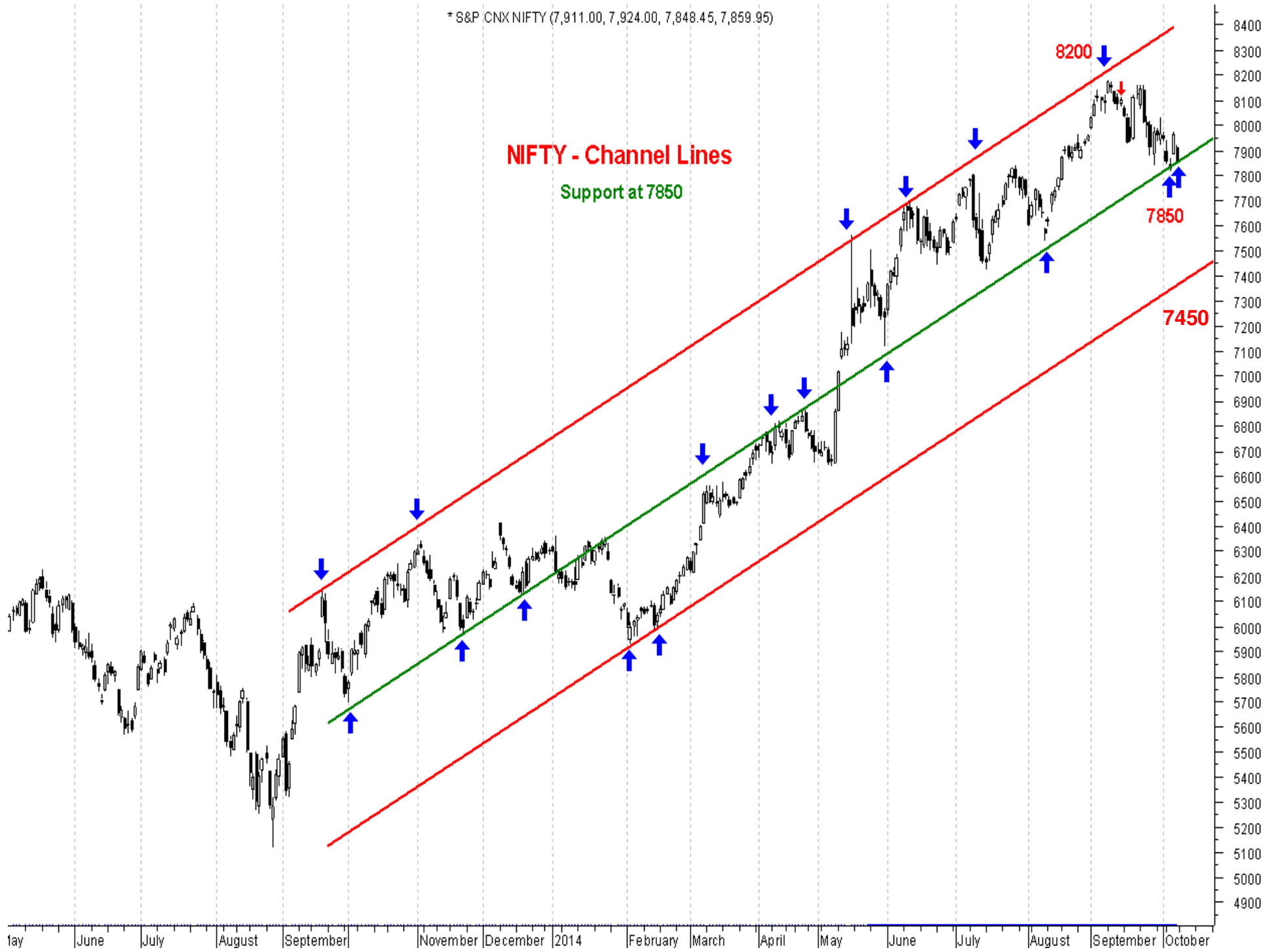
## NIFTY Channel Lines



\* S&P CNX NIFTY (7,911.00, 7,924.00, 7,848.45, 7,859.95)

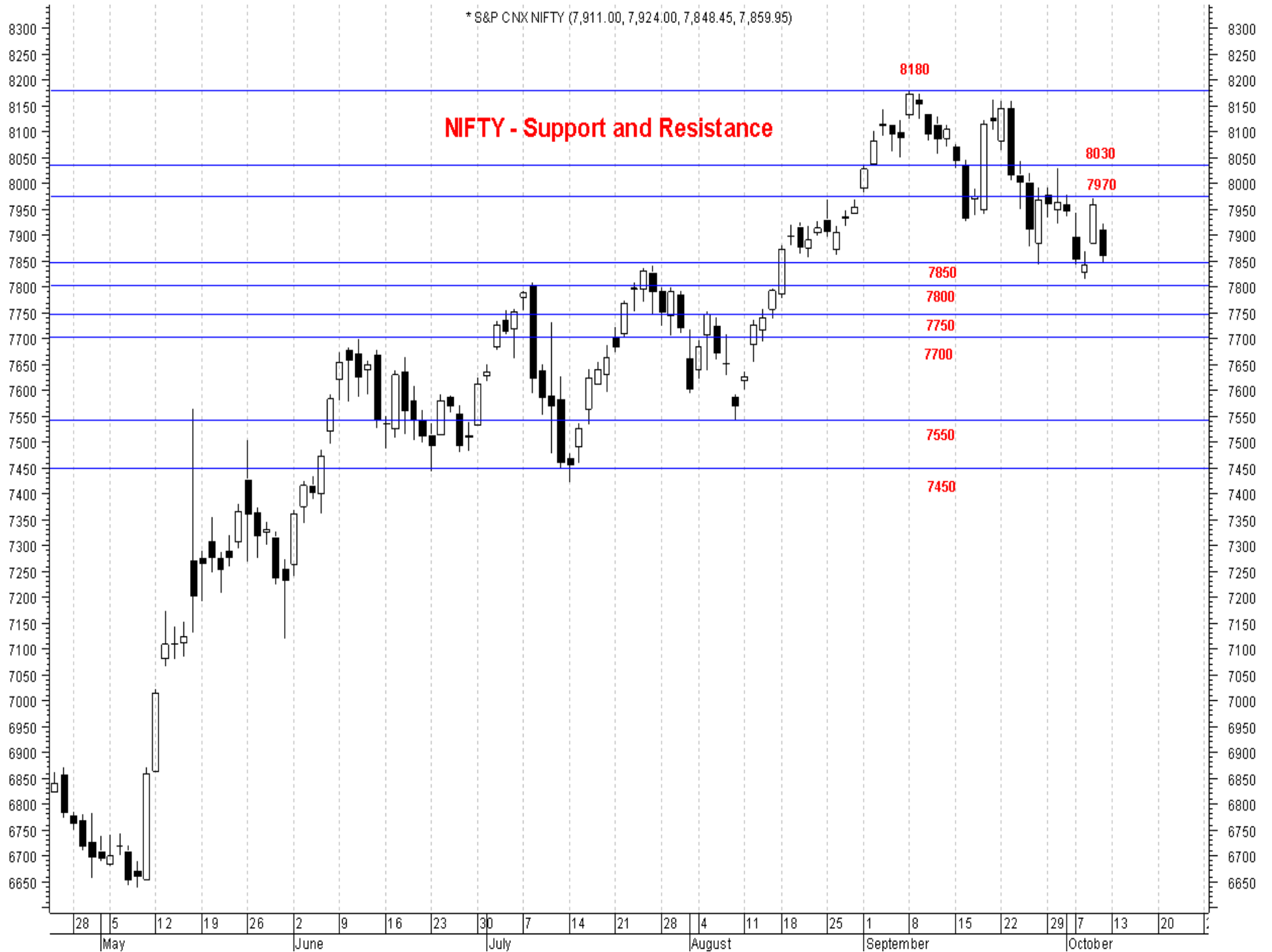
### NIFTY - Channel Lines

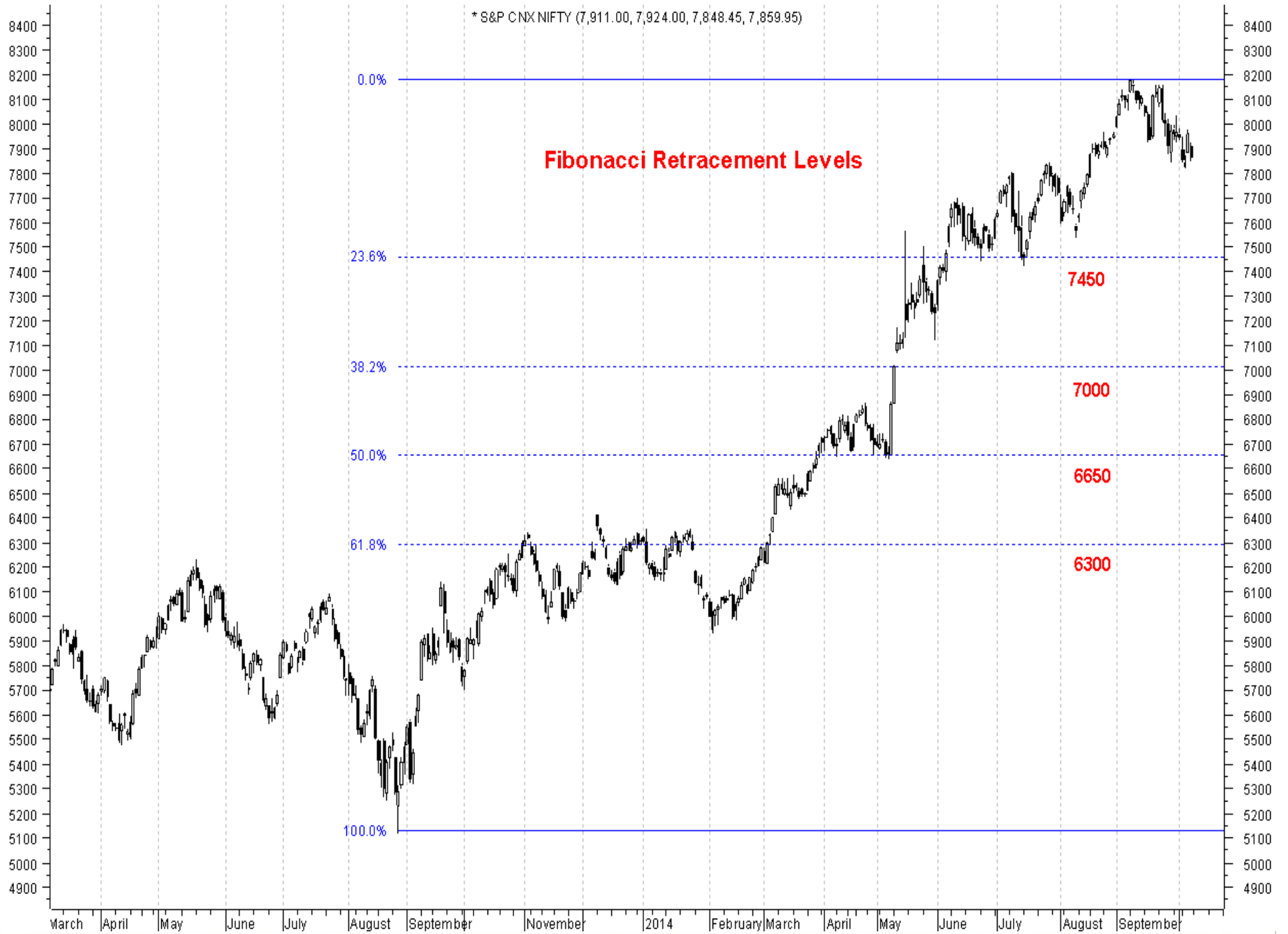
Support at 7850



\* S&P CNX NIFTY (7,911.00, 7,924.00, 7,848.45, 7,859.95)

### NIFTY - Support and Resistance





## Markets on Consolidation

- Global markets volatile on growth concerns
- Foreign investors cautious
- Lower commodity price supports sentiment
- Results to dictate further course of market

### INDEX WATCH

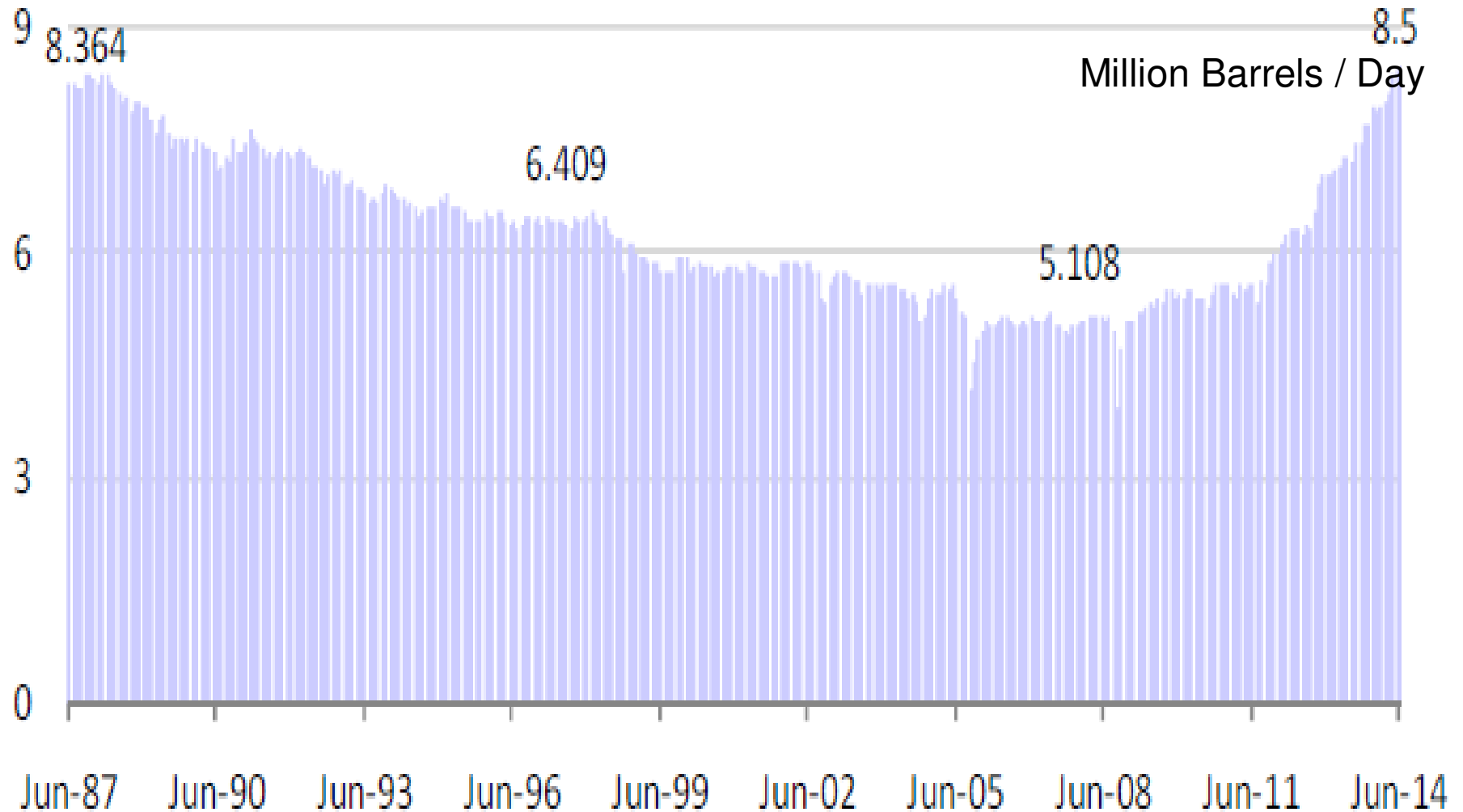
INDEX	Oct 10	Sep 12	% Change
Nifty	7859	8105	- 3.1
Sensex	26297	27061	- 2.9
CNX Midcap	11230	11916	- 5.7
BSE Small Cap	10611	11166	- 4.9

# Sharp Dip in Brent Crude

**Crude Oil Price**  
92.13 USD/bbl  
6 Oct '14



# US Oil Production Increasing Sharply





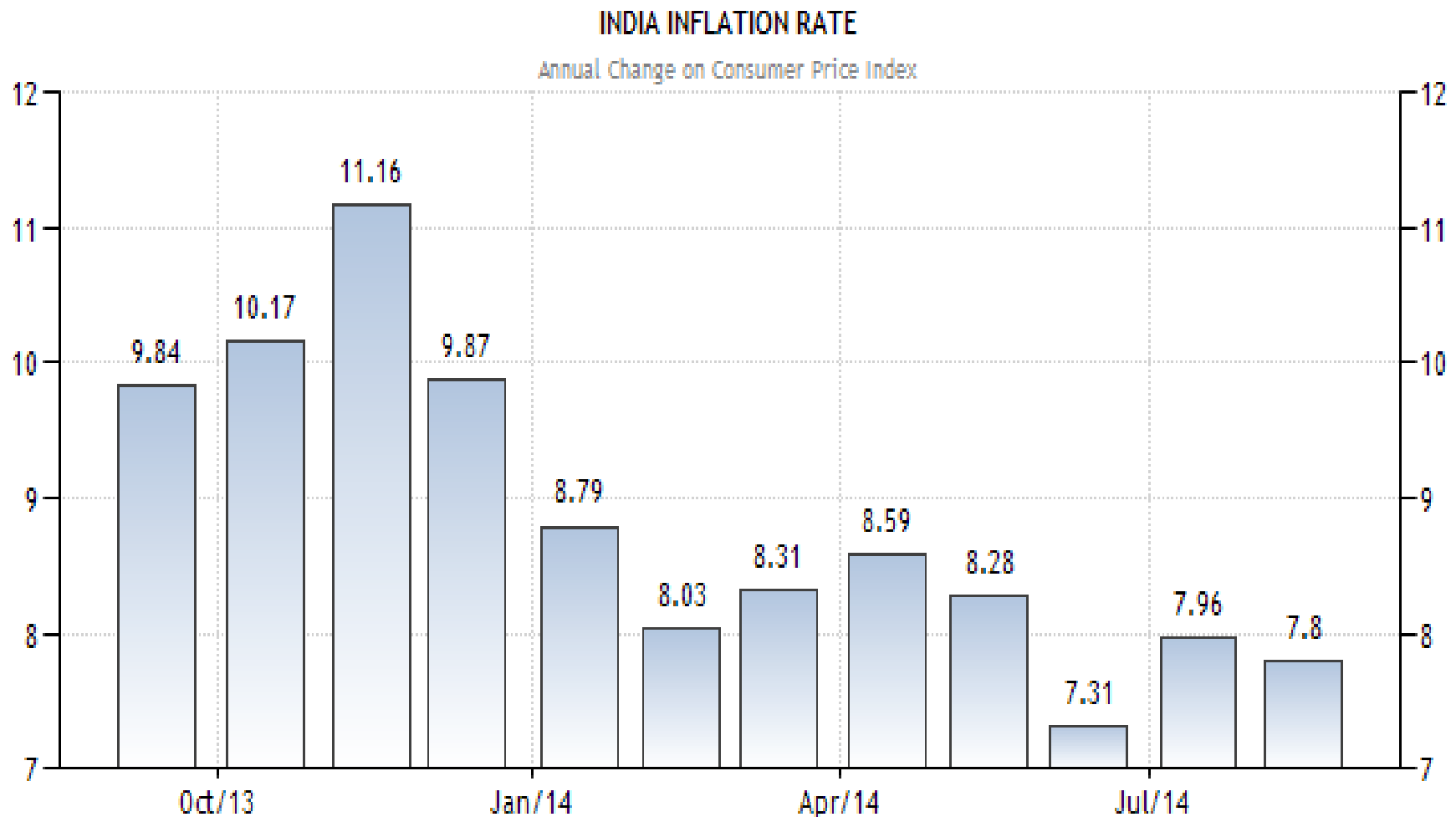
# An Oil Field in California



# Diesel Prices To Be Decontrolled ?

- Oil marketing companies are making over recovery of over Rs.2 / Litre in diesel sales at current crude oil price
- Right time to decontrol politically sensitive diesel price
- Decontrol will lead to healthy competition

# Inflation To Come Down Further



SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI), INDIA

# Bond Yields at 1 Yr Low

## INDIA GOVERNMENT BOND 10Y

Implied Yield on 10 Year Bonds



SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF FINANCE, GOVERNMENT OF INDIA

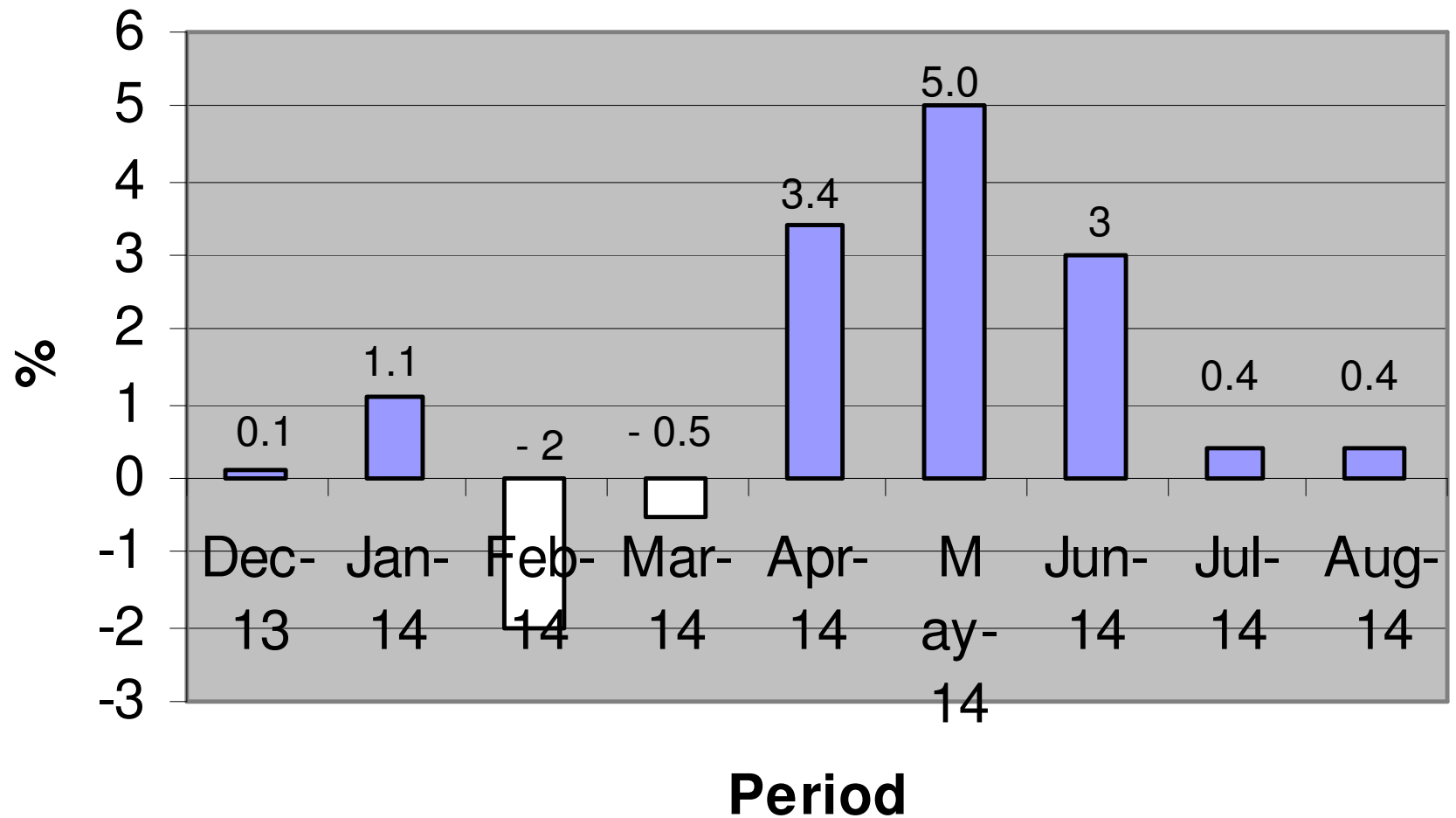
# S&P Revises India's Outlook

- S&P revises India's outlook from Negative to Stable
- All three global major rating agencies have now stable outlook
- Rating upgrade to take at least 6 months and depends upon fiscal deficit and economic growth

# Current India Ratings

<b>Agency</b>	<b>Rating</b>	<b>Meaning</b>	<b>Outlook</b>
S&P	BBB -	Lowest Investment Grade	Stable
Moody	Baa3	Lowest Investment Grade	Stable
Fitch	BBB -	Lowest Investment Grade	Stable

# Domestic IIP Growth %



# September Domestic Auto Sales

## No. of Units Sold

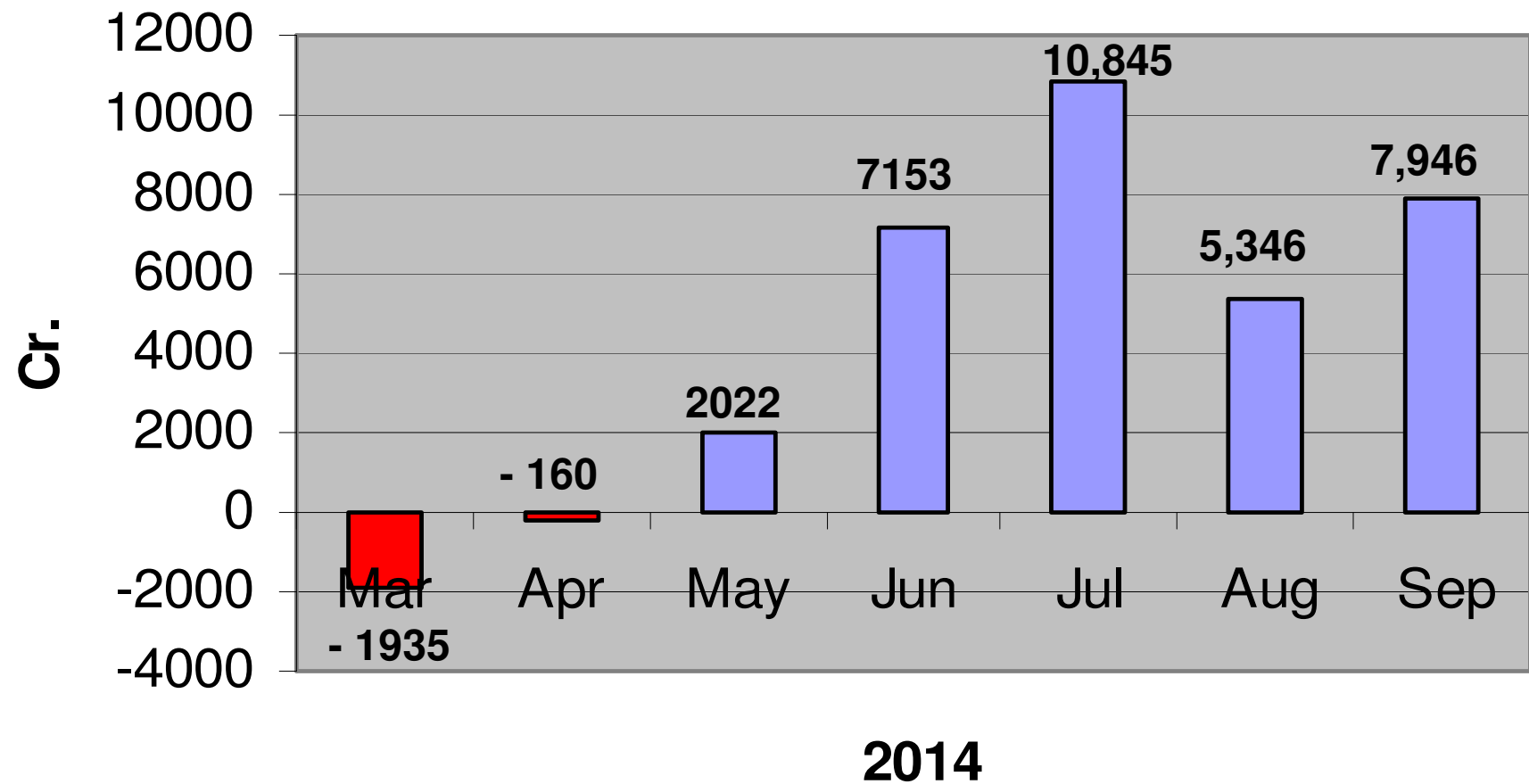
Segment	Sep '14	Sep '13	% Change
Two Wheelers	17,24,544	13,74,860	25.4
Three Wheelers	67,703	58,139	16.5
Passenger Cars	1,92,101	1,76,276	9.0
Commercial Veh.	57,486	58,039	- 1.0



## FII Activity - Equity

<b>2014</b>	<b>Equity \$ Bn</b>
Jan	<b>0.1</b>
Feb	<b>0.2</b>
March	<b>3.3</b>
April	<b>1.6</b>
May	<b>2.3</b>
June	<b>2.3</b>
July	<b>2.1</b>
Aug	<b>0.9</b>
Sep	<b>0.8</b>
Till Oct 10	<b>- 0.4</b>
Total	<b>13.2</b>

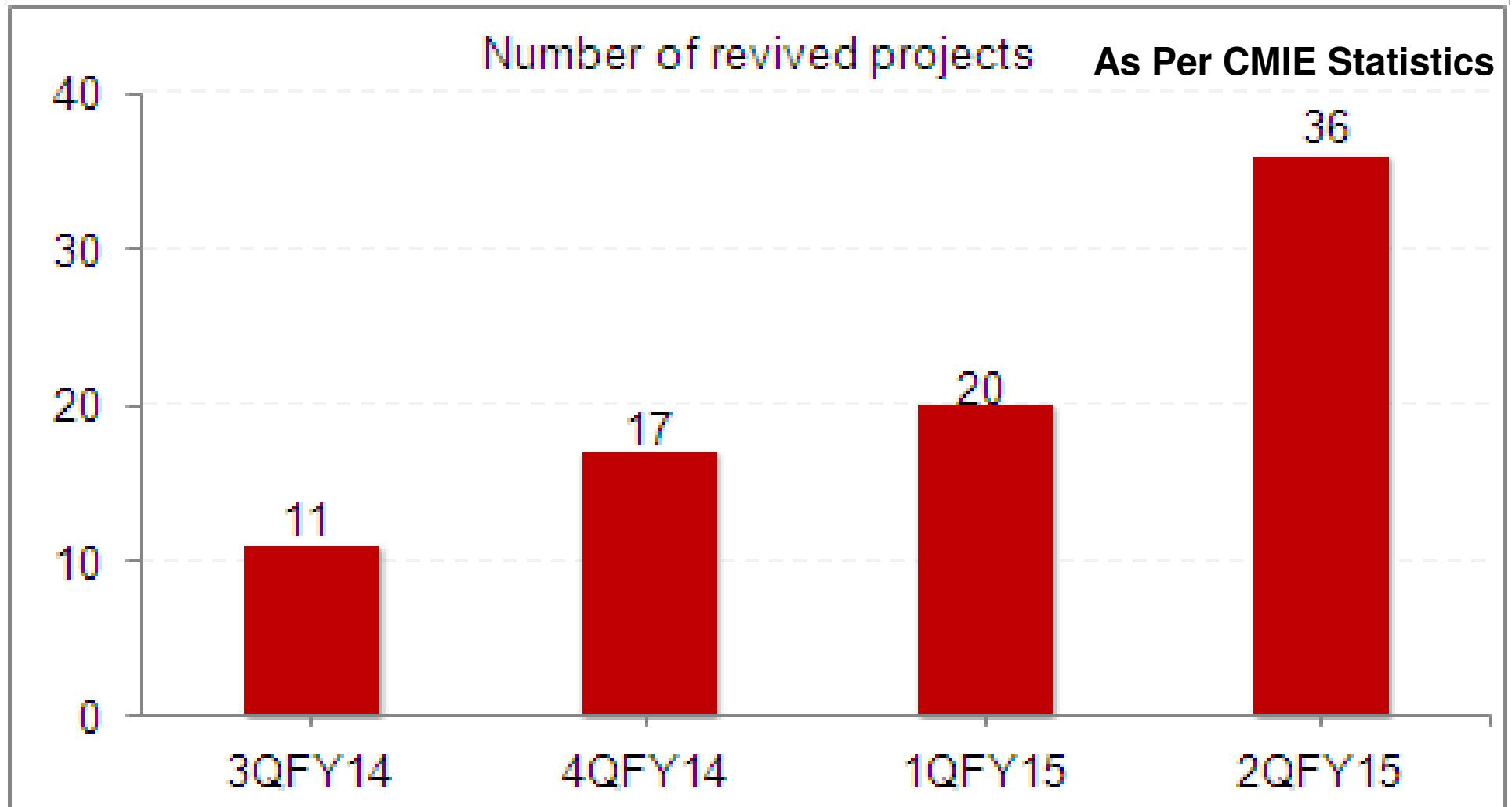
## Domestic Mutual Fund Flows



# Don't Under Estimate Domestic Liquidity

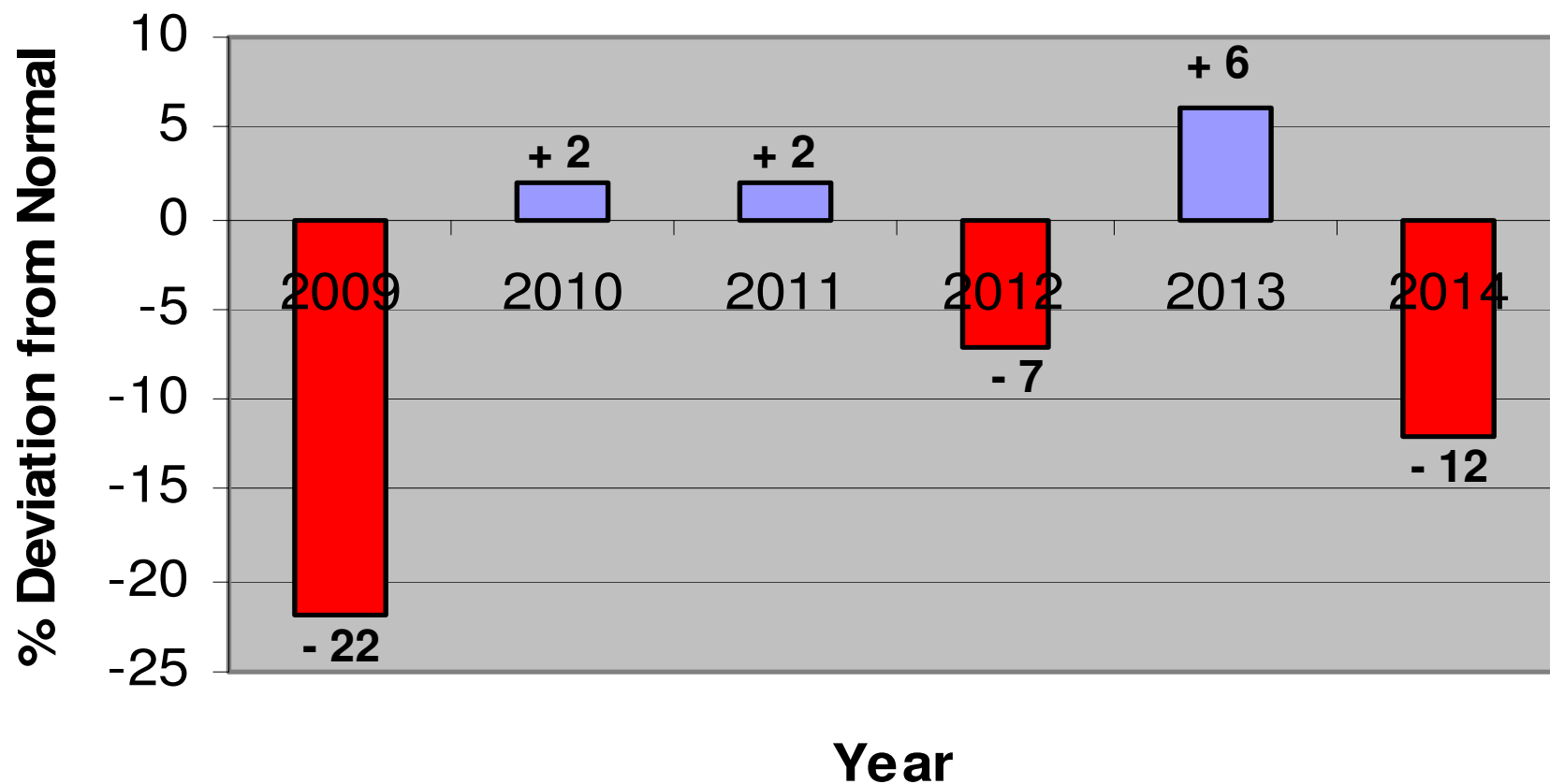
- Domestic liquidity to drive next leg of rally
- Domestic investors need stability and positive data to invest in market
- With gold, real estate are under performing and interest rates to come down, stock market are ideal place to invest
- Already talks of Employee Provident Fund to be allowed to invest part of corpus in stock market

## Has Policy Paralysis come to an end ?



# Monsoon Below Normal But Not Very Bad

## SouthWest Monsoon



# Global Markets YTD Performance

Country	Return %
India	25.2
Philippines	22.4
Thailand	19.8
China	11.9
Nadaq	4.8
Taiwan	4.3
USA	0.5
Hong Kong	0.9
France	- 3.6
UK	- 4.7
Germany	- 5.8

# India Will Remain in Focus

- India will be among top destination for foreign investors
- With commodity prices sliding, our macro concerns like fiscal deficit, inflation and current account deficit will get addressed
- Unlike many other countries, our interest rate cycle are at peak
- Unless there is a global sell off like in 2008, we are to outperform other markets

# State Elections

- Maharashtra and Haryana state elections scheduled on Oct 15
- Counting on Oct 19
- Election outcome have sentimental impact on markets

State	Incumbent Govt.
Maharashtra	Cong. and NCP Alliance
Haryana	Congress



## Events to Watch

- Q2 Results
- Commodity Prices
- State Election outcome on Oct 19

**Thank You**