

June 22, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31284	-0.04	2.69	31430	25718	22.85
Nifty 50	9634	-0.21	2.18	9709	7894	24.31
S&P BSE Midcap	14851	0.04	1.41	15123	11011	31.50
S&P BSE 100	9971	-0.19	2.16	10039	8038	22.57
S&P BSE 200	4196	-0.17	2.12	4218	3346	23.56
Nifty Free Float Midcap 100	18046	0.17	0.69	18512	12921	31.11
Nifty 500	8444	-0.12	2.25	8476	6631	27.92

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24021	-0.66	3.80	24533	18497	23.18
S&P BSE Metal	11207	-1.20	0.01	12307	7935	27.47
S&P BSE Oil	13703	-0.86	-2.36	14746	9195	11.59
S&P BSE Healthcare	14066	-0.13	-5.33	16866	13073	27.39
S&P BSE IT	9920	-0.50	-1.94	11590	9123	16.59
S&P BSE CD	16025	-0.41	3.55	16827	10502	37.13
S&P BSE PSU	8418	-0.68	-5.96	9216	6324	19.94
S&P BSE FMCG	10268	0.73	6.65	10333	7653	42.01
S&P BSE CG	17593	0.06	-0.44	18207	13255	30.37
Nifty Bank	23709	0.05	4.12	23807	16946	26.53
S&P BSE Realty	2105	0.51	2.96	2129	1163	56.24

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21410	-0.27	2.91	21535	17063	20.03
S&P 500	2436	-0.06	2.26	2454	1992	21.61
Nasdaq	6234	0.74	2.47	6342	4574	22.74
FTSE 100	7448	-0.33	-0.31	7599	5789	24.61
CAC 40	5274	-0.37	-0.94	5442	3956	16.24
DAX	12774	-0.32	1.07	12952	9214	15.17
Nikkei	20139	-0.45	2.80	20318	14864	17.36
Hang Seng	25695	-0.57	2.06	26090	19663	13.74
Shanghai Comp.	3156	0.52	2.12	3301	2808	14.45

F&O Trends	Px Last	Previous	Change %
Near Futures	9,655.25	9,674.45	-0.20
Near Basis	21.65	20.95	3.34
Mid Futures	9,671.40	9,692.40	-0.22
Mid Basis	37.80	38.90	-2.83
Near Open Interest (Cr.)	2.10	2.11	-0.36
Mid Open Interest (Cr.)	0.20	0.19	4.10
Rollover (%)	9.53	9.18	3.79

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.75	-1.01	-10.71	26.72	9.37
Nifty VIX	10.92	2.42	-3.43	23.09	8.84

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FII's</b>				
Equity	4312.19	4606.90	-294.71	52599.70
Debt	2083.27	1536.53	546.74	89990.13
<b>MF<sup>1</sup></b>				
Equity	1839.81	1625.64	214.17	36939.90
Debt	6592.51	3489.38	3103.13	191941.09

<sup>1</sup>As on 16<sup>th</sup> June 2017

## Indian Equity Market

- Indian equity markets close in the red as investors refrained from taking major bets ahead of the minutes of the Monetary Policy Committee's Jun 2017 policy meet, which is expected to provide additional cues on the central bank's interest rate stance. Besides, weak cues from Asian markets dampened investor sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 slipped 0.04% and 0.21% to close at 31,283.64 and 9,633.60, respectively. Meanwhile, broader indices bucked the trend with S&P BSE Mid Cap and S&P BSE Small Cap rising 0.04% and 0.11%, respectively.
- The overall market breadth was weak with 1,369 scrips declining and 1,268 scrips advancing. A total of 180 scrips remained unchanged.
- On the BSE sectoral front, majority of the indices closed in the red. S&P BSE Metal was the top loser, down 1.20%, followed by S&P BSE Oil & Gas and S&P BSE Auto, which slipped 0.86% and 0.66%, respectively.

## Indian Economy

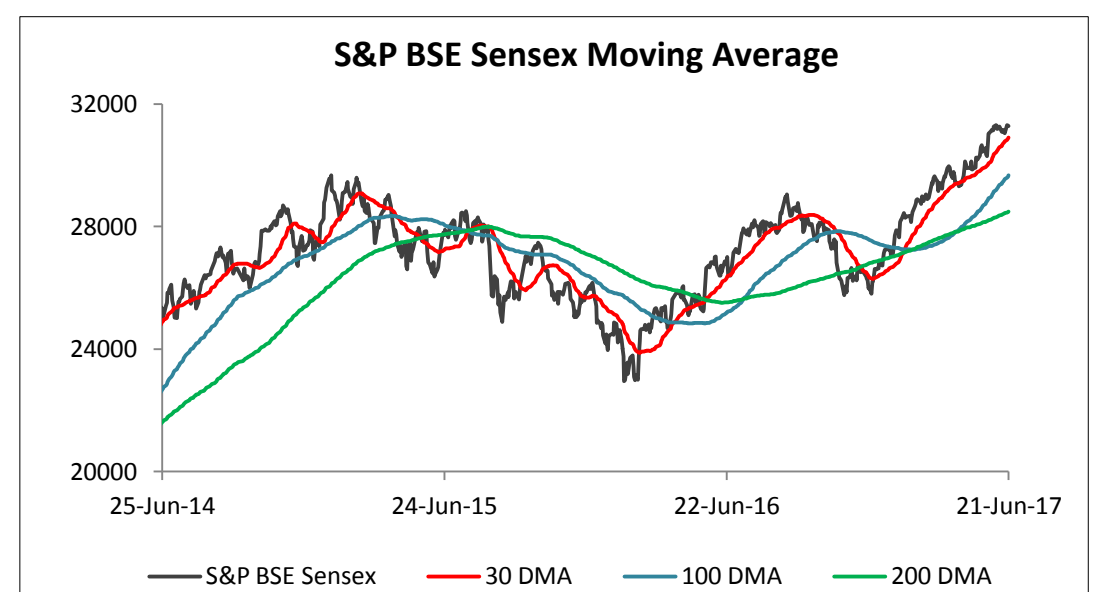
- Capital market regulator Securities and Exchange of India (SEBI) eased norms for Foreign Portfolio Investors (FPIs). SEBI expanded the eligible jurisdictions for grant of FPI registration to category I FPIs as it included those countries that have diplomatic tie-ups with India. In addition, SEBI allowed FPIs who are functioning under the Multiple Investment Managers structure and holding foreign venture capital investors registration, to appoint multiple custodians.
- According to RBI's credit data of Travel Head from Balance of Payments, India's Foreign Exchange Earnings (FEEs) surged 20.9% on a YoY basis to Rs. 12,403 crore in May 2017. Over a period of two years, FEEs increased 30% while tourist footfalls grew 19%. Meanwhile, the FEEs during the period Jan to May 2017 grew 19.2% on a YoY basis as against a growth of 14% over the period Jan to May 2016 on YoY basis.

## Global Equity Market

- As per the last close, U.S. market closed lower due to continued fall in global crude oil prices amid signs of rising production.
- As per the last close, European market closed following steep drop in crude oil prices and after a subprime lender issued a profit warning.
- Most of the major Asian markets dipped owing to geopolitical worries over the U.S. President's alleged comment a day before a scheduled meeting between U.S. and Chinese officials to discuss North Korea. Even U.S. index provider MSCI's decision to incorporate mainland China-listed shares to U.S. stock indexes could not boost the markets. Today (As on Jun 22), Asian market opened higher as oil prices recovered.

## Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,655.25, a premium of 21.65 above the spot closing of 9,633.60. Turnover on NSE's Futures and Options segment went up from Rs. 3,34,664.77 crore on Jun 20 to Rs. 5,03,249.68 crore on Jun 21.
- The Put-Call ratio stood at 0.83 compared with the previous session's close of 0.98.
- The Nifty Put-Call ratio stood at 1.22 compared with the previous session's close of 1.21.
- India VIX moved up 2.42% to 10.9150 from 10.6575 in the previous trading session.
- The open interest on Nifty Futures stood at 23.21 million as against previous session's close of 23.20 million.



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## Debt Market Update

Policy Rates (%)	21-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 (%)	21-Jun-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	6.22	6.25	6.39
CALL	6.10	6.12	6.06	6.28
CBLO	6.23	6.11	6.05	6.24
OIS- 1 Yr	6.20	6.20	6.47	6.68
OIS- 5 Yr	6.20	6.21	6.63	6.82

Liquidity Indicators (in Rs. Cr.)	21-Jun-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	78,555	45,814	42,883	47,521
Call Money	14,032	11,706	14,303	12,423
CBLO	105,867	92,237	115,472	89,161
LAF	4,155	126	-22,003	538
Treasury Bills	10,227	9,857	966	2,697

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.69	6.70	-0.18
06.79 GS 2027	15-May-27	6.43	6.45	-0.24
06.97 GS 2026	06-Sep-26	6.59	6.61	-0.22
07.61 GS 2030	09-May-30	6.81	6.82	-0.17
07.35 GS 2024	22-Jun-24	6.75	6.78	-0.45

Certificate of Deposit (%)	21-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.35	6.35	6.43	6.87
6-Month	6.49	6.55	6.60	7.19
9-Month	6.57	6.62	6.72	7.34
12-Month	6.66	6.69	6.84	7.49

Commercial Paper (%)	21-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.71	6.68	6.75	7.84
6-Month	6.91	6.93	7.00	8.14
9-Month	7.04	7.07	7.13	8.24
12-Month	7.18	7.21	7.26	8.34

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
091 Days Treasury Bills	8,000	8,000	6.38%
364 Days Treasury Bills	6,000	6,000	6.38%

Key Indicators	
GDP (Q4 FY'17)	6.10%
Manufacturing PMI (May'17)	51.60
Current Account Deficit (Q4 of FY17, in \$ Billion)	-3.40
Fiscal Deficit (FY2017, as a % of GDP)	3.51%
Credit Growth (June 09, 2017)	6.03%
Deposit Growth (June 09, 2017)	11.19%

## Indian Debt Market

- Bond yields continued to fall for the third consecutive session due to increased demand for bonds ahead of the release of Monetary Policy Committee's Jun meeting minutes that might signal a rate cut in the coming months.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 2 bps to close at 6.43% from the previous close of 6.45%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,155 crore (gross) on Jun 21, up from Rs. 2,145 crore (gross) borrowing on Jun 20. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 4,800 crore on Jun 20.
- Banks made no borrowing under the central bank's Marginal Standing Facility on Jun 20, as against borrowing of Rs. 175 crore on Jun 19.
- According to data from RBI, banks' credit growth grew 6.03% on YoY basis for the fortnight ending on Jun 9, 2017. Bank deposits in the reporting fortnight increased 11.19% during the similar period.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which no amount was allotted.

## Spread Analysis

- Yields on gilt securities fell by up to 3 bps across maturities, barring 1-and 2-year papers that increased by up to 2 bps. Yields on 15- and 30-year papers were flat.
- Corporate bond yields eased by up to 2 bps across the curve leaving 3-, 6-, 7-, and 9-year papers that were unchanged. Highest fall was seen on 2-year papers.
- Spread between AAA corporate bond and gilt expanded by up to 3 bps across the segments leaving 1-, 2-, and 15-year papers that contracted by up to 3 bps. Spread rose the most on 7-year paper.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: June 19-23	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.
6.84 GS 2022	6 Yrs	3,000
6.79 GS 2029	13 Yrs	7,000
6.57 GS 2033	17 Yrs	2,000
6.62 GS 2051	35 Yrs	3,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	43.80	64.80	85.80
3 Yr	58.10	76.10	101.10
5 Yr	48.40	62.40	88.40
10 Yr	81.20	93.20	130.20

Key Indicators	Current	Previous
WPI (May'17)	2.17%	3.85%
CPI (May'17)	2.18%	2.99%
IIP (Apr'17)	3.10%	2.70%
Trade Deficit(In \$ billion-May 17)	-13.84	-13.25

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## Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1246	0.26	-0.72	1366	1128
Silver (\$/oz)	16	-0.15	-2.28	21	16
NYMEX Crude(\$/bbl)	42	-1.99	-15.60	54	39
Brent Crude(\$/bbl)	44	1.49	-16.71	56	40
Baltic Dry Index	844	-0.35	-11.72	1338	585
RJ/CRB Index	167	-1.32	-9.54	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,567	0.13	-0.32	31,529	27,172
Silver (1 kg)	38,094	-0.41	-1.54	48,049	37,744
Crude Oil (1 bbl)	2,805	-1.44	-11.65	3,688	2,638
Natural Gas (1 mmbtu)	187	0.59	-8.45	693	171
Aluminium (1 kg)	121	-1.03	-4.33	129	103
Copper (1 kg)	363	-1.22	1.10	446	112
Nickel (1 kg)	574	-0.79	-3.74	803	561
Lead (1 kg)	137	0.33	1.00	169	115
Zinc (1 kg)	167	0.91	-0.21	200	134
Mentha Oil (1 kg)	1,030	-0.36	-2.81	1,169	905
Cotton (1 bales)	20,310	0.15	-1.12	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	0.17	1.88	19.75	19.77	12.07	16.04
Small/Mid Cap	0.50	2.67	26.42	31.97	22.60	26.35
Diversified	0.36	2.19	21.10	22.52	14.32	17.73
Balanced	0.34	2.02	15.90	19.04	13.37	16.41
Banking	0.70	3.89	32.41	36.95	18.33	19.78
FMCG	1.13	4.23	30.65	23.57	17.84	17.22
Pharma	-0.21	-2.36	-4.51	-3.67	11.46	17.86
Technology	-0.56	0.56	1.95	-6.63	6.43	14.55
Infrastructure	0.47	0.59	24.56	29.82	13.80	16.39
Gold Funds	-1.02	-0.62	3.79	-7.47	-0.29	-2.05
Nifty 50	0.16	2.18	19.50	17.20	8.63	13.27
S&P BSE Sensex	0.41	2.69	19.21	16.67	7.59	12.92
S&P BSE 500	0.30	2.23	22.32	22.64	11.64	15.35
S&P BSE Midcap	0.35	1.41	23.91	30.06	18.30	19.85
CRISIL Balanced	0.17	2.16	13.80	15.64	9.71	12.25

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	6.18	6.20	6.13	6.53	7.35
Ultrashort Bond	6.82	8.37	6.40	7.52	7.73
Short-T Bond	7.17	14.09	6.67	9.25	8.17
Long-T Bond	8.63	19.54	7.23	10.94	8.79
Long T Govt Sec	12.27	33.92	7.82	14.82	8.72
Crisil Liquid	6.60	6.70	6.61	6.89	6.80
Crisil ST Bond	8.30	12.76	7.34	9.21	7.33
Crisil Composite	9.92	24.90	7.56	12.30	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 went up as safe-haven appeal got support ahead of the U.S. housing data, which will provide further cues on economic prospect. Gold prices were last seen trading at \$1,245.66 per ounce, from the previous close of \$1,242.81 per ounce.
- Brent crude prices inched up as data from the American Petroleum Institute (API) indicated that U.S. crude stockpiles had dropped more than forecast in the last week. Oil prices were last seen trading at \$43.35 per barrel, from the previous close of \$43.02 per barrel.

## International Market Update

- According to the Office for National Statistics, U.K. budget deficit fell to more than expected in May 2017. Public sector net borrowing excluding public sector banks plunged by GBP 0.3 billion on an annual basis to GBP 6.7 billion. This marked the lowest borrowing for the month of May since 2007. Meanwhile, public sector net debt, excluding public sector banks, was GBP 1,737.3 billion at the end of May 2017 that stands equal to 86.5% of gross domestic product.
- According to the Federation of German Industries, real economic output in Germany will grow 1.5% in 2017 as against 1.9% in 2016. Foreign trade will continue to be the key growth driver this year. However, the report also stated that policymakers must prepare the economy for the uncertainties from the U.S. and Brexit.

## Mutual Fund & Insurance Update

- As per media report, Edelweiss Mutual Fund has changed the face value of Edelweiss Liquid Fund and Edelweiss Treasury Fund from Rs. 10 to Rs. 1,000. For Edelweiss Liquid Fund, the change will be effective from Jul 1, 2017, while for Edelweiss Treasury Fund, the change will be effective from Jul 3, 2017.
- As per media report, Edelweiss Mutual Fund has decided to change the benchmark of Edelweiss Arbitrage Fund from Crisil Liquid Fund Index to Nifty 50 Arbitrage Index. The change will become effective from Jun 30, 2017.
- As per media report, SBI Mutual Fund has decided to change the exit load of SBI Equity Savings Fund. Accordingly, exit load of 1% will be charged if units in excess of 9% are redeemed or switched-out within 1 year and the change will become effective from Jun 21, 2017.
- As per media report, LIC Mutual Fund had decided to appoint Raj Kumar as the Chief Executive Officer of the company with effect from Jun 20, 2017.
- As per media reports, gross direct premium of general insurance firms in India grew 16% to Rs. 21,801.22 crore in May 2017, as against Rs. 18,796.55 crore in May 2016. Gains were triggered by health, motor, and fire insurance.

## 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

- Axis Mutual Fund has rescheduled the closing date of Axis Nifty ETF, an open-ended exchange-traded fund. Accordingly, the fund will close on Jun 27, 2017, instead of Jun 21, 2017. Consequent to extension of the new fund offer, the date for re-opening of scheme for subscription is also extended.



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## Currency Market Update

### Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.52	0.04	-0.19	68.87	63.92
EUR/INR	72.05	0.28	-0.39	76.90	67.92
YEN(100)/INR	57.92	0.03	-0.16	68.15	56.22
SGD/INR	46.43	-0.05	-0.37	50.57	45.58
EUR/USD	1.12	0.29	-0.34	1.14	1.03
GBP/USD	1.27	0.31	-2.81	1.50	1.15
JPY/USD	0.01	0.04	-0.10	0.01	0.01
SGD/USD	0.72	0.01	-0.31	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.57	0.03	149,090	13.04
EUR/INR	72.05	0.03	192	11.63
GBP/INR	81.86	0.06	1,093	-1.26
JPY/INR	58.05	0.24	327	-3.54

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.60	64.47	0.21
GBP	81.53	82.15	-0.75
EURO	71.94	71.96	-0.02
100 Yen	58.07	57.80	0.47

## Currency Update

- The Indian rupee inched down against the greenback as gains resulting from foreign fund inflow into the domestic debt market and selling of greenback by foreign banks were outweighed by losses in the domestic equity market. The rupee closed at 64.52 per dollar, down 0.04% from the previous close of 64.50.
- The euro inched up against the greenback amid growing possibility that lower global crude oil prices will keep inflationary pressures subdued in the U.S., thereby restricting the U.S. Fed from raising interest rates. Euro was trading at \$1.1138, up 0.04% from the previous close of \$1.1134.

## Global Economy

- Ifo economic institute raised its outlook for Germany and expects growth of 1.8%, up from its previous expectation of a growth of 1.5% for 2017. It expects growth of 2% up from previous expectation of a growth of 1.8% in 2018. The growth is expected to be driven by buoyant consumer demand, brisk construction activity and exports.
- A report from the Ministry of Economy, Trade and Industry showed that Japan's all industry activity index came in better than market expectations and grew 2.1% on MoM basis in Apr 2017 as against a decline of 0.7% in Mar 2017. Construction activity grew 7.3% and industrial output grew 4% in Apr as against a decline of 0.9% in Construction activity and 1.9% in industrial output in Mar.

## 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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