

July 07, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31369	0.40	0.57	31523	25718	23.00
Nifty 50	9675	0.38	0.39	9709	7894	24.62
S&P BSE Midcap	14947	0.30	1.46	15123	11449	31.82
S&P BSE 100	10025	0.36	0.73	10055	8085	22.77
S&P BSE 200	4220	0.32	0.87	4233	3379	23.75
Nifty Free Float	18081	0.21	1.96	18512	13658	31.71
Midcap 100						
Nifty 500	8482	0.36	1.01	8506	6712	28.22

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23860	0.37	-0.93	24533	19164	23.07
S&P BSE Metal	11773	0.32	6.99	12307	8594	28.89
S&P BSE Oil	13439	-0.38	-3.82	14746	9938	11.38
S&P BSE Healthcare	14238	0.12	3.15	16866	13073	27.78
S&P BSE IT	9858	-0.26	-6.31	11299	9123	16.46
S&P BSE CD	16090	-0.32	-0.80	16827	10502	37.32
S&P BSE PSU	8259	0.68	-3.52	9216	6825	19.89
S&P BSE FMCG	10725	0.75	5.47	10936	7653	43.93
S&P BSE CG	17263	0.13	-2.39	18207	13255	29.84
Nifty Bank	23467	0.49	0.22	23898	17607	26.38
S&P BSE Realty	2125	1.57	9.10	2143	1163	56.85

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21320	-0.74	0.87	21563	17817	20.03
S&P 500	2410	-0.94	-0.81	2454	2084	21.50
Nasdaq	6089	-1.00	-2.96	6342	4854	22.46
FTSE 100	7337	-0.41	-2.49	7599	6464	24.04
CAC 40	5152	-0.53	-2.22	5442	4103	15.82
DAX	12381	-0.58	-2.43	12952	9389	14.62
Nikkei	19994	-0.44	0.07	20318	15107	17.23
Hang Seng	25465	-0.22	-2.05	26090	20469	13.62
Shanghai Comp.	3212	0.17	3.56	3301	2932	14.76

F&O Trends	Px Last	Previous	Change %
Near Futures	9,673.35	9,645.30	0.29
Near Basis	-1.20	7.70	-115.58
Mid Futures	9,707.45	9,675.95	0.33
Mid Basis	32.90	38.35	-14.21
Near Open Interest (Cr.)	2.03	2.03	-0.26
Mid Open Interest (Cr.)	0.15	0.14	8.53
Rollover (%)	7.69	7.04	9.35

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	12.54	13.28	20.00	23.01	9.37
Nifty VIX	10.98	-1.52	-1.35	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs					
Equity		3521.81	3396.90	124.91	52879.24
Debt		541.52	1199.50	-657.98	91903.46
MF¹					
Equity		2473.85	1602.64	871.21	42044.24
Debt		11658.21	5748.10	5910.11	188803.68

¹ As on 3rd July 2017

Indian Equity Market

- Indian equity markets ended in the green for the second consecutive session driven by strong recovery in PSU banks due to rating upgrades by brokerage houses. Also, expectation of positive quarterly earnings (expected to roll-out later in Jul 2017) amid hassle-free roll-out of goods and service tax (GST) improved market sentiment. However, gains were restricted after minutes from the U.S. Federal Reserve's meeting showed a lack of consensus on the future pace of interest rate increases.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.40% and 0.38% to close at 31,369.34 and 9,674.55, respectively.
- On the BSE sectoral front, indices closed on a mixed note. The top gainer was S&P BSE Realty, up 1.57%, trailed by S&P BSE Telecom (1.26%), S&P BSE FMCG (0.75%), S&P BSE Finance (0.64%), S&P BSE Bankex (0.45%), S&P BSE Auto (0.37%), and S&P BSE Industrials (0.33%).

Indian Economy

- Finance, Audit and Investment Committee (FAIC), which is the Employees Provident Fund Organisation's (EPFO) advisory body, has decided to invest 2% of investible deposits in AA+ rated corporate bonds, a notch lower than the earlier norm of AAA. With this decision, EPFO will be able to invest Rs. 3,000 crore per annum in such securities.
- The Indian Railways' revenue grew to Rs. 43,000 crore in the first quarter, up 10% from Rs. 38,833 crore in the prior year period. The upside was driven by dynamic fare system for premium trains and robust growth in the passenger and freight segments. Revenue in the passenger segment surged to approximately Rs. 14,000 crore from Rs. 12,000 crore in the year-ago period, thereby marking the highest ever revenue railways has posted in the passenger segment.

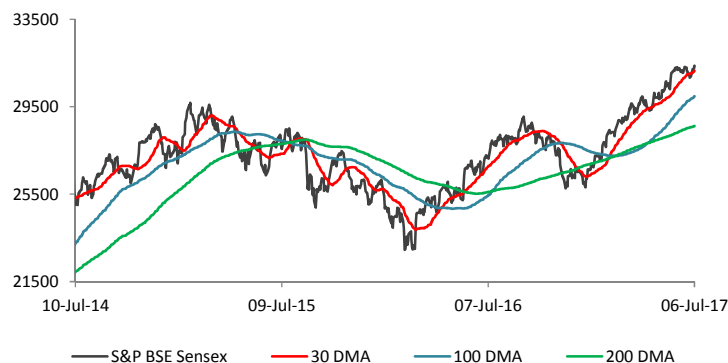
Global Equity Market

- As per the last close, U.S. market fell following disappointing U.S. private sector jobs in Jun.
- As per the last close, European market fell but recovered some ground at the end. European Central Bank's policy minutes of the latest meeting revealed that policymakers acknowledged the necessity of substantial monetary policy stimulus to support the ongoing euro area recovery.
- Asian markets fell after the minutes from the U.S. Federal Reserve's (Fed) meeting showed a lack of consensus among members over when to start reducing the central bank's securities portfolio. Rising geopolitical tensions also dented sentiment. Today (As on Jul 07), Asian market opened lower following decline on the Wall Street overnight.

Indian Derivative Market

- Nifty Jul 2017 Futures were at 9,673.35 points, a discount of 1.20 points, over the spot closing 9,674.55. The turnover on NSE's Futures and Options segment went up from Rs. 4,70,334.35 crore on Jul 5 to Rs. 8,91,391.16 crore on Jul 6.
- The Put-Call ratio stood at 0.89 compared with the previous session's close of 0.92.
- The Nifty Put-Call ratio stood at 1.32 compared with the previous session's close of 1.29.
- India VIX moved down 1.52% to 10.9825 from 11.1525 in the previous trading session.
- The open interest on Nifty Futures stood at 21.98 million as against previous session's close of 21.88 million.

S&P BSE Sensex Moving Average



July 07, 2017

Debt Market Update

Policy Rates (%)	06-Jul-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	6.00	6.00	6.00	6.00
Repo	6.25	6.25	6.25	6.50
CRR	4.00	4.00	4.00	4.00
SLR	20.00	20.00	20.50	21.25
Bank Rate	6.50	6.50	6.50	7.00

Daily Rates (%)	06-Jul-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.17	6.25	6.25	6.25
CALL	6.03	6.06	6.10	6.25
CBLO	6.04	6.10	6.19	6.18
OIS- 1 Yr	6.25	6.23	6.36	6.52
OIS- 5 Yr	6.30	6.28	6.49	6.57

Liquidity Indicators (in Rs. Cr.)	06-Jul-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	61,417	46,295	38,503	128,374
Call Money	15,879	12,090	14,199	10,069
CBLO	104,078	111,656	115,863	75,058
LAF	1,780	-41,700	3,357	-835
Treasury Bills	3,269	19,571	6,857	6,768

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.85	6.85	-0.04
06.79 GS 2027	15-May-27	6.54	6.55	-0.22
06.97 GS 2026	06-Sep-26	6.74	6.74	-0.01
06.57 GS 2033	05-Dec-33	6.95	6.97	-0.29
07.35 GS 2024	22-Jun-24	6.88	6.89	-0.18

Certificate of Deposit (%)	06-Jul-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.36	6.36	6.40	6.78
6-Month	6.49	6.51	6.59	7.08
9-Month	6.58	6.60	6.70	7.22
12-Month	6.67	6.69	6.82	7.38

Commercial Paper (%)	06-Jul-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.68	6.70	6.68	7.83
6-Month	6.93	6.91	6.91	8.11
9-Month	7.06	7.05	7.08	8.24
12-Month	7.20	7.20	7.26	8.37

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091-Day T-Bills	10,000	10,000	6.31%
364-Day T-Bills	6,000	6,000	6.38%

Key Indicators	
GDP (Q4 FY'17)	6.10%
Manufacturing PMI (June'17)	50.90
Current Account Deficit (Q4 of FY17, in \$ Billion)	-3.40
Fiscal Deficit (FY2017, as a % of GDP)	3.51%
Credit Growth (June 23, 2017)	6.03%
Deposit Growth (June 23, 2017)	11.13%

Indian Debt Market

- Bond yields fell after minutes of the U.S. Federal Reserve's Jun 2017 policy meeting showed that policymakers had different views regarding the outlook of inflation in the U.S., which led to uncertainty as to what stance the U.S. central bank adopts in the coming months and the future pace of rate hikes.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell by 1 bps to 6.54% from the previous close of 6.55%. During the session, bond yields traded in the range of 6.51% and 6.55%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,780 crore (gross) on Jul 6, down from Rs. 1,970 crore (gross) borrowing on Jul 5. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 41,542 crore on Jul 5.
- Banks borrowing under the central banks Marginal Standing Facility was Rs. 110 crore on Jul 5 as against Rs. 275 crore borrowing on Jul 4.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 110 crore was allotted at a cut-off rate of 6.24%.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 30,000 crore for which Rs. 13,910 crore was allotted at a cut-off rate of 6.24%.

Spread Analysis

- Yields on gilt securities either closed steady or fell by up to 2 bps, barring 2-, 4-, and 5-year maturities that increased 1 bps each.
- Corporate bond yields fell across the maturities by up to 4 bps, barring 3-year paper that increased 1 bps.
- Spread between AAA corporate bond and gilt contracted across the maturities in the range of 2 bps to 5 bps, barring 2- and 3-year maturities that expanded 1 bps each.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: July 03-07	15,000	0	0.00%
Month: July 2017	66,000	0	0.00%
H1: Apr'17-Sep'17	372,000	179,784	48.33%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	44.05%
10 to 14 Yrs	44.09%	52.31%
Long Dated (above 14 Yrs)	33.33%	45.97%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
6.84 GS 2022	6 Yrs	3,000
6.79 GS 2029	13 Yrs	9,000
6.57 GS 2033	17 Yrs	3,000
6.62 GS 2051	35 Yrs	3,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	49.90	68.90	89.90
3 Yr	51.80	76.80	104.80
5 Yr	41.00	61.00	84.00
10 Yr	71.60	90.60	155.60

Key Indicators	Current	Previous
WPI (May'17)	2.17%	3.85%
CPI (May'17)	2.18%	2.99%
IIP (Apr'17)	3.10%	2.70%
Trade Deficit (In \$ billion-May 17)	-13.84	-13.25

July 07, 2017

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1225	-0.15	-5.32	1366	1128
Silver (\$/oz)	16	-0.31	-9.45	21	16
NYMEX Crude(\$/bbl)	45	0.91	-5.43	54	39
Brent Crude(\$/bbl)	49	1.98	2.24	56	40
Baltic Dry Index	829	-2.13	1.34	1338	631
RJ/CRB Index	174	0.45	-2.05	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,135	0.25	-4.05	31,529	27,172
Silver (1 kg)	37,178	0.35	-8.12	48,049	37,050
Crude Oil (1 bbl)	2,921	-4.17	-4.23	3,688	2,638
Natural Gas (1 mmbtu)	183	-4.08	-4.48	693	171
Aluminium (1 kg)	125	0.73	2.38	129	103
Copper (1 kg)	378	-1.25	4.18	446	112
Nickel (1 kg)	589	0.38	3.99	803	561
Lead (1 kg)	147	1.03	9.68	169	120
Zinc (1 kg)	180	0.73	13.04	200	141
Mentha Oil (1 kg)	1,049	3.21	3.88	1,169	921
Cotton (1 bales)	20,420	1.14	-0.39	23,720	18,240

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	2.01	0.58	17.52	17.68	10.57	15.40
Small/Mid Cap	2.69	1.97	23.15	27.29	19.83	25.34
Diversified	1.99	1.00	18.71	20.09	12.59	17.01
Balanced	1.46	1.08	13.91	16.96	11.96	15.81
Banking	1.57	1.61	29.26	31.63	16.46	17.75
FMCG	4.95	4.55	30.88	24.17	18.47	17.97
Pharma	1.22	2.69	-3.54	-8.05	8.57	17.17
Technology	0.84	-3.05	2.77	-4.77	5.76	14.33
Infrastructure	2.52	1.14	21.15	25.11	11.74	15.42
Gold Funds	-2.55	-5.16	-2.32	-13.89	-1.21	-2.12
Nifty 50	1.79	0.39	17.36	16.01	7.64	12.71
S&P BSE Sensex	1.66	0.57	17.23	15.42	6.49	12.35
S&P BSE 500	2.14	1.05	19.75	20.33	10.29	14.65
S&P BSE Midcap	2.71	1.46	21.31	25.35	16.08	18.80
CRISIL Balanced	1.16	0.63	12.08	14.43	8.97	11.85

Less than 1 yr return are absolute and greater than 1 yr returns are CAGR

Category-Debt	1 Week	1 Month	6 Month	1 Year	SI
Liquid	6.45	6.29	6.13	6.49	7.35
Ultrashort Bond	6.72	7.39	6.09	7.36	7.72
Short-T Bond	4.16	9.52	5.64	8.67	8.14
Long-T Bond	0.55	11.46	5.65	9.93	8.66
Long T Govt Sec	-14.21	14.26	4.60	12.48	8.61
Crisil Liquid	6.88	6.63	6.65	6.85	6.80
Crisil ST Bond	4.82	8.77	6.54	8.70	7.31
Crisil Composite	-0.98	13.00	5.58	10.98	7.21
NSE G-Sec Comp	--	--	--	--	--

Less than 1 yr return are simple annualised and greater than 1 yr returns are CAGR

Commodity Market

- Gold prices fell ahead of key U.S. non-farm payrolls data for Jun 2017 due to release on Jul 7. However, further losses were restricted after private sector jobs data in the U.S. for Jun came below market expectations. Gold prices were last seen trading at \$1,224.81 per ounce, down 0.13%, compared with the previous close of \$1,226.45 per ounce.
- Brent crude prices surged after data from the American Petroleum Institute showed that U.S. crude inventories fell more sharply than expected, down 5.8 million barrels in the week to Jun 30, against expectations for a draw of 2.3 million barrels. Oil prices were last seen trading at \$48.36 per barrel, up 1.02% compared with the previous close of \$47.87 per barrel.

International Market Update

- As per provisional estimate, real economic growth in the Organization for Economic Cooperation and Development (OECD) area slowed in the first quarter due to weak private consumption and investment. The gross domestic product (GDP) of the area grew 0.5% in the first quarter as compared with 0.7% growth in the previous quarter.
- Data from payroll processor ADP showed that private sector employment in the U.S. climbed by 158,000 jobs in Jun 2017 after jumping by a revised 230,000 jobs (253,000 jobs originally reported) in May 2017.
- A report from Destatis showed that factory orders in Germany rose 1.0% MoM in May 2017, weaker than expected, as against revised 2.2% decrease in Apr 2017. Domestic orders fell 1.9%, while foreign orders grew 3.1% during the month under review.

Mutual Fund & Insurance Update

- Tata Mutual Fund has withdrawn the exit load of Tata Short Term Bond Fund with effect from Jul 7, 2017. Previously, an exit load of 0.25% was charged if redeemed on or before expiry of 7 days from the date of allotment.
- Mutual funds bought equity worth Rs. 1,871.21 crore as against sale of Rs. 1,663.24 crore as on Jul 05, 2017. This led to a net buy of Rs. 207.97 crore compared with a net buy of Rs. 267.17 crore on Jul 04, 2017.
- In the debt space, mutual funds bought to the tune of Rs. 7,212.88 crore as against sale of Rs. 4,336.52 crore as on Jul 05, 2017. This meant a net purchase of Rs. 2,876.36 crore compared with a net buy of Rs. 6,706.05 crore on Jul 4, 2017.
- According to media reports, National Insurance Co. plans to launch its initial public offering (IPO) by the end of the current fiscal year. The company would approach the government for the IPO, preferably in this fiscal year itself. The company will also increase the number of agents to 50,000 this year from the present number of 45,000.

Dividend Update

- ICICI Prudential Mutual Fund has announced Jul 11 as the record date for declaration of dividend under the dividend option of ICICI Prudential Multiple Yield Fund - Series 5 - 1825 Days Plan C. The rate of dividend is Re. 0.05 per unit.

NFO Update

- Birla Sun Life Mutual Fund has announced Jul 7 as the record date for declaration of dividend under the dividend option of Birla Sun Life Emerging Leaders Fund - Series 3.

July 07, 2017

Currency Market Update

Currency Spot					
Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.78	-0.01	0.54	68.87	63.92
EUR/INR	73.92	0.51	1.77	76.25	67.92
YEN(100)/INR	57.15	-0.09	-2.94	67.31	56.22
SGD/INR	46.81	-0.22	0.31	50.07	45.58
EUR/USD	1.14	0.62	1.30	1.14	1.03
GBP/USD	1.30	0.27	0.48	1.35	1.15
JPY/USD	0.01	0.04	-3.36	0.01	0.01
SGD/USD	0.72	-0.11	-0.21	0.69	0.75

Currency Futures (MCX-SX)				
Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.95	-0.07	102,420	6.92
EUR/INR	73.92	0.31	791	-0.50
GBP/INR	84.17	0.24	974	-1.62
JPY/INR	57.36	0.16	259	-11.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.78	64.72	0.09
GBP	83.82	83.61	0.26
EURO	73.43	73.50	-0.10
100 Yen	57.25	57.15	0.17

Currency Update

- The Indian rupee closed almost steady against the greenback as market participants remained on the sidelines ahead of the U.S. non-farm payroll data for Jun 2017 due to release on Jul 7. The rupee inched up 0.01% to close at 64.78 per dollar from the previous close of same.
- The euro strengthened against the greenback after the private sector jobs data in the U.S. for Jun 2017 came below market expectations. Euro was trading at \$1.1394, up 0.37% compared with the previous close of \$1.1352.

Global Economy

- According to the Federal Open Market Committee's Jun meeting minutes, the U.S. Fed has decided to reduce its \$4.5 trillion balance sheet. However, no specific timeline to begin the process was provided. As per the minutes, labour market conditions continued to strengthen in current months and real GDP was expanding at a faster pace in the second quarter than in the first quarter.
- Data from the Commerce Department showed that U.S. factory orders unexpectedly decreased 0.8% in May 2017 after decreasing by a revised 0.3% in Apr 2017. New orders for manufactured durable goods and for manufactured non-durable goods tumbled 0.8% each.
- Survey figures from IHS Markit showed that Germany's construction Purchasing Managers' Index decreased to 55.1 in Jun 2017 from 55.3 in May 2017. Among categories, commercial activity grew at the sharpest rate, followed by civil engineering projects. While, housing activity rose at the weakest rate since Aug 2016.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (June)	03-Jul-17	Consumer Price Index (June)	12-Jul-17
Nikkei India Service PMI (June)	05-Jul-17	Wholesale Price Index (June)	14-Jul-17
Forex Reserves	07-Jul-17	IHS Markit India Business Outlook	16-Jul-17
Index of Industrial Production (May)	12-Jul-17	Index of Eight Core Industries (June)	31-Jul-17

Contact Details

L&T Financial Services

7th Floor, Brindavan, Plot No. 177,
CST Road, Kalina,
Santacruz (East). Mumbai – 400 098, INDIA
Board: +91 22 6621 7310
Email : LNTPWM@lts.com

Disclaimer: This presentation is strictly meant for private circulation and not for public distribution and is being furnished by L&T Capital Markets Limited ("LTCML") strictly on confidential basis. This presentation and communication is for the personal information of the Authorised Recipient and LTCML will not treat recipients as clients by virtue of their receiving this presentation. It shall not be photocopied, reproduced or distributed to other person(s) at any time in any form without prior written consent of LTCML. This presentation or communication does not solicit any action based on the material contained herein. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation / circumstances and the particular needs of any specific person who may receive this presentation. The product / strategy / data discussed in the presentation may not be suitable for all the investors. Further this information also does not constitute any investment, legal or tax advice to the recipient. Information and statistical data herein have been extracted from publicly available information sources and also obtained from sources LTCML believes to be reliable but in no way are warranted by LTCML, its affiliates, directors and officers as to its accuracy or completeness. The information is compiled by L&T Capital Markets Ltd and while LTCML endeavours to keep the information up to date and correct, it makes no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the report for any purpose. Any reliance the recipient may place on such information is therefore strictly at his / her / their own risk. LTCML, its affiliates, directors and officers accept no responsibility for any direct, indirect, incidental or consequential losses and / or damages resulting from the use, operation or transmission of the data / information / views represented in this presentation or inability to use this presentation and information contained herein. The recipient of this material alone shall be fully responsible / liable for any decision taken on the basis of this material. Person(s) who may receive this presentation should consider and independently evaluate whether it is suitable for his / her / their particular circumstances and, if necessary, seek professional, financial, legal and/or tax advice before investing. This Presentation does not constitute, nor should it be regarded as, an offer, invitation, inducement, solicitation or advertisement with respect to any other investment or development or implementation of an investment strategy. The views should not be construed as investment advice. All opinions and estimates included here constitute our view as of this time and are subject to change without notice. **Statements made herein regarding future prospects may not be realized.** Any performance information shown refers to the past should not be seen as an indication or assurance of any future returns.