

August 29, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31751	0.49	-1.73	32686	25718	23.76
Nifty 50	9913	0.57	-1.02	10138	7894	25.61
S&P BSE Midcap	15408	1.02	0.51	15642	11449	30.57
S&P BSE 100	10304	0.66	-0.67	10494	8085	23.77
S&P BSE 200	4326	0.73	-0.73	4406	3379	24.71
Nifty Free Float	18160	1.09	-1.67	18638	13658	32.72
Midcap 100						
Nifty 500	8670	0.74	-0.89	8833	6712	29.55

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23638	0.38	-2.90	25037	19164	25.68
S&P BSE Metal	13094	0.31	7.16	13234	9464	29.06
S&P BSE Oil	14916	0.37	6.03	15099	10902	12.74
S&P BSE Healthcare	13296	0.53	-7.76	16866	12513	30.40
S&P BSE IT	10147	1.25	-2.06	10642	9123	17.00
S&P BSE CD	17643	1.29	9.14	17885	10502	38.41
S&P BSE PSU	8615	0.55	0.81	9216	7173	19.57
S&P BSE FMCG	10130	1.11	-0.64	10936	7653	42.05
S&P BSE CG	17304	0.83	-2.38	18207	13255	28.43
Nifty Bank	24377	0.42	-1.75	25199	17607	27.28
S&P BSE Realty	2097	0.13	-3.33	2231	1163	58.72

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21808	-0.02	-0.10	22179	17884	19.95
S&P 500	2444	0.05	-1.13	2491	2084	21.64
Nasdaq	6283	0.28	-1.44	6461	5034	23.09
FTSE 100	Closed	NA	NA	7599	6654	NA
CAC 40	5080	-0.48	-1.01	5442	4311	15.67
DAX	12123	-0.37	-0.32	12952	10175	13.16
Nikkei	19450	-0.01	-2.55	20318	16112	16.25
Hang Seng	27863	0.05	3.28	28072	21489	13.86
Shanghai Comp.	3363	0.93	3.36	3375	2969	15.52

F&O Trends	Px Last	Previous	Change %
Near Futures	9,917.05	9,873.25	0.44
Near Basis	4.25	16.20	-73.77
Mid Futures	9,950.80	9,907.35	0.44
Mid Basis	38.00	50.30	-24.45
Near Open Interest (Cr.)	2.27	2.41	-5.58
Mid Open Interest (Cr.)	0.45	0.25	81.40
Rollover (%)	17.54	10.09	73.88

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	11.32	0.35	10.01	23.01	8.84
Nifty VIX	12.64	0.54	13.49	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIs				
Equity	4294.49	4851.47	-556.98	43808.33
Debt	886.50	330.49	556.01	126564.46
MF¹				
Equity	2713.27	1147.35	1565.92	67479.17
Debt	5413.89	2404.16	3009.73	252871.19

¹ As on 24th August 2017

Indian Equity Market

- Indian equity markets closed in the green amid buying interest in one of the major companies in the IT sector following the appointment of the co-founder as chairman of the company. Investors hoped that the appointment would provide the much needed stability to the company. Easing tension between Indian and Chinese military forces over Doklam provided additional support to the markets. Nonetheless, commencement of the European trading session on a weaker note restricted the gains.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.49% and 0.57% to close at 31,750.82 and 9,912.80, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 1.02% and 1.09%, respectively.
- The overall market breadth on BSE was positive with 1,612 scrips advancing and 956 scrips declining. A total of 166 scrips remained unchanged.

Indian Economy

- According to media reports, the 71-day military standoff at Doklam between India and China came to an end. Foreign ministries of both the nations announced disengagement of the troops.
- According to a major domestic rating agency, the implementation of Goods and Services Tax (GST) will have a positive impact on state governments' finances in the medium to long term. The rating agency forecasted that GST revenues of all states combined will grow at 16.6% in 2017-18 over 2015-16.
- According to media reports, more than 3.6 million businesses have so far filed their first tax returns under the GST regime. According to estimates from the revenue department, collection of around Rs 65,000 crore has been made from maiden GST.

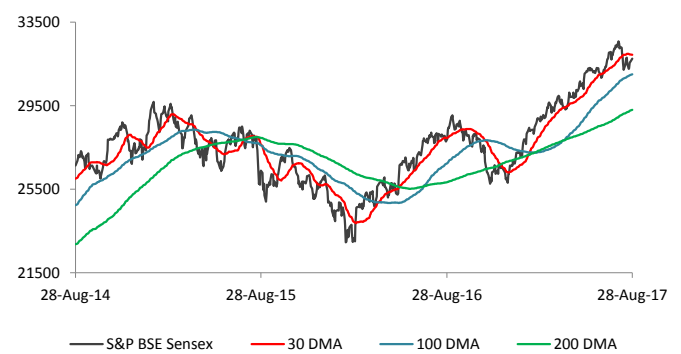
Global Equity Market

- As per the last close, U.S markets ended on a mixed note. Oil refinery sector gained as tropical storm instead of hurricane led to shutdown of refineries in Houston. Investors were cautious ahead of the key economic data in the coming days.
- As per the last close, European market ended lower as value of euro surged after ECB President refrained from discussing euro at economic policy symposium in Jackson Hole.
- Asian markets remained mostly positive with Chinese markets touching multi-month high after data showed that the Chinese industrial firms maintained a profit surge in Jul 2017. Today (As of Aug 29), Asian markets opened on a negative note on North Korean missile launch and rise in demand for traditional safe-haven assets.

Indian Derivative Market

- Nifty Aug 2017 Futures were at 9,917.05, a premium of 4.25 points above the spot closing of 9,912.80. The turnover on NSE's Futures and Options segment went down from Rs. 10,13,214.64 crore on Aug 24 to Rs. 4,82,462.15 crore on Aug 28.
- The Put-Call ratio stood at 1.03 against previous session's close of 0.84.
- The Nifty Put-Call ratio remained unchanged from the previous session at 1.22.
- India VIX moved up 0.54% to 12.6400 from 12.5725 in the previous trading session.
- The open interest on Nifty Futures stood at 27.58 million as against previous session's close of 26.79 million.

S&P BSE Sensex Moving Average



August 29, 2017

Debt Market Update

Policy Rates (%)	28-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 (%)	28-Aug-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.00	6.25	6.50
CALL	5.86	5.99	6.08	6.38
CBLO	5.82	5.98	6.15	6.44
OIS- 1 Yr	6.17	6.16	6.20	6.57
OIS- 5 Yr	6.22	6.18	6.25	6.50

Liquidity Indicators (in Rs. Cr.)	28-Aug-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	44,543	21,285	40,832	50,523
Call Money	14,998	15,330	12,349	13,335
CBLO	132,600	121,891	113,547	100,625
LAF	2,575	7,316	-6,068	-174
Treasury Bills	3,055	4,070	1,820	1,872

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.57	6.54	0.46
06.79 GS 2029	26-Dec-29	6.88	6.85	0.36
07.68 GS 2023	15-Dec-23	6.65	6.64	0.08
07.72 GS 2025	25-May-25	6.82	6.82	0.07
06.97 GS 2026	06-Sep-26	6.75	6.74	0.24

Certificate of Deposit (%)	28-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.18	6.18	6.24	6.66
6-Month	6.38	6.37	6.36	6.90
9-Month	6.44	6.42	6.44	7.06
12-Month	6.50	6.49	6.53	7.23

Commercial Paper (%)	28-Aug-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.55	6.54	6.53	6.99
6-Month	6.74	6.74	6.74	7.34
9-Month	6.83	6.84	6.83	7.50
12-Month	6.93	6.95	6.92	7.68

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	3,000	6.70%
6.79 GS 2027	8,000	8,000	6.54%
7.73 GS 2034	2,000	2,000	7.14%
7.06 GS 2046	2,000	2,000	7.15%

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 (Aug 4, 2017)	6.30%
Deposit Growth (Aug 4, 2017)	10.80%

Indian Debt Market

- Bond yields rose as traders deferred purchases amid lack of cues and ahead of a fresh supply of papers this week.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 3 bps to 6.57% from 6.54% in the previous session. During the session, bond yields traded in the range of 6.53% and 6.58%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,575 crore (gross) on Aug 28, lower than Rs. 2,635 crore (gross) borrowing on Aug 24. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 9,046 crore on Aug 24.
- Banks did not borrow under the central bank's Marginal Standing Facility on Aug 23 and Aug 24.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 1,100 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. 30,000 crore for which Rs. 8,725 crore was allotted at a cut-off rate of 5.99%.
- RBI announced the sale (re-issue) of four dated government securities (GS) namely 6.84% GS 2022, NI GS maturing on Sep 17, 2031, 6.57% GS 2033, and 7.72% GS 2055 for a notified amount of Rs. 15,000 crore on Sep 1, 2017.

Spread Analysis

- Yields on gilt securities increased by up to 3 bps across maturities, barring 1-year paper that fell 1 bps. Highest increase was seen on 10-year paper.
- On the contrary, corporate bond increased by up to 2 bps across the curve. Yield on 1-, 5-, 6-, and 15-year papers remained flat. Yields rose the most on 2-year paper.
- Spread between AAA corporate bond and gilt were flat on 3-, 4-, and 7 to 9 years' papers, while 1- and 2-year papers expanded up to 2 bps. Spread on remaining maturities contracted by up to 2 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Aug 21 - 24	15,000	15,000	100.00%
Month: Aug 2017	60,000	60,000	100.00%
H1: Apr'17-Sep'17	372,000	305,784	82.20%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	72.62%
10 to 14 Yrs	44.09%	90.11%
Long Dated (above 14 Yrs)	33.33%	78.23%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	091-Days	10,000
Treasury Bills	364-Days	6,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	43.10	58.10	79.10
3 Yr	48.10	68.10	93.10
5 Yr	52.80	70.80	106.80
10 Yr	58.00	81.00	110.00

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

August 29, 2017

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1310	1.43	3.21	1350	1128
Silver (\$/oz)	17	2.17	4.56	20	16
NYMEX Crude(\$/bbl)	46	-2.67	-6.68	54	42
Brent Crude(\$/bbl)	52	-0.76	0.13	56	41
Baltic Dry Index	1209	0.00	29.58	1338	685
RJ/CRB Index	178	0.10	-2.26	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,140	0.90	2.45	31,316	27,172
Silver (1 kg)	39,114	1.03	3.20	46,577	35,660
Crude Oil (1 bbl)	3,067	-1.19	-2.48	3,688	2,748
Natural Gas (1 mmbtu)	185	-1.33	-2.68	693	172
Aluminium (1 kg)	134	-0.41	10.67	135	103
Copper (1 kg)	428	1.69	5.34	446	112
Nickel (1 kg)	744	-0.25	13.88	803	561
Lead (1 kg)	150	0.50	2.53	169	125
Zinc (1 kg)	200	0.68	12.57	201	145
Mentha Oil (1 kg)	1,331	-0.70	12.40	1,370	993
Cotton (1 bales)	20,480	0.64	0.69	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	1.69	-0.60	11.58	15.30	10.86	15.97
Small/Mid Cap	1.65	-1.08	13.37	20.52	19.26	25.51
Diversified	1.67	-0.38	12.69	17.51	12.71	17.62
Balanced	1.12	-0.39	9.72	14.42	11.72	16.21
Banking	2.29	-1.36	18.96	26.93	18.38	19.87
FMCG	0.97	1.62	16.17	15.68	15.80	16.01
Pharma	2.90	-5.98	-9.71	-13.68	3.61	14.78
Technology	1.87	-1.71	0.35	2.18	3.83	15.25
Infrastructure	1.44	0.27	14.14	22.50	13.61	16.88
Gold Funds	-0.20	2.09	-3.17	-9.45	0.36	-2.41
Nifty 50	1.62	-1.02	11.64	15.54	7.61	13.19
S&P BSE Sensex	1.57	-1.73	10.46	14.20	6.02	12.48
S&P BSE 500	1.92	-0.77	12.68	18.26	10.76	15.44
S&P BSE Midcap	2.81	0.51	13.69	18.41	18.31	20.77
CRISIL Balanced	1.04	-0.53	9.50	13.53	9.01	12.15

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	6.10	6.39	6.42	7.34
Ultrashort Bond	5.83	6.39	7.33	7.18	7.73
Short-T Bond	3.59	5.91	8.49	7.84	8.15
Long-T Bond	0.88	4.53	9.44	8.44	8.62
Long T Govt Sec	-7.28	-0.32	10.93	9.16	8.57
Crisil Liquid	6.11	6.35	6.65	6.76	6.80
Crisil ST Bond	4.61	5.97	8.24	8.13	7.33
Crisil Composite	-1.43	4.19	11.13	9.25	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 went up as the U.S. Federal Reserve chair did not refer to the country's monetary policy in her speech at the central bankers' meeting in the U.S. Gold prices were last seen trading at \$1,297.74 per ounce, compared with the previous close of \$1,291.03 per ounce.
- Brent crude prices slipped after a hurricane hit the U.S. Gulf Coast over the weekend. The storm damaged several refineries and hampered oil production in Houston.

International Market Update

- Data from the U.S. Commerce Department showed that durable goods orders plunged 6.8% in Jul 2017 after growing by 6.4% in Jun 2017. The decline in durable goods orders was due to a sharp drop in orders for transportation equipment, which fell 19.0% in Jul after rising 19.1% in Jun.
- According to a report from the European Central Bank, euro zone's broad monetary aggregate M3 grew 4.5% on YoY basis in Jul 2017 less than gain of 5% in Jun 2017. Narrower aggregate, including currency in circulation and overnight deposits, decreased at 9.1% in Jul on YoY basis as against 9.7% rise in Jun.

Mutual Fund & Insurance Update

- As per media reports, asset management companies have filed draft offer papers for 85 new schemes with the Securities and Exchange Board of India (SEBI) till date this year. The companies had filed 106 draft offer documents in 2016. Themes for the documents include equity, debt, hybrid, and fixed maturity plans.
- As per media reports, SEBI plans to bring in rules to ensure that mutual funds merge schemes in the same investment categories. The move is intended to drive long-pending consolidation, so that informal requests for ending the surfeit of plans are not ignored anymore.
- As per media reports, 13 Indian insurance companies would use a blockchain-like technology to build a repository of policyholder data. It would be created so that insurers do not have to repeat the registration process for multiple policies.

Dividend Update

- Birla Sun Life Fund has declared Aug 30 as the record date for declaration of dividend under the dividend options of several funds. The rate of dividend for Aditya Birla Sun Life Enhanced Arbitrage Fund option is Re. 0.055.
- ICICI Prudential Mutual Fund has declared Aug 30 as the record date for declaration of dividend under the dividend options of ICICI Prudential Short Term Gilt Fund, ICICI Prudential Fixed Maturity Plan - Series 75 - 1100 Days Plan F, and ICICI Prudential Monthly Income Plan. The rate of dividend for the Dividend option of ICICI Prudential Short Term Gilt Fund is Re. 0.3337, while that of Direct plan Dividend option is Re. 0.3500. The rate of dividend for ICICI Prudential Monthly Income Plan Quarterly Dividend is Re. 0.2871, Re. 0.3144 for Direct Plan - Quarterly Dividend, Re. 0.6965 for Half Yearly Dividend, and Re. 0.7746 for Direct Plan - Half Yearly Dividend.

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.

August 29, 2017

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	63.90	-0.20	-0.39	68.87	63.56
EUR/INR	76.53	0.30	1.60	76.57	67.92
YEN(100)/INR	58.48	-0.06	0.96	66.80	56.22
SGD/INR	47.19	-0.01	-0.11	49.50	45.58
EUR/USD	1.20	0.44	1.93	1.20	1.03
GBP/USD	1.29	0.36	-1.52	1.34	1.15
JPY/USD	0.01	0.09	1.29	0.01	0.01
SGD/USD	0.74	0.15	0.22	0.69	0.74

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.91	-0.20	132,399	-10.73
EUR/INR	76.23	0.90	754	-0.92
GBP/INR	82.53	0.47	782	-38.52
JPY/INR	58.52	-0.14	190	-15.56

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	63.87	64.07	-0.31
GBP	82.36	81.94	0.52
EURO	76.22	75.58	0.84
100 Yen	58.53	58.67	-0.24

Currency Update

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Global Economy

- According to data from Istat, Italy's consumer confidence index rose more than expected to 110.8 in Aug 2017 from 106.9 in the previous month. The reading was highest since Dec 2016. Data also showed that the composite business confidence index improved to 107.0 in Aug from 105.6 in Jul 2017.
- According to the National Bureau of Statistics, on an annual basis, China's industrial profits rose 16.5% YoY in Jul 2017 compared with 19.1% growth in Jun 2017. During the first seven months of 2017, total profits of industrial enterprises surged 21.2% YoY, down slightly from 22.0% rise in the Jan to Jun 2017 period.

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	GDP Estimate (Q1 of FY18)	31-Aug-17
Index of Industrial Production (Jun)	11-Aug-17	Forex Reserves	01-Sep-17

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