

August 08, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	32274	-0.16	2.91	32686	25718	24.24
Nifty 50	10057	-0.09	4.05	10138	7894	25.67
S&P BSE Midcap	15600	1.06	4.41	15632	11449	31.05
S&P BSE 100	10463	0.17	4.44	10494	8085	24.11
S&P BSE 200	4393	0.27	4.16	4404	3379	25.08
Nifty Free Float	18570	1.12	2.58	18602	13658	32.73
Midcap 100	8806	0.34	3.86	8833	6712	29.47

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24838	0.15	4.27	25011	19164	27.74
S&P BSE Metal	12749	1.15	8.39	12773	9464	30.78
S&P BSE Oil	15056	1.60	11.55	15099	10495	12.65
S&P BSE Healthcare	13891	0.09	-3.43	16866	13073	28.14
S&P BSE IT	10274	-0.94	4.98	11063	9123	17.20
S&P BSE CD	17383	0.82	8.44	17424	10502	39.03
S&P BSE PSU	8951	1.40	8.45	9216	7128	20.46
S&P BSE FMCG	10077	0.45	-5.71	10936	7653	41.99
S&P BSE CG	17776	0.30	2.82	18207	13255	29.47
Nifty Bank	24906	0.32	6.21	25199	17607	27.87
S&P BSE Realty	2204	1.40	2.21	2231	1163	56.54

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22118	0.12	3.29	22121	17884	20.19
S&P 500	2481	0.16	2.30	2484	2084	21.98
Nasdaq	6384	0.51	3.75	6461	5034	23.51
FTSE 100	7532	0.27	2.46	7599	6654	23.17
CAC 40	5208	0.09	1.22	5442	4311	15.99
DAX	12257	-0.33	-1.06	12952	10175	13.83
Nikkei	20056	0.52	0.64	20318	16112	16.93
Hang Seng	27690	0.46	9.27	27747	21489	14.35
Shanghai Comp.	3279	0.53	1.91	3305	2959	15.25

F&O Trends	Px Last	Previous	Change %
Near Futures	10,091.80	10,108.50	-0.17
Near Basis	34.35	42.15	-18.51
Mid Futures	10,128.00	10,142.30	-0.14
Mid Basis	70.60	75.85	-6.92
Near Open Interest (Cr.)	2.17	2.15	1.13
Mid Open Interest (Cr.)	0.12	0.12	0.65
Rollover (%)	5.53	5.54	-0.20

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.93	-1.00	-11.26	23.01	8.84
Nifty VIX	11.90	4.43	9.45	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FII				
Equity	4321.80	5190.50	-868.70	56132.07
Debt	2048.87	533.54	1515.33	119763.45
MF¹				
Equity	1907.04	1932.31	-25.27	54599.29
Debt	6125.43	5806.98	318.45	226060.97

¹ As on 2nd August 2017

Indian Equity Market

- Indian equity market ended in the red amid absence of fresh triggers and muted earnings results from some corporates. Also, losses in software exporters due to weakness in the dollar against the rupee, which traded at two-year highs dented investors' sentiment. However, downtrend was restricted by foreign fund inflows and positive global signals.
- Key benchmark indices S&P BSE Sensex as well as Nifty 50 fell 0.16% and 0.09% to close at 32,273.67 and 10,057.40, respectively. S&P BSE Small-Cap and S&P BSE Mid-Cap went up 1.15% and 1.06%, respectively.
- On the BSE sectoral front, indices closed on a positive note. Among the gainers were S&P BSE Oil & Gas (1.60%), S&P BSE Realty (1.40%), S&P BSE Metal (1.15%), S&P BSE Consumer Durables (0.82%), S&P BSE Energy (0.81%), S&P BSE Basic Materials & Consumer Discretionary Goods & Services (both 0.63%), and S&P BSE Utilities (0.61%).

Indian Economy

- According to data from the Securities and Exchange Board of India (SEBI), Indian companies have raised Rs. 4,212 crore during Apr-May of 2017 through issuance of shares on preferential basis. This was down approximately 54% from Rs. 9,148 crore in the year-ago period. The funds were used for business expansion, refinancing of debt, working capital requirements, and other general corporate purposes.
- SEBI has asked rating companies to downgrade rating of any company to 'junk' immediately if it misses its loan repayment. Per the new rule, a company will be downgraded as soon as it defaults repayment even banks follow Reserve Bank of India's asset classification norm that would not term them as non-performing asset before 90 days.

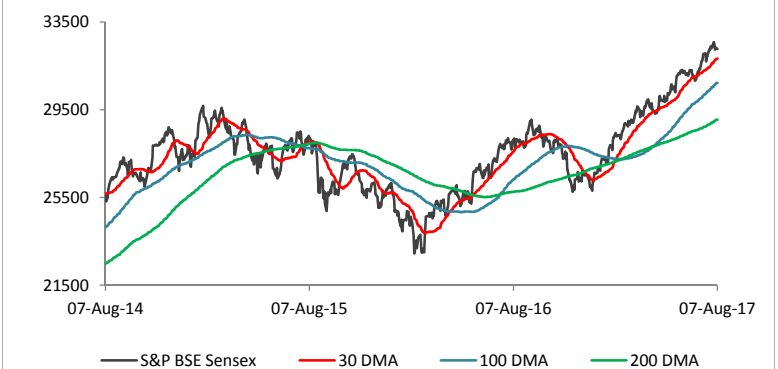
Global Equity Market

- As per the last close, U.S markets rose following better than expected corporate results and upbeat monthly jobs report.
- As per the last close, European market ended on a mixed note. Weaker than expected economic data negatively impacted investor's sentiment. However, gains from basic resources and energy stocks capped the losses.
- Most of the major indices closed in the green after U.S. non-farm payroll data came better-than-expected in Jul 2017 and positive economic data from China and Japan. Today (As of Aug 8), Asian markets opened on negative note amid slow session as investors remained cautious ahead of release of China July trade data due later in the day.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 10,091.75, a premium of 34.35 points above the spot closing of 10,057.40. The turnover on NSE's Futures and Options segment went down from Rs. 4,47,879.00 crore on Aug 4 to Rs. 2,98,101.06 crore on Aug 7.
- The Put-Call ratio stood at 0.98 against previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.25 compared with the previous session's close of 1.27.
- India VIX moved up 4.43% to 11.8950 from 11.3900 in the previous trading session.
- The open interest on Nifty Futures stood at 22.97 million as against previous session's close of 22.72 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	07-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 (%)	07-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.25	6.17	6.48
CALL	5.94	6.10	6.09	6.39
CBLO	5.97	6.18	4.95	5.73
OIS- 1 Yr	6.14	6.19	6.25	6.50
OIS- 5 Yr	6.14	6.24	6.32	6.51

Liquidity Indicators (in Rs. Cr.)	07-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	26,304	36,804	53,756	104,867
Call Money	15,467	12,100	23,209	25,489
CBLO	116,018	116,114	65,881	49,553
LAF	8,040	-13,538	-16,821	-1,517
Treasury Bills	8,793	4,164	3,262	961

Top 5 Traded G-Sec	Maturity	Yield %		Change
		Closing	Previous	%
06.79 GS 2029	26-Dec-29	6.76	6.73	0.40
06.79 GS 2027	15-May-27	6.45	6.44	0.14
07.68 GS 2023	15-Dec-23	6.57	6.56	0.25
07.35 GS 2024	22-Jun-24	6.66	6.64	0.29
06.97 GS 2026	06-Sep-26	6.64	6.64	0.12

Certificate of Deposit (%)	07-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.18	6.21	6.35	6.65
6-Month	6.33	6.36	6.48	6.91
9-Month	6.40	6.44	6.57	7.07
12-Month	6.48	6.52	6.66	7.24

Commercial Paper (%)	07-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.57	6.60	6.67	7.09
6-Month	6.74	6.75	6.92	7.49
9-Month	6.84	6.84	7.04	7.66
12-Month	6.94	6.94	7.18	7.85

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84 GS 2022	3,000	3,000	6.42%
6.79 GS 2029	7,000	7,000	6.73%
6.57 GS 2033	2,000	2,000	6.83%
6.62 GS 2051	3,000	3,000	7.04%

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 following rise in the U.S. Treasury yields after U.S. jobs data for Jul 2017 came better than market expectations. Market participants also remained on the sidelines ahead of the weekly debt auction due later in the week. Lack of any major positive triggers also weighed on market's sentiment.
- 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.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 8,040 crore (gross) on Aug 7, higher than Rs. 3,310 crore (gross) borrowing on Aug 4. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 25,727 crore on Aug 4.
- Banks borrowed Rs. 2,215 crore under the central bank's Marginal Standing Facility on Aug 4 as against borrowing of Rs. 775 crore on Aug 3.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 1,000 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted auction of 43-day cash management bills (CMB) for notified amount of Rs. 20,000 crore. The cut-off rate for the security stood at Rs. 99.29 and the cut of deal at 6.07%.

Spread Analysis

- Yields on gilt securities increased across the maturities by up to 4 bps. The maximum expansion was witnessed on 1-year paper and the minimum across 2 to 6 year's maturities and 19-year paper.
- Yield on corporate bonds fell across 1 to 8 years' maturities by up to 5 bps, and increased on 9- and 10-year maturities by 1 bps each. Yield on 15-year paper closed steady.
- Spread between AAA corporate bond and gilt contracted across the maturities by up to 9 bps and closed steady on 15-year paper.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: July 31- Aug 04	15,000	15,000	100.00%
Month: Aug 2017	60,000	15,000	25.00%
H1: Apr'17-Sep'17	372,000	260,784	70.10%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	61.90%
10 to 14 Yrs	44.09%	76.70%
Long Dated (above 14 Yrs)	33.33%	66.94%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bill	91-Day	10,000
Treasury Bill	182-Day	7,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	31.80	46.80	67.80
3 Yr	47.70	61.70	87.70
5 Yr	53.90	70.90	100.90
10 Yr	60.10	75.10	105.10

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)	1257	-0.04	3.67	1352	1128
Silver (\$/oz)	16	0.04	4.22	20	16
NYMEX Crude(\$/bbl)	49	-0.40	11.58	54	42
Brent Crude(\$/bbl)	52	-2.00	11.13	56	41
Baltic Dry Index	1036	0.39	26.03	1338	631
RJ/CRB Index	181	0.16	4.87	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,554	0.00	1.95	31,316	27,172
Silver (1 kg)	37,966	0.00	3.00	47,033	35,660
Crude Oil (1 bbl)	3,159	1.25	7.12	3,688	2,748
Natural Gas (1 mmbtu)	177	-0.84	-5.56	693	171
Aluminium (1 kg)	122	1.66	-1.53	129	103
Copper (1 kg)	405	0.36	7.01	446	112
Nickel (1 kg)	657	-0.23	13.44	803	561
Lead (1 kg)	150	0.30	2.14	169	120
Zinc (1 kg)	180	0.70	-0.17	200	145
Mentha Oil (1 kg)	1,325	0.00	26.87	1,325	993
Cotton (1 bales)	20,430	0.00	0.10	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	0.39	4.26	14.58	16.90	12.91	16.21
Small/Mid Cap	0.13	1.67	15.72	24.20	21.49	25.77
Diversified	0.31	3.87	15.01	18.98	14.85	17.86
Balanced	0.16	2.48	11.17	16.00	13.44	16.35
Banking	-0.45	5.96	22.35	31.22	20.69	19.22
FMCG	0.13	-3.67	13.45	15.77	16.48	16.57
Pharma	-1.06	-0.67	-5.22	-11.29	8.11	16.08
Technology	-0.80	2.93	6.67	-0.38	5.60	16.52
Infrastructure	0.48	3.24	15.26	24.74	14.80	16.56
Gold Funds	-1.09	1.24	-4.64	-13.48	-1.20	-2.24
Nifty 50	-0.20	4.05	14.70	15.73	9.54	13.50
S&P BSE Sensex	-0.74	2.91	13.90	14.85	8.04	12.88
S&P BSE 500	0.23	3.88	15.94	19.68	12.54	15.63
S&P BSE Midcap	1.37	4.41	16.36	22.71	19.44	20.54
CRISIL Balanced	0.01	3.09	10.74	14.01	10.38	12.39

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	6.60	6.18	6.46	7.35
Ultrashort Bond	8.62	9.63	6.52	7.34	7.74
Short-T Bond	13.55	12.16	6.66	8.32	8.18
Long-T Bond	15.62	13.02	7.01	9.18	8.74
Long T Govt Sec	18.00	13.12	6.90	10.57	8.65
Crisil Liquid	6.64	6.63	6.70	6.80	6.80
Crisil ST Bond	11.65	10.67	7.26	8.47	7.34
Crisil Composite	20.21	15.40	7.31	10.25	7.27
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 marginally lower amid cautious stance ahead of the U.S. inflation data for Jul 2017, which would provide additional clues on the timing of the next rate hike by the U.S. Federal Reserve. Gold prices were last seen trading at \$1,256.11 per ounce, compared with the previous close of \$1,257.85 per ounce.
- Brent crude prices traded lower ahead of the meeting between the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC members in Abu Dhabi on Aug 7-8 to discuss ways to boost compliance with the deal on production cut. Oil prices were last seen trading at \$52.28 per barrel, compared with the previous close of \$52.97 per barrel.

International Market Update

- According to Sentix, euro zone's investor confidence index fell to 27.7 in Aug 2017 from 28.3 in Jul 2017, thereby marking a three-month low. Germany's investor confidence index fell to 33.2 in Aug from 37.5 in Jul. This marked the lowest score since Feb 2017.
- According to data from the mortgage lender Halifax and IHS Markit, U.K. house prices grew 2.1% YoY in three months to Jul 2017 as against a growth of 2.6% in three-months to Jun 2017. This marked the weakest growth since Apr 2013. On QoQ basis, house prices fell 0.2% three months to Jul against a decline of 0.1% in three months ended Jun.
- According to preliminary data from the Cabinet Office, Japan's leading index that measures future economic activity surpassed market expectations and grew to 106.3 in Jun 2017 from 104.7 in May 2017. Meanwhile, coincident index that reflects the current economic activity came in line with market expectations and grew to 117.2 in Jun, up from 115.8 in May.

Mutual Fund & Insurance Update

- As per data from the Association of Mutual Funds in India (AMFI), the assets under management (AUM) of mutual fund industry rose from Rs. 18.96 lakh crore in Jun 2017 to Rs. 19.97 lakh in Jul 2017. Overall inflow in mutual fund schemes stood at Rs. 63,504 crore in Jul and of this, income funds saw inflow of more than Rs 60,084 crore while equity and equity-linked saving scheme (ELSS) saw an infusion of Rs. 12,727 crore.
- IDFC Mutual Fund has appointed Mr. Pavan Kaushal as a Director on the Board of IDFC AMC with effective from Aug 2, 2017.
- Mutual funds bought equity worth Rs. 1,907.04 crore as against sale of Rs. 1,932.31 crore as on Aug 2, 2017. This led to a net sale of Rs. 25.27 crore compared with a net purchase of Rs. 1,651.68 crore on Aug 1, 2017.
- In the debt space, mutual funds bought to the tune of Rs. 6,125.43 crore as against sale of Rs. 5,806.98 crore as on Aug 2, 2017. This meant a net purchase of Rs. 318.45 crore compared with a net purchase of Rs. 2,461.45 crore on Aug 1, 2017.

Dividend Update

- DSP BlackRock Mutual Fund has declared Aug 11 as the record date for dividend under the DSP BlackRock Tax Saver Fund. The dividend per unit will be Re. 0.43.

NFO Update

- ICICI Mutual fund has decided to extend the New Fund Offer (NFO) period of ICICI Prudential Fixed Maturity Plan - Series 81 - 1142 Days Plan S. Accordingly, the NFO will close on Aug 16.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	63.80	0.34	-1.22	68.87	63.56
EUR/INR	75.26	0.52	2.20	76.25	67.92
YEN(100)/INR	57.61	0.24	1.59	67.15	56.22
SGD/INR	46.82	0.17	0.21	49.97	45.58
EUR/USD	1.18	0.21	3.45	1.19	1.03
GBP/USD	1.30	-0.02	1.11	1.34	1.15
JPY/USD	0.01	-0.05	2.84	0.01	0.01
SGD/USD	0.73	-0.15	1.39	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.98	0.32	225,889	-3.32
EUR/INR	75.61	-0.20	1,236	-0.56
GBP/INR	83.61	-0.35	725	5.07
JPY/INR	57.83	-0.34	204	2.51

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	63.74	63.71	0.04
GBP	83.16	83.71	-0.66
EURO	75.10	75.66	-0.74
100 Yen	57.55	57.85	-0.52

Currency Update

- The Indian rupee weakened against the U.S. dollar after U.S. jobs data for Jul 2017 came better than market expectations. Modest losses in the domestic equity market also weighed on market sentiment. The rupee fell 0.34% to close at 63.80 per dollar from the previous close of 63.58.
- The euro strengthened against the U.S. dollar as market participants remained on the sidelines ahead of U.S. producer price inflation data and consumer price inflation data for Jul 2017 due to be released later in the week. Euro was trading at \$1.1789, up 0.18% compared with the previous close of \$1.1768.

Global Economy

- A report from Destatis showed that Germany's industrial output missed market expectations and fell 1.1% MoM in Jun 2017 as against a growth of 1.2% in May 2017. Excluding energy and construction, production in industry fell 1.4%. While production of capital goods fell 1.9%, production of intermediate goods and consumer goods dropped 1.2% and 0.7%, respectively.
- A report from IHS Markit showed that Germany's construction Purchasing Managers' Index grew to 55.8 in Jul 2017 from 55.1 in Jun 2017. This marked the second fastest growth since Mar 2016. While the commercial activity witnessed the sharpest rate of growth, civil engineering activity posted the third-fastest rate of expansion in the survey history.
- According to the Society of Motor Manufacturers and Traders, U.K.'s car registrations fell 9.3% YoY to 161,997 units in Jul 2017. This marked a decline for the fourth month in a row due to weak demand. During Jan to Jul 2017, car sales dropped 2.2% YoY.

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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