

June 05, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31273	0.44	4.52	31333	25718	22.65
Nifty 50	9654	0.39	3.65	9674	7894	24.43
S&P BSE Midcap	14801	0.72	-0.36	15123	11011	31.54
S&P BSE 100	9972	0.45	2.90	9987	8038	22.85
S&P BSE 200	4190	0.52	2.41	4194	3346	23.55
Nifty Free Float Midcap 100	17770	0.86	-2.30	18512	12921	32.10
Nifty 500	8407	0.47	2.13	8417	6631	28.10

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24292	0.45	6.06	24408	18497	23.20
S&P BSE Metal	11095	-0.23	-1.28	12307	7935	27.25
S&P BSE Oil	13965	-0.41	-4.39	14746	9195	11.95
S&P BSE Healthcare	13876	1.12	-6.89	16866	13073	27.24
S&P BSE IT	10256	0.23	6.06	11771	9123	17.16
S&P BSE CD	15643	1.10	-0.12	16229	10502	73.49
S&P BSE PSU	8623	0.04	-5.01	9216	6274	20.22
S&P BSE FMCG	10299	0.73	9.46	10311	7653	42.23
S&P BSE CG	17750	-0.05	-0.09	18207	13255	31.02
Nifty Bank	23376	0.28	4.63	23469	16946	29.39
S&P BSE Realty	1955	1.22	-0.38	2129	1163	73.95

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21206	0.29	1.22	21225	17063	19.99
S&P 500	2439	0.37	2.00	2440	1992	21.64
Nasdaq	6306	0.94	3.45	6309	4574	23.13
FTSE 100	7548	0.05	4.10	7599	5789	24.90
CAC 40	5343	0.47	0.74	5442	3956	16.38
DAX	12823	1.25	2.52	12879	9214	15.20
Nikkei	20177	1.60	3.76	20240	14864	17.43
Hang Seng	25924	0.44	4.97	25973	19663	14.23
Shanghai Comp.	3106	0.09	-1.21	3301	2808	14.27

F&O Trends	Px Last	Previous	Change %
Near Futures	9,652.60	9,630.10	0.23
Near Basis	-0.90	14.00	-106.43
Mid Futures	9,672.40	9,648.10	0.25
Mid Basis	18.90	32.00	-40.94
Near Open Interest (Cr.)	2.21	2.22	-0.21
Mid Open Interest (Cr.)	0.12	0.11	6.47
Rollover (%)	5.70	5.20	9.51

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.75	-1.42	-7.93	26.72	9.56
Nifty VIX	10.81	-4.40	-5.57	23.09	8.84

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FII</b>				
Equity	4547.31	4998.12	-450.81	50418.51
Debt	2316.78	1157.53	1159.25	70434.30
<b>MF<sup>1</sup></b>				
Equity	1687.45	1331.57	355.88	32686.99
Debt	3635.22	3399.02	236.20	170916.91

<sup>1</sup> As on 31<sup>st</sup> May 2017

## Indian Equity Market

- Indian equity markets closed at record highs as positive global cues buoyed investor sentiment. Encouraging U.S. private sector jobs data for May instilled confidence among investors that the U.S. economy is strong enough to withstand another rate hike. Buoyant manufacturing sector data from the eurozone for Apr added to the gains. On domestic front, hopes of good southwest monsoon rains also lifted sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.44% and 0.39% to close at 31,273.29 and 9,653.50, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap went up 0.72% and 0.50%, respectively.
- The overall market breadth on BSE was positive with 1,464 scrips advancing and 1,231 scrips declining. A total of 155 scrips remained unchanged.

## Indian Economy

- According to a member of NITI Aayog, India's manufacturing sector needs to grow at 12-14% in order to achieve the country's overall growth rate of 8%. He has further added that India needs to achieve a 25% contribution by the manufacturing sector to its GDP by 2022.
- An online registration mechanism for mutual funds in order to improve the way business is done has been launched. This move will help the existing and new fund houses to complete their registration with Securities and Exchange Board of India (SEBI) quickly as well as in a cost-effective manner. The portal has been made operational effectively.
- According to vice-chairman of the Niti Aayog, India's economy is expected to recover in the current quarter with softening of the impact of demonetisation. India's economy is expected to grow by 7.5% by Mar 2018, up from 7.1% in the year-ago period.

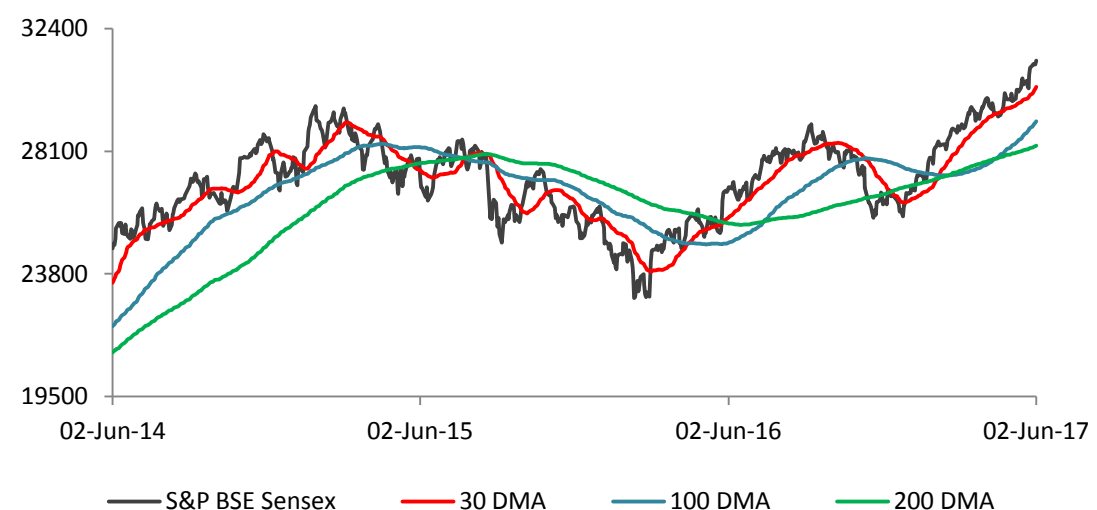
## Global Equity Market

- As per the last close, U.S. market closed higher despite much weaker than expected job growth in the month of May. However, the unemployment rate fell to its lowest level since hitting a matching rate in May 2001 boosted market sentiments.
- As per the last close, European market closed higher following positive private sector employment and manufacturing data from the U.S.
- Asian markets closed in the green mainly over positive economic data from the U.S. and Europe, which overshadowed the U.S. President's decision to pull out of the Paris Climate Accord. Today (As on Jun 05), Asian market opened mixed. Increase in crude oil prices boosted market sentiments. While attack in London weighed on investor's sentiments.

## Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,652.60, a discount of 0.90 below the spot closing of 9,653.50. Turnover on NSE's Futures and Options segment went down from Rs. 8,27,706.13 crore on Jun 1 to Rs. 2,46,946.19 crore on Jun 2.
- The Put-Call ratio stood at 0.97 compared with previous day's close of 0.85.
- The Nifty Put-Call ratio remained unchanged from the previous day's close at 1.16.
- India VIX moved down 4.40% to 10.8100 from 11.3075 in the previous trading session.
- The open interest on Nifty Futures stood at 23.49 million as against previous session's close of 23.41 million.

### S&P BSE Sensex Moving Average



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## Debt Market Update

Policy Rates (%)	02-Jun-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	20.50	20.50	20.50	21.25
Bank Rate	6.50	6.50	6.50	7.00

Daily Rates (%)	02-Jun-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.24	6.19	6.25	6.44
CALL	6.05	6.03	6.00	6.28
CBLO	6.04	5.00	6.15	6.24
OIS- 1 Yr	6.37	6.41	6.53	6.68
OIS- 5 Yr	6.50	6.55	6.82	6.79

Liquidity Indicators (in Rs. Cr.)	02-Jun-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	50,720	52,225	31,021	28,491
Call Money	9,799	15,966	12,180	11,967
CBLO	103,323	66,438	110,684	69,923
LAF	1,975	-45,045	-13,645	-5,904
Treasury Bills	2,656	2,171	1,392	3,587

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.81	6.79	0.20
06.79 GS 2027	15-May-27	6.62	6.62	0.02
06.97 GS 2026	06-Sep-26	6.75	6.74	0.21
07.72 GS 2025	25-May-25	7.00	7.00	0.08
06.62 GS 2051	28-Nov-51	7.36	7.34	0.33

Certificate of Deposit (%)	02-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.38	6.40	6.39	7.15
6-Month	6.57	6.64	6.56	7.29
9-Month	6.69	6.76	6.63	7.38
12-Month	6.80	6.87	6.69	7.47

Commercial Paper (%)	02-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.70	6.70	6.75	7.99
6-Month	6.95	6.96	7.04	8.22
9-Month	7.10	7.11	7.14	8.29
12-Month	7.26	7.26	7.25	8.36

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84 GS 2022	3,000	3,000	6.76%
6.79 GS 2029	7,000	7,000	6.81%
6.57 GS 2033	2,000	2,000	7.13%
6.62 GS 2051	3,000	3,000	7.40%

Key Indicators	
GDP (Q4 FY'17)	6.10%
Manufacturing PMI (May'17)	51.60
Current Account Deficit (Q3 of FY17, in \$ Billion)	-7.90
Fiscal Deficit (FY2017, as a % of GDP)	3.51%
Credit Growth (May 12, 2017)	5.60%
Deposit Growth (May 12, 2017)	12.10%

## Indian Debt Market

- Bonds yields rose as investor sentiment was hit due to weekly debt sale that led to the increase in supply of notes. However, the losses were restricted on expectation of a positive outlook by the Monetary Policy Committee next week.
- Yield on the existing 10-year benchmark paper (6.97% GS 2026) rose 1 bps to close at 6.75% compared with the previous close of 6.74%. During the trading session, bond yields traded in the range of 6.73% and 6.75%.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) stood unchanged to close at 6.62%. During the session, bond yields traded in the range of 6.61% and 6.63%.
- Data from RBI showed that India's foreign exchange reserves fell to \$378.76 billion as of May 26 from \$379.31 billion in the previous week.
- RBI conducted the auction of government securities namely 6.84% GS 2022, 6.79% GS 2029, 6.57% GS 2033, and 6.62% GS 2051 for a notified amount of Rs. 15,000 crore, for which the full amount was accepted. The cut-off price stood at Rs. 100.36 (6.76%), Rs. 99.85 (6.81%), Rs. 94.65 (7.13%), and Rs. 90.35 (7.40%), respectively.
- RBI has announced the auction of 91- and 364-day Government of India Treasury Bills for a notified amount of Rs. 8,000 crore and Rs. 6,000 crore, respectively, on Jun 7, 2017.

## Spread Analysis

- Yields on gilt securities either closed steady or increased by up to 3 bps, barring 14 to 19 years' maturities that fell by up to 2 bps.
- Corporate bond yields fell by 2 bps or 3 bps across the entire maturity bracket.
- Spread between AAA corporate bond and gilt contracted across the maturities in the range of 2 bps to 5 bps, barring 2-year paper that closed steady.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: May 29- June 02	15,000	15,000	100.00%
Month: June 2017	60,000	15,000	25.00%
H1: Apr'17-Sep'17	372,000	134,784	36.23%

## Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	33.33%
10 to 14 Yrs	44.09%	38.28%
Long Dated (above 14 Yrs)	33.33%	35.48%

## Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	8,000
Treasury Bills	364-Days	6,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	43.70	64.70	85.70
3 Yr	57.40	73.40	98.40
5 Yr	46.00	76.00	98.00
10 Yr	82.90	107.90	134.90

Key Indicators	Current	Previous
WPI (Apr'17)	3.85%	5.29%
CPI (Apr'17)	2.99%	3.89%
IIP (Mar'17)	2.70%	1.90%
Trade Deficit(In \$ billion-Apr 17)	-13.25	-10.44

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## Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1280	1.13	1.81	1366	1128
Silver (\$/oz)	18	1.41	4.18	21	16
NYMEX Crude(\$/bbl)	48	-1.33	0.06	54	39
Brent Crude(\$/bbl)	48	-3.90	-1.03	56	40
Baltic Dry Index	830	-2.35	-22.65	1338	580
RJ/CRB Index	178	-0.63	-1.32	196	177

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,757	-0.25	0.43	31,529	27,172
Silver (1 kg)	39,403	0.08	0.66	48,049	37,744
Crude Oil (1 bbl)	3,118	-0.03	-0.57	3,688	2,638
Natural Gas (1 mmbtu)	194	-2.17	-6.10	693	161
Aluminium (1 kg)	123	-0.76	0.78	129	103
Copper (1 kg)	368	0.16	-2.36	3,082	112
Nickel (1 kg)	561	-1.37	-7.80	803	561
Lead (1 kg)	133	-0.63	-7.62	169	113
Zinc (1 kg)	161	-1.58	-4.72	200	132
Mentha Oil (1 kg)	1,049	-1.07	-3.27	1,169	905
Cotton (1 bales)	20,420	-0.34	-0.34	23,720	17,840

## MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	0.69	2.27	18.61	20.48	12.80	17.28
Small/Mid Cap	1.56	0.04	22.69	31.78	23.96	26.78
Diversified	0.94	1.88	19.30	22.82	15.09	18.78
Balanced	0.85	1.48	13.90	19.20	14.02	17.02
Banking	1.01	2.43	27.51	36.74	17.11	21.05
FMCG	1.01	5.05	27.38	23.50	18.62	18.23
Pharma	2.75	-5.53	-9.95	-7.04	13.15	17.89
Technology	-0.36	3.45	5.30	-6.17	9.69	15.36
Infrastructure	0.35	-0.24	23.10	31.74	14.26	17.69
Gold Funds	-0.32	0.42	0.54	-1.79	2.03	-1.16
Nifty 50	0.61	3.65	19.37	17.45	9.44	14.78
S&P BSE Sensex	0.79	4.52	19.22	16.50	8.20	14.38
S&P BSE 500	0.95	2.18	20.94	22.80	12.31	16.54
S&P BSE Midcap	1.94	-0.36	21.33	29.76	19.59	20.49
CRISIL Balanced	0.49	2.95	12.69	15.42	10.15	13.16

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	6.19	6.20	6.11	6.59	7.36
Ultrashort Bond	7.50	7.19	5.62	7.48	7.72
Short-T Bond	10.53	10.82	3.87	8.81	8.13
Long-T Bond	13.15	14.42	2.65	10.10	8.61
Long T Govt Sec	21.20	24.07	-0.29	12.94	8.57
Crisil Liquid	6.72	6.66	6.52	6.96	6.80
Crisil ST Bond	9.73	10.78	5.40	8.93	7.31
Crisil Composite	14.63	19.50	2.16	11.23	7.18
NSE G-Sec Comp	--	--	--	--	--

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

## Commodity Market

- Gold prices went up after lower than expected U.S. non-farm jobs data for May 2017 raised the safe haven appeal of the metal. Gold prices were last seen trading at \$1,274.64 per ounce compared with the previous close of \$1,265.26 per ounce.
- Brent crude prices snapped on growing U.S. supply, and the U.S. President's decision to exit the Paris Climate Accord that deepened worries of a continuing supply glut. Brent crude prices were last seen trading at \$48.20 per barrel compared with the previous close of \$50.05 per barrel.

## International Market Update

- A report from Labor Department showed that non-farm payroll employment in the U.S. grew less than expected in May 2017. Non-farm payroll employment grew by 138,000 jobs in May after growing by a downwardly revised 174,000 jobs in Apr 2017. However, despite slower than expected job growth, the unemployment rate inched down to 4.3% from 4.4% in Apr.
- According to the Commerce Department, trade deficit widened more than expected in the U.S. and grew to \$47.6 billion in Apr 2017 from a revised figure of \$45.3 billion in Mar 2017. While the value of imports increased by 0.8%, value of exports declined by 0.3%.
- A report by the Institute for Supply Management showed that U.S.' manufacturing Purchasing Managers' Index surpassed market expectations and grew to 54.9 in May 2017, slightly up from 54.8 in Apr 2017. The reading above 50 reflects growth in the manufacturing sector.

## Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 1687.45 crore as against sale of Rs. 1331.57 crore as on May 31, 2017. This led to a net purchase of Rs. 355.88 crore compared with a net purchase of Rs. 662.13 crore on May 30, 2017.
- In the debt space, mutual funds bought to the tune of Rs. 3635.22 crore as against sale of Rs. 3399.02 crore as on May 31, 2017. This meant a net purchase of Rs. 236.20 crore compared with a net purchase of Rs. 1701.81 crore on May 30, 2017.
- According to a media report, Insurance Regulatory and Development Authority of India has raised objections to a merger between HDFC Standard Life and Max Life Insurance, requiring the companies to rework on the process and terms of the merger.

## Dividend Update

- ICICI Mutual Fund has announced Jun 7, 2017 as the record date for declaration of dividend under dividend option of ICICI Prudential Capital Protection Oriented Fund V- Plan F- 1100 Days (Dividend and Direct Plan – Dividend).
- Reliance Mutual Fund has announced Jun 7, 2017 as the record date for declaration of dividend under dividend option of Reliance Interval Fund - Quarterly Interval Fund - Series III - Dividend Option, Reliance Interval Fund - Quarterly Interval Fund - Series III - Institutional Plan - Dividend Option, and Reliance Interval Fund - Quarterly Interval Fund - Series III - Direct Plan - Dividend Option.

## NFO Update

- HDFC Mutual Fund has announced to extend NFO period of HDFC EOF - II - 1126D May 2017 (1), a plan under HDFC Equity Opportunities Fund - Series 2. Accordingly, NFO will close for subscription on Jun 9, instead of Jun 1.
- HDFC Mutual Fund has announced to launch HDFC FMP 1136D June 2017 (1), a plan under HDFC Fixed Maturity Plans - Series 38. The NFO will open on Jun 5 and close on Jun 7.

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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	-0.05	0.35	68.87	63.92
EUR/INR	72.64	0.56	3.62	76.92	67.92
YEN(100)/INR	58.32	0.80	1.83	68.15	56.22
SGD/INR	46.63	0.36	1.35	50.57	45.58
EUR/USD	1.13	0.62	3.23	1.14	1.03
GBP/USD	1.29	0.02	-0.41	1.50	1.15
JPY/USD	0.01	0.85	1.41	0.01	0.01
SGD/USD	0.72	0.39	0.93	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.64	-0.13	181,097	-1.35
EUR/INR	72.57	-0.14	132	2.33
GBP/INR	83.16	-0.06	795	1.15
JPY/INR	58.05	-0.41	248	113.79

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.42	64.47	-0.08
GBP	82.92	82.87	0.06
EURO	72.27	72.45	-0.25
100 Yen	57.72	58.07	-0.60

## Currency Update

- The Indian rupee was little changed against the U.S. dollar as greenback purchases by banks ahead of a key U.S. monthly employment data offset gains triggered by strong domestic equity market. The rupee inched up 0.05% to close at 64.44 per dollar from the previous close of 64.47.
- Euro strengthened against the U.S. dollar after U.S. non-farm payroll data report for May 2017 came below market expectations. Euro was trading at \$1.1280 from the previous close of \$1.1211.

## Global Economy

- According to a report by the Commerce Department, U.S.' construction spending fell 1.4% on YoY basis to \$1.219 trillion in Apr 2017 as against revised estimate of \$1.236 trillion in Mar 2017. The downside reflects steep drop in spending on public construction followed by a decline in educational construction, highway construction, private construction, residential construction as well as non-residential construction.
- A report from IHS Markit and Chartered Institute of Procurement & Supply showed that U.K.'s construction activity expanded at the fastest pace in 17 months in May 2017. Purchasing Managers' Index defied market expectations and surged 56.0 as against a growth of 53.1 in Apr 2017.
- According to a report by Eurostat, eurozone's industrial producer prices missed market expectations. However, it surged 4.3% on YoY basis from 3.9% growth in Mar 2017. The inflation reflects 9.1% increase in energy prices. On MoM basis, producer prices were flat in Apr 2017 as against a decline of 0.3% in Mar 2017.

## Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (May)	01-Jun-17	Index of Industrial Production (Apr)	12-Jun-17
Nikkei India Service PMI (May)	05-Jun-17	Consumer Price Index (May)	12-Jun-17
Second Bi-monthly Monetary Policy Statement for 2017-18	07-Jun-17	Wholesale Price Index (May)	14-Jun-17
Forex Reserves	09-Jun-17	Index of Eight Core Industries (May)	30-Jun-17

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