

August 24, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31568	0.88	-1.44	32686	25718	23.59
Nifty 50	9853	0.89	-0.63	10138	7894	25.45
S&P BSE Midcap	15131	1.38	-0.36	15642	11449	29.94
S&P BSE 100	10219	0.96	-0.50	10494	8085	23.54
S&P BSE 200	4286	0.97	-0.69	4406	3379	24.44
Nifty Free Float	17857	1.19	-2.22	18638	13658	31.91
Midcap 100						
Nifty 500	8585	1.01	-0.98	8833	6712	29.20

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23513	0.63	-3.53	25037	19164	25.51
S&P BSE Metal	12995	1.81	6.62	13234	9464	28.80
S&P BSE Oil	14879	0.86	5.87	15099	10672	12.68
S&P BSE Healthcare	12899	0.55	-13.06	16866	12513	29.31
S&P BSE IT	9953	0.76	-3.57	10712	9123	16.62
S&P BSE CD	17411	-0.75	8.26	17885	10502	37.86
S&P BSE PSU	8528	1.20	-0.13	9216	7173	19.37
S&P BSE FMCG	10042	-0.04	-0.60	10936	7653	41.59
S&P BSE CG	17071	0.58	-3.64	18207	13255	28.01
Nifty Bank	24317	1.43	0.25	25199	17607	27.21
S&P BSE Realty	2112	3.48	-2.26	2231	1163	59.05

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21812	-0.40	1.08	22179	17884	20.03
S&P 500	2444	-0.35	-1.15	2491	2084	21.72
Nasdaq	6278	-0.30	-1.71	6461	5034	23.25
FTSE 100	7383	0.01	-0.94	7599	6654	21.95
CAC 40	5115	-0.32	-0.04	5442	4311	15.70
DAX	12174	-0.45	-0.54	12952	10175	13.17
Nikkei	19435	0.26	-3.31	20318	16112	16.24
Hang Seng	Closed	NA	NA	27876	21489	NA
Shanghai Comp.	3288	-0.08	1.54	3305	2969	15.16

F&O Trends	Px Last	Previous	Change %
Near Futures	9,862.30	9,784.65	0.79
Near Basis	9.80	19.10	-48.69
Mid Futures	9,895.55	9,816.90	0.80
Mid Basis	43.05	51.35	-16.16
Near Open Interest (Cr.)	2.43	2.51	-3.28
Mid Open Interest (Cr.)	0.22	0.19	12.57
Rollover (%)	8.86	7.75	14.23

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	12.25	7.93	30.88	23.01	8.84
Nifty VIX	13.18	-6.54	18.92	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs				
Equity	3474.55	4202.18	-727.63	45280.43
Debt	2215.10	1086.46	1128.64	125818.98
MF¹				
Equity	96.36	32.89	63.47	63800.80
Debt	996.88	421.82	575.06	244809.25

¹ As on 21st August 2017

Indian Equity Market

- After remaining range-bound during initial hours, the Indian equity market closed in the green for the second consecutive day. Market got support on news that the government may approve plans for mergers among state-owned banks at a cabinet meeting. News that a major IT company's reins could be taken over by one of its co-founders soothed investors' nerves. Renewed hopes of U.S. tax reform further helped gains.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.88% and 0.89% to close at 31,568.01 and 9,852.50, respectively.
- On the BSE sectoral front, most of the indices closed in the green barring S&P BSE CD (-0.75%) and S&P BSE FMCG (-0.04%). S&P BSE Realty (3.48%) stood as the major gainer followed by S&P BSE Metal (1.81%) and S&P BSE Telecom (1.78%). Bankex gained on news that the government may approve more mergers among state-owned banks.

Indian Economy

- The government is considering increasing the goods and services tax (GST) cess on luxury cars and SUVs to 25% from the present 15%. The objective of the move is to correct the reduction in tax burden on luxury cars following the rollout of GST on Jul 1.
- According to the chairman of GST-Network, (the company who is managing the tax filing under GST), 20 lakh businesses have paid taxes online so far. The Chairman further added that about 30 lakh businesses more are expected to pay before the deadline ends on Aug 25.
- According to the finance minister, the government is not considering banning Rs. 2,000 notes. The minister further added that RBI will decide on the timing of issuing the new Rs. 200 note.

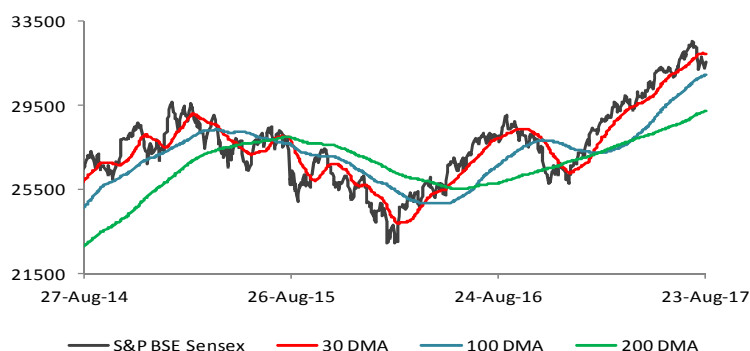
Global Equity Market

- As per the last close, U.S markets fell as comments by the U.S. President at a rally in Phoenix, Arizona, hurt investor sentiments.
- As per the last close, European market ended on a negative note despite better than expected euro zone economic data.
- Major Asian markets closed on a mixed note after the U.S. President's words that he could stop the North American Free-Trade Agreement increased worries about global trade. However, Japanese markets climbed after Japan's manufacturing sector grew at a faster pace in Aug 2017. Today (As of Aug 24), Asian markets opened mixed after a threat from the U.S. President about a possible government shutdown.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 9,862.30, a premium of 9.80 points above the spot closing of 9,852.50. The turnover on NSE's Futures and Options segment went up from Rs. 6,28,155.76 on Aug 22 to Rs. 7,15,860.83 on Aug 23.
- The Put-Call ratio stood at 0.96 against previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.18 compared with the previous session's close of 1.09.
- India VIX moved down 6.54% to 13.1825 from 14.1050 in the previous trading session.
- The open interest on Nifty Futures stood at 26.64 million as against previous session's close of 27.21 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	23-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 (%)	23-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.03	6.00	6.21	6.51
CALL	5.92	5.84	6.10	6.41
CBLO	5.99	5.84	5.62	6.46
OIS- 1 Yr	6.17	6.16	6.19	6.58
OIS- 5 Yr	6.19	6.20	6.21	6.55

Liquidity Indicators (in Rs. Cr.)	23-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	29,351	33,146	87,997	72,344
Call Money	13,344	11,684	21,804	14,301
CBLO	113,232	115,080	71,848	104,865
LAF	16,878	-9,245	-15,796	3,277
Treasury Bills	4,874	9,681	3,148	1,753

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.54	6.54	0.00
06.79 GS 2029	26-Dec-29	6.85	6.86	-0.11
06.97 GS 2026	06-Sep-26	6.74	6.74	-0.04
07.68 GS 2023	15-Dec-23	6.64	6.65	-0.15
07.72 GS 2025	25-May-25	6.81	6.81	-0.01

Certificate of Deposit (%)	23-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.19	6.19	6.25	6.65
6-Month	6.37	6.34	6.39	6.91
9-Month	6.42	6.41	6.46	7.06
12-Month	6.49	6.48	6.52	7.22

Commercial Paper (%)	23-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.55	6.55	6.58	7.07
6-Month	6.75	6.74	6.81	7.39
9-Month	6.85	6.84	6.93	7.58
12-Month	6.96	6.94	7.06	7.78

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091-Days T-Bills	10,000	10,000	6.11%
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 (August 04, 2017)	6.35%
Deposit Growth (August 04, 2017)	10.82%

Indian Debt Market

- Bond yields stood steady as investors deferred purchases ahead of fresh supply of notes on Aug 24.
- Yield on the 10-year benchmark paper (6.79% GS 2027) stood steady at 6.54%. During the session, bond yields traded in the range of 6.53% and 6.55%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 16,878 crore (gross) on Aug 23, lower than Rs. 11,280 crore (gross) borrowing on Aug 22. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 3,298 crore on Aug 22.
- Banks borrowed Rs. 3,615 crore under the central bank's Marginal Standing Facility on Aug 22 as against borrowing of Rs. 900 crore on Aug 21.
- 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. 98.50 (6.11%) and Rs. 96.99 (6.22%), respectively.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 300 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 10,003 crore was allotted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities either closed steady or fell 1 bps, barring 1-, 2-, 19-, and 30-year maturities that increased by up to 4 bps.
- Yield on corporate bonds increased across most of the maturities by up to 3 bps, barring 4- and 5-year maturities that closed steady. Yield on 3-year paper fell 1 bps.
- Spread between AAA corporate bond and gilt expanded across the maturities by up to 3 bps, barring 1- and 3-year maturities that contracted 1 bps each. Spread on 2-year paper closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Aug 21 - 24	15,000	0	0.00%
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.
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	41.80	56.80	77.80
3 Yr	47.30	67.30	92.30
5 Yr	53.70	71.70	107.70
10 Yr	60.80	83.80	112.80

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)	1290	0.42	2.81	1350	1128
Silver (\$/oz)	17	0.29	3.31	20	16
NYMEX Crude(\$/bbl)	48	1.68	5.84	54	42
Brent Crude(\$/bbl)	53	0.04	11.93	56	41
Baltic Dry Index	1222	-2.16	25.08	1338	685
RJ/CRB Index	178	0.48	0.52	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,975	0.19	2.31	31,316	27,172
Silver (1 kg)	38,896	0.15	3.52	46,577	35,660
Crude Oil (1 bbl)	3,066	1.09	1.42	3,688	2,748
Natural Gas (1 mmbtu)	188	-0.69	-3.93	693	172
Aluminium (1 kg)	134	-1.00	9.24	135	103
Copper (1 kg)	422	0.36	9.43	446	112
Nickel (1 kg)	733	0.07	19.26	803	561
Lead (1 kg)	153	2.03	7.84	169	123
Zinc (1 kg)	200	-0.79	12.60	201	145
Mentha Oil (1 kg)	1,360	2.27	21.07	1,370	993
Cotton (1 bales)	20,280	-0.25	0.85	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	-0.70	-0.72	10.08	14.23	10.64	15.45
Small/Mid Cap	-0.74	-2.02	12.41	19.96	18.88	24.76
Diversified	-0.64	-0.54	11.24	16.46	12.49	17.02
Balanced	-0.44	-0.69	8.90	13.83	11.56	15.78
Banking	-0.62	-0.14	17.04	25.52	17.80	18.81
FMCG	0.27	1.65	15.09	15.24	16.13	16.05
Pharma	-2.33	-9.64	-11.34	-15.02	3.14	14.22
Technology	-1.93	-3.17	-0.78	-0.48	3.85	14.63
Infrastructure	-0.16	-0.33	12.91	21.71	12.97	16.14
Gold Funds	0.99	2.89	-1.90	-10.18	0.60	-2.16
Nifty 50	-0.45	-0.63	10.21	14.13	7.57	12.71
S&P BSE Sensex	-0.64	-1.44	9.26	12.78	6.10	12.07
S&P BSE 500	-0.54	-0.86	11.24	16.87	10.44	14.82
S&P BSE Midcap	-0.99	-0.36	11.82	16.89	17.41	19.70
CRISIL Balanced	-0.26	-0.29	8.68	12.70	8.99	11.85

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	6.01	6.13	6.40	6.43	7.34
Ultrashort Bond	6.30	6.44	7.38	7.22	7.73
Short-T Bond	6.01	5.86	8.61	8.02	8.16
Long-T Bond	5.23	4.49	9.65	8.71	8.64
Long T Govt Sec	2.92	-1.17	11.54	9.66	8.59
Crisil Liquid	6.07	6.39	6.68	6.78	6.80
Crisil ST Bond	6.41	5.36	8.42	8.25	7.33
Crisil Composite	5.13	3.61	11.57	9.60	7.24
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 higher with investors eagerly awaiting comments from the U.S. Federal Reserve chief on the monetary policy outlook and U.S. interest rates in the upcoming annual meeting of global central banks, scheduled later during the week. Gold prices were last seen trading at \$1,288.88 per ounce, compared with the previous close of \$1,284.33 per ounce.
- Brent crude prices traded lower after Libya's largest oilfield (Sharara oilfield) reopened on Aug 22 following a shutdown. Although there are chances that instability in the country could cap the output level, it renewed concerns over the global supply glut. Oil prices were last seen trading at \$52.13 per barrel, compared with the previous close of \$52.60 per barrel.

International Market Update

- A flash report from IHS market showed that euro zone's composite output index surpassed market expectations and slightly grew to 55.8 in Aug 2017 from 55.7 in Jul 2017. While manufacturing Purchasing Managers' Index (PMI) grew to 57.4 in Aug from 56.6 in Jul, services PMI fell to 54.9 in Aug from 55.4 in Jul.
- According to a flash report from the IHS market, Germany's composite output index surged to 55.7 in Aug 2017 from 54.7 in Jul 2017, thereby marking consistent growth in a row since May 2013. While the flash services PMI grew to 53.4 in Aug, factory PMI surged to 59.4.

Mutual Fund & Insurance Update

- In order to facilitate compliance of Goods and Services Tax (GST) Invoice submission norms by the mutual fund distributors, Karvy Computershare has launched a web-based workflow for independent financial advisors (IFAs) called 'GST Invoice Management Workflow Solution'. The facility will help mutual fund distributors to raise and submit GST invoice, verify, and e-sign it online. Post submission, these invoices will be available for both IFAs and mutual fund houses to complete their GST return filing. In addition, these invoices will also be available for any future reference and download. Karvy has also facilitated digital signature certificate to distributors. The company has tied up with one of the service providers to offer special rates to IFAs.
- IDFC Mutual Fund has revised the exit load of IDFC Monthly Income Plan with effect from Aug 24. Accordingly, no exit load will be charged in case of redemption of 10% of the investments. Any redemption exceeding the above limit will be subject to exit load of 1%, if redeemed/switch out within 365 days from the date of allotment.
- As per media reports, Life Insurance Corporation of India (LIC) has acquired 40,000 shares of Nestle India Ltd. The open market purchase helped increase LIC's stake in Nestle India to 5.01% from 4.97%.

Dividend Update

- ICICI Prudential Mutual Fund has announced Aug 28 as the record date for declaration of dividend under the dividend option of ICICI Prudential Interval Fund - Quarterly Interval Plan III, ICICI Prudential Capital Protection Oriented Fund - Series VI - 1100 Days Plan F, ICICI Prudential Fixed Maturity Plan - Series 74 - 368 Days Plan Y, ICICI Prudential Fixed Maturity Plan - Series 74 - 370 Days Plan X, ICICI Prudential Fixed Maturity Plan - Series 74 - 367 Days Plan Z, and ICICI Prudential Fixed Maturity Plan - Series 74 - 1092 Days Plan P.
- 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	64.11	0.02	-0.32	68.87	63.56
EUR/INR	75.60	0.34	0.70	76.01	67.92
YEN(100)/INR	58.73	0.44	1.39	67.05	56.22
SGD/INR	47.05	0.06	-0.43	49.68	45.58
EUR/USD	1.18	0.38	1.23	1.19	1.03
GBP/USD	1.28	-0.19	-1.49	1.34	1.15
JPY/USD	0.01	0.50	1.91	0.01	0.01
SGD/USD	0.73	0.11	0.10	0.69	0.74

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.13	-0.07	166,311	-1.48
EUR/INR	75.63	0.23	790	0.25
GBP/INR	82.10	-0.26	1,132	1.34
JPY/INR	58.64	-0.17	225	59.57

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.13	64.11	0.03
GBP	82.23	82.60	-0.45
EURO	75.41	75.65	-0.32
100 Yen	58.58	58.69	-0.19

Currency Update

- The Indian rupee ended almost steady for the sixth consecutive session against the U.S. dollar, as investors were cautious ahead of a three-day summit of central bankers in Jackson Hole starting Aug 24. The rupee fell 0.02% to close at 64.11 per U.S. dollar from the previous close of 64.10.
- Euro rose against the U.S. dollar following strong private sector growth in Germany and France in Aug 2017. Strong data lifted confidence that eurozone's biggest economies are likely to maintain their robust momentum in the Sep quarter. Euro was trading at \$1.1794 compared with the previous close of \$1.1760.

Global Economy

- According to Nikkei, Japan's manufacturing PMI score was 52.8 in Aug 2017, up from 52.1 in Jul 2017. The upside was driven by expansion in output, new orders, new export orders, employment, input prices, and stocks of purchase at an accelerated rate.
- A report from the Ministry of Trade and Industry showed that Singapore's consumer price index grew 0.6% YoY in Jul 2017, slightly above the growth of 0.5% in Jun 2017. The slight gain reflects higher retail and water prices. While private road transport inflation increased to 3.5% in Jul, services inflation grew to 1.4%.

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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