

July 14, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	32037	0.73	3.00	32092	25718	23.54
Nifty 50	9892	0.77	2.96	9897	7894	25.17
S&P BSE Midcap	15154	0.46	2.40	15206	11449	30.33
S&P BSE 100	10239	0.72	3.05	10248	8085	23.12
S&P BSE 200	4304	0.68	2.93	4306	3379	24.10
Nifty Free Float Midcap 100	18277	0.30	2.21	18512	13658	32.05
Nifty 500	8646	0.71	2.83	8650	6712	28.78

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24282	0.25	0.31	24533	19164	23.52
S&P BSE Metal	12005	0.78	6.69	12307	9210	29.51
S&P BSE Oil	13816	-0.29	0.66	14746	9998	11.72
S&P BSE Healthcare	14573	0.39	2.14	16866	13073	28.48
S&P BSE IT	10148	0.23	1.07	11299	9123	17.00
S&P BSE CD	16048	0.29	0.77	16827	10502	37.29
S&P BSE PSU	8466	0.06	-0.38	9216	6962	19.38
S&P BSE FMCG	10830	1.58	6.87	10936	7653	44.48
S&P BSE CG	17734	1.03	1.65	18207	13255	30.71
Nifty Bank	23889	0.82	1.75	23965	17607	26.92
S&P BSE Realty	2151	0.28	7.09	2193	1163	57.65

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21553	0.10	1.05	21581	17884	20.07
S&P 500	2448	0.19	0.31	2454	2084	21.58
Nasdaq	6274	0.21	0.87	6342	5019	22.88
FTSE 100	7413	-0.05	-1.16	7599	6616	24.28
CAC 40	5235	0.25	-0.50	5442	4293	16.10
DAX	12641	0.12	-0.97	12952	9924	14.94
Nikkei	20100	0.01	1.01	20318	15921	17.31
Hang Seng	26346	1.16	1.91	26384	21243	14.10
Shanghai Comp.	3218	0.64	2.04	3301	2932	14.85

F&O Trends	Px Last	Previous	Change %
Near Futures	9,887.50	9,822.35	0.66
Near Basis	-4.20	6.25	-167.20
Mid Futures	9,918.50	9,854.65	0.65
Mid Basis	26.80	38.55	-30.48
Near Open Interest (Cr.)	2.17	2.09	4.06
Mid Open Interest (Cr.)	0.25	0.22	16.36
Rollover (%)	11.52	10.47	10.04

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.90	-3.88	-4.99	23.01	9.37
Nifty VIX	11.25	1.76	-0.82	23.09	8.76

Fund Flow	Amount in Rs. Crore			
	Gross Pur.	Gross Sale	Net	YTD
FII				
Equity	4631.63	4084.63	547.00	53935.13
Debt	2640.25	690.10	1950.15	104876.29
MF¹				
Equity	1732.66	935.86	796.80	44338.74
Debt	8364.00	7646.13	717.87	204832.83

¹ As on 10th July 2017

Indian Equity Market

- The domestic market continued with its upward trend for four consecutive days with Sensex breaching 32,000-mark amid expectations of a rate cut by the Monetary Policy Committee in its upcoming monetary policy on the back of record low retail inflation number. Market also got support from the U.S. Federal Reserve chief's testimony before Congress, which soothed concerns over the pace of future rate hikes in the U.S.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.73% and 0.77% to close at 32,037.38 and 9,891.70, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap went up 0.46% and 0.42%, respectively.
- On the BSE sectoral front, all the indices closed in the green barring S&P BSE Oil & Gas (-0.29%). S&P BSE FMCG (1.58%) stood as the major gainer followed by S&P BSE Capital Goods (1.03%) and S&P BSE Finance (0.91%). S&P BSE Bankex (0.91%), S&P BSE Metal (0.78%) also followed the trail.

Indian Economy

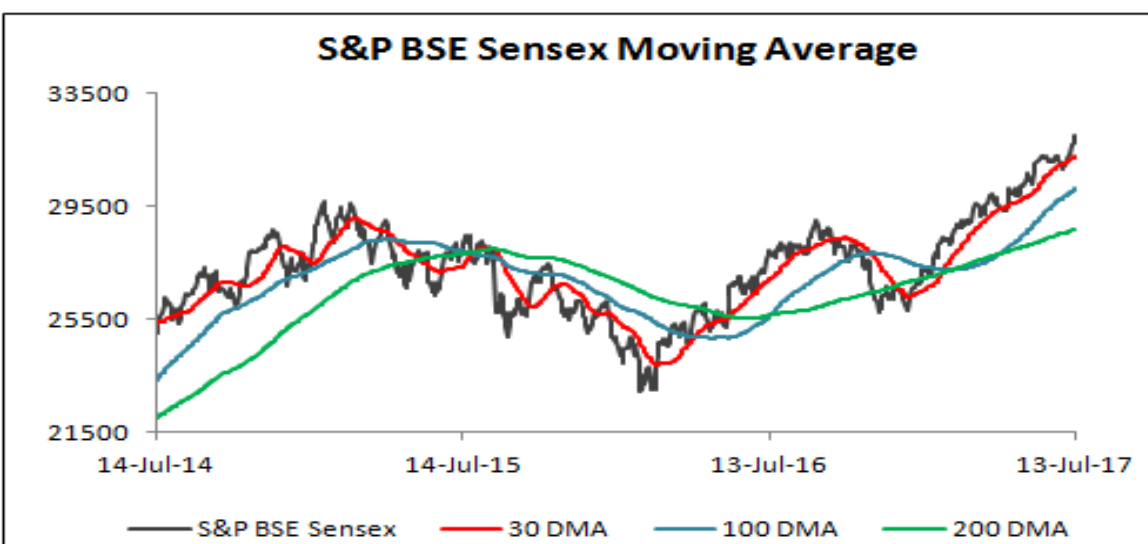
- The Securities and Exchange Board of India (SEBI) has lifted ban on futures trading in chana (gram) and NCDEX will relaunch the chana futures contract from Jul 14, 2017. This move is expected to ensure better price realisation for farmers as the country has achieved record production in crop year 2016-17. In order to curb speculation and check prices, SEBI had suspended introduction of any new contracts in chana in Jun 2016.
- The government is planning to soon form a committee to supervise implementation of the proposed National Energy Policy that aims to promote energy independence. The committee will be headed by the Prime Minister. The National Energy Policy prepared by NITI Aayog will replace the Integrated Energy Policy.

Global Equity Market

- As per the last close, U.S. markets closed higher following increase in crude oil prices.
- As per the last close, European market closed mixed. U.S. Federal Reserve Chair comments about gradual policy tightening soothed fears of the central bank moving too fast. However, investors remained cautious ahead of Fed Chair continued testimony on Jul 14.
- Asian markets went up as investors took positive cues from the U.S. Federal Reserve chief's testimony before Congress. The U.S. Fed chief's comments about gradual policy tightening soothed concerns over the pace of future rate hikes. Additionally, encouraging Chinese export data for Jun 2017 supported buying interest. Today (As on Jul 14), Asian market opened higher following increase in crude oil prices.

Indian Derivative Market

- Nifty Jul 2017 Futures were at 9,887.50 points, a discount of 4.20 points, below the spot closing of 9,891.70. The turnover on NSE's Futures and Options segment went up from Rs. 5,54,923.26 crore on Jul 12 to Rs. 10,04,541.66 crore on Jul 13.
- The Put-Call ratio stood at 1.02 compared with the previous session's close of 0.97.
- The Nifty Put-Call ratio stood at 1.46 compared with the previous session's close of 1.40.
- India VIX moved up 1.76% to 11.2475 from 11.0525 in the previous trading session.
- The open interest on Nifty Futures stood at 24.53 million as against previous session's close of 23.29 million.



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Debt Market Update

Policy Rates (%)	13-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 (%)	13-Jul-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	6.17	6.24	6.50
CALL	6.05	6.03	6.04	6.38
CBLO	6.15	6.04	6.12	6.40
OIS- 1 Yr	6.21	6.25	6.22	6.43
OIS- 5 Yr	6.24	6.30	6.23	6.50

Liquidity Indicators (in Rs. Cr.)	13-Jul-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	66,625	61,417	78,177	151,321
Call Money	13,416	15,879	12,536	12,713
CBLO	100,512	104,078	93,247	80,417
LAF	1,995	-20,544	-5,680	152
Treasury Bills	3,983	3,269	2,898	9,737

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.75	6.75	-0.13
06.79 GS 2027	15-May-27	6.46	6.46	-0.03
06.97 GS 2026	06-Sep-26	6.66	6.66	-0.08
07.35 GS 2024	22-Jun-24	6.79	6.80	-0.15
07.68 GS 2023	15-Dec-23	6.68	6.69	-0.17

Certificate of Deposit (%)	13-Jul-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.30	6.36	6.36	6.68
6-Month	6.48	6.49	6.57	6.95
9-Month	6.54	6.58	6.64	7.13
12-Month	6.61	6.67	6.72	7.31

Commercial Paper (%)	13-Jul-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.64	6.68	6.68	7.58
6-Month	6.89	6.93	6.93	7.89
9-Month	7.01	7.06	7.07	8.06
12-Month	7.14	7.20	7.21	8.23

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091-Day T-Bills	10,000	10,000	6.23%
182-Day T-Bills	7,000	7,000	6.33%

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 fell initially after retail inflation in Jun 2017 eased to a record low, strengthening expectations of a rate cut by the Monetary Policy Committee in its policy meeting scheduled next month. However, most of the gains were neutralised as investors resorted to profit booking.
- Yield on the 10-year benchmark paper (6.79% GS 2027) remained steady at 6.46%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,995 crore (gross) on Jul 13, compared with Rs. 1,995 crore (gross) borrowing on Jul 12. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,624 crore on Jul 12.
- Banks borrowed Rs. 300 crore under the central banks Marginal Standing Facility on Jul 12, while there was no borrowing on Jul 11.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 3,150 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. 30,012 crore was allotted at a cut-off rate of 6.24%.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 30,000 crore for which Rs. 30,011 crore was allotted at a cut-off rate of 6.24%.

Spread Analysis

- Yields on gilt securities fell by up to 5 bps across maturities barring 2- and 30-year papers that increased 1 bps each. Yield on 19- and 24-year papers were steady.
- Corporate bond yields dropped by up to 3 bps across the curve, leaving 6- and 7-year papers that increased 1 bps each. Yield on 8-year paper was steady.
- Spread between AAA corporate bond and gilt expanded by up to 4 bps on 1-, 3-, 6 to 8 years', and 15-year papers, while 4-year paper was flat. Spread on 2-, 5-, 9-, and 10-year papers contracted by up to 2 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: July 10-14	18,000	0	0.00%
Month: July 2017	66,000	18,000	27.27%
H1: Apr'17-Sep'17	372,000	197,784	53.17%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	47.62%
10 to 14 Yrs	44.09%	57.80%
Long Dated (above 14 Yrs)	33.33%	50.81%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
GOI FRB 2024	8 Yrs	3,000
6.79 GS 2027	10 Yrs	9,000
7.73 GS 2034	19 Yrs	3,000
7.06 GS 2046	30 Yrs	3,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	50.00	69.00	90.00
3 Yr	50.90	75.90	103.90
5 Yr	55.10	75.10	98.10
10 Yr	72.70	91.70	156.70

Key Indicators	Current	Previous
WPI (May'17)	2.17%	3.85%
CPI (Jun'17)	1.54%	2.18%
IIP (May'17)	1.70%	2.80%
Trade Deficit(In \$ billion-May 17)	-13.84	-13.25

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1217	-0.21	-3.83	1363	1128
Silver (\$/oz)	16	-1.39	-7.12	21	16
NYMEX Crude(\$/bbl)	46	1.28	-0.75	54	39
Brent Crude(\$/bbl)	48	2.29	2.91	56	40
Baltic Dry Index	888	3.38	2.07	1338	631
RJ/CRB Index	174	0.27	-0.85	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	27,936	0.21	-2.73	31,446	27,172
Silver (1 kg)	36,911	0.22	-4.47	48,049	35,660
Crude Oil (1 bbl)	2,934	1.00	-1.05	3,688	2,638
Natural Gas (1 mmbtu)	193	-2.04	-1.08	693	171
Aluminium (1 kg)	123	1.78	1.82	129	103
Copper (1 kg)	381	0.46	2.60	446	112
Nickel (1 kg)	592	-0.34	5.32	803	561
Lead (1 kg)	148	-0.74	12.65	169	120
Zinc (1 kg)	182	-0.71	15.99	200	145
Mentha Oil (1 kg)	1,073	-0.29	4.77	1,169	970
Cotton (1 bales)	20,390	-0.44	0.10	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	2.08	2.69	17.57	18.43	13.16	16.18
Small/Mid Cap	1.35	2.57	22.72	28.60	22.94	25.87
Diversified	1.93	2.76	18.71	20.96	15.30	17.74
Balanced	1.44	2.20	13.98	17.54	13.96	16.30
Banking	2.42	3.21	28.45	32.27	20.26	18.37
FMCG	0.23	5.04	28.95	23.65	19.05	18.23
Pharma	2.05	2.20	-1.69	-7.40	9.81	17.59
Technology	1.76	0.97	3.35	-3.90	6.35	15.73
Infrastructure	1.75	2.82	20.27	26.45	15.20	16.14
Gold Funds	-0.65	-4.10	-4.87	-14.08	-1.94	-2.17
Nifty 50	2.24	2.96	17.75	16.11	9.83	13.60
S&P BSE Sensex	2.13	3.00	17.62	15.18	8.56	13.22
S&P BSE 500	1.89	2.83	19.62	20.59	12.81	15.44
S&P BSE Midcap	1.38	2.40	19.89	25.76	19.46	19.38
CRISIL Balanced	1.64	2.12	12.48	14.39	10.52	12.44

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	6.35	6.32	6.13	6.48	7.35
Ultrashort Bond	10.24	6.97	6.20	7.30	7.73
Short-T Bond	15.88	6.37	5.96	8.51	8.16
Long-T Bond	19.73	5.32	6.19	9.71	8.70
Long T Govt Sec	32.00	2.48	5.92	12.09	8.65
Crisil Liquid	6.77	6.66	6.70	6.82	6.80
Crisil ST Bond	17.23	7.52	6.96	8.65	7.33
Crisil Composite	27.50	6.83	6.40	10.78	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 climbed after the U.S. Federal Reserve chair said that the U.S. central bank would gradually raise interest rates, while being alert on inflation. Gold prices were last seen trading at \$1,222.31 per ounce, from the previous close of \$1,219.50 per ounce.
- Brent crude prices dipped on worries over growing output in the U.S., Libya, and Nigeria. Oil prices were last seen trading at \$46.33 per barrel, from the previous close of \$46.67 per barrel.

International Market Update

- According to the Federal Reserve's Beige Book, though shortage of qualified workers has limited hiring, U.S. wages and inflation are rising "modestly". Economic growth was "slight to moderate" from late May through Jun 2017. Meanwhile, consumer spending appears to be rising but auto sales declined in half of the reporting districts.
- According to the latest Credit Conditions Survey from the Bank of England, British banks will decrease the availability of secured and unsecured credit to households in the third quarter. In the second quarter, while the availability increased for secured credit to households, it decreased for unsecured credit as against the prior period.
- A report from British Chambers of Commerce showed that the U.K. economy grew at a subdued rate in the second quarter of 2017. In the manufacturing sector, sales remained steady but orders dropped slightly.

Mutual Fund & Insurance Update

- According to data from the Securities and Exchange Board of India, total folio count of the mutual fund industry stood at Rs. 5.82 crore in Jun 2017, owing mainly to a bullish trend in the equity market and initiatives by individual mutual funds to involve investors in balanced funds. Folio count of the industry was Rs. 5.72 crore in May 2017.
- In a bid to improve the sales services of the insurance intermediaries, the Insurance Regulatory and Development Authority of India has mandated insurance agents and brokers to obtain a certificate from policyholders acknowledging that the salesperson has explained all the material information related to the policy and they have understood it. Additionally, the insurance regulator has directed insurers to spread awareness on insurance products and their benefits.

Dividend Update

- L&T Mutual Fund has declared Jul 14, 2017, as the record date for declaration of dividend under the dividend options of L&T Business Cycles Fund – Regular Plan – Dividend Option and L&T Business Cycles Fund – Direct Plan - Dividend Option, the rate of dividend for which will be Re. 1.00.
- LIC Mutual Fund has declared Jul 17, 2017, as the record date for declaration of dividend under the dividend option of LIC MF FMP Series – 86 (Regular plan Dividend Option), the rate of dividend for which will be the entire distributable surplus as on the maturity date.
- ICICI Prudential Mutual Fund has declared Jul 18, 2017, as the record date for declaration of dividend under the dividend option of ICICI Prudential Capital Protection Oriented Fund VI – 1100 Days – Plan D, the rate of dividend for which will be Re. 0.0500.

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.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.44	-0.15	0.17	68.87	63.92
EUR/INR	73.45	-0.12	1.87	76.25	67.92
YEN(100)/INR	56.89	-0.09	-2.64	67.15	56.22
SGD/INR	46.89	0.25	0.70	49.97	45.58
EUR/USD	1.14	-0.13	1.61	1.15	1.03
GBP/USD	1.29	0.41	1.45	1.35	1.15
JPY/USD	0.01	-0.12	-2.84	0.01	0.01
SGD/USD	0.73	0.27	0.52	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.55	-0.22	131,452	2.59
EUR/INR	73.56	-0.84	580	-37.03
GBP/INR	83.44	0.20	890	-24.32
JPY/INR	57.16	0.15	4,842	-17.72

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.44	64.50	-0.09
GBP	83.25	82.69	0.67
EURO	73.79	73.97	-0.25
100 Yen	57.02	56.85	0.30

Currency Update

- The Indian rupee strengthened against the U.S. dollar as comments from the U.S. Federal Reserve chair indicated gradual pace of rate increases that weighed on the demand for the greenback. The rupee rose 0.15% to close at 64.44 per dollar from the previous close of 64.54.
- The euro strengthened marginally against the U.S. dollar as the latter weakened following the comments from the U.S. Federal Reserve chair indicating gradual pace of rate hike. Euro was trading at \$1.1417, up 0.06% compared with the previous close of \$1.1410.

Global Economy

- According to a report from Destatis, Germany's consumer price inflation came in line with preliminary estimates. On an annual basis, the consumer price index grew 1.6% in Jun 2017 as against a growth of 1.5% in May 2017. While energy price remained flat in Jun as against 2% increase in May, food inflation grew to 2.8%. On MoM basis, consumer prices inched up 0.2% in Jun as against a decline of 0.2% in May.
- According to the General Administration of Customs, China's exports surpassed market expectations and surged 11.3% on YoY basis in Jun 2017 in dollar terms. The upside was driven by robust global demand. Imports also came in higher than market expectations and grew 17.2% on YoY basis. Consequently, the trade surplus was \$42.8 billion in Jun 2017 as against \$40.8 billion in May 2017.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (June)	03-Jul-17	Forex Reserves	14-Jul-17
Nikkei India Service PMI (June)	05-Jul-17	Wholesale Price Index (June)	14-Jul-17
Consumer Price Index (June)	12-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

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