

July 18, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	32075	0.17	3.28	32132	25718	23.51
Nifty 50	9916	0.30	3.42	9928	7894	25.17
S&P BSE Midcap	15197	0.07	2.63	15248	11449	30.31
S&P BSE 100	10269	0.29	3.51	10280	8085	23.12
S&P BSE 200	4315	0.26	3.31	4320	3379	24.10
Nifty Free Float	18311	0.18	1.71	18512	13658	32.08
Midcap 100						
Nifty 500	8660	0.22	2.95	8668	6712	28.77

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24302	0.36	0.79	24533	19164	23.46
S&P BSE Metal	12079	0.97	8.67	12307	9214	30.12
S&P BSE Oil	13949	0.29	1.92	14746	9998	11.80
S&P BSE Healthcare	14733	0.20	4.14	16866	13073	28.70
S&P BSE IT	10147	0.95	2.67	11085	9123	16.94
S&P BSE CD	15992	0.14	0.13	16827	10502	37.04
S&P BSE PSU	8519	0.12	0.78	9216	6962	19.44
S&P BSE FMCG	10646	-1.54	5.01	10936	7653	43.60
S&P BSE CG	17628	-0.07	0.99	18207	13255	30.42
Nifty Bank	24015	0.32	2.18	24066	17607	27.07
S&P BSE Realty	2166	1.28	3.61	2193	1163	57.84

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21630	-0.04	1.15	21682	17884	20.14
S&P 500	2459	-0.01	1.07	2464	2084	21.70
Nasdaq	6314	0.03	2.64	6342	5028	23.08
FTSE 100	7404	0.35	-0.80	7599	6616	24.24
CAC 40	5230	-0.10	-0.63	5442	4293	16.07
DAX	12587	-0.35	-1.30	12952	9924	14.87
Nikkei	Closed	NA	NA	20318	15921	NA
Hang Seng	26471	0.31	3.29	26619	21489	14.17
Shanghai Comp.	3176	-1.43	1.71	3301	2932	14.80

F&O Trends	Px Last	Previous	Change %
Near Futures	9,933.15	9,899.55	0.34
Near Basis	17.20	13.20	30.30
Mid Futures	9,966.25	9,930.15	0.36
Mid Basis	50.30	43.80	14.84
Near Open Interest (Cr.)	2.08	2.14	-2.73
Mid Open Interest (Cr.)	0.30	0.27	10.50
Rollover (%)	13.88	12.49	11.13

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.82	3.26	-5.39	23.01	9.37
Nifty VIX	11.46	2.55	4.97	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FII s					
Equity		4307.53	3771.99	535.54	54387.40
Debt		1505.56	724.65	780.91	105385.42
MF ¹					
Equity		2284.31	1770.97	513.34	45617.30
Debt		8398.81	3159.75	5239.06	211551.51

¹ As on 13th July 2017

Indian Equity Market

- Indian equity markets touched a new high with Nifty 50 closing above the 9,900-level for the first time. Optimism over favourable corporate earning numbers from index heavyweights, and above-normal progress in monsoon buoyed investor sentiment. Firm Asian cues too supported buying interest after China reported steady economic growth in the second quarter of 2017, despite concerns over slowdown. Growing expectation that the U.S. Federal Reserve will tread cautiously in tightening its policy provided additional support.
- On the BSE sectoral front, barring S&P BSE FMCG and S&P BSE Capital Goods, all the indices closed in the green. S&P BSE Realty was the top gainer, up 1.28%, followed by S&P BSE Basic Material and S&P BSE Metal, which went up 1.04% and 0.97%, respectively. S&P BSE IT and S&P BSE Teck, rose 0.95% and 0.89%, respectively.

Indian Economy

- The Insolvency and Bankruptcy Board of India (IBBI), which is executing the Insolvency and Bankruptcy Code (IBC), has notified the regulations for inspection and investigation of service providers registered with it. As per the new regulations, without intimation, IBBI has the power to begin probe against service providers that are registered with it. Insolvency professional agencies, professionals, entities and information utility come under the category of service providers under the code.
- The Securities and Exchange Board of India (SEBI) has issued an amendment to regulations that concerns brokers and sub-brokers. As per the amendment, anyone registered to trade in shares has been allowed to also trade in commodities and vice versa without burdensome paperwork, second verification process, and through an alternate account.

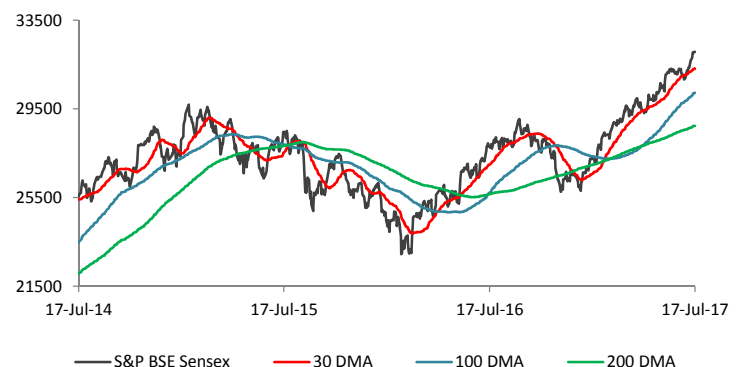
Global Equity Market

- As per the last close, U.S. market was little changed as investors were reluctant to make significant moves ahead of the release of the U.S. earnings number of big companies.
- As per the last close, European market closed mixed as market participants were cautious ahead of the start of the U.S. earnings reporting season later this week.
- Most of the Asian markets went up mainly on upbeat China's GDP growth. Further, weak U.S. retail sales and inflation data reduced concerns over the pace of future rate hikes by the U.S. Federal Reserve. However, the positive GDP figures were eclipsed by profit warnings from small-cap businesses in China, which in turn capped gains. Today (As on Jul 18), Asian market opened mixed following subdued session on the Wall Street overnight.

Indian Derivative Market

- Nifty Jul 2017 Futures were at 9,933.15 points, a premium of 17.20 points above the spot closing of 9,915.95. The turnover on NSE's Futures and Options segment went down from Rs. 4,10,720.56 crore on Jul 14 to Rs. 3,73,908.05 crore on Jul 17.
- The Put-Call ratio stood at 1.11 compared with the previous session's close of 1.03.
- The Nifty Put-Call ratio stood at 1.53 compared with the previous session's close of 1.50.
- India VIX moved up 2.55% to 11.4575 from 11.1725 in the previous trading session.
- The open interest on Nifty Futures stood at 24.21 million as against previous session's close of 24.49 million.

S&P BSE Sensex Moving Average



July 18, 2017

Debt Market Update

Policy Rates (%)	17-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	21.00
Bank Rate	6.50	6.50	6.50	7.00

Daily Rates (%)	17-Jul-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	6.20	6.25	6.45
CALL	6.07	6.10	6.09	6.33
CBLO	6.17	6.15	6.21	6.37
OIS- 1 Yr	6.22	6.23	6.22	6.46
OIS- 5 Yr	6.25	6.30	6.24	6.52

Liquidity Indicators (in Rs. Cr.)	17-Jul-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	39,571	80,618	41,372	112,150
Call Money	12,942	14,214	11,158	12,529
CBLO	105,544	108,586	105,524	86,930
LAF	2,600	-1,137	-1,377	1,264
Treasury Bills	2,083	2,156	2,269	3,344

Top 5 Traded G-Sec	Maturity	Yield %		Change
		Closing	Previous	%
06.79 GS 2027	15-May-27	6.46	6.46	-0.10
06.79 GS 2029	26-Dec-29	6.78	6.77	0.12
07.73 GS 2034	19-Dec-34	7.07	7.07	0.00
07.35 GS 2024	22-Jun-24	6.77	6.78	-0.19
06.97 GS 2026	06-Sep-26	6.67	6.67	-0.07

Certificate of Deposit (%)	17-Jul-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.30	6.33	6.36	6.67
6-Month	6.45	6.49	6.51	6.95
9-Month	6.52	6.59	6.60	7.13
12-Month	6.59	6.68	6.68	7.30

Commercial Paper (%)	17-Jul-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.58	6.70	6.69	7.38
6-Month	6.88	6.93	6.93	7.83
9-Month	7.00	7.06	7.07	7.97
12-Month	7.13	7.20	7.21	8.11

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	3,000	6.82%
6.79 GS 2027	9,000	9,000	6.48%
7.73 GS 2034	3,000	3,000	7.08%
7.06 GS 2046	3,000	3,000	7.07%

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)	6.00%
Deposit Growth (June 23, 2017)	11.10%

Indian Debt Market

- Bond yields closed steady as market participants remained on the sidelines amid lack of fresh domestic triggers, and awaited further cues. However, broader market sentiment remained positive after weaker than expected U.S. consumer prices and retail sales data for Jun 2017 eased concerns over an imminent rate hike by the U.S. Federal Reserve in the remaining of 2017.
- Yield on the 10-year benchmark paper (6.79% GS 2027) remained steady at 6.46%. During the session, bond yields traded in the range of 6.44% and 6.47%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,600 crore (gross) on Jul 17, compared with Rs. 2,040 crore (gross) borrowing on Jul 14. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 4,031 crore on Jul 14.
- Banks borrowed Rs. 600 crore under the central bank's Marginal Standing Facility on Jul 14, compared with that of Jul 13 when they borrowed none.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 500 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. 12,240 crore was allotted at a cut-off rate of 6.24%.

Spread Analysis

- Yields on gilt securities fell across most of the maturities by up to 2 bps, barring 2-, 14-, and 15-year maturities that increased by 2 bps.
- Corporate bond yields increased across 3 to 5 years' maturities by up to 2 bps, and closed steady on 9- and 10-year maturities. Yield on remaining securities fell by up to 3 bps.
- Spread between AAA corporate bond and gilt expanded across 3 to 5 years' maturities and 10-year paper by up to 4 bps. Spread on the remaining maturities either closed steady or contracted by up to 3 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: July 10-14	18,000	18,000	100.00%
Month: July 2017	66,000	36,000	54.55%
H1: Apr'17-Sep'17	372,000	215,784	58.01%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	51.19%
10 to 14 Yrs	44.09%	63.28%
Long Dated (above 14 Yrs)	33.33%	55.65%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	10,000
Treasury Bills	364-Days	6,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	43.20	64.20	85.20
3 Yr	53.10	65.10	93.10
5 Yr	57.40	75.40	101.40
10 Yr	71.90	77.90	118.90

Key Indicators	Current	Previous
WPI (Jun'17)	0.90%	2.17%
CPI (Jun'17)	1.54%	2.18%
IIP (May'17)	1.70%	2.80%
Trade Deficit (In \$ billion-Jun 17)	-12.96	-13.84

July 18, 2017

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1234	0.43	-1.53	1363	1128
Silver (\$/oz)	16	0.75	-3.08	21	16
NYMEX Crude(\$/bbl)	46	-1.10	2.89	54	39
Brent Crude(\$/bbl)	48	-0.58	6.26	56	40
Baltic Dry Index	912	1.33	7.17	1338	631
RJ/CRB Index	176	-0.23	1.63	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,036	0.67	-2.17	31,446	27,172
Silver (1 kg)	37,072	1.68	-3.87	48,049	35,660
Crude Oil (1 bbl)	3,000	1.04	4.97	3,688	2,638
Natural Gas (1 mmbtu)	192	0.68	-2.19	693	171
Aluminium (1 kg)	122	-0.24	1.83	129	103
Copper (1 kg)	382	1.41	5.19	446	112
Nickel (1 kg)	617	2.00	7.22	803	561
Lead (1 kg)	148	1.51	10.07	169	120
Zinc (1 kg)	181	1.68	11.66	200	145
Mentha Oil (1 kg)	1,101	0.23	6.30	1,169	993
Cotton (1 bales)	20,280	0.15	-0.30	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	1.53	3.11	17.79	18.02	12.07	16.33
Small/Mid Cap	0.41	1.34	21.47	27.48	21.03	25.93
Diversified	1.20	2.72	18.45	20.44	13.94	17.86
Balanced	0.87	2.10	13.83	17.29	12.91	16.39
Banking	1.54	2.60	27.42	29.91	18.39	18.47
FMCG	-0.22	4.21	27.25	21.42	18.21	18.00
Pharma	1.25	3.95	-0.15	-5.76	10.08	17.51
Technology	0.70	1.69	4.13	0.37	6.42	16.12
Infrastructure	0.85	2.27	19.67	25.42	13.27	16.33
Gold Funds	1.16	-3.61	-5.87	-12.96	-1.05	-2.11
Nifty 50	1.48	3.42	18.08	16.00	9.07	13.80
S&P BSE Sensex	1.13	3.28	17.77	15.14	7.85	13.39
S&P BSE 500	1.16	3.05	19.60	20.39	11.76	15.68
S&P BSE Midcap	1.04	2.63	19.92	25.18	17.80	19.79
CRISIL Balanced	0.81	2.21	12.44	14.19	9.94	12.54

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	6.22	6.32	6.13	6.47	7.35
Ultrashort Bond	9.00	7.14	6.25	7.29	7.73
Short-T Bond	10.70	6.93	6.04	8.46	8.16
Long-T Bond	9.78	5.95	6.23	9.60	8.69
Long T Govt Sec	4.61	2.75	5.88	11.88	8.64
Crisil Liquid	6.47	6.67	6.70	6.81	6.80
Crisil ST Bond	10.20	7.82	6.94	8.60	7.33
Crisil Composite	10.99	7.29	6.36	10.64	7.24
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices traded higher as investors continued to take positive cues from the dovish comments from the U.S. Federal Reserve, which eased concerns over the probability of rapid pace of rate hikes in the near future. Gold prices were last seen trading at \$1,235.12 per ounce, compared with the previous close of \$1,228.58 per ounce.
- Brent crude prices traded higher after China reported steady economic growth in the second quarter of 2017, despite concerns over slowdown. Meanwhile, private data showed that the pace of growth in U.S. drilling activity is slowing. Oil prices were last seen trading at \$48.36 per barrel, compared with the previous close at \$47.98 per barrel.

International Market Update

- According to a preliminary report from the University of Michigan, consumer sentiment index fell more than market expectations to 93.1 in Jul 2017 from 95.1 in Jun 2017 with consumer expectations taking a hit.
- A report from Federal Reserve showed that U.S. industrial production came in higher than market expectations and grew 0.4% in Jun 2017 after a gain of revised 0.1% (unchanged reading originally reported) in May 2017.
- According to the Commerce Department, U.S. business inventories came in line with market expectations and grew 0.3% in May 2017 as against a decline of 0.2% in Apr 2017. The upside was driven by growth in retail and wholesale inventories. However, manufacturing activities witnessed a decline.

Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 2284.31 crore as against sale of Rs. 1770.97 crore as on Jul 13, 2017. This led to a net buy of Rs. 513.34 crore compared with a net buy of Rs. 161.12 crore on Jul 12, 2017.
- According to the Managing Director of UTI AMC, the company is ready for the initial public offering and board's approval is already in place and majority of the shareholders of the company have also supported the plan to go public.
- As per media reports, Insurance Regulatory and Development Authority of India (IRDA) has released Protection of Policyholders' Interests Regulations, 2017, to make sure the interests of policyholders are protected. Following the release, insurers will now need to put terms and conditions of all the products on sale on its website, and mention the unique identification number of the products. Insurers will also have to settle health insurance claims within 30 days from the receipt of the document, while devising strategies to resolve complaints and grievances of policyholders.

Dividend Update

- Birla Sun Life Mutual Fund has declared Jul 20, 2017, as the record date for declaration of dividend under Birla Sun Life Fixed Term Dividend Option Plan - Series LI (1173 Days) (Regular Plan - Normal Dividend Option, Direct Plan - Normal Dividend Option), Birla Sun Life Fixed Term Plan - Series LO (1142 Days) (Regular Plan - Normal Dividend Option, Direct Plan - Normal Dividend Option), Birla Sun Life Fixed Term Plan - Series LQ (1113 Days) (Regular Plan - Normal Dividend Option), and Birla Sun Life Pure Value Fund (Regular Plan - Normal Dividend Option, Direct Plan - Normal Dividend Option).

NFO Update

- Axis Mutual Fund has announced the launch of Axis Dynamic Equity Fund. The New Fund Offer opens on Jul 11, 2017, and closes on Jul 25, 2017. The key feature of the fund is that it does not maintain a fixed allocation to equity but instead uses a systematic rules based model to dynamically adjust its equity allocation over time.

July 18, 2017

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.35	-0.16	-0.13	68.87	63.92
EUR/INR	73.84	0.02	2.32	76.25	67.92
YEN(100)/INR	57.11	-0.16	-1.75	67.15	56.22
SGD/INR	46.97	0.10	0.87	49.97	45.58
EUR/USD	1.15	0.10	2.51	1.15	1.03
GBP/USD	1.31	-0.31	2.19	1.34	1.15
JPY/USD	0.01	-0.11	-1.58	0.01	0.01
SGD/USD	0.73	0.15	1.02	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.44	-0.15	169,806	16.94
EUR/INR	73.92	0.28	564	-1.40
GBP/INR	84.20	0.47	941	6.09
JPY/INR	57.34	0.44	4,820	-0.62

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.37	64.45	-0.14
GBP	84.22	83.55	0.80
EURO	73.69	73.57	0.17
100 Yen	57.12	56.90	0.39

Currency Update

- The Indian rupee rose against the greenback as weak U.S. inflation and retail sales data for Jun 2017 soothed concerns over another rate hike by the U.S. Federal Reserve in the remaining of 2017. However, greenback purchases by state-run banks, likely on behalf of the central bank, capped the gains. The rupee rose 0.16% to close at 64.35 per dollar from the previous close of 64.45.
- The euro inched down against the greenback but continued to hover near its highest level since early May 2016 after weaker than expected U.S. data on consumer prices and retail sales in Jun 2017 raised doubts about U.S. economic growth and whether the U.S. Federal Reserve would raise interest rates again in 2017. Euro was trading at \$1.1465, down 0.02% compared with the previous close of \$1.1467.

Global Economy

- According to Eurostat, euro zone inflation came in line with the flash estimate and eased slightly to 1.3% in Jun 2017 as against 1.4% in May 2017. This marked the weakest rate experienced so far this year. The European Central Bank targets inflation below but close to 2%. The harmonized index of consumer prices remained flat in Jun 2017 on MoM basis.
- A report from Destatis showed that the number of people that worked in local manufacturing units in Germany grew by approximately 78,000 or 1.4% in May 2017 on YoY basis. Meanwhile, the number of hours worked in May surged 10.7% on YoY basis.
- China's gross domestic product came in better than market expectations and grew 6.9% on YoY basis in the second quarter, thereby remaining unchanged from the previous quarter. On QoQ basis, GDP was up 1.7% that came in line with market expectations and up from 1.3% in the prior quarter. Retail sales and industrial production surged 11% and 7.6% in Jun 2017, respectively, on an annual basis, surpassing market expectations.

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 construe 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.