

August 03, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	32477	-0.30	5.03	32686	25718	24.50
Nifty 50	10082	-0.33	5.89	10138	7894	25.63
S&P BSE Midcap	15412	-0.30	5.24	15491	11449	30.72
S&P BSE 100	10434	-0.30	5.90	10494	8085	24.14
S&P BSE 200	4382	-0.26	5.61	4404	3379	25.12
Nifty Free Float Midcap 100	18518	0.02	4.45	18587	13658	32.42
Nifty 500	8787	-0.29	5.46	8833	6712	29.31

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24784	-0.26	5.88	24967	19164	27.88
S&P BSE Metal	12506	-0.37	9.95	12576	9334	29.51
S&P BSE Oil	14247	0.04	7.91	14746	10365	12.00
S&P BSE Healthcare	14156	-0.46	-0.24	16866	13073	28.00
S&P BSE IT	10349	-0.88	5.24	11085	9123	17.38
S&P BSE CD	16526	1.12	3.21	16827	10502	38.80
S&P BSE PSU	8662	-0.22	6.77	9216	7081	19.84
S&P BSE FMCG	10025	-0.76	-3.87	10936	7653	41.85
S&P BSE CG	17758	-0.83	3.99	18207	13255	29.76
Nifty Bank	25055	-0.27	7.94	25199	17607	27.81
S&P BSE Realty	2183	-0.20	6.83	2231	1163	56.35

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22016	0.24	3.12	22036	17884	20.10
S&P 500	2478	0.05	2.23	2484	2084	21.74
Nasdaq	6363	0.00	3.62	6461	5034	23.61
FTSE 100	7411	-0.16	1.35	7599	6616	23.08
CAC 40	5107	-0.39	-0.26	5442	4293	15.68
DAX	12181	-0.57	-1.17	12952	10093	13.99
Nikkei	20080	0.47	0.23	20318	15921	16.82
Hang Seng	27607	0.24	7.15	27747	21489	14.42
Shanghai Comp.	3285	-0.23	2.90	3305	2957	15.30

F&O Trends	Px Last	Previous	Change %
Near Futures	10,101.10	10,138.50	-0.37
Near Basis	19.60	23.80	-17.65
Mid Futures	10,137.30	10,174.20	-0.36
Mid Basis	55.80	59.50	-6.22
Near Open Interest (Cr.)	2.11	2.02	4.19
Mid Open Interest (Cr.)	0.12	0.09	34.42
Rollover (%)	5.52	4.34	27.17

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.28	1.88	-8.05	23.01	8.84
Nifty VIX	11.94	0.29	1.79	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIs					
Equity	4579.68	5499.50	-919.82	56377.35	
Debt	3249.80	2005.58	1244.22	114777.01	
MF¹					
Equity	3726.47	1662.98	2063.49	52972.88	
Debt	7724.62	7202.74	521.88	223281.07	

¹ As on 31st July 2017

Indian Equity Market

- The Indian equity market snapped the winning streak as Monetary Policy Committee's (MPC) decision to cut repo rate by 25 bps failed to cheer market sentiment. MPC lowered key policy repo rates in the third bi-monthly monetary policy review, but decided to maintain "neutral" policy stance. Profit booking was also witnessed after the market continued to trade higher during the initial hours of the trading session.
- On the BSE sectoral front, most of the indices closed in the red. S&P BSE IT (-0.88%) stood as the major laggard followed by S&P BSE CG (-0.83%), S&P BSE FMCG (-0.76%). Meanwhile, S&P BSE CD (1.12%) posted gains followed by S&P BSE Energy (0.68%) and S&P BSE Utilities (0.29%). Rate-sensitive sectors like auto (-0.26%), S&P BSE Realty (-0.20%), S&P BSE Bankex (-0.16%) were impacted following MPC's policy decision to cut repo rate by 25 bps.

Indian Economy

- The Monetary Policy Committee (MPC) in its monetary policy review lowered key policy repo rate by 25 bps from 6.25% to 6.00%. Subsequently, the reverse repo rate stands adjusted to 5.75% from 6.00%. The bank rate and the marginal standing facility also stand adjusted by 25 bps from 6.50% to 6.25%.
- According to MPC, a fall in retail inflation to its lowest level in the series based on 2011-12, smooth roll-out of the Goods and Services Tax (GST) and normal monsoons gave room for a rate-cut. Four out of six MPC members were in favour of the monetary policy decision. One advocated for a 50 bps rate cut and one voted for a status quo. MPC decided to keep the policy stance neutral and monitor incoming data.

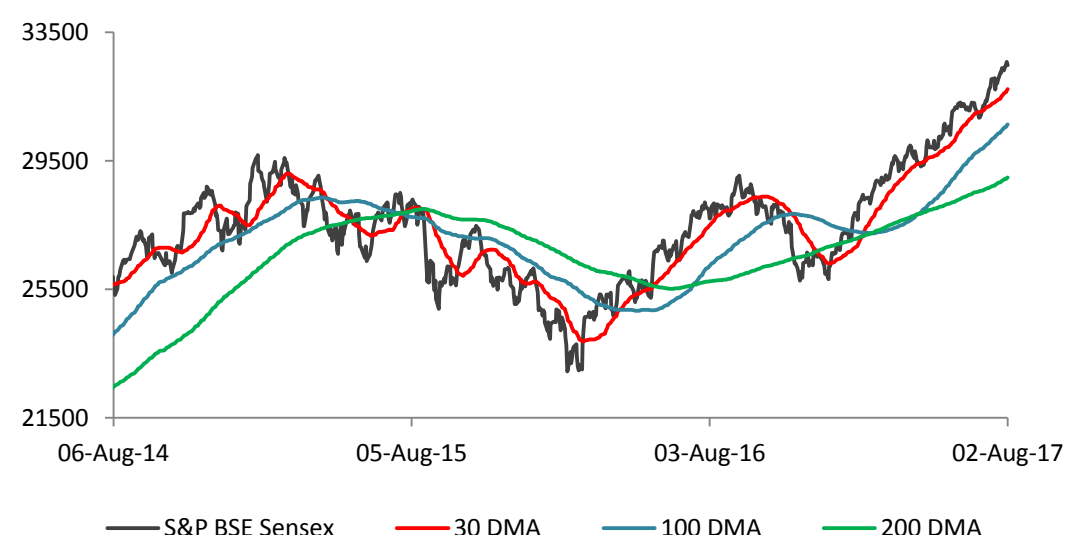
Global Equity Market

- As per the last close, U.S markets ended mostly positive following better than expected results of a U.S. technology giant that boosted investors' sentiment.
- As per the last close, European market ended lower on weak earnings results by some European giants and continued political uncertainty in the U.S. Banks and mining stocks.
- Most of the Asian markets closed higher after Japanese industry majors posted strong quarterly earnings results. Better than expected Japan's consumer confidence data and better than expected financial results from a U.S. technology giant further added to gains. Today (As of Aug 3), Asian markets opened on a negative note as investors were cautious ahead of key economic data due to this week.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 10,101.10, a premium of 19.60 points above the spot closing of 10,081.50. The turnover on NSE's Futures and Options segment went up from Rs. 3,41,279.74 crore on Aug 1 to Rs. 5,51,231.62 crore on Aug 2.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.26 compared with the previous session's close of 1.31.
- India VIX moved up 0.29% to 11.9425 from 11.9075 in the previous trading session.
- The open interest on Nifty Futures stood at 22.30 million as against previous session's close of 21.14 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	02-Aug-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	6.00	6.00	6.00
Repo	6.00	6.25	6.25	6.50
CRR	4.00	4.00	4.00	4.00
SLR	20.00	20.00	20.00	21.00
Bank Rate	6.25	6.50	6.50	7.00

Daily Rates (%)	02-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	6.26	6.25	6.50
CALL	6.05	6.11	6.11	6.38
CBLO	6.18	6.25	6.18	6.36
OIS- 1 Yr	6.17	6.19	6.25	6.50
OIS- 5 Yr	6.23	6.24	6.29	6.51

Liquidity Indicators (in Rs. Cr.)	02-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	64,866	29,750	53,131	73,536
Call Money	12,615	13,312	10,573	15,858
CBLO	98,644	110,460	109,192	81,281
LAF	3,230	-3,418	-50,518	264
Treasury Bills	17,715	12,309	4,637	3,061

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.76	6.74	0.34
06.79 GS 2027	15-May-27	6.46	6.44	0.31
06.97 GS 2026	06-Sep-26	6.69	6.67	0.24
07.68 GS 2023	15-Dec-23	6.64	6.66	-0.29
07.72 GS 2025	25-May-25	6.80	6.82	-0.41

Certificate of Deposit (%)	02-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.21	6.23	6.35	6.63
6-Month	6.35	6.37	6.51	6.91
9-Month	6.42	6.45	6.60	7.08
12-Month	6.49	6.52	6.69	7.24

Commercial Paper (%)	02-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.60	6.51	6.69	7.21
6-Month	6.75	6.74	6.92	7.60
9-Month	6.85	6.83	7.05	7.78
12-Month	6.95	6.93	7.19	7.98

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91-Days T Bills	10,000	10,000	6.15%
364-Days T Bills	6,000	6,000	6.24%

Key Indicators	
GDP (Q4 FY'17)	6.10%
Manufacturing PMI (July'17)	47.90
Current Account Deficit (Q4 of FY17, in \$ Billion)	-3.40
Fiscal Deficit (FY2018, as a % of GDP)	3.20%
Credit Growth (July 21, 2017)	6.19%
Deposit Growth (July 21 2017)	10.43%

Indian Debt Market

- Bond yields rose after the Monetary Policy Committee cut key policy rate by 25 basis points as widely expected, but retained its neutral stance.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 2 bps to 6.46% from 6.44% in the previous trading session. During the session, bond yields traded in the range of 6.43% and 6.48%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,230 crore (gross) on Aug 2, down from Rs. 3,710 crore (gross) borrowing on Aug 1. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,475 crore on Aug 1.
- Banks borrowed Rs. 500 crore under the central bank's Marginal Standing Facility on Aug 1 as against borrowing of Rs. 675 crore on Jul 31.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 15,000 crore for which full amount was accepted at a cut-off rate of 6.21%.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 15,000 crore for which Rs. 14,210 crore was accepted at a cut-off rate of 6.24%.
- RBI conducted the auction of 91- and 364-days Treasury Bills for the notified amount of Rs. 10,000 crore and Rs. 6,000 crore, respectively. The cut-off for 91- and 364-days T-Bill stood at Rs. 98.49 (6.15%) and Rs. 94.14 (6.24%), respectively.

Spread Analysis

- Yields on gilt securities fell on 1-year paper, 3 to 8 years' maturities and 19-year paper by up to 4 bps. Yield across the remaining maturities increased by up to 2 bps, barring 15- and 30-year maturities that closed steady.
- Corporate bond yields fell across the maturities by up to 3 bps.
- Spread between AAA corporate bond and gilt expanded across the maturities by up to 3 bps, barring 6-, 8-, and 15-year maturities that closed steady. Spread on 4-, 9-, and 10-year maturities contracted in the range of 2 bps to 4 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: July 31- Aug 04	15,000	0	0.00%
Month: Aug 2017	60,000	0	0.00%
H1: Apr'17-Sep'17	372,000	245,784	66.07%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	58.33%
10 to 14 Yrs	44.09%	72.43%
Long Dated (above 14 Yrs)	33.33%	62.90%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
6.84 GS 2022	6 Yrs	3,000
6.79 GS 2029	13 Yrs	7,000
6.57 GS 2033	17 Yrs	2,000
6.62 GS 2051	35 Yrs	3,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	43.40	58.40	79.40
3 Yr	47.60	61.60	87.60
5 Yr	53.30	70.30	100.30
10 Yr	59.10	74.10	104.10

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

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1266	-0.19	2.01	1361	1128
Silver (\$/oz)	17	-0.90	-0.12	20	16
NYMEX Crude(\$/bbl)	50	0.83	7.79	54	41
Brent Crude(\$/bbl)	53	2.92	11.48	56	40
Baltic Dry Index	993	2.90	10.21	1338	631
RJ/CRB Index	182	0.68	4.12	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,467	-0.27	-1.17	31,446	27,172
Silver (1 kg)	37,872	-0.76	-1.62	48,049	35,660
Crude Oil (1 bbl)	3,150	-2.02	8.73	3,688	2,638
Natural Gas (1 mmbtu)	181	0.89	-7.90	693	171
Aluminium (1 kg)	122	0.87	-1.34	129	103
Copper (1 kg)	407	-0.37	6.71	446	112
Nickel (1 kg)	654	0.49	8.84	803	561
Lead (1 kg)	148	0.68	0.71	169	120
Zinc (1 kg)	176	-0.54	-1.01	200	145
Mentha Oil (1 kg)	1,305	0.57	30.16	1,309	993
Cotton (1 bales)	20,490	0.94	1.34	23,200	18,240

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	0.75	5.59	14.92	17.62	13.05	16.49
Small/Mid Cap	0.13	3.68	17.24	24.92	21.91	26.00
Diversified	0.63	5.09	15.55	19.60	15.02	18.12
Balanced	0.28	3.44	11.63	16.51	13.56	16.52
Banking	1.30	7.41	24.47	32.62	20.43	19.63
FMCG	-0.93	-1.38	15.43	13.43	16.20	16.49
Pharma	-2.43	0.92	-1.80	-10.00	8.32	16.46
Technology	-0.10	3.50	8.01	0.07	6.34	17.12
Infrastructure	0.38	4.75	15.97	25.29	14.97	16.68
Gold Funds	1.33	-0.37	-3.18	-12.29	-0.16	-2.01
Nifty 50	0.61	5.89	15.42	16.92	9.84	14.03
S&P BSE Sensex	0.29	5.03	15.06	16.06	8.41	13.52
S&P BSE 500	0.43	5.43	16.52	20.28	12.69	15.94
S&P BSE Midcap	0.47	5.24	16.71	22.03	19.10	20.42
CRISIL Balanced	0.43	4.19	11.10	14.64	10.51	12.72

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	6.11	6.65	6.19	6.47	7.35
Ultrashort Bond	6.85	9.33	6.51	7.31	7.74
Short-T Bond	6.86	10.61	6.46	8.22	8.17
Long-T Bond	4.83	10.46	6.65	9.04	8.72
Long T Govt Sec	-3.88	7.47	5.99	10.44	8.64
Crisil Liquid	6.04	6.75	6.70	6.80	6.80
Crisil ST Bond	4.97	9.76	7.07	8.40	7.33
Crisil Composite	5.83	12.66	6.78	10.05	7.26
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 lower as investors remained on the sidelines ahead of a highly-anticipated report on U.S. employment due later in the day. The employment data would provide cues on the interest rate stance of the U.S. central bank. Gold prices were last seen trading at \$1,266.71 per ounce, compared with the previous close of \$1,268.55 per ounce.
- Brent crude prices rose amid renewed buying interest in crude futures. Investors are also waiting for the U.S. official data on weekly crude inventory levels, scheduled later during the week. Oil prices were last seen trading at \$51.66 per barrel, compared with the previous close of \$51.04 per barrel.

International Market Update

- According to the Commerce Department, U.S. construction spending fell 1.3% to an annual rate of \$1.206 trillion in Jun 2017 from the revised estimate of \$1.222 trillion in May 2017. The decline reflects decline in construction spending came amid a steep drop in spending on public construction.
- A report from IHS Markit showed that U.K's Chartered Institute of Procurement & Supply/Markit construction PMI fell more than market expectations to 51.9 in Jul 2017 from 54.8 in Jun 2017. This marked an 11-month low score. The downside reflects lower volumes of commercial building and a softer expansion of housing activity.
- According to a report from Eurostat, euro zone's producer prices came in-line with market expectations and grew 2.5% YoY in Jun 2017 after gaining 3.4% in May 2017. This marked the slowest inflation seen so far in 2017.

Mutual Fund & Insurance Update

- Motilal Oswal Mutual Fund has announced appointment of Mr. Akash Singhania as the Senior Vice President – Fund Manager and key personnel of the fund house with effect from Jul 28, 2017. Additionally, the fund house has revised the fund management of the equity component of Motilal Oswal MOST Focused Midcap 30 Fund. Accordingly, the same shall be jointly managed by Mr. Akash Singhania and Mr. Siddharth Bothra (co-fund manager).
- Motilal Oswal Mutual Fund has announced resignation of Mr. Nilesh Chonkar from the post of Vice President - Head Operations and key personnel of the fund house, effective from the close of business hours of Jul 31, 2017.

Dividend Update

- ICICI Prudential Mutual Fund has announced Aug 7 as the record date for declaration of dividend under the dividend option of ICICI Prudential Fixed Maturity Plan - Series 73 - 830 Days Plan J, ICICI Prudential Fixed Maturity Plan - Series 74 - 780 Days Plan E and ICICI Prudential Capital Protection Oriented Fund - Series VI - 1100 Days Plan E. The rate of dividend under all the three funds is Re. 0.05 per unit.

NFO Update

- SBI Mutual Fund has announced launch of SBI Debt Fund Series C- 2 (1100 days). The new fund offer will open for subscription on Aug 4 and close on Aug 18, 2017.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	63.70	-0.58	-1.36	68.87	63.59
EUR/INR	75.43	-0.27	2.19	76.25	67.92
YEN(100)/INR	57.45	-1.06	-0.05	67.15	56.22
SGD/INR	46.80	-0.80	-0.27	49.97	45.58
EUR/USD	1.19	0.45	3.77	1.19	1.03
GBP/USD	1.32	0.17	1.50	1.34	1.15
JPY/USD	0.01	-0.33	1.47	0.01	0.01
SGD/USD	0.74	-0.10	1.27	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.84	-0.68	219,684	2.24
EUR/INR	75.63	-0.52	960	-17.17
GBP/INR	84.60	-0.42	719	-1.78
JPY/INR	57.76	-0.77	199	3.65

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.07	64.07	0.00
GBP	84.64	84.62	0.02
EURO	75.75	75.74	0.01
100 Yen	57.86	58.12	-0.45

Currency Update

- The Indian rupee rose against the U.S. dollar after the Reserve Bank of India reduced the repo rate by 25 bps and reiterated "neutral" policy stance. Also, greenback sales by corporates further supported the Indian rupee. The rupee rose 0.58% to close at 63.70 per dollar from the previous close of 64.07.
- The euro strengthened against the U.S. dollar as political turmoil in Washington continued to weigh on the greenback. Euro was trading at \$1.1822, up 0.18% compared with the previous close of \$1.1801.

Global Economy

- According to a report from the Commerce Department, excluding food and energy, core personal consumption expenditures (PCE) price index inched up 0.1% in Jun 2017 after experiencing a similar gain in May 2017. On an annual basis through Jun, the core PCE price index went up 1.5% after witnessing same growth in May. Meanwhile, consumer spending inched up 0.1% in Jun against an upwardly revised gain of 0.2% in May. Personal income missed market expectations and remained unchanged in Jun 2017. Soft U.S. personal spending and income growth reflected downshift in the economy for the summer months.
- A report from the Institute for Supply Management showed that U.S. manufacturing Purchasing Managers' Index (PMI) missed market expectations and fell to 56.3 in Jul 2017 from 57.8 in Jun 2017. The decline reflects fall in new orders index as well as production index. Also, employment index fell to 55.2 in Jul from 57.2 in Jun.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Jul)	01-Aug-17	Index of Industrial Production (Jun)	11-Aug-17
Third Bi-monthly Monetary Policy Statement for 2017-18	02-Aug-17	Consumer Price Index (Jul)	14-Aug-17
Nikkei India Service PMI (Jul)	03-Aug-17	Wholesale Price Index (Jul)	14-Aug-17
Forex Reserves	04-Aug-17	GDP Estimate (Q1 of FY18)	31-Aug-17

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