

August 22, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31259	-0.84	-2.40	32686	25718	23.36
Nifty 50	9754	-0.84	-1.62	10138	7894	24.99
S&P BSE Midcap	14987	-1.45	-1.30	15642	11449	29.65
S&P BSE 100	10118	-0.97	-1.49	10494	8085	23.27
S&P BSE 200	4247	-0.99	-1.60	4406	3379	24.19
Nifty Free Float	17782	-1.46	-2.63	18638	13658	31.61
Midcap 100	8509	-0.99	-1.85	8833	6712	28.73

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23544	-1.01	-3.40	25037	19164	25.57
S&P BSE Metal	12756	-1.43	4.66	13234	9464	28.27
S&P BSE Oil	14562	-1.57	3.61	15099	10599	12.25
S&P BSE Healthcare	12730	-1.61	-14.20	16866	12513	28.92
S&P BSE IT	9876	-2.04	-4.32	10712	9123	16.49
S&P BSE CD	17652	-0.27	9.76	17835	10502	38.38
S&P BSE PSU	8405	-1.81	-1.58	9216	7173	18.94
S&P BSE FMCG	10045	-0.30	-0.56	10936	7653	41.61
S&P BSE CG	17078	-0.83	-3.60	18207	13255	28.02
Nifty Bank	23937	-0.57	-1.32	25199	17607	26.79
S&P BSE Realty	2064	-1.25	-4.46	2231	1163	57.71

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21704	0.13	0.57	22179	17884	19.83
S&P 500	2428	0.12	-1.79	2491	2084	21.55
Nasdaq	6213	-0.05	-2.73	6461	5034	22.96
FTSE 100	7319	-0.07	-1.80	7599	6654	22.21
CAC 40	5088	-0.52	-0.59	5442	4311	15.62
DAX	12066	-0.82	-1.42	12952	10175	13.05
Nikkei	19393	-0.40	-3.52	20318	16112	16.20
Hang Seng	27155	0.40	1.68	27876	21489	13.85
Shanghai Comp.	3287	0.56	1.51	3305	2969	15.16

F&O Trends	Px Last	Previous	Change %
Near Futures	9,768.60	9,854.40	-0.87
Near Basis	14.25	17.00	-16.18
Mid Futures	9,801.75	9,881.70	-0.81
Mid Basis	47.40	44.30	7.00
Near Open Interest (Cr.)	2.56	2.50	2.12
Mid Open Interest (Cr.)	0.18	0.18	4.26
Rollover (%)	7.33	7.20	1.88

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	13.19	-7.50	40.92	23.01	8.84
Nifty VIX	14.82	1.68	33.65	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FII's				
Equity	5035.17	6884.58	-1849.41	47797.42
Debt	1522.55	354.97	1167.58	123400.50
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

- The Indian equity market closed in the red after shares of a major software company continued to suffer huge losses for the second day following the resignation of the Chief Executive Officer (CEO) and Managing Director (MD) of the company. Meanwhile, media reported that four U.S. law firms would be investigating on the IT major, on behalf of the investors, whether some of the officers and directors violated federal securities laws. Weak global cues on the back of growing uncertainty over U.S. President's economic agenda and geopolitical concerns further dented sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.84% each to close at 31,258.85 and 9,754.35, respectively.
- On the BSE sectoral front, all the indices closed in the red. S&P BSE IT (-2.04%) stood as the major loser, followed by S&P BSE Teck (-1.89%) and S&P BSE HC (-1.61%). IT sector fell as a major IT company plunged post resignation of its CEO and MD.

Indian Economy

- According to media reports, the government is considering an alternative mechanism for undertaking mergers in state-run banks. The objective of the move is to speed up decisions on possible mergers among public sector banks.
- Capital market regulator Securities and Exchange Board of India (SEBI) is considering making Aadhaar compulsory for stock trading. SEBI in this regard has asked stock exchanges for their feedback on preparedness of the brokers to get their clients to submit Aadhaar card details before Dec 31, 2017.
- According to the Ministry of Finance, the Goods and Services Tax (GST) Implementation Committee has taken a decision to extend the last date for payment of GST for the month of Jul to Aug 25, 2017. The extension comes as technical glitch held up filing of GST return.

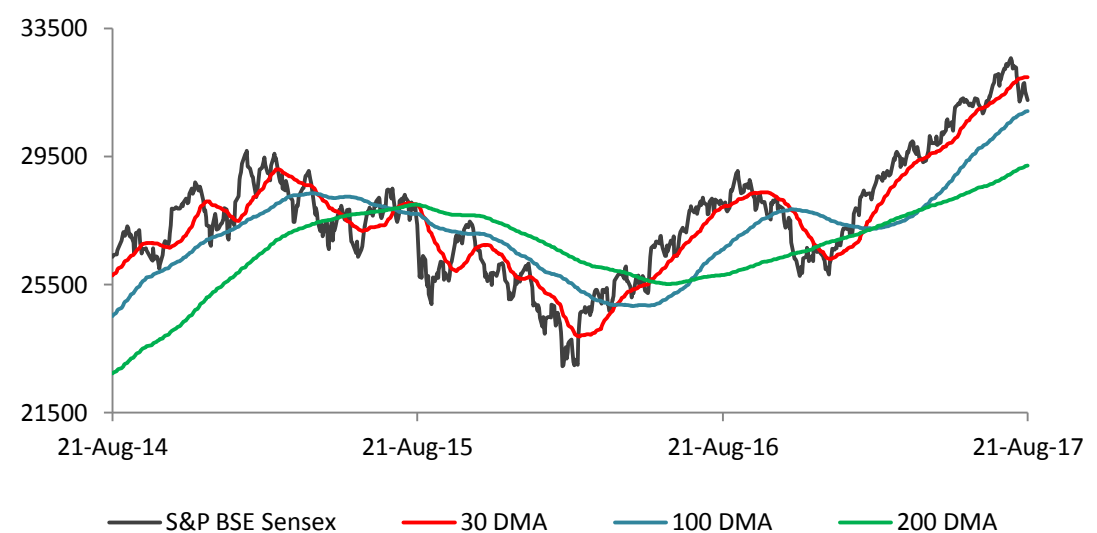
Global Equity Market

- As per the last close, U.S markets ended on a mixed note after showing lack of direction during the session. Investors remained concerned about U.S. President's ability to implement his agenda.
- As per the last close, European market ended on a negative note amid persisting tensions between North Korea and the United States.
- Asian markets closed in the negative following commencement of the combined military drills by the U.S. and South Korea. Today (As of Aug 22), Asian markets opened on mixed note as investors are cautious ahead of the U.S. Federal Reserve Chairperson's economic policy symposium in Jackson Hole on Aug 25.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 9,768.6, a premium of 14.25 points above the spot closing of 9,754.35. The turnover on NSE's Futures and Options segment went up from Rs. 4,61,058.12 crore on Aug 18 to Rs. 5,04,350.08 on Aug 21.
- The Put-Call ratio stood at 0.81 against previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.07 compared with the previous session's close of 1.14.
- India VIX moved up 1.68% to 14.8150 from 14.5700 in the previous trading session.
- The open interest on Nifty Futures stood at 27.60 million as against previous session's close of 26.99 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	21-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 (%)	21-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.00	6.21	6.49
CALL	5.99	5.86	6.10	6.40
CBLO	5.98	5.93	5.62	4.79
OIS- 1 Yr	6.16	6.15	6.19	6.55
OIS- 5 Yr	6.18	6.18	6.21	6.50

Liquidity Indicators (in Rs. Cr.)	21-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	21,285	28,910	87,997	103,314
Call Money	15,330	12,178	21,804	21,231
CBLO	121,891	123,439	71,848	61,364
LAF	11,914	-2,413	-15,796	-10,781
Treasury Bills	4,070	4,754	3,148	1,882

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.51	6.51	0.02
06.79 GS 2029	26-Dec-29	6.84	6.83	0.16
06.97 GS 2026	06-Sep-26	6.72	6.72	0.00
07.72 GS 2025	25-May-25	6.80	6.81	-0.03
07.16 GS 2023	20-May-23	6.66	6.65	0.09

Certificate of Deposit (%)	21-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.18	6.19	6.25	6.66
6-Month	6.37	6.34	6.39	6.90
9-Month	6.42	6.40	6.46	7.05
12-Month	6.49	6.47	6.52	7.21

Commercial Paper (%)	21-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.54	6.55	6.58	7.08
6-Month	6.74	6.73	6.81	7.39
9-Month	6.84	6.83	6.93	7.58
12-Month	6.95	6.93	7.06	7.78

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84 GS 2022	3,000	3,000	6.48%
6.79 GS 2029	7,000	7,000	6.81%
6.57 GS 2033	2,000	2,000	6.91%
6.62 GS 2051	3,000	3,000	7.13%

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 stood unchanged as investors preferred to stay on the sidelines amid lack of cues on future policy action and ahead of fresh supply of papers this week.
- Yield on the 10-year benchmark paper (6.79% GS 2027) stood steady at 6.51%. During the session, bond yields traded in the range of 6.50% and 6.52%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 11,914 crore (gross) on Aug 21, higher than Rs. 3,155 crore (gross) borrowing on Aug 18. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 28,938 crore on Aug 18.
- Banks borrowed Rs. 345 crore under the central bank's Marginal Standing Facility on Aug 18 as against borrowing of Rs. 11 crore on Aug 16.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 371 crore was allotted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities increased on 1-, 2-, 6-, and 12-year maturities by up to 2 bps, and fell on 4- and 15-year maturities by 1 bps each. Yield on remaining maturities closed steady.
- Yield on corporate bonds either closed steady or increased by up to 5 bps, barring 2- and 5-year maturities that fell 1 bps each.
- Spread between AAA corporate bond and gilt expanded on 1-, 4-, and 8 to 10 years' maturities by up to 3 bps, and fell 1 bps each on 2-, 5-, and 6-year maturities. Spread on the remaining maturities closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Aug 14 - 18	15,000	15,000	100.00%
Month: Aug 2017	60,000	45,000	75.00%
H1: Apr'17-Sep'17	372,000	290,784	78.17%

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.
Treasury Bills	91-Day	10,000
Treasury Bills	182-Day	7,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	57.80	72.80	93.80
3 Yr	49.10	69.10	94.10
5 Yr	54.00	72.00	108.00
10 Yr	60.90	83.90	112.90

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)	1291	0.52	2.90	1350	1128
Silver (\$/oz)	17	0.24	3.05	20	16
NYMEX Crude(\$/bbl)	47	-2.47	3.52	54	42
Brent Crude(\$/bbl)	52	2.21	11.10	56	41
Baltic Dry Index	1266	0.48	29.58	1338	685
RJ/CRB Index	177	-0.53	-0.06	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,944	-0.65	2.20	31,316	27,172
Silver (1 kg)	38,848	-0.66	3.39	46,577	35,660
Crude Oil (1 bbl)	3,110	2.81	2.88	3,688	2,748
Natural Gas (1 mmbtu)	186	-1.43	-5.41	693	172
Aluminium (1 kg)	133	-1.07	9.16	135	103
Copper (1 kg)	415	-0.16	7.69	446	112
Nickel (1 kg)	719	4.51	16.92	803	561
Lead (1 kg)	151	-1.31	6.22	169	123
Zinc (1 kg)	201	0.70	13.45	201	145
Mentha Oil (1 kg)	1,351	-0.29	20.21	1,370	993
Cotton (1 bales)	20,450	0.05	1.69	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	-0.52	-1.62	9.04	12.43	10.38	15.09
Small/Mid Cap	-0.07	-2.44	11.34	18.68	18.87	24.64
Diversified	-0.39	-1.29	10.23	14.79	12.39	16.85
Balanced	-0.22	-1.19	8.10	12.67	11.52	15.65
Banking	-0.67	-1.49	15.45	23.14	17.61	18.42
FMCG	1.78	1.49	14.72	14.87	16.09	16.31
Pharma	-1.97	-10.24	-12.51	-16.18	2.99	14.30
Technology	-1.57	-3.45	-1.28	-0.19	4.12	14.91
Infrastructure	0.18	-0.82	11.57	20.08	12.81	15.89
Gold Funds	0.59	2.88	-1.62	-10.44	0.41	-1.84
Nifty 50	-0.41	-1.62	9.50	12.47	7.31	12.46
S&P BSE Sensex	-0.60	-2.40	8.68	11.27	5.84	11.81
S&P BSE 500	-0.37	-1.76	10.29	15.16	10.19	14.55
S&P BSE Midcap	-0.70	-1.30	10.32	14.89	17.14	19.40
CRISIL Balanced	-0.22	-0.91	8.19	11.63	8.83	11.70

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	6.00	6.14	6.17	6.44	7.34
Ultrashort Bond	5.99	6.48	6.72	7.22	7.73
Short-T Bond	5.67	6.14	8.09	7.94	8.16
Long-T Bond	5.10	4.93	9.28	8.58	8.65
Long T Govt Sec	3.89	-0.41	11.52	9.38	8.60
Crisil Liquid	6.24	6.41	6.71	6.78	6.80
Crisil ST Bond	6.41	5.63	8.40	8.20	7.33
Crisil Composite	5.67	4.63	11.41	9.49	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 traded in the positive terrain ahead of the annual meeting of top central banks across the globe, scheduled in Jackson Hole, Wyoming, later during the week. Gold prices were last seen trading at \$1,286.75 per ounce, compared with the previous close of \$1,284.10 per ounce.
- Brent crude prices witnessed signs of recovery as data showed that U.S. energy firms reduced rigs drilling for new oil for the second week. Data from oilfield services firm Baker Hughes showed that drillers cut five oil rigs in the week to Aug 18, bringing the total count down to 763. Oil prices were last seen trading at \$52.50 per barrel, compared with the previous close of \$51.10 per barrel.

International Market Update

- A preliminary report from the University of Michigan showed that U.S. consumer sentiment index surpassed market expectations and grew to 97.6 in Aug 2017 from the final reading of 93.4 in Jul 2017. This marked the highest level since Jan 2017. The upside is driven by more positive outlook for the overall economy as well as more favourable personal financial prospects. The index of consumer expectations surged to 89.0 in Aug from 80.5 in Jul driven by improvement in expectations.
- According to a report from IHS Markit and financial information provider Ipsos Mori, U.K.'s Household Finance Index (seasonally adjusted) surged to 43.5 in Aug 2017 from 41.6 in Jul 2017, marking a three-year low. However, a score below 50 reflects pessimism regarding finances among the U.K. households. The index measuring the outlook for financial well-being over the next twelve months, inched up to 47.2 in Aug from 47.1 in Jul.

Mutual Fund & Insurance Update

- According to media reports, Mr. N S Venkatesh will take charge as the new Chief Executive Officer of the Association of Mutual Funds in India. He will succeed Mr. CVR Rajendran who has joined Syrian Catholic Bank as the CEO.
- Sundaram Mutual Fund has announced change in the exit load of Sundaram Select Focus Fund. Accordingly, an exit load of 1% is charged in case of redemption of units within 12 months from the date of allotment; and there will be no exit load if redeemed beyond 12 months from the date of allotment.
- As per media reports, HDFC Standard Life Insurance Company has filed a draft red herring prospectus with the Securities Exchange Board of India for an Initial Public Offer (IPO) of 299.80 million shares. Housing Development Finance Corporation (HDFC), that holds 61.50% in the life insurance company, could offload up to 9.57% stake of 191.2 million shares. Standard Life, the U.K.-based foreign partner that holds 35% shares, is expected to sell up to 5.43% stake worth 108.6 million shares through the IPO.

Dividend Update

- Reliance Mutual Fund has announced Aug 24 as the record date for declaration of dividend under the dividend option of Reliance Top 200 Fund and Reliance Regular Savings Fund - Balanced Option. The rates of dividend are Re. 0.1700 per unit and Re. 0.1500 per unit, respectively.
- ICICI Prudential Mutual Fund has announced Aug 23 as the record date for declaration of dividend under the quarterly dividend option of ICICI Prudential Income Opportunities Fund. The rates of dividend for the regular, institutional, and direct plans of the scheme are Re. 0.3173 per unit, Re. 0.3290 per unit, and Re. 0.3425 per unit, respectively.
- Indiabulls Mutual Fund has announced Aug 24 as the record date for declaration of dividend under the monthly dividend option of Indiabulls Arbitrage Fund. The rate of dividend is Re. 0.055 per unit.

NFO Update

- ICICI Prudential Mutual Fund has announced winding up of ICICI Prudential Fixed Maturity Plan – Corporate Bond Series B - 1100 Days, ICICI Prudential Interval Fund V - Monthly Interval Plan A and ICICI Prudential Interval Fund II - Quarterly Interval Plan F, on account of not meeting the requirement of minimum Assets under Management.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.13	-0.01	-0.29	68.87	63.56
EUR/INR	75.73	0.48	0.88	76.25	67.92
YEN(100)/INR	58.82	0.23	1.55	67.15	56.22
SGD/INR	47.09	0.18	-0.33	49.87	45.58
EUR/USD	1.18	0.46	1.31	1.19	1.03
GBP/USD	1.29	0.22	-0.72	1.34	1.15
JPY/USD	0.01	0.18	1.95	0.01	0.01
SGD/USD	0.74	0.18	0.13	0.69	0.74

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.20	0.00	169,617	0.09
EUR/INR	75.48	0.17	763	0.13
GBP/INR	82.80	0.02	1,142	-0.70
JPY/INR	58.70	-0.39	141	2.17

RBI Reference rate

	Current	Previous	Chg % 1 Day
USD	64.03	64.10	-0.12
GBP	82.40	82.62	-0.27
EURO	75.21	75.21	0.01
100 Yen	58.68	58.63	0.09

Currency Update

- The Indian rupee rose initially following greenback sales by foreign banks. However, most of the gains were neutralised due to losses in the domestic equity market as market participants remained wary of escalating of geopolitical tensions between the U.S. and North Korea. Greenback purchases by a state-run bank on behalf of the Reserve Bank of India also weakened the domestic currency. The rupee inched up 0.01% to close at 64.13 per dollar from the previous close of 64.14.
- The euro rose against the weak U.S. dollar due to political tensions in the U.S. However, market participants remained on the sidelines ahead of the U.S. Federal Reserve's annual central banking symposium in Jackson Hole, Wyoming, scheduled from Aug 24 to Aug 26. Euro was trading at \$1.1782, UP 0.19% compared with the previous close of \$1.1760.

Global Economy

- According to a property tracking website Rightmove, average asking price for a house in the U.K. dropped 0.9% MoM and fell to 2,758 pounds in Aug 2017 as against a gain of 0.1% in Jul 2017.
- A report from the Bank of Greece showed that Greece's current account surplus declined to EUR 842.3 million in Jun 2017 from EUR 909.8 million in the previous year period. While the deficit on goods trade widened to EUR 1.43 billion from EUR 1.41 billion in the prior year, surplus on services grew to EUR 2.3 billion from EUR 2.1 billion in Jun 2016.
- According to the Ministry of Economy, Trade and Industry, Japan's all industry activity index came in-line with market expectations and grew 0.4% MoM in Jun 2017 as against a decline of 0.8% in May 2017. While construction activity contracted 1.7%, industrial production grew 2.2%. Meanwhile tertiary industry activity remained flat after falling 0.1% in May. On an annual basis, all industry activity growth was 2.2% in Jun, down from 3.2% in May.

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	Forex Reserves	25-Aug-17
Index of Industrial Production (Jun)	11-Aug-17	GDP Estimate (Q1 of FY18)	31-Aug-17

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