

June 08, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31271	0.26	4.73	31430	25718	22.65
Nifty 50	9664	0.28	4.08	9709	7894	24.48
S&P BSE Midcap	14801	0.46	0.56	15123	11011	31.42
S&P BSE 100	9984	0.32	3.47	10039	8038	22.88
S&P BSE 200	4198	0.33	3.11	4218	3346	23.58
Nifty Free Float	17856	0.69	-1.07	18512	12921	32.15
Midcap 100						
Nifty 500	8432	0.41	2.91	8461	6631	28.15

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24251	0.70	7.73	24440	18497	23.15
S&P BSE Metal	11111	0.97	2.48	12307	7935	27.27
S&P BSE Oil	14018	0.32	-1.28	14746	9195	11.99
S&P BSE Healthcare	13952	1.08	-5.07	16866	13073	27.21
S&P BSE IT	10315	-1.97	5.80	11685	9123	17.28
S&P BSE CD	16269	0.30	2.95	16827	10502	76.39
S&P BSE PSU	8603	0.50	-4.81	9216	6324	20.36
S&P BSE FMCG	10239	0.69	9.25	10333	7653	41.98
S&P BSE CG	17744	0.33	0.32	18207	13255	31.00
Nifty Bank	23568	0.65	4.26	23606	16946	29.63
S&P BSE Realty	1954	0.32	-0.10	2129	1163	52.26

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21174	0.18	0.79	21225	17063	19.93
S&P 500	2433	0.16	1.41	2440	1992	21.55
Nasdaq	6297	0.36	3.22	6311	4574	23.01
FTSE 100	7479	-0.62	2.48	7599	5789	24.66
CAC 40	5266	-0.07	-3.07	5442	3956	16.13
DAX	12672	-0.14	-0.35	12879	9214	15.01
Nikkei	19985	0.02	2.77	20240	14864	17.27
Hang Seng	25974	-0.09	6.12	26073	19663	14.18
Shanghai Comp.	3140	1.23	1.20	3301	2808	14.38

F&O Trends	Px Last	Previous	Change %
Near Futures	9,679.90	9,665.75	0.15
Near Basis	16.00	28.60	-44.06
Mid Futures	9,699.40	9,685.40	0.14
Mid Basis	35.50	48.25	-26.42
Near Open Interest (Cr.)	2.20	2.16	2.07
Mid Open Interest (Cr.)	0.13	0.13	1.57
Rollover (%)	6.49	6.53	-0.58

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.39	-0.57	-1.70	26.72	9.56
Nifty VIX	10.89	-2.18	-9.16	23.09	8.84

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FIIs</b>					
Equity		4094.77	7228.40	-3133.63	47286.51
Debt		1649.11	861.37	787.74	74187.79
<b>MF<sup>1</sup></b>					
Equity		2485.23	1758.72	726.51	30161.12
Debt		7959.57	5826.96	2132.61	159797.23

1 As on 24th May 2017

## Indian Equity Market

- Indian equity markets ended on a positive note after the Monetary Policy Committee (MPC) kept the benchmark rates unchanged in its second bi-monthly monetary policy review but lowered the statutory liquidity ratio by 50 basis points to 20% of Net Demand and Time Liabilities with effect from the fortnight beginning Jun 24, 2017. The central bank has also lowered inflation projections and indicated no major impact of the Goods and Services Tax on overall inflation. Meanwhile, the India Meteorological Department raised its monsoon forecast from its earlier estimate.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.26% and 0.28% to close at 31,271.28 and 9,663.90, respectively.
- On the BSE sectoral front, all the indices closed in the green barring S&P BSE IT (-1.97%) and S&P BSE Teck (-1.52%). S&P BSE HC (1.08%) stood as the major gainer followed by S&P BSE Metal (0.97%) and S&P BSE Energy (0.89%).

## Indian Economy

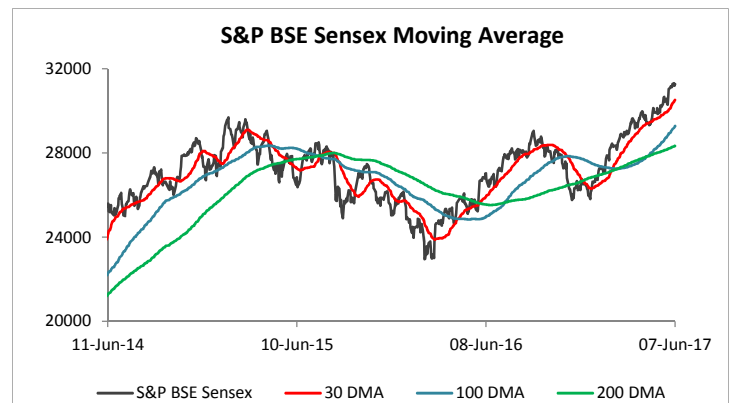
- The Monetary Policy committee (MPC) in its second bi-monthly policy meeting has kept repo rate and reverse repo rate under the liquidity adjustment facility (LAF) unchanged at 6.25% and 6.00%. MPC has also reduced Statutory Liquidity Ratio (SLR) from 20.5% of Net Demand and Time Liabilities (NDTL) to 20.0% of NDTL with effect from the fortnight beginning Jun 24, 2017.
- The Reserve Bank of India (RBI) has projected consumer inflation in the range of 2% to 3.5% in the first half of FY17-18, and subsequently move up to a range of 3.5% to 4.5% in the second half of the current fiscal.

## Global Equity Market

- As per the last close, U.S. market rose amid lack of direction ahead of the U.K. election, the ECB policy meeting and former U.S. FBI Director's congressional testimony.
- As per the last close, European market closed on a mixed note ahead of the three major political and economic events on Thursday.
- Asian markets remained mixed amid uncertainty over the outcome of a snap election in the U.K. scheduled on Jun 8, and ahead of former FBI Director's congressional testimony. Meanwhile, Chinese markets witnessed buying interest after the People's Bank of China injected liquidity into the system in order to ease liquidity strain. Today (As on Jun 08), Asian market opened on a mixed note ahead the trio events.

## Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,679.9, a premium of 16.00 above the spot closing of 9,663.90. Turnover on NSE's Futures and Options segment went up from Rs. 2,62,574.50 crore on Jun 6 to Rs. 4,41,669.98 crore on Jun 7.
- The Put-Call ratio stood at 0.96 compared with previous day's close of 1.00.
- The Nifty Put-Call ratio stood at 1.20 as against the previous day's close at 1.19.
- India VIX moved down 2.18% to 10.8900 from 11.1325 in the previous trading session.
- The open interest on Nifty Futures stood at 23.56 million as against previous session's close of 23.09 million.



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## Debt Market Update

Policy Rates (%)	07-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 (%)	07-Jun-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.30	6.25	6.24	6.40
CALL	6.19	6.02	6.02	6.43
CBLO	6.27	6.10	6.07	6.47
OIS- 1 Yr	6.32	6.41	6.51	6.66
OIS- 5 Yr	6.42	6.56	6.78	6.76

Liquidity Indicators (in Rs. Cr.)	07-Jun-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	109,410	22,735	39,811	39,042
Call Money	14,713	9,051	9,402	12,131
CBLO	113,346	120,876	103,141	89,138
LAF	13,445	-14,381	-19,786	1,840
Treasury Bills	9,135	6,183	1,968	4,371

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.73	6.82	-1.35
06.79 GS 2027	15-May-27	6.56	6.64	-1.11
06.97 GS 2026	06-Sep-26	6.66	6.76	-1.37
06.57 GS 2033	05-Dec-33	6.95	7.08	-1.88
07.59 GS 2026	11-Jan-26	6.80	6.93	-1.78

Certificate of Deposit (%)	07-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.39	6.40	6.42	7.07
6-Month	6.58	6.59	6.55	7.25
9-Month	6.70	6.71	6.63	7.37
12-Month	6.81	6.83	6.71	7.50

Commercial Paper (%)	07-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.68	6.70	6.76	7.93
6-Month	6.94	6.96	7.04	8.22
9-Month	7.10	7.13	7.15	8.27
12-Month	7.28	7.30	7.26	8.34

Govt. Borrowing Program	Scheduled	Completed	Cut-off YTM
	(Amt in Rs. Cr.)		
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

- Bond yields fell after the Monetary Policy Committee (MPC) in its second bi-monthly monetary policy review kept interest rates on hold but lowered its inflation projections. This fuelled hopes that MPC may lower interest rates in the near term.
- MPC lowered its inflation projection to 2.0%-3.5% for the first half of this fiscal year from the earlier 4.5%. The projection for the second half was brought down to 3.5%-4.5% from the earlier 5.0%.
- Yield on the existing 10-year benchmark paper (6.97% GS 2026) fell 10 bps to close at 6.66% compared with the previous close of 6.76%. During the trading session, bond yields traded in the range of 6.66% and 6.78%.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) fell 8 bps close at 6.56% from the previous close of 6.64%. During the session, bond yields traded in the range of 6.56% and 6.67%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 13,445 crore (gross) on Jun 7, up from Rs. 9,296 crore gross borrowing on Jun 6. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,939 crore on Jun 6.
- Banks borrowed Rs. 375 crore under the central bank's Marginal Standing Facility on Jun 6, same as that on Jun 5, 2017.

## Spread Analysis

- Yields on gilt securities fell across the maturities in the range of 6 bps to 15 bps, barring 2-year paper that increased 1 bps.
- Corporate bond yields fell across the maturities in the range of 8 bps to 11 bps. The minimum fall was witnessed across 1 to 3 years' maturities and the maximum on 4- and 5-year papers.
- Spread between AAA corporate bond and gilt expanded across 6 to 9 years' maturities and 15-year paper by up to 6 bps and contracted across the remaining maturities by up to 5 bps.

## 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	41.00	62.00	83.00
3 Yr	55.30	71.30	96.30
5 Yr	42.80	72.80	94.80
10 Yr	81.20	106.20	133.20

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)	1286	-0.55	4.79	1366	1128
Silver (\$/oz)	18	-0.68	7.67	21	16
NYMEX Crude(\$/bbl)	46	-4.85	-0.93	54	39
Brent Crude(\$/bbl)	47	-2.16	0.06	56	40
Baltic Dry Index	961	3.56	-3.32	1338	580
RJ/CRB Index	176	-1.38	-1.30	196	176

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,232	-0.31	3.56	31,529	27,172
Silver (1 kg)	40,249	-0.53	5.58	48,049	37,744
Crude Oil (1 bbl)	3,101	1.67	6.09	3,688	2,638
Natural Gas (1 mmbtu)	196	2.03	-4.30	693	165
Aluminium (1 kg)	123	0.70	0.04	129	103
Copper (1 kg)	361	-0.40	1.63	3,082	112
Nickel (1 kg)	572	0.95	-0.50	803	561
Lead (1 kg)	132	-1.05	-5.97	169	113
Zinc (1 kg)	157	-1.66	-5.31	200	133
Mentha Oil (1 kg)	1,017	0.67	-4.76	1,169	905
Cotton (1 bales)	20,310	-0.93	0.00	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	0.68	2.92	18.65	20.00	11.59	16.55
Small/Mid Cap	1.60	0.88	22.92	31.41	22.39	26.34
Diversified	0.88	2.56	19.41	22.37	13.86	18.09
Balanced	0.86	1.98	14.33	18.81	13.05	16.57
Banking	1.27	2.63	28.51	35.22	16.30	19.85
FMCG	2.06	5.76	27.94	23.52	18.14	18.14
Pharma	2.78	-3.27	-7.98	-5.84	13.05	17.82
Technology	2.33	4.73	7.29	-4.88	9.86	15.17
Infrastructure	0.41	0.06	22.51	30.69	12.51	16.89
Gold Funds	1.92	3.89	3.52	-0.84	2.59	-1.27
Nifty 50	0.44	4.08	19.28	16.91	8.40	13.85
S&P BSE Sensex	0.40	4.73	19.19	15.78	7.17	13.43
S&P BSE 500	0.94	2.92	20.83	22.47	11.08	15.76
S&P BSE Midcap	1.20	0.56	20.09	29.64	17.57	19.88
CRISIL Balanced	0.56	3.35	13.22	15.23	9.43	12.59

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	6.13	6.57	7.36
Ultrashort Bond	9.67	7.60	6.09	7.48	7.73
Short-T Bond	21.21	12.44	5.37	8.98	8.15
Long-T Bond	32.24	17.22	5.11	10.42	8.70
Long T Govt Sec	64.96	30.31	3.92	13.78	8.64
Crisil Liquid	6.84	6.71	6.60	6.93	6.80
Crisil ST Bond	19.97	12.07	6.54	9.07	7.32
Crisil Composite	40.58	23.45	5.20	11.67	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 dipped as the U.S. dollar went up against the euro on reports that the European Central Bank could lower its inflation forecast. Gold prices were last seen trading at \$1,292.09 per ounce compared with the previous close of \$1,293.50 per ounce.
- Brent crude prices grew after data from the American Petroleum Institute showed a draw of 4.62 million barrels in the U.S. oil inventories, which surpassed market's expectations of 3.5 million barrels for the week to Jun 2, 2017. Brent crude prices were last seen trading at \$48.34 per barrel compared with the previous close of \$47.75 per barrel.

## International Market Update

- According to a report by Standard & Poor's, sovereign ratings of the U.S. were maintained at "AA+" with a "stable" outlook. However, the rating agency added that the rating of the country is constrained by high general government debt, relatively short-term-oriented policy-making, and uncertainty about policy formulation.
- A report from Destatis showed that manufacturing new orders in Germany declined 2.1% MoM in Apr 2017, as against a 1.1% increase in Mar 2017. This marked the first decline in three months. While domestic orders fell 0.2%, foreign orders dropped 3.4% MoM.
- According to a report by the mortgage lender Halifax and IHS Markit, on an annual basis, house prices in the U.K. grew 3.3% in three months to May 2017 slower than 3.8% growth in three months to Apr 2017. This marked the slowest growth since May 2013. On MoM basis, house prices grew 0.4% after remaining flat in Apr

## Mutual Fund & Insurance Update

- According to data from the Association of Mutual Funds of India (AMFI), total Assets Under Management (AUM) went down 1.16% to Rs. 19,03,975 crore in May 2017, compared with Rs. 19,26,302 crore in Apr 2017, primarily owing to outflow from money market segments. Outflow came in at Rs. 40,711 crore in May vis-a-vis an inflow of Rs. 1,50,703 crore in the earlier month. Liquid funds or money market category, comprising investments in cash assets such as Treasury Bills, certificates of deposit, and commercial paper for shorter horizon, saw an outflow of Rs. 64,692 crore.
- Insurance Regulatory and Development Authority of India (IRDA) has re-constituted the Insurance Advisory Committee. The key function of the committee is to advise the regulator on development, disclosures, and regulatory aspects of the insurance industry. Additionally, the committee looks into the insurance regulation for ensuring investor protection, and issues related to development of the industry. One of the committee's recent key recommendations includes increasing commission structure of insurance agents and insurance intermediaries. In the reconstituted committee, the total number of members has been reduced to 24 from 25. IRDA's Insurance Advisory Committee was constituted last in 2000 under the chairmanship of Mr. C. Rangachary.

## Dividend Update

- ICICI Prudential Mutual Fund has declared Jun 12, 2017 as the record date for declaration of dividend under the dividend option of ICICI Prudential Constant Maturity Gilt Fund – Quarterly Dividend, and ICICI Prudential Constant Maturity Gilt Fund – Direct Plan - Quarterly Dividend, the rate of dividend for which will be Re. 0.0976 and Re. 0.1039, respectively.
- Kotak Mutual Fund has declared Jun 12, 2017 as the record date for declaration of dividend under the dividend options of Kotak Equity Savings Fund – Regular Plan – Monthly Dividend Option, and Kotak Equity Savings Fund – Direct Plan – Monthly Dividend Option, the rate of dividend for which will be Re. 0.05 and Re. 0.13, respectively.

## 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	64.33	-0.16	-0.07	68.87	63.92
EUR/INR	72.49	-0.19	2.54	76.92	67.92
YEN(100)/INR	58.64	-0.41	2.82	68.15	56.22
SGD/INR	46.58	-0.20	1.79	50.57	45.58
EUR/USD	1.13	-0.18	2.36	1.14	1.03
GBP/USD	1.30	0.40	-0.15	1.50	1.15
JPY/USD	0.01	-0.36	2.66	0.01	0.01
SGD/USD	0.72	-0.19	1.64	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.51	-0.17	174,231	-7.93
EUR/INR	72.40	-0.48	161	-11.54
GBP/INR	83.27	-0.17	1,191	2.14
JPY/INR	58.94	-0.24	304	-4.40

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.45	64.35	0.16
GBP	83.25	83.16	0.10
EURO	72.66	72.52	0.19
100 Yen	58.93	58.71	0.37

## Currency Update

- The Indian rupee rose against the greenback after the Monetary Policy Committee kept interest rates on hold in its second bi-monthly monetary policy review and lowered its inflation projections. The rupee rose 0.16% to close at 64.33 per dollar from the previous close of 64.43.
- The euro weakened against the greenback amid media reports that the European Central Bank, in its monetary policy review, might lower its inflation projections due to lower global crude oil prices. Euro was trading at \$1.1223, down 0.46% from the previous close of \$1.1275.

## Global Economy

- According to a preliminary data by Cabinet Office, Japan's leading index dropped to 104.5 in Apr 2017 from 105.7 in Mar 2017. The co-incident index also surpassed market expectations and grew to 117.7 in Apr from 114.4 in Mar.
- Organisation for Economic Co-operation and Development (OECD) in its semi-annual Global Economic Outlook report upwardly revised its growth expectation from 3.3% to 3.5% in 2017 for the world economy. It is also higher than 3% growth rate experienced in 2016. OECD expects a growth rate of 3.6% in 2018.

## Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (May)	01-Jun-17	Index of Industrial Production (Apr)	12-Jun-17
Forex Reserves	02-Jun-17	Consumer Price Index (May)	12-Jun-17
Nikkei India Service PMI (May)	05-Jun-17	Wholesale Price Index (May)	14-Jun-17
Second Bi-monthly Monetary Policy Statement for 2017-18	07-Jun-17	Index of Eight Core Industries (May)	30-Jun-17

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