

August 10, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31798	-0.68	1.39	32686	25718	23.91
Nifty 50	9908	-0.71	2.51	10138	7894	25.31
S&P BSE Midcap	15157	-1.66	1.44	15642	11449	30.23
S&P BSE 100	10280	-0.86	2.62	10494	8085	23.73
S&P BSE 200	4312	-0.96	2.24	4406	3379	24.66
Nifty Free Float	18040	-1.67	-0.35	18638	13658	31.81
Midcap 100						
Nifty 500	8637	-1.03	1.86	8833	6712	28.93

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24323	-1.68	2.11	25037	19164	27.21
S&P BSE Metal	12926	-0.23	9.90	13146	9464	31.27
S&P BSE Oil	14654	-0.52	8.57	15099	10495	12.34
S&P BSE Healthcare	13195	-3.73	-8.27	16866	13073	26.75
S&P BSE IT	10222	-0.01	4.45	11063	9123	17.12
S&P BSE CD	17321	-0.02	8.06	17499	10502	38.89
S&P BSE PSU	8720	-0.51	5.65	9216	7128	19.97
S&P BSE FMCG	9863	-0.78	-7.71	10936	7653	41.12
S&P BSE CG	17417	-1.10	0.74	18207	13255	28.93
Nifty Bank	24375	-0.91	3.95	25199	17607	27.28
S&P BSE Realty	2094	-0.49	-2.89	2231	1163	53.80

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22049	-0.17	2.96	22179	17884	20.20
S&P 500	2474	-0.04	2.01	2491	2084	21.99
Nasdaq	6352	-0.28	3.24	6461	5034	23.61
FTSE 100	7498	-0.59	2.00	7599	6654	23.04
CAC 40	5146	-1.40	0.01	5442	4311	15.80
DAX	12154	-1.12	-1.89	12952	10175	13.69
Nikkei	19739	-1.29	-0.96	20318	16112	16.56
Hang Seng	27757	-0.35	9.54	27876	21489	14.39
Shanghai Comp.	3276	-0.19	1.79	3305	2969	15.20

F&O Trends	Px Last	Previous	Change %
Near Futures	9,926.70	9,999.45	-0.73
Near Basis	18.65	20.90	-10.77
Mid Futures	9,959.65	10,031.80	-0.72
Mid Basis	51.60	53.25	-3.10
Near Open Interest (Cr.)	2.33	2.30	1.26
Mid Open Interest (Cr.)	0.13	0.13	1.03
Rollover (%)	5.72	5.67	0.90

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	11.11	1.37	-0.71	23.01	8.84
Nifty VIX	13.45	5.34	23.79	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FII					
Equity		6587.22	4689.20	1898.02	57863.77
Debt		1906.64	975.73	930.91	121938.98
MF¹					
Equity		3162.43	1779.82	1382.61	55820.21
Debt		12386.28	4543.67	7842.61	233481.90

1 As on 4th August 2017

Indian Equity Market

- Indian equity markets extended the losses for the third consecutive session with investor sentiment remaining low as a result of the Securities and Exchange Board of India's imposition of trading restrictions on 331 companies, suspected to be used as medium for various financial manipulations. Renewed signs of geo-political tension also kept the markets under pressure after media reports stated that North Korea is considering strikes near U.S. strategic military installations in Guam with its intermediate range ballistic missiles.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.68% and 0.71% to close at 31,797.84 and 9,908.05, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 1.66% and 1.69%, respectively.
- On the BSE sectoral front, all the indices closed in the red. S&P BSE Healthcare was the major loser, down 3.73%, followed by S&P BSE Industrials and S&P BSE Auto.

Indian Economy

- The Reserve Bank of India announced that so far investments in Sovereign Gold Bonds have been worth Rs. 6,030 crore. The scheme was launched in Nov 2015 by the government with an aim to lower the demand for physical gold and shift a part of the domestic savings that is used for purchase of gold into financial savings. The bonds have so far issued 9 tranches.
- The Minister of State for Agriculture announced that India's agriculture sector received foreign direct investment (FDI) worth Rs. 354.77 crore during Apr-May 2017. Meanwhile, FDI in the agriculture sector during the FY16-17 was Rs. 515.49 crore as against Rs. 553.14 in the year-ago period.

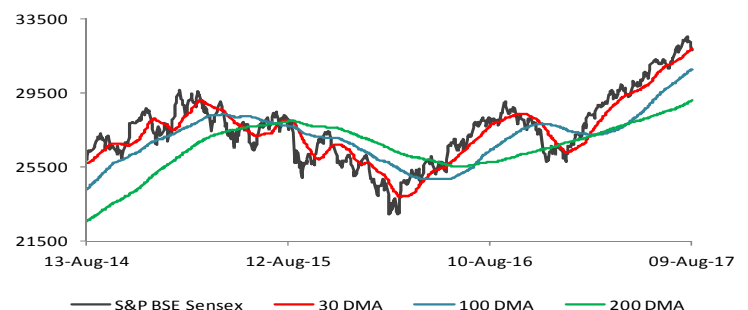
Global Equity Market

- As per the last close, U.S markets ended on negative note amid geopolitical concerns due to continued increase in tensions between the U.S. and North Korea.
- As per the last close, European market ended on a negative note amid geopolitical concerns due to continued increase in tensions between the U.S. and North Korea.
- Asian markets closed in the red amid rising geo-political tension between North Korea and the U.S. Lower-than-expected Chinese consumer inflation data and stronger yen further weighed on market sentiment. Today (As of Aug 10), Asian markets opened on mixed note. Most major indices recovered after posting steep falls on geopolitical tensions involving North Korea in the previous session.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 9,926.70, a premium of 18.65 points above the spot closing of 9,908.05. The turnover on NSE's Futures and Options segment went up from Rs. 7,25,969.57 crore on Aug 8 to Rs. 7,33,230.49 crore on Aug 9.
- The Put-Call ratio stood at 0.83 against previous session's close of 0.92.
- The Nifty Put-Call ratio stood at 1.13 compared with the previous session's close of 1.15.
- India VIX moved up 5.34% to 13.4525 from 12.7700 in the previous trading session.
- The open interest on Nifty Futures stood at 24.68 million as against previous session's close of 24.36 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	09-Aug-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	6.00	6.00
Repo	6.00	6.00	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	6.25	6.50	7.00

Daily Rates (%)	09-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.04	6.25	6.17	6.60
CALL	5.91	6.05	6.09	6.48
CBLO	6.02	6.18	4.95	6.60
OIS- 1 Yr	6.15	6.17	6.25	6.50
OIS- 5 Yr	6.15	6.23	6.32	6.51

Liquidity Indicators (in Rs. Cr.)	09-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	26,849	64,866	53,756	150,065
Call Money	14,366	12,615	23,209	16,729
CBLO	114,346	98,644	65,881	87,668
LAF	9,360	-3,483	-16,821	4,642
Treasury Bills	10,500	17,715	3,262	2,018

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.76	6.76	0.07
06.79 GS 2027	15-May-27	6.47	6.46	0.14
06.97 GS 2026	06-Sep-26	6.67	6.67	0.13
07.68 GS 2023	15-Dec-23	6.59	6.62	-0.43
07.35 GS 2024	22-Jun-24	6.68	6.66	0.25

Certificate of Deposit (%)	09-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.19	6.21	6.35	6.65
6-Month	6.35	6.35	6.48	6.91
9-Month	6.41	6.42	6.57	7.08
12-Month	6.49	6.49	6.66	7.25

Commercial Paper (%)	09-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.58	6.60	6.67	7.06
6-Month	6.74	6.75	6.92	7.46
9-Month	6.83	6.85	7.04	7.66
12-Month	6.93	6.95	7.18	7.88

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091-Days T-Bills	10,000	10,000	6.15%
182-Days T-Bills	7,000	7,000	6.22%

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 as investors sold debt papers ahead of weekly auctions due on Aug 11. Meanwhile, the Reserve Bank of India announced to conduct open market operations on Aug 10.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 1 bps to 6.47% from 6.46% in the previous trading session. During the session, bond yields traded in the range of 6.45% and 6.47%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 9,360 crore (gross) on Aug 9, higher than Rs. 8,620 crore (gross) borrowing on Aug 8. Sale of securities under RBI's reverse repo window stood at Rs. 7,065 crore on Aug 8.
- Banks did not borrow under the central bank's Marginal Standing Facility on Aug 8 as against borrowing of Rs. 830 crore on Aug 7.
- RBI conducted the auction of 91- and 182-days Treasury Bills for the notified amount of Rs. 10,000 crore and Rs. 7,000 crore, respectively. The cut-off for 91- and 182-days T-Bill stood at Rs. 98.49 (6.15%) and Rs. 96.99 (6.22%), respectively.
- RBI announced to sell (re-issue) four dated Government Securities (GS) namely GoI FRB 2024, 6.79% GS 2027, 7.73% GS 2034, and 7.06% GS 2046, for an aggregate amount of Rs. 15,000 crore on Aug 11.

Spread Analysis

- Yields on gilt securities either closed steady or increased by up to 2 bps, barring 30-year paper that fell 1 bps.
- Yield on corporate bonds either closed steady or increased by up to 2 bps across the maturities, barring 9-, 10-, and 15-year maturities that fell 1 bps each.
- Spread between AAA corporate bond and gilt either closed steady or fell by up to 2 bps, barring 1-year paper that expanded 1 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Aug 07- 11	15,000	0	0.00%
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.
GOI FRB 2024	8 Yrs	3,000
6.79 GS 2027	10 Yrs	8,000
7.73 GS 2034	19 Yrs	2,000
7.06 GS 2046	30 Yrs	2,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	41.00	56.00	77.00
3 Yr	47.30	61.30	87.30
5 Yr	53.00	70.00	100.00
10 Yr	59.30	74.30	104.30

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)	1277	1.34	5.31	1352	1128
Silver (\$/oz)	17	2.98	8.51	20	16
NYMEX Crude(\$/bbl)	50	1.06	12.08	54	42
Brent Crude(\$/bbl)	53	-0.04	12.44	56	41
Baltic Dry Index	1050	1.16	27.74	1338	638
RJ/CRB Index	182	0.26	5.21	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,560	0.40	1.97	31,316	27,172
Silver (1 kg)	37,797	1.60	2.54	47,033	35,660
Crude Oil (1 bbl)	3,134	-0.44	6.27	3,688	2,748
Natural Gas (1 mmbtu)	180	0.78	-3.85	693	171
Aluminium (1 kg)	129	1.86	3.50	129	103
Copper (1 kg)	414	1.22	9.20	446	112
Nickel (1 kg)	683	4.20	17.89	803	561
Lead (1 kg)	151	0.80	2.72	169	120
Zinc (1 kg)	188	2.62	4.48	200	145
Mentha Oil (1 kg)	1,270	-2.23	21.52	1,325	993
Cotton (1 bales)	20,520	0.39	0.54	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	-1.60	2.29	12.18	14.63	12.63	15.85
Small/Mid Cap	-2.26	-0.75	12.57	20.95	21.17	25.21
Diversified	-1.55	1.95	12.59	16.65	14.61	17.52
Balanced	-1.09	1.17	10.00	14.35	13.28	16.13
Banking	-2.58	3.41	20.20	28.13	20.33	18.90
FMCG	-1.00	-4.98	11.23	13.77	16.06	15.83
Pharma	-5.21	-4.95	-8.97	-14.47	6.63	15.16
Technology	-1.41	1.98	4.56	-1.24	5.38	16.36
Infrastructure	-1.34	1.31	12.48	22.18	14.82	16.30
Gold Funds	-0.42	1.99	-4.22	-11.37	-1.43	-1.97
Nifty 50	-1.72	2.51	12.87	14.17	9.38	13.22
S&P BSE Sensex	-2.09	1.39	12.24	13.22	7.86	12.60
S&P BSE 500	-1.67	1.88	13.38	17.36	12.31	15.26
S&P BSE Midcap	-1.66	1.44	12.22	18.60	19.10	19.96
CRISIL Balanced	-1.02	2.08	10.41	12.83	10.28	12.21

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	6.23	6.60	6.19	6.46	7.34
Ultrashort Bond	7.95	9.44	6.96	7.31	7.74
Short-T Bond	11.12	11.76	8.52	8.17	8.18
Long-T Bond	12.21	12.39	9.74	8.93	8.73
Long T Govt Sec	11.31	11.77	11.94	10.04	8.64
Crisil Liquid	6.66	6.66	6.75	6.80	6.80
Crisil ST Bond	9.59	10.45	8.82	8.36	7.34
Crisil Composite	14.27	15.13	11.81	9.93	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 grew following the U.S. President issuing a warning to North Korea to stop threatening the U.S with nuclear missiles. Gold prices were last seen trading at \$1,267.27 per ounce, compared with the previous close of \$1,260.24 per ounce.
- Brent crude prices went down as investors awaited weekly stockpile data of crude and refined products from the U.S. Oil prices were last seen trading at \$52.47 per barrel, compared with the previous close of \$52.54 per barrel.

International Market Update

- According to the Bank of France, the French economy is forecasted to grow at 0.5% in the third quarter of 2017, the same pace as was seen in the second quarter.
- According to data from the statistical office Istat, Italy's industrial production grew more than expected by 1.1% MoM in Jun 2017, faster than 0.7% increase in May 2017. On a yearly basis, calendar-adjusted industrial production increased for fifth consecutive time by 5.3% from 2.7% in May. In the first half of the year, industrial output reported an annual growth of 2.2%.

Mutual Fund & Insurance Update

- Birla Sun Life Mutual Fund has appointed Mr. Jayesh Gandhi and Mr. Chanchal Khandelwal to jointly manage Birla Sun Life Resurgent India Fund - Series 4, effective from Aug 10, 2017.
- Mr. Aditya Pagaria became the fund manager of Axis Banking & PSU Debt Fund, effective from Aug 8, 2017.
- Mr. Rahul Vekaria stepped down from the role of fund manager of Axis Banking & PSU Debt Fund and key personnel of Axis Asset Management Company, effective from Aug 7, 2017.
- ICICI Prudential Mutual Fund has extended the rollover period of ICICI Prudential Fixed Maturity Plan – Corporate Bond Series B – 1100 Days by 680 days. The fund, originally supposed to mature on Aug 17, 2017, will now mature on Jun 27, 2019.
- UTI Mutual Fund has changed the exit load of UTI-Dynamic Bond Fund, effective from Aug 9, 2017. As per the change, no exit load will be charged.

Dividend Update

- Birla Sun Life Mutual Fund has declared Aug 14 and Aug 16, 2017, as the record dates for declaration of dividend under the dividend option of Birla Sun Life Interval Income Fund – Annual Plan IX, the rate of dividend for which will be the entire distributable surplus as on the record date.

NFO Update

- Reliance Mutual Fund has extended the New Fund Offering of Reliance Fixed Horizon Fund - XXXV - Series 3, from Aug 7, 2017, to Aug 10, 2017.

August 10, 2017

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	63.83	0.32	-1.17	68.87	63.56
EUR/INR	75.07	0.31	1.94	76.25	67.92
YEN(100)/INR	57.99	0.46	2.26	67.15	56.22
SGD/INR	46.82	0.23	0.20	49.97	45.58
EUR/USD	1.18	0.07	3.13	1.19	1.03
GBP/USD	1.30	0.12	0.89	1.34	1.15
JPY/USD	0.01	0.22	3.47	0.01	0.01
SGD/USD	0.73	-0.04	1.33	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.99	0.30	207,184	-6.06
EUR/INR	75.16	-0.33	990	-19.90
GBP/INR	83.26	0.11	739	6.79
JPY/INR	58.34	0.89	196	-1.01

RBI Reference rate

	Current	Previous	Chg % 1 Day
USD	63.75	63.74	0.02
GBP	82.92	83.15	-0.27
EURO	74.86	75.29	-0.57
100 Yen	57.94	57.63	0.54

Currency Update

- The Indian rupee weakened against the U.S. dollar following losses in the domestic equity market. Investors were also cautious ahead of key U.S. data to be released in coming days. The rupee fell 0.32% to close at 63.83 per dollar from the previous close of 63.63 per dollar.
- The euro weakened against the U.S. dollar as investors were cautious ahead of U.S. producer price and consumer price inflation data to be released this week. Euro was trading at \$1.1738, down 0.09% compared with the previous close of \$1.1749.

Global Economy

- According to the National Bureau of Statistics, China's inflation eased to 1.4% YoY in Jul 2017 from 1.5% in Jun 2017. Inflation was way below 3% target for the whole 2017 set by the government. Food prices fell 1.1% YoY while non-food prices grew 2.0% YoY in Jul. On a monthly basis, consumer prices edged up 0.1%, in contrast to a 0.2% drop in Jun.
- According to the Bank of Japan, M2 money stock in Japan exceeded market expectations and was up 4% on YoY basis in Jul 2017, reaching 978.5 trillion yen. It was up from 3.9% increase in Jun 2017. On an annual basis, the M3 money stock came in at 3.4%, up from 3.3% increase in Jun and the money stock was up 3.4% in Jul, up from a gain of 3.1% 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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