

June 20, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31312	0.82	2.78	31430	25718	22.93
Nifty 50	9658	0.72	2.44	9709	7894	24.37
S&P BSE Midcap	14818	0.07	1.19	15123	11011	31.52
S&P BSE 100	9987	0.67	2.32	10039	8038	22.67
S&P BSE 200	4200	0.56	2.23	4218	3346	23.66
Nifty Free Float Midcap 100	17996	-0.03	0.42	18512	12921	32.71
Nifty 500	8453	0.50	2.36	8467	6631	28.12

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24172	0.25	4.45	24533	18497	23.39
S&P BSE Metal	11325	1.89	1.06	12307	7935	27.83
S&P BSE Oil	13747	0.45	-2.04	14746	9195	11.66
S&P BSE Healthcare	14081	-0.48	-5.23	16866	13073	27.50
S&P BSE IT	9874	-0.09	-2.40	11591	9123	16.56
S&P BSE CD	15936	-0.22	2.97	16827	10502	37.03
S&P BSE PSU	8478	0.29	-5.28	9216	6324	20.14
S&P BSE FMCG	10210	0.72	6.05	10333	7653	41.89
S&P BSE CG	17585	0.74	-0.48	18207	13255	30.45
Nifty Bank	23742	1.02	4.27	23807	16946	26.56
S&P BSE Realty	2084	-0.32	1.92	2129	1163	55.83

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21529	0.68	3.48	21529	17063	20.15
S&P 500	2453	0.83	3.01	2454	1992	21.62
Nasdaq	6239	1.42	2.55	6342	4574	22.64
FTSE 100	7524	0.81	0.71	7599	5789	24.74
CAC 40	5311	0.90	-0.26	5442	3956	16.29
DAX	12889	1.07	1.98	12921	9214	15.26
Nikkei	20068	0.62	2.43	20240	14864	17.30
Hang Seng	25925	1.16	2.98	26090	19663	13.86
Shanghai Comp.	3144	0.68	1.74	3301	2808	14.38

F&O Trends	Px Last	Previous	Change %
Near Futures	9,675.25	9,597.25	0.81
Near Basis	17.70	9.20	92.39
Mid Futures	9,694.70	9,616.75	0.81
Mid Basis	37.15	28.70	29.44
Near Open Interest (Cr.)	2.11	2.12	-0.45
Mid Open Interest (Cr.)	0.18	0.17	9.00
Rollover (%)	8.85	8.22	7.59

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.37	-0.10	-13.87	26.72	9.37
Nifty VIX	10.63	-2.63	-5.97	23.09	8.84

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIs				
Equity	7994.39	8688.50	-694.11	53065.96
Debt	2384.50	1351.01	1033.49	88369.27
MF¹				
Equity	1095.60	857.37	238.23	35702.58
Debt	3109.64	2964.30	145.34	187918.74

¹ As on 14th June 2017

Indian Equity Market

- Indian equity markets witnessed gains amid hopes of a reduction in non-performing asset size in the banking sector after the Reserve Bank of India asked banks to start bankruptcy process against large loan defaulters. Commencement of the European trading session on a positive note provided additional support to the markets. Investors took positive cues after the French President's party won a parliamentary majority over the weekend.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.82% and 0.72% to close at 31,311.57 and 9,657.55, respectively. Meanwhile, broader indices remained flat with S&P BSE Mid-Cap rising 0.07% and S&P BSE Small-Cap falling 0.08%.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Metal was the top gainer, up 1.89%, followed by S&P BSE Bankex and S&P BSE Basic Materials, which rose 0.96% and 0.86%, respectively. S&P BSE Finance and S&P BSE Energy rose 0.77% and 0.74%, respectively.

Indian Economy

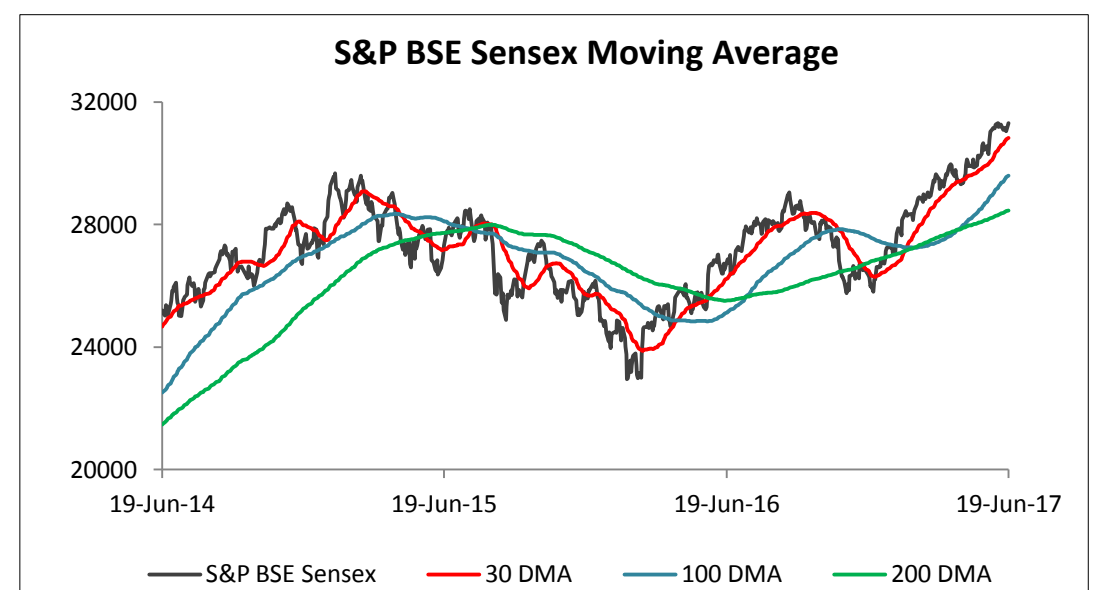
- The finance minister highlighted some new changes regarding the upcoming Goods and Services Tax (GST) launch. The norms for filing returns have been relaxed until Sep 2017 without any late fees or penalties. Also, the council approved the creation of an anti-profiteering authority that will exist for two years. Further, it has set the rate on lotteries at 12% of face value for those run by state governments and at 28% for those authorised by state governments but run by private entities.
- The Securities and Exchange Board of India (SEBI) is expected to discuss the proposal in a meeting to be held on Jun 21 to ease the rules for investors for acquiring distressed companies from banks. This comes amid the government and Reserve Bank of India's renewed drive to reduce banks' bad loan burden.

Global Equity Market

- As per the last close, U.S. market closed higher after the French President won a clear parliamentary majority, giving him a strong mandate in parliament to follow his pro-European Union, business-friendly reform plans.
- As per the last close, European market closed higher due to the optimism spread among investors after parliamentary majority victory by the French President.
- Asian markets closed in green as following weak economic data from the U.S. dampened the probability of imminent rate hike in 2017 and French President's party majority parliamentary win. Today (As on Jun 20), Asian market opened higher following comments from U.S. Federal Reserve official to move slowly to raise interest rates.

Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,675.25, a premium of 17.70 above the spot closing of 9,657.55. Turnover on NSE's Futures and Options segment went up from Rs. 2,86,167.93 crore on Jun 16 to Rs. 4,29,603.92 crore on Jun 19.
- The Put-Call ratio stood at 0.94 compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.22 compared with the previous session's close of 1.06.
- India VIX moved down 2.63% to 10.6275 from 10.9150 in the previous trading session.
- The open interest on Nifty Futures stood at 23.16 million as against previous session's close of 23.11 million.



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Debt Market Update

Policy Rates (%)	19-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 (%)	19-Jun-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	6.25	6.25	6.50
CALL	6.09	6.04	6.06	6.38
CBLO	6.17	6.18	6.05	6.26
OIS- 1 Yr	6.22	6.26	6.47	6.69
OIS- 5 Yr	6.24	6.28	6.63	6.77

Liquidity Indicators (in Rs. Cr.)	19-Jun-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	40,041	45,471	42,883	31,961
Call Money	15,694	11,066	14,303	10,952
CBLO	113,362	101,870	115,472	84,306
LAF	2,365	-9,697	-22,003	-1,471
Treasury Bills	2,231	5,695	966	4,404

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.72	6.74	-0.30
06.79 GS 2027	15-May-27	6.47	6.49	-0.38
06.97 GS 2026	06-Sep-26	6.63	6.65	-0.38
07.61 GS 2030	09-May-30	6.83	6.85	-0.27
07.59 GS 2026	11-Jan-26	6.78	6.79	-0.25

Certificate of Deposit (%)	19-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.34	6.37	6.43	6.93
6-Month	6.50	6.54	6.60	7.19
9-Month	6.58	6.62	6.72	7.33
12-Month	6.67	6.70	6.84	7.48

Commercial Paper (%)	19-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.71	6.68	6.75	7.83
6-Month	6.90	6.91	7.00	8.12
9-Month	7.04	7.06	7.13	8.20
12-Month	7.19	7.21	7.26	8.29

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091-Day T-Bills	8,000	8,000	6.27%
182-Day T-Bills	6,000	6,000	6.33%

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 rising for two consecutive sessions, bond yields fell as low U.S. Treasury yields prompted foreign investors to consider emerging-market debt.
- Yield on the new 10-year benchmark paper (6.79% GS 2027) fell 2 bps to close at 6.47% from the previous close of 6.49%. During the session, bond yields traded in the range of 6.46% and 6.49%.
- Similarly, yield on the existing 10-year benchmark paper (6.97% GS 2026) fell 2 bps to close at 6.63% from the previous close of 6.65%. During the trading session, bond yields traded in the range of 6.63% and 6.65%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,365 crore (gross) on Jun 19, down from Rs. 2,635 crore (gross) borrowing on Jun 16. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 4,012 crore on Jun 16.
- RBI has announced to sell (issue/re-issue) four dated securities namely 6.84% GS 2022, 6.79% GS 2029, 6.57% GS 2033, and 6.62% GS 2051 for an aggregate amount of Rs. 15,000 crore on Jun 23, 2017.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jun 16, as against borrowing of Rs. 1 crore on Jun 15.

Spread Analysis

- Yields on gilt securities fell by up to 3 bps across maturities barring 2-year paper that increased 1 bps. Yields on 1-, 5-, and 19-year papers were flat. Highest fall was seen on 9-year paper.
- Corporate bond yields also declined by up to 3 bps across the curve, leaving 6 to 8 years' and 15-year papers that were unchanged. Highest fall was seen on 3-year paper.
- Spread between AAA corporate bond and gilt expanded by up to 2 bps on 6 to 10 years' and 15-year papers, while 2- and 4-year papers were unchanged. Remaining securities contracted by up to 2 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: June 12-16	15,000	0	0.00%
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.
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Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	47.00	68.00	89.00
3 Yr	55.40	73.40	98.40
5 Yr	45.10	59.10	85.10
10 Yr	76.40	88.40	125.40

Key Indicators	Current	Previous
WPI (May'17)	2.17%	3.85%
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)	1243	-0.83	-0.98	1366	1128
Silver (\$/oz)	16	-0.77	-2.19	21	16
NYMEX Crude(\$/bbl)	44	-1.10	-12.09	54	39
Brent Crude(\$/bbl)	45	0.51	-13.93	56	40
Baltic Dry Index	848	-0.35	-11.30	1338	580
RJ/CRB Index	171	-1.02	-7.45	195	171

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,558	-0.35	-0.35	31,529	27,172
Silver (1 kg)	38,339	-0.59	-0.91	48,049	37,744
Crude Oil (1 bbl)	2,890	1.12	-8.98	3,688	2,638
Natural Gas (1 mmbtu)	196	-0.10	-4.15	693	171
Aluminium (1 kg)	120	-0.25	-4.84	129	103
Copper (1 kg)	365	0.43	1.67	446	112
Nickel (1 kg)	573	-0.43	-4.02	803	561
Lead (1 kg)	136	1.04	0.22	169	115
Zinc (1 kg)	163	0.43	-2.25	200	134
Mentha Oil (1 kg)	1,028	-0.74	-3.02	1,169	905
Cotton (1 bales)	20,410	0.34	-0.63	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	0.31	1.98	19.14	20.40	11.97	16.36
Small/Mid Cap	0.95	2.74	25.32	32.27	22.47	26.80
Diversified	0.49	2.22	20.23	23.06	14.18	18.06
Balanced	0.47	2.02	15.33	19.28	13.26	16.66
Banking	1.55	3.97	31.05	36.81	18.16	20.36
FMCG	0.77	4.24	29.14	23.11	17.85	17.51
Pharma	-0.61	-2.56	-5.89	-4.23	11.36	18.25
Technology	-1.35	0.19	1.28	-5.50	6.38	14.48
Infrastructure	0.80	0.66	23.81	30.14	13.54	16.86
Gold Funds	-1.20	-0.69	3.64	-7.36	0.50	-2.26
Nifty 50	0.43	2.44	19.17	18.10	8.59	13.60
S&P BSE Sensex	0.69	2.78	18.72	17.49	7.50	13.17
S&P BSE 500	0.51	2.33	21.60	23.45	11.53	15.69
S&P BSE Midcap	0.15	1.19	21.72	30.26	18.07	20.19
CRISIL Balanced	0.33	2.29	13.63	16.25	9.65	12.46

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	6.19	6.20	6.13	6.53	7.35
Ultrashort Bond	6.86	8.42	6.39	7.52	7.73
Short-T Bond	7.17	14.19	6.67	9.20	8.17
Long-T Bond	8.46	19.53	7.22	10.84	8.78
Long T Govt Sec	14.17	33.62	7.78	14.61	8.70
Crisil Liquid	6.77	6.71	6.61	6.90	6.80
Crisil ST Bond	7.71	12.28	7.35	9.17	7.33
Crisil Composite	8.15	23.67	7.72	12.19	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 dropped ahead of comments from several Federal Reserve speakers for more cues on future monetary policy moves. Gold prices were last seen trading at \$1,250.92 per ounce, from the previous close of \$1,253.13 per ounce.
- Brent crude prices inched up despite initial cautiousness from investors ahead of the weekly information on U.S. stockpiles. Market participants also remained concerned about OPEC's effort to reduce oil production. Oil prices were last seen trading at \$45.26 per barrel, from the previous close of \$44.89 per barrel.

International Market Update

- According to a property tracking website Rightmove, average asking price for a house in the U.K. dropped 0.4% on MoM basis to 316,109 pounds in Jun 2017, as against an increase of 1.2% in May 2017. This marked the first monthly decline so far in 2017. On an annual basis, house prices grew 1.8% as against 3% in May.
- According to a survey by IHS Markit and financial information provider Ipsos Mori, Household Finance Index (seasonally adjusted) in the U.K. grew to 43.8 in Jun 2017 from 42.6 in May 2017. However, a score below 50 reflects pessimism for finances among the U.K. households. According to the survey, British households' finance outlook has worsened further in Jun and their financial pressures remained sharp owing to higher living costs. The index that measures the outlook for financial well-being over the next twelve months fell to 45.8 in Jun from 47.1 in May, thereby indicating the greatest degree of pessimism for three months.

Mutual Fund & Insurance Update

- ICICI Prudential Mutual Fund has changed fund manager and accordingly, ICICI Prudential Advisor Series - Dynamic Accrual Plan will be managed by Mr. Manish Banthia instead of Mr. Mrinal Singh; ICICI Prudential Advisor Series - Cautious Plan, Moderate Plan, Long Term Savings Plan and Very Aggressive Plan will be managed by Mr. Mrinal Singh (Equity Portion) and Mr. Manish Banthia (Debt Portion) instead of Mr. Mrinal Singh. The change will become effective on immediate basis.
- The Life Insurance Council plans to meet the Goods and Services Tax (GST) Council to discuss the rates for the GST on insurance, later in the week. The industry might request for a zero rate for insurance or at least a rate in the lower bracket, as against an 18% rate imposed on the sector.
- According to a media report, SBI Life Insurance is planning to go for initial public offer in the next fiscal year. The company plans to file the Draft Red Herring Prospectus (DHRP) soon, although did not provide any timeline. SBI and its foreign partner Cardif together will divest 12% stake in the venture.

Dividend Update

- L&T Mutual Fund has announced Jun 22 as the record date for declaration of dividend under the dividend option of L&T Dynamic Equity Fund (Regular and Direct Plan), L&T Prudence Fund (Regular and Direct Plan), and L&T Special Situation Fund (Regular and Direct Plan).
- Axis Mutual Fund has announced Jun 22 as the record date for declaration of dividend under the dividend option of Axis Enhanced Arbitrage Fund (Regular Plan and Direct Plan). The rate of dividend is Re. 0.05 per unit.
- Birla Sun Life Mutual Fund has announced Jun 23 as the record date for declaration of dividend under the dividend option of Birla Sun Life Balanced Advantage Fund (Regular and Direct Plan) and Birla Sun Life Balanced '95 Fund (Regular and Direct Plan).

NFO Update

- ICICI Prudential Mutual Fund has extended the New Fund Offer period of ICICI Prudential Fixed Maturity Plan - Series 81 - 1150 Days Plan K, ICICI Prudential Fixed Maturity Plan - Series 81 - 1147 Days Plan L and ICICI Prudential Fixed Maturity Plan - Series 81 - 1143 Days Plan M by Jun 20, 2017, Jun 22, 2017 and Jun 27, 2017, respectively.

June 20, 2017

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.43	-0.01	-0.33	68.87	63.92
EUR/INR	71.87	-0.42	-0.65	76.92	67.92
YEN(100)/INR	57.80	-0.55	-0.36	68.15	56.22
SGD/INR	46.47	-0.21	-0.28	50.57	45.58
EUR/USD	1.11	-0.44	-0.50	1.14	1.03
GBP/USD	1.27	-0.33	-2.32	1.50	1.15
JPY/USD	0.01	-0.60	-0.22	0.01	0.01
SGD/USD	0.72	-0.26	-0.14	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.49	-0.03	128,815	-1.29
EUR/INR	72.33	0.21	164	-9.89
GBP/INR	82.59	0.18	1,143	-0.35
JPY/INR	58.15	0.27	321	1.90

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.38	64.59	-0.32
GBP	82.21	82.51	-0.37
EURO	72.10	72.05	0.08
100 Yen	57.98	58.05	-0.12

Currency Update

- The Indian rupee closed unchanged against the U.S. dollar as gains in the domestic equity market were neutralised by greenback purchases from state-run banks. The rupee closed at 64.43 per dollar, unchanged from the previous close.
- The euro weakened against the greenback after the New York Federal Reserve President stated that the U.S. Federal Reserve will remain on track to raise interest rates further. Euro was trading at \$1.1176, down 0.19% from the previous close of \$1.1197.

Global Economy

- According to a report from Eurostat, job vacancy rate in the eurozone grew to 1.9% in the first quarter 2017 as against 1.7% in fourth quarter 2016. While the job vacancy rate was 1.5% in industry and construction, it was 2.2% in services.
- A report from Eurostat showed that construction output in the eurozone improved and grew 0.3% in Apr 2017 on MoM basis as against a decline of 1.1% in Mar 2017. While total construction, building output grew 0.7%, civil engineering output declined 1.5%. On an annual basis, construction output growth eased to 3.2% in Apr from 3.8% in Mar. This marked the weakest growth in the current sequence of three months growth.
- According to the Ministry of Finance, Japan's merchandise trade deficit stood at 203.367 billion yen as against an expectation of a surplus of 43.3 billion yen, and a surplus of 481.1 billion yen in Apr 2017. While exports grew 14.9% on YoY basis to 5.851 trillion yen, imports surged 17.8% YoY to 6.054 trillion yen.

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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