

June 13, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31096	-0.53	3.01	31430	25718	22.49
Nifty 50	9616	-0.54	2.29	9709	7894	24.25
S&P BSE Midcap	14796	-0.53	-0.39	15123	11011	31.38
S&P BSE 100	9940	-0.51	1.68	10039	8038	22.75
S&P BSE 200	4182	-0.52	1.43	4218	3346	23.47
Nifty Free Float Midcap 100	17879	-0.64	-1.98	18512	12921	32.05
Nifty 500	8409	-0.52	1.32	8461	6631	27.92

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24312	-0.73	4.59	24533	18497	23.18
S&P BSE Metal	11347	-0.39	2.58	12307	7935	27.82
S&P BSE Oil	13755	-0.32	-3.62	14746	9195	11.75
S&P BSE Healthcare	14264	0.26	-4.19	16866	13073	27.78
S&P BSE IT	10143	0.42	1.20	11591	9123	16.97
S&P BSE CD	15873	-1.32	-0.80	16827	10502	74.45
S&P BSE PSU	8496	-0.52	-5.72	9216	6324	20.08
S&P BSE FMCG	10109	-0.37	6.70	10333	7653	41.39
S&P BSE CG	17423	-1.58	-2.86	18207	13255	30.40
Nifty Bank	23470	-0.93	3.52	23709	16946	29.51
S&P BSE Realty	1994	-0.34	-3.56	2129	1163	53.26

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21236	-0.17	1.62	21305	17063	20.05
S&P 500	2429	-0.10	1.61	2446	1992	21.57
Nasdaq	6175	-0.52	0.89	6342	4574	22.82
FTSE 100	7512	-0.21	1.03	7599	5789	24.73
CAC 40	5241	-1.12	-3.05	5442	3956	16.06
DAX	12690	-0.98	-0.63	12879	9214	15.04
Nikkei	19909	-0.52	0.12	20240	14864	17.16
Hang Seng	25708	-1.24	2.19	26090	19663	13.74
Shanghai Comp.	3140	-0.59	1.83	3301	2808	14.45

F&O Trends	Px Last	Previous	Change %
Near Futures	9,620.15	9,682.90	-0.65
Near Basis	3.75	14.65	-74.40
Mid Futures	9,639.85	9,702.20	-0.64
Mid Basis	23.45	33.95	-30.93
Near Open Interest (Cr.)	2.18	2.20	-0.87
Mid Open Interest (Cr.)	0.15	0.14	4.23
Rollover (%)	7.33	7.03	4.34

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	11.46	7.10	10.19	26.72	9.37
Nifty VIX	11.42	5.16	7.48	23.09	8.84

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FIs</b>				
Equity	4044.54	4113.59	-69.05	49379.45
Debt	4965.25	1456.21	3509.04	83757.46
<b>MF<sup>1</sup></b>				
Equity	95.02	104.31	-9.29	34478.59
Debt	790.43	387.52	402.91	183557.96

<sup>1</sup> As on 9th June 2017

## Indian Equity Market

- Indian equity markets went down on profit-booking ahead of release of inflation data due later in the day. The U.S Federal Reserve's policy meeting due later during the week too weighed on sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.53% and 0.54% to close at 31,095.70 and 9,616.40, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap went down 0.53% and 0.61%, respectively.
- The overall market breadth on BSE was weak with 1,673 scrips declining and 1,019 scrips advancing. A total of 183 scrips remained unchanged.
- On the BSE sectoral front, all indices except S&P BSE IT (0.42%), S&P BSE Healthcare (0.26%), and S&P BSE Teck (0.18%) closed in the negative. The top loser was S&P BSE Capital Goods, down 1.58%, followed by S&P BSE Consumer Durables (-1.32%), S&P BSE Industrials (-1.31%), S&P BSE Bankex (-1.02%) and S&P BSE Auto (-0.73%).

## Indian Economy

- Government data showed that retail inflation fell to a record low of 2.18% in May 2017 from 2.99% in Apr 2017 and 5.76% in the same period of the previous year. The Consumer Food Price Index (CFPI) contracted 1.05% in May compared with an expansion of 0.61% in Apr 2017 and 7.47% in May 2016. Retail inflation fell as prices of kitchen staples like vegetables and pulses declined sharply even though there was a marginal spike in fruit rates.
- Government data showed that the index of Industrial production (IIP) grew 3.1% YoY in Apr 2017, lower than 6.5% in Apr 2016 due slower rise witnessed in manufacturing, mining, and electricity. According to use-based classification, growth in capital goods and consumer durables in Apr 2017 contracted from the year ago period. IIP for Mar 2017 was upwardly revised to 3.75% from provisional estimate of 2.7%.

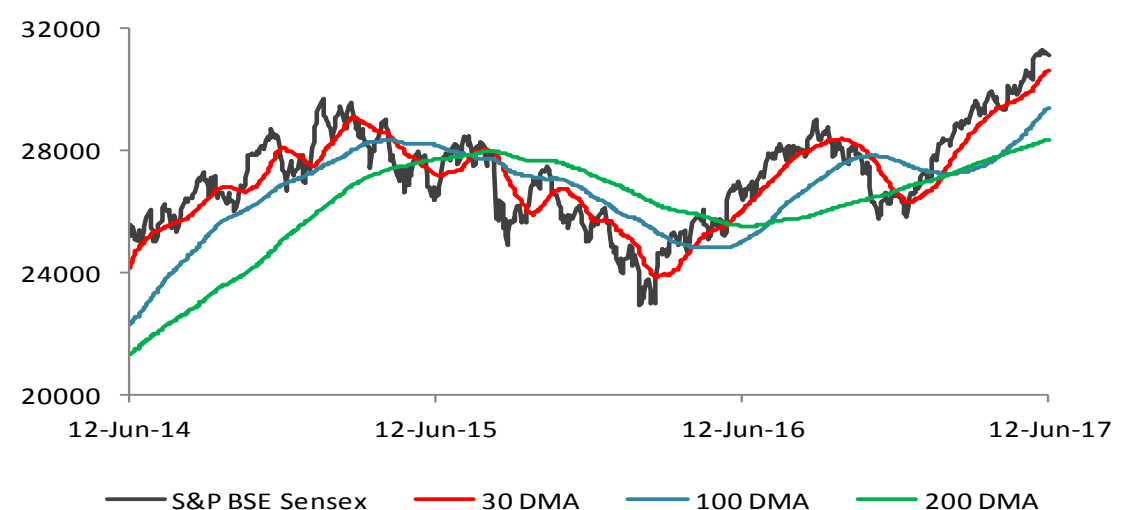
## Global Equity Market

- As per the last close, U.S. market closed lower following weak performance by technology companies and profit taking by the investors.
- As per the last close, European market closed lower due to continued political uncertainty in the U.K. and weak performance by technology companies.
- Asian markets went down as investors kept an eye on the major central bank meetings during the week, strong yen and fall in Japan's core machinery orders. However, French President's party nearing a win capped losses. Today (As on Jun 13), Asian market opened mixed. Weak performance by technology companies weighed on market sentiments. Also, investors eyed the monetary policy meeting by the U.S. Federal Reserve.

## Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,620.15, a premium of 3.75 above the spot closing of 9,616.40. Turnover on NSE's Futures and Options segment went down from Rs. 3,32,808.25 crore on Jun 9 to Rs. 3,31,651.92 crore on Jun 12.
- The Put-Call ratio stood at 0.88 compared with the previous day's close of 1.00.
- The Nifty Put-Call ratio stood at 1.15 as against the previous day's close at 1.21.
- India VIX moved up 5.16% to 11.4225 from 10.8625 in the previous trading session.
- The open interest on Nifty Futures stood at 23.53 million as against previous session's close of 23.65 million.

### S&P BSE Sensex Moving Average



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## Debt Market Update

Policy Rates (%)	12-Jun-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	6.00	6.00	6.00	6.00
Repo	6.25	6.25	6.25	6.50
CRR	4.00	4.00	4.00	4.00
SLR	20.50	20.50	20.50	21.25
Bank Rate	6.50	6.50	6.50	7.00

Daily Rates (%)	12-Jun-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	6.25	6.20	6.37
CALL	6.04	6.07	6.11	6.16
CBLO	6.18	6.05	5.64	5.16
OIS- 1 Yr	6.26	6.36	6.49	6.68
OIS- 5 Yr	6.28	6.49	6.73	6.76

Liquidity Indicators (in Rs. Cr.)	12-Jun-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	45,471	39,770	54,208	38,111
Call Money	11,066	14,373	27,564	16,156
CBLO	101,870	106,855	62,132	41,153
LAF	1,965	-3,196	-21,346	-14,304
Treasury Bills	5,695	14,734	3,842	3,517

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.69	6.66	0.41
06.79 GS 2027	15-May-27	6.52	6.50	0.22
06.97 GS 2026	06-Sep-26	6.65	6.63	0.22
07.61 GS 2030	09-May-30	6.85	6.83	0.31
06.57 GS 2033	05-Dec-33	6.86	6.84	0.30

Certificate of Deposit (%)	12-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.37	6.39	6.42	7.02
6-Month	6.54	6.58	6.56	7.21
9-Month	6.62	6.69	6.67	7.34
12-Month	6.70	6.80	6.78	7.46

Commercial Paper (%)	12-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.68	6.70	6.81	7.89
6-Month	6.91	6.94	7.01	8.18
9-Month	7.06	7.10	7.13	8.25
12-Month	7.21	7.28	7.26	8.33

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	3,000	6.82%
6.79 GS 2027	8,000	8,000	6.52%
7.73 GS 2034	2,000	2,000	7.01%
7.06 GS 2046	2,000	2,000	7.11%

Key Indicators	
GDP (Q4 FY'17)	6.10%
Manufacturing PMI (May'17)	51.60
Current Account Deficit (Q3 of FY17, in \$ Billion)	-7.90
Fiscal Deficit (FY2017, as a % of GDP)	3.51%
Credit Growth (May 26, 2017)	5.10%
Deposit Growth (May 26, 2017)	10.90%

## Indian Debt Market

- After falling consecutively for last four sessions, bond yields rose as investors booked profits ahead of the key consumer price index-based inflation data for May.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) grew 2 bps to close at 6.52% from the previous close of 6.50%.
- Similarly, yield on the existing 10-year benchmark paper (6.97% GS 2026) grew 2 bps to close at 6.65% from the previous close of 6.63%. During the trading session, bond yields traded in the range of 6.63% and 6.66%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,965 crore (gross) on Jun 12, up from Rs. 2,370 crore gross borrowing on Jun 9. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 15,419 crore on Jun 9.
- RBI on behalf of the government has conducted a switch operation of government securities. Securities with a face value of about Rs. 17,000 crore maturing in 2017-18 have been switched to longer tenor securities maturing in 2024-25 and 2029-30.
- Banks borrowed Rs. 140 crore under the central bank's Marginal Standing Facility on Jun 9 compared with borrowing of Rs. 400 crore on Jun 8, 2017.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 10,004 crore was allotted at a cut-off rate of 6.23%.

## Spread Analysis

- Yields on gilt securities increased up to 2 bps across maturities barring 1- and 15-year papers that fell 3 and 2 bps, respectively. Yield on 14- and 19-year papers was flat.
- Corporate bond yields also rose up to 2 bps across the curve leaving 1- and 2-year papers that eased 1 bps each. Yield on 4- and 5-year papers closed flat.
- Spread between AAA corporate bond and gilt contracted 1 bps on 2-, 4- and 5-year papers while 3-, 8- and 9-year papers remained unchanged. Spread on remaining securities increased up to 3 bps.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: June 02-05	15,000	15,000	100.00%
Month: June 2017	60,000	30,000	50.00%
H1: Apr'17-Sep'17	372,000	149,784	40.26%

## Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	36.90%
10 to 14 Yrs	44.09%	43.16%
Long Dated (above 14 Yrs)	33.33%	38.71%

## Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	8,000
Treasury Bills	182-Days	6,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	48.10	69.10	90.10
3 Yr	59.90	75.90	100.90
5 Yr	46.80	76.80	98.80
10 Yr	78.70	103.70	130.70

Key Indicators	Current	Previous
WPI (Apr'17)	3.85%	5.29%
CPI (May'17)	2.18%	2.99%
IIP (Apr'17)	3.10%	3.75%
Trade Deficit(In \$ billion-Apr 17)	-13.25	-10.44

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## Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1265	-0.07	2.99	1366	1128
Silver (\$/oz)	17	-1.40	2.81	21	16
NYMEX Crude(\$/bbl)	46	0.61	-3.62	54	39
Brent Crude(\$/bbl)	47	1.17	-3.46	56	40
Baltic Dry Index	870	2.47	-14.20	1338	580
RJ/CRB Index	176	-0.47	-3.17	195	176

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,878	-0.13	2.89	31,529	27,172
Silver (1 kg)	39,308	-0.61	3.28	48,049	37,744
Crude Oil (1 bbl)	2,945	0.27	-4.45	3,688	2,638
Natural Gas (1 mmbtu)	195	0.21	-10.21	693	171
Aluminium (1 kg)	121	-0.57	0.50	129	103
Copper (1 kg)	375	1.38	5.35	3,082	112
Nickel (1 kg)	575	1.64	-4.10	803	561
Lead (1 kg)	134	-0.85	-4.09	169	113
Zinc (1 kg)	161	0.78	-3.25	200	133
Mentha Oil (1 kg)	1,024	-1.04	-3.72	1,169	905
Cotton (1 bales)	20,510	0.29	0.94	23,720	18,240

## MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	-0.43	1.32	17.50	20.15	11.25	16.22
Small/Mid Cap	0.23	0.31	22.46	31.35	21.87	26.27
Diversified	-0.24	1.13	18.46	22.68	13.52	17.80
Balanced	0.03	1.19	13.76	18.95	12.78	16.40
Banking	0.02	2.04	27.40	34.60	16.56	19.31
FMCG	-1.75	4.35	25.73	23.85	17.41	17.62
Pharma	1.93	-2.81	-7.22	-3.92	11.82	18.41
Technology	-0.14	0.54	4.75	-4.11	7.76	14.90
Infrastructure	-0.69	-1.13	20.88	29.41	12.45	16.53
Gold Funds	-0.84	3.02	3.16	-4.21	1.76	-1.59
Nifty 50	-0.61	2.29	17.69	17.60	7.92	13.45
S&P BSE Sensex	-0.16	3.01	17.27	16.65	6.72	13.01
S&P BSE 500	0.67	1.33	19.61	22.87	10.73	15.45
S&P BSE Midcap	1.17	-0.39	19.37	29.87	17.29	19.72
CRISIL Balanced	-0.04	2.29	12.50	15.90	9.16	12.35

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	6.17	6.20	6.13	6.55	7.35
Ultrashort Bond	11.62	8.51	6.28	7.52	7.73
Short-T Bond	28.21	15.09	6.11	9.17	8.17
Long-T Bond	43.84	21.03	6.31	10.77	8.80
Long T Govt Sec	80.24	35.54	5.86	14.42	8.69
Crisil Liquid	6.56	6.75	6.60	6.92	6.80
Crisil ST Bond	22.63	13.37	6.96	9.17	7.32
Crisil Composite	52.92	26.55	6.59	12.12	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 flat as investors awaited upcoming U.S. Federal Reserve's upcoming policy meeting, scheduled later during the week. Market participants also kept an eye on the political developments in the U.K. Gold prices were last seen trading at \$1265.97 per ounce, from the previous close of \$1265.90 per ounce.
- Brent crude prices traded higher as investors resorted to value buying in wake of recent losses. Oil prices were last seen trading at \$46.68 per barrel, from the previous close of \$46.08 per barrel.

## International Market Update

- Data from the U.S. Commerce Department showed that wholesale inventories decreased more than expected by 0.5% in Apr 2017 after increasing revised 0.1% in Mar 2016. Inventories of non-durable goods fell 0.8% in Apr due to decrease in inventories of petroleum and farm products, while inventories of durable goods fell 0.3% due to decrease in inventories of computer equipment and automotive products.
- According to a survey conducted by the Bank of France, the country's economy will grow 0.5% in the second quarter, the same rate as estimated in May 2017, compared with 0.4% growth in the first quarter. The business sentiment index stood unchanged at 105 in May.
- According to data from the statistical office Istat, Italy's industrial output fell 0.4% MoM in Apr compared with 0.4% rise in Mar. On a yearly basis, industrial production rose 1% compared with 2.9% increase in the previous month.

## Mutual Fund & Insurance Update

- IDFC Mutual Fund has removed the exit load for IDFC Banking & PSU Debt Fund, with effect from Jun 12. Previously, an exit load of 0.15% was charged if units are redeemed/switched out within 7 days from the date of allotment.
- According to a media report, the Life Insurance Corporation (LIC) has settled 99.92% death claims in FY17, which is higher than the industry average of 95%.

## Dividend Update

- Reliance Mutual Fund has announced Jun 15 as the record date for declaration of dividend under the monthly and quarterly dividend options of Reliance Regular Savings Fund-Balanced Option. The rates of dividend for the monthly and quarterly dividend options are Re. 0.09 and Re. 0.40 per unit, respectively.
- ICICI Prudential Mutual Fund has announced Jun 15 as the record date for declaration of dividend under the dividend option of ICICI Prudential Fixed Maturity Plan - Series 72 - 366 Days Plan M (direct plan) and ICICI Prudential Balanced Advantage Fund (monthly dividend option). The rates of dividend are Re. 0.05 per unit and Re. 0.10 per unit, respectively.

## NFO Update

- SBI Mutual Fund has extended the rollover period of SBI Dual Advantage Fund – Series III by 366 days. The fund, that was originally supposed to mature on Jun 19, 2017, will now mature on Jun 20, 2018.



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## Currency Market Update

### Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.44	0.30	0.21	68.87	63.92
EUR/INR	72.21	0.43	2.86	76.92	67.92
YEN(100)/INR	58.64	0.73	3.47	68.15	56.22
SGD/INR	46.55	0.34	1.77	50.57	45.58
EUR/USD	1.12	0.07	2.49	1.14	1.03
GBP/USD	1.27	-0.67	-1.82	1.50	1.15
JPY/USD	0.01	0.37	3.10	0.01	0.01
SGD/USD	0.72	0.02	1.42	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.59	0.28	132,139	-8.18
EUR/INR	72.51	0.57	146	-14.12
GBP/INR	82.04	-0.29	1,172	2.09
JPY/INR	58.78	0.59	284	11.81

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.34	64.26	0.13
GBP	82.09	81.75	0.41
EURO	72.13	71.98	0.21
100 Yen	58.36	58.31	0.09

## Currency Update

- The Indian rupee fell against the greenback as investors were cautious ahead of U.S. Federal Reserve's monetary policy review, scheduled to start from Jun 13. It is widely expected that the U.S. central bank will increase interest rates. The rupee fell 0.30% to close at 64.44 per dollar from the previous close of 64.24.
- The euro rose against the greenback as the latter remained under pressure ahead of U.S. Federal Reserve's monetary policy review, scheduled to start from Jun 13. Euro was trading at \$1.1225, up 0.29% from the previous close of \$1.1192.

## Global Economy

- The Cabinet Office showed core machine orders in Japan fell 3.1% MoM in Apr 2017 to 835.9 billion yen compared with 1.4% gain in Mar 2017. Annually, core machine orders increased 2.7%, better than 0.7% decline in the prior month.
- According to a report by the Bank of Japan, producer prices in Japan on monthly basis stood unchanged in May 2017. On a YoY basis, producer prices grew 2.1%, unchanged from the previous month.

## Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (May)	01-Jun-17	Index of Industrial Production (Apr)	12-Jun-17
Forex Reserves	02-Jun-17	Consumer Price Index (May)	12-Jun-17
Nikkei India Service PMI (May)	05-Jun-17	Wholesale Price Index (May)	14-Jun-17
Second Bi-monthly Monetary Policy Statement for 2017-18	07-Jun-17	Index of Eight Core Industries (May)	30-Jun-17

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