

August 17, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31771	1.02	-0.78	32686	25718	23.66
Nifty 50	9897	1.05	0.11	10138	7894	25.28
S&P BSE Midcap	15282	1.26	0.63	15642	11449	30.12
S&P BSE 100	10273	1.04	0.33	10494	8085	23.55
S&P BSE 200	4312	1.06	0.18	4406	3379	24.47
Nifty Free Float Midcap 100	18089	1.32	-1.04	18638	13658	31.88
Nifty 500	8636	1.10	-0.06	8833	6712	28.92

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23987	1.62	-0.94	25037	19164	26.00
S&P BSE Metal	12932	1.72	8.10	13146	9464	28.06
S&P BSE Oil	14615	0.35	5.09	15099	10599	12.27
S&P BSE Healthcare	13215	0.95	-10.12	16866	12513	29.96
S&P BSE IT	10262	0.50	2.10	10803	9123	17.11
S&P BSE CD	17623	0.31	10.35	17733	10502	38.24
S&P BSE PSU	8490	0.63	-0.22	9216	7173	18.94
S&P BSE FMCG	10030	2.49	-7.24	10936	7653	41.50
S&P BSE CG	17255	-0.13	-2.18	18207	13255	28.26
Nifty Bank	24438	1.34	2.09	25199	17607	27.35
S&P BSE Realty	2095	0.83	-2.04	2231	1163	60.57

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22025	0.12	1.79	22179	17884	20.08
S&P 500	2468	0.14	0.36	2491	2084	21.89
Nasdaq	6345	0.19	0.52	6461	5034	23.40
FTSE 100	7433	0.67	0.74	7599	6654	22.66
CAC 40	5177	0.71	-1.12	5442	4311	15.89
DAX	12264	0.71	-2.91	12952	10175	13.27
Nikkei	19729	-0.12	-1.94	20318	16112	16.49
Hang Seng	27409	0.86	3.86	27876	21489	14.08
Shanghai Comp.	3246	-0.15	0.75	3305	2969	15.04

F&O Trends	Px Last	Previous	Change %
Near Futures	9,904.95	9,815.60	0.91
Near Basis	7.65	21.45	-64.34
Mid Futures	9,937.60	9,846.90	0.92
Mid Basis	40.30	52.75	-23.60
Near Open Interest (Cr.)	2.36	2.28	3.33
Mid Open Interest (Cr.)	0.15	0.14	11.59
Rollover (%)	6.65	6.24	6.49

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	11.74	-2.49	23.45	23.01	8.84
Nifty VIX	14.24	-1.01	27.43	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIs				
Equity	3288.81	4812.62	-1523.81	53098.06
Debt	292.38	489.78	-197.40	122599.76
MF¹				
Equity	944.13	982.56	-38.43	57407.03
Debt	1626.78	2921.05	-1294.27	228281.45

¹ As on 10th August 2017

Indian Equity Market

- Indian equity market closed in the green amid firm global signals on receding tensions between the U.S. and North Korea. Also, positive signals from European markets before the release of U.S. Federal Reserve meeting minutes and British unemployment data helped improve market sentiment. However, hopes of further rate cut by the Reserve Bank of India dampened after India's Consumer Price Index data for Jul 2017 came in more than expected.
- On the BSE sectoral front, indices closed on a positive note. Among the gainers were S&P BSE FMCG (2.49%), S&P BSE Metal (1.72%), S&P BSE Auto (1.62%), S&P BSE Finance (1.42%), S&P BSE Basic Materials (1.30%), S&P BSE Bankex (1.26%), and S&P BSE Consumer Discretionary Goods & Services, and S&P BSE Healthcare both (0.95%). The losers comprised S&P BSE Capital Goods, down 0.13%, trailed by S&P BSE Utilities (-0.05%).

Indian Economy

- The Securities and Exchange Board of India (SEBI) announced that it has increased focused inspection of suspected brokers and other entities, thereby leading to action against hundreds of them. This comes in the wake of crack down on the misuse of the stock market for money laundering.
- Government has allowed export of gold jewellery (plain or studded) and other articles having 8 carat and above up to maximum limit of 22 carat purity. However, above 22 carat export has been banned with an aim to check round tripping of the precious metal. The limit is applicable for domestic tariff area and export-oriented units, electronics hardware technology parks, software technology parks, and bio technology parks.

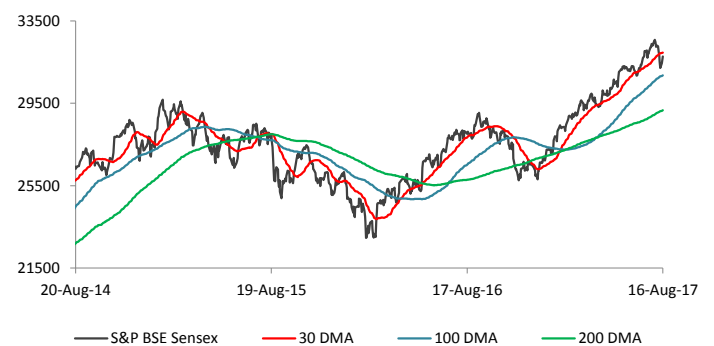
Global Equity Market

- As per the last close, U.S markets ended on a slightly higher note as U.S. Federal Reserve minutes showed that the central bank is on track to unwind its \$4.5 trillion balance sheet at an upcoming meeting. However, political turbulence in U.S. capped most of the gains.
- As per the last close, European market ended on higher note amid easing geopolitical tensions in the Korean peninsula.
- Most of the Asian markets closed in the green as concerns over geo political tensions between North Korea and U.S. continued to recede. However, major indices witnessed pressure amid growing speculation over probable rate hike by the U.S. Federal Reserve in Dec 2017. Today (As of Aug 17), Asian markets opened on a lower note amid stronger yen that weighed on Japanese market and political turmoil in the U.S.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 9,904.95, a premium of 40.30 points above the spot closing of 9,897.30. The turnover on NSE's Futures and Options segment went up from Rs. 3,68,608.31 crore on Aug 14 to Rs. 8,49,969.81 crore on Aug 16.
- The Put-Call ratio stood at 0.79 against previous session's close of 0.95.
- The Nifty Put-Call ratio stood at 1.18 compared with the previous session's close of 1.12.
- India VIX moved down 1.01% to 14.2375 from 14.3825 in the previous trading session.
- The open interest on Nifty Futures stood at 25.27 million as against previous session's close of 24.35 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	16-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 (%)	16-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.04	6.25	6.50
CALL	5.84	5.91	6.09	6.42
CBLO	5.84	6.02	6.16	6.46
OIS- 1 Yr	6.16	6.15	6.22	6.53
OIS- 5 Yr	6.20	6.15	6.26	6.49

Liquidity Indicators (in Rs. Cr.)	16-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	33,146	26,849	47,498	59,933
Call Money	11,684	14,366	10,895	15,451
CBLO	115,080	114,346	102,648	110,486
LAF	2,180	-834	-1,991	5,916
Treasury Bills	9,681	10,500	2,355	7,027

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.53	6.52	0.19
06.79 GS 2029	26-Dec-29	6.82	6.81	0.26
06.97 GS 2026	06-Sep-26	6.73	6.72	0.09
07.68 GS 2023	15-Dec-23	6.65	6.64	0.10
07.35 GS 2024	22-Jun-24	6.74	6.73	0.13

Certificate of Deposit (%)	16-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.19	6.19	6.31	6.64
6-Month	6.34	6.35	6.46	6.92
9-Month	6.41	6.41	6.54	7.07
12-Month	6.48	6.49	6.62	7.23

Commercial Paper (%)	16-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.55	6.58	6.59	7.05
6-Month	6.74	6.74	6.89	7.41
9-Month	6.84	6.83	7.00	7.59
12-Month	6.94	6.93	7.13	7.78

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091 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 retail inflation grew higher than expected in Jul 2017 lowering hopes of any further easing by the Monetary Policy Committee in the near term.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 1 bps to 6.53% from 6.52% in the previous trading session. During the session, bond yields traded in the range of 6.52% and 6.55%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,180 crore (gross) on Aug 16, lower than Rs. 2,620 crore (gross) borrowing on Aug 14. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,033 crore on Aug 14.
- Banks borrowed Rs. 950 crore under the central bank's Marginal Standing Facility on Aug 14 as against borrowing of Rs. 1,030 crore on Aug 11.
- RBI conducted a 28-day variable rate repo auction for a notified amount of Rs. 20,000 crore for which Rs. 4,025 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted a 2-day variable rate repo auction for a notified amount of Rs. 20,000 crore for which Rs. 20,003 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted a 14-day variable rate repo auction for a notified amount of Rs. 40,000 crore for which Rs. 40,007 crore was allotted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities either closed steady or increased by up to 4 bps. The maximum increase was witnessed on 14-year paper.
- Yield on corporate bonds increased across the maturities by up to 4 bps, barring 4-, 9-, and 10-year maturities that closed steady.
- Spread between AAA corporate bond and gilt witnessed a mixed trend. It contracted the most on 10-year paper by 2 bps and expanded the most on 5-year paper by 4 bps. Spread closed steady on 2-, 3-, 7-, and 15-year maturities.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Aug 14 - 18	15,000	0	0.00%
Month: Aug 2017	60,000	30,000	50.00%
H1: Apr'17-Sep'17	372,000	275,784	74.14%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	65.48%
10 to 14 Yrs	44.09%	80.97%
Long Dated (above 14 Yrs)	33.33%	70.97%

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	49.70	64.70	85.70
3 Yr	50.00	70.00	95.00
5 Yr	54.50	72.50	108.50
10 Yr	57.60	80.60	109.60

Key Indicators	Current	Previous
WPI (Jul'17)	1.88%	0.90%
CPI (Jul'17)	2.36%	1.46%
IIP (Jun'17)	-0.10%	1.70%
Trade Deficit (In \$ billion-Jul 17)	-11.45	-12.96

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1283	0.89	4.41	1352	1128
Silver (\$/oz)	17	2.95	7.09	20	16
NYMEX Crude(\$/bbl)	47	-1.62	0.58	54	42
Brent Crude(\$/bbl)	50	0.98	4.79	56	41
Baltic Dry Index	1207	3.25	34.11	1338	682
RJ/CRB Index	175	-0.54	-0.53	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,726	-0.61	3.15	31,316	27,172
Silver (1 kg)	38,144	-1.60	4.62	46,577	35,660
Crude Oil (1 bbl)	3,047	-2.75	2.63	3,688	2,748
Natural Gas (1 mmbtu)	190	-0.99	-0.68	693	172
Aluminium (1 kg)	133	2.58	8.68	133	103
Copper (1 kg)	410	-0.47	8.72	446	112
Nickel (1 kg)	678	0.76	12.14	803	561
Lead (1 kg)	154	3.71	5.45	169	123
Zinc (1 kg)	193	4.46	8.35	200	145
Mentha Oil (1 kg)	1,342	2.74	22.17	1,342	993
Cotton (1 bales)	20,490	-0.19	1.19	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	0.03	0.19	12.57	15.36	11.77	15.64
Small/Mid Cap	0.54	-1.12	14.20	22.42	20.91	25.04
Diversified	0.31	0.40	13.54	17.78	13.91	17.37
Balanced	0.17	-0.01	10.36	14.92	12.66	15.99
Banking	0.19	1.04	20.71	28.26	19.64	18.91
FMCG	2.19	-3.52	15.25	15.66	16.10	16.56
Pharma	0.04	-7.07	-7.82	-13.28	5.83	15.14
Technology	0.11	0.60	1.24	0.60	4.95	15.84
Infrastructure	0.16	0.03	13.83	23.46	14.29	16.09
Gold Funds	1.00	3.65	-3.04	-11.43	-0.82	-1.95
Nifty 50	-0.11	0.11	12.75	14.52	8.28	13.03
S&P BSE Sensex	-0.08	-0.78	12.26	13.21	6.75	12.46
S&P BSE 500	-0.01	0.00	13.77	17.85	11.46	15.09
S&P BSE Midcap	0.83	0.63	14.45	19.17	19.21	19.94
CRISIL Balanced	-0.12	0.32	10.15	12.83	9.48	12.06

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	6.10	6.57	6.18	6.45	7.34
Ultrashort Bond	4.84	8.33	6.71	7.21	7.74
Short-T Bond	0.33	8.73	7.94	7.86	8.16
Long-T Bond	-3.63	7.99	9.01	8.46	8.66
Long T Govt Sec	-13.61	3.72	10.92	9.27	8.60
Crisil Liquid	6.60	6.68	6.73	6.79	6.80
Crisil ST Bond	1.89	7.37	8.33	8.16	7.33
Crisil Composite	-8.31	8.09	10.80	9.29	7.25
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices gained ahead of the release of U.S. Federal Reserve's Jul 2017 policy meeting minutes for further cues on the central bank's plan to reduce its balance sheet and next rate hike. Investors were also waiting for U.S. housing starts and building permits data. Gold prices were last seen trading at \$1,272.20 per ounce, compared with the previous close of \$1,271.38 per ounce.
- Brent crude prices inched up after data from the American Petroleum Institute (API) indicated that U.S. oil inventories fell by 9.16 million barrels in the week ended Aug 11. Oil prices were last seen trading at \$50.2 per barrel, compared with the previous close of \$49.79 per barrel.

International Market Update

- A report from the National Association of Home Builders showed that U.S. NAHB/Wells Fargo Housing Market Index came in better than market expectations and surged to 68 in Aug 2017 from 64 in Jul 2017. The index rebounded after falling in the previous two months.
- According to the Commerce Department, U.S. business inventories grew 0.5% in Jun 2017, up from a gain of 0.3% in May 2017. The number came in slightly better than market expectations.
- A report from the Commerce Department showed that U.S. retail sales surpassed market expectations and grew 0.6% in Jul 2017 as against upwardly revised gain of 0.3% in Jun 2017 (0.2% decline originally reported).

Mutual Fund & Insurance Update

- According to media reports, the capital market regulator Securities and Exchange Board of India has approved Essel Finance Wealthzone, a wholly-owned subsidiary of Essel Finance Management, to acquire stake in Peerless Funds Management. The company has received approval to acquire entire shareholding of Peerless Fund Management Company Limited (Peerless AMC) and the Peerless Trust Management Company Limited (Peerless Trust).
- Mutual funds bought equity worth Rs. 944.13 crore as against sale of Rs. 982.56 crore as on Aug 10, 2017. This led to a net sale of Rs. 38.43 crore compared with a net purchase of Rs. 470.16 crore on Aug 9, 2017.
- In the debt space, mutual funds bought to the tune of Rs. 1,626.78 crore as against sale of Rs. 2,921.05 crore as on Aug 10, 2017. This meant a net sale of Rs. 1,294.27 crore compared with a net sale of Rs. 3,230.62 crore on Aug 9, 2017.

Dividend Update

- ICICI Prudential Mutual Fund has announced Aug 1 as the record date for declaration of dividend under the dividend option of ICICI Prudential Infrastructure Fund and ICICI Prudential Equity - Arbitrage Fund. In case of ICICI Prudential Infrastructure Fund, the dividend rates are Rs. 1.80 per unit (regular) and Re. 0.40 per unit (direct). The rate of dividend for ICICI Prudential Equity - Arbitrage Fund, the rate of dividend is Re. 0.0718 per unit.

NFO Update

- ICICI Prudential Mutual Fund has announced the extension of New Fund Offer period of ICICI Prudential Fixed Maturity Plan - Series 81 - 1133 Days Plan T till Aug 23, 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	64.15	0.05	-0.46	68.87	63.56
EUR/INR	75.49	0.35	2.26	76.25	67.92
YEN(100)/INR	58.22	0.50	1.78	67.15	56.22
SGD/INR	47.09	0.48	0.35	49.94	45.58
EUR/USD	1.18	0.30	2.62	1.19	1.03
GBP/USD	1.29	0.15	-1.58	1.34	1.15
JPY/USD	0.01	0.44	2.11	0.01	0.01
SGD/USD	0.73	0.33	0.64	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.24	0.02	168,893	-11.38
EUR/INR	75.21	-0.77	759	-21.67
GBP/INR	82.74	-0.73	787	5.21
JPY/INR	58.01	-0.88	146	5.04

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.24	64.03	0.34
GBP	82.62	83.28	-0.79
EURO	75.38	75.70	-0.43
100 Yen	58.01	58.43	-0.72

Currency Update

- The Indian rupee initially weakened against the greenback after U.S. retail sales witnessed their biggest increase in seven months in Jul 2017, which renewed concerns of another rate hike by the U.S. Federal Reserve (Fed). However, most of the losses were neutralised as market participants remained on the sidelines ahead of the release of U.S. Federal Open Market Committee's Jul meeting minutes, due later in the day. The Indian rupee inched down 0.05% to close at 64.15 per dollar from the previous close of 64.12 per dollar.
- The euro weakened against the U.S. dollar after U.S. retail sales witnessed their biggest increase in seven months in Jul 2017, which renewed concerns of another rate hike by the U.S. Fed. Euro was trading at \$1.1706, down 0.23% compared with the previous close of \$1.1733.

Global Economy

- A report from Eurostat showed that euro zone's Gross Domestic Product came in line with the flash estimate and grew 0.6% in the second quarter, slightly up from 0.5% in the first quarter. On YoY basis, GDP growth was revised up slightly to 2.2% from initial estimate of 2.1% as against a growth of 1.9% in the first quarter.
- According to data from the Office for National Statistics, U.K. ILO unemployment rate fell to 4.4% in the second quarter from 4.9% in the year-ago period. This marked the lowest rate since 1975. While the number of unemployed decreased by 57,000 from first quarter to 1.48 million, employment rate came in at 75.1%, marking the highest rate since comparable records began in 1971.
- According to Office for National Statistics, on an annual basis, U.K. consumer prices grew 2.6% in Jul 2017 as against the same rate witnessed in Jun 2017. Core inflation (excluding energy, food, alcoholic beverages and tobacco) also remained stable at 2.4%.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Jul)	01-Aug-17	Consumer Price Index (Jul)	14-Aug-17
Third Bi-monthly Monetary Policy Statement for 2017-18	02-Aug-17	Wholesale Price Index (Jul)	14-Aug-17
Nikkei India Service PMI (Jul)	03-Aug-17	Forex Reserves	21-Aug-17
Index of Industrial Production (Jun)	11-Aug-17	GDP Estimate (Q1 of FY18)	31-Aug-17

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