

June 27, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31138	-0.49	2.55	31523	25718	22.80
Nifty 50	9575	-0.57	2.01	9709	7894	24.37
S&P BSE Midcap	14584	-1.21	2.41	15123	11011	31.01
S&P BSE 100	9891	-0.68	2.09	10039	8038	22.45
S&P BSE 200	4158	-0.73	2.23	4224	3346	23.40
Nifty Free Float Midcap 100	17686	-1.24	1.50	18512	12921	31.00
Nifty 500	8355	-0.82	2.40	8496	6631	27.80

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23615	-1.54	2.40	24533	18497	22.84
S&P BSE Metal	10987	-0.62	-0.96	12307	7935	26.99
S&P BSE Oil	13306	-1.13	-2.62	14746	9195	11.29
S&P BSE Healthcare	14020	-0.26	-1.39	16866	13073	27.38
S&P BSE IT	9854	-0.34	-2.77	11354	9123	16.52
S&P BSE CD	15817	-1.09	3.15	16827	10502	36.74
S&P BSE PSU	8191	-1.50	-5.12	9216	6324	19.45
S&P BSE FMCG	10211	-0.19	3.94	10333	7653	41.88
S&P BSE CG	17282	-1.04	-1.22	18207	13255	29.91
Nifty Bank	23543	-0.81	4.25	23898	16946	26.47
S&P BSE Realty	2050	-0.89	4.30	2130	1163	54.92

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21410	0.07	1.56	21535	17063	19.98
S&P 500	2439	0.03	0.96	2454	1992	21.60
Nasdaq	6247	-0.29	0.60	6342	4574	22.97
FTSE 100	7447	0.31	-1.34	7599	5959	24.53
CAC 40	5296	0.56	-0.77	5442	3956	16.25
DAX	12771	0.29	1.34	12952	9214	15.13
Nikkei	20153	0.10	1.72	20318	14864	17.38
Hang Seng	25872	0.79	0.91	26090	19663	13.84
Shanghai Comp.	3185	0.87	2.42	3301	2808	14.60

F&O Trends	Px Last	Previous	Change %
Near Futures	9,590.05	9,633.10	-0.45
Near Basis	15.10	3.10	387.10
Mid Futures	9,609.15	9,652.15	-0.45
Mid Basis	34.20	22.15	54.40
Near Open Interest (Cr.)	1.95	2.04	-4.37
Mid Open Interest (Cr.)	0.43	0.25	72.33
Rollover (%)	19.24	12.20	57.77

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.90	-1.20	0.92	26.72	9.37
Nifty VIX	11.56	3.12	-5.29	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FII</b>					
Equity	6638.35	6129.63	508.72	53019.83	
Debt	881.73	674.90	206.83	91023.11	
<b>MF<sup>1</sup></b>					
Equity	2322.09	2050.53	271.56	36939.90	
Debt	8290.07	6426.01	1864.06	191941.09	

<sup>1</sup>As on 22<sup>nd</sup> June 2017

## Indian Equity Market

- Indian equity markets closed in the red as investors preferred to cash in on the recent gains. Cautious stance also prevailed among investors as the nation gears up to unveil the Goods and Services Tax from Jul 1. Buying interest was further affected by initial pressure in the European markets as market participants monitored the movement of global crude oil prices and focused on developments from the European Union Summit in Brussels.
- Key benchmark indices S&P BSE Sensex and Nifty 50 slipped 0.49% and 0.57% to close at 31,138.21 and 9,574.95, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap slipped 1.21% and 1.46%, respectively.
- On the BSE sectoral front, all the indices closed in the red. S&P BSE Auto was the major laggard, down 1.54%, followed by S&P BSE Industrials and S&P BSE Consumer Discretionary Goods & Services, which fell 1.39% and 1.23%, respectively. S&P BSE Oil & Gas and S&P BSE Consumer Durables slipped 1.13% and 1.09%, respectively.

## Indian Economy

- According to a major credit rating agency, asset quality in banks could continue to remain stressed in FY18 due to restructuring activities adopted by banks, weakness in some large corporate accounts, and events like waiver of farm loans. The agency expects gross non-performing assets (GNPA's) to increase in the range of 9.9% to 10.2% by Mar 2018 from 9.5% in Mar 2017.
- The Reserve Bank of India (RBI) has urged banks to resolve 55 identified cases of bad loans within six months, otherwise it will have to examine those cases and refer for resolution under the Insolvency and Bankruptcy Code. The central bank believes that banks should speed up the bad loans or non-performing assets resolution process for these cases

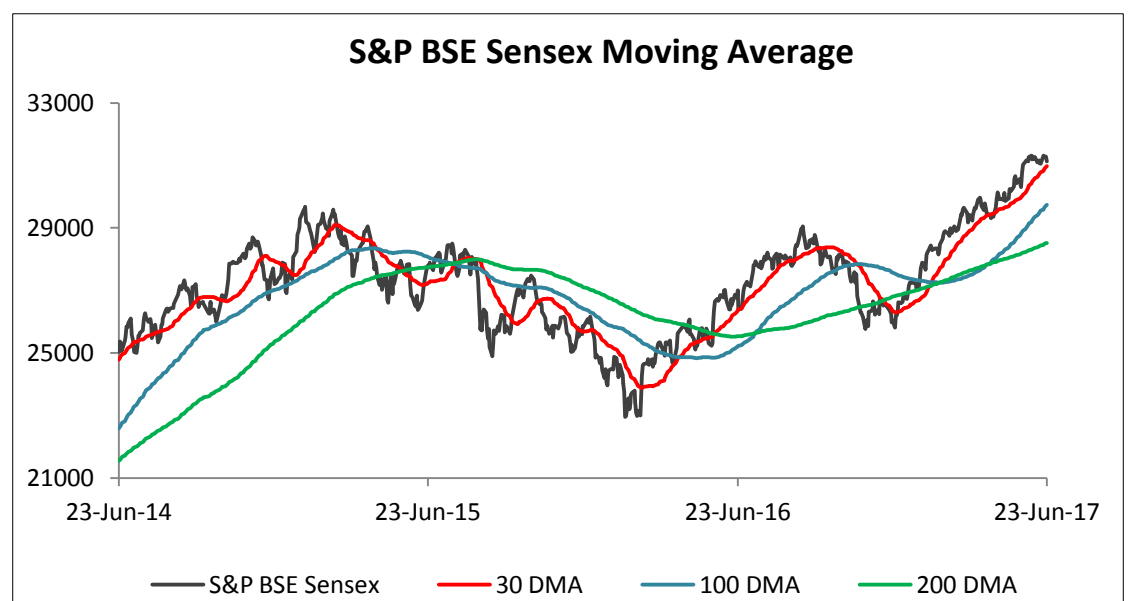
## Global Equity Market

- As per the last close, U.S. market closed mixed. More than expected decrease in U.S. durable goods order in May weighed on the market sentiments.
- As per the last close, European market closed higher after the Italian government agreed to bail out two banks in the Venice region.
- Asian markets closed higher despite thin trading volumes on account of holiday in several markets, as the coincident index reflecting Japan's current economic activity grew in Apr 2017 and on reports that U.S. index provider MSCI could probably up the future weighting of Chinese 'A' shares in its emerging markets benchmark. Today (As on Jun 27), Asian market opened higher following cues from the overseas market and weaker yen.

## Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,590.05, a premium of 15.10 above the spot closing of 9,574.95. Turnover on NSE's Futures and Options segment went down from Rs. 10,50,455.54 crore on Jun 22 to Rs. 5,21,270.01 crore on Jun 23.
- The Put-Call ratio stood at 0.95 compared with the previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.10 compared with the previous session's close of 1.18.
- India VIX moved up 3.12% to 11.5575 from 11.2075 in the previous trading session.
- The open interest on Nifty Futures stood at 24.12 million as against previous session's close of 23.20 million.

S&P BSE Sensex Moving Average



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## Debt Market Update

Policy Rates (%)	23-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 (%)	23-Jun-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.17	6.25	6.25	6.40
CALL	6.08	6.09	6.06	6.37
CBLO	5.87	6.21	6.04	6.44
OIS- 1 Yr	6.20	6.22	6.43	6.62
OIS- 5 Yr	6.21	6.24	6.58	6.77

Liquidity Indicators (in Rs. Cr.)	23-Jun-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	46,122	41,372	63,204	40,671
Call Money	23,458	11,158	13,671	16,066
CBLO	64,236	105,524	105,167	79,506
LAF	2,260	-1,377	-3,180	-7,024
Treasury Bills	6,448	2,269	881	2,186

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.72	6.72	0.08
06.79 GS 2027	15-May-27	6.46	6.45	0.09
06.97 GS 2026	06-Sep-26	6.64	6.63	0.16
06.57 GS 2033	05-Dec-33	6.83	6.81	0.32
07.61 GS 2030	09-May-30	6.84	6.84	0.04

Certificate of Deposit (%)	23-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.34	6.36	6.42	6.84
6-Month	6.48	6.51	6.62	7.15
9-Month	6.56	6.60	6.75	7.29
12-Month	6.65	6.68	6.87	7.43

Commercial Paper (%)	23-Jun-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.70	6.69	6.74	7.83
6-Month	6.91	6.93	6.99	8.11
9-Month	7.05	7.07	7.12	8.19
12-Month	7.19	7.21	7.26	8.28

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84 GS 2022	3,000	3,000	6.57%
6.79 GS 2029	7,000	7,000	6.74%
6.57 GS 2033	2,000	2,000	6.85%
6.62 GS 2051	3,000	3,000	7.10%

Key Indicators	Value
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 rose for the second day in a row as market participants postponed their buying following the weekly auction of government securities and ahead of the long weekend.
- Yield on the 10-year benchmark paper (6.79% GS 2027) grew 1 bps to close at 6.46% from the previous close of 6.45%. During the session, bond yields traded in the range of 6.45% and 6.47%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,260 crore (gross) on Jun 23, down from Rs. 3,245 crore (gross) borrowing on Jun 22. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 16,594 crore on Jun 22.
- Banks made no borrowing under the central bank's Marginal Standing Facility on Jun 22 and Jun 21.
- RBI conducted the auction of government securities namely 6.84% GS 2022, 6.79% GS 2029, 6.57% GS 2033, and 6.62% GS 2051 for a notified amount of Rs. 15,000 crore, for which the full amount was accepted. The cut-off price stood at Rs. 101.24 (6.57%), Rs. 100.44 (6.74%), Rs. 97.26 (6.85%), and Rs. 93.84 (7.10%), respectively.
- Data from RBI showed that India's foreign exchange reserves increased marginally to \$381.96 billion as of Jun 16 from \$381.16 billion in the previous week.

## Spread Analysis

- Yields on gilt securities moved 1 bps or remained flat across maturities, barring 3-year that fell 2 bps. Yield on 6-, 7-, 11-, 12-, and 15-year papers were steady.
- Corporate bond yields increased by up to 3 bps across the curve, leaving 9- and 10-year papers that remained flat. Highest rise was seen on 1- and 4-year papers and lowest increase was on 15-year paper.
- Spread between AAA corporate bond and gilt expanded by up to 7 bps across the segments, leaving 9- and 10-year papers that contracted 1 bps each.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: June 19-23	15,000	15,000	100.00%
Month: June 2017	60,000	45,000	75.00%
H1: Apr'17-Sep'17	372,000	164,784	44.30%

## Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	40.48%
10 to 14 Yrs	44.09%	47.43%
Long Dated (above 14 Yrs)	33.33%	42.74%

## 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	47.00	68.00	89.00
3 Yr	55.70	73.70	98.70
5 Yr	49.80	63.80	89.80
10 Yr	76.10	88.10	125.10

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)	1244	-0.99	-1.79	1366	1128
Silver (\$/oz)	17	-0.81	-4.58	21	16
NYMEX Crude(\$/bbl)	43	0.86	-12.76	54	39
Brent Crude(\$/bbl)	43	-0.12	-14.56	56	40
Baltic Dry Index	884	1.61	-3.07	1338	616
RJ/CRB Index	169	0.49	-7.38	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,753	0.18	-0.35	31,529	27,172
Silver (1 kg)	38,601	0.64	-2.34	48,049	37,744
Crude Oil (1 bbl)	2,757	0.33	-16.48	3,688	2,638
Natural Gas (1 mmbtu)	187	-0.16	-13.21	693	171
Aluminium (1 kg)	121	-0.17	-3.41	129	103
Copper (1 kg)	370	-0.28	0.03	446	112
Nickel (1 kg)	592	3.00	-1.68	803	561
Lead (1 kg)	141	0.32	4.33	169	115
Zinc (1 kg)	176	1.12	2.57	200	134
Mentha Oil (1 kg)	1,026	-0.56	-2.77	1,169	905
Cotton (1 bales)	20,210	0.35	-1.46	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	-0.48	1.91	20.11	18.16	11.72	15.86
Small/Mid Cap	-1.61	3.42	26.06	29.97	21.65	25.89
Diversified	-0.70	2.48	21.15	20.67	13.84	17.50
Balanced	-0.47	2.25	15.99	17.72	13.05	16.23
Banking	-0.76	4.21	32.17	33.71	17.57	19.49
FMCG	0.09	3.48	31.52	23.12	19.04	17.17
Pharma	-0.49	1.28	-2.36	-4.68	11.08	17.65
Technology	-0.20	0.31	2.69	-7.17	6.71	14.52
Infrastructure	-1.46	1.00	24.06	27.52	12.99	16.02
Gold Funds	-0.08	-0.40	4.49	-5.89	-0.14	-1.79
Nifty 50	-0.14	2.01	19.90	15.77	8.51	13.21
S&P BSE Sensex	0.26	2.55	19.58	15.32	7.54	12.89
S&P BSE 500	-0.60	2.44	22.51	21.00	11.29	15.17
S&P BSE Midcap	-1.51	2.41	24.00	27.52	17.36	19.37
CRISIL Balanced	-0.02	1.93	14.15	14.66	9.63	12.21

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	6.14	6.20	6.13	6.52	7.35
Ultrashort Bond	6.47	8.30	6.44	7.50	7.73
Short-T Bond	6.91	13.44	6.90	9.17	8.16
Long-T Bond	7.84	18.07	7.58	10.80	8.76
Long T Govt Sec	10.90	29.82	8.61	14.49	8.70
Crisil Liquid	6.55	6.64	6.62	6.89	6.80
Crisil ST Bond	8.41	11.57	7.51	9.11	7.32
Crisil Composite	10.25	20.90	8.10	12.11	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 U.S. Federal Reserve officials and a slew of U.S. data due during the week. However, ambiguities in global politics capped losses. Gold prices were last seen trading at \$1,241.01 per ounce, from the previous close of \$1,256.40 per ounce.
- Brent crude prices grew as investors awaited release of economic data to gauge the economy. However, persisting growth in U.S. crude output and concerns over global glut restricted gains. Oil prices were last seen trading at \$43.32 per barrel, from the previous close of \$43.18 per barrel.

## International Market Update

- According to a report from the Conference Board, U.S. leading economic index came in line with market expectations and grew 0.3% in May 2017 as against a downwardly revised growth of 0.2% in Apr 2017. Except for a decline in housing permits, the index showed widespread improvement among the majority of the leading indicators.
- Per a report from the European Central Bank (ECB), euro zone's solid growth momentum could continue in the second quarter of 2017 driven mainly by domestic demand. The economy grew 0.6% in the first quarter as against a growth 0.5% in fourth quarter of 2016.
- A flash survey data from IHS Markit showed that composite output index in the euro zone came in lower than expected and fell to 55.7 in Jun 2017 from 56.8 in May 2017. This marked the slowest pace in five months. The services PMI fell more than expected to 54.7 from 56.3 in May.

## Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 2322.09 crore as against sale of Rs. 2050.53 crore as on Jun 22, 2017. This led to a net buy of Rs. 271.56 crore compared with a net buy of Rs. 131.80 crore on Jun 21, 2017.
- In the debt space, mutual funds bought to the tune of Rs. 8290.07 crore as against sale of Rs. 6426.01 crore as on Jun 22, 2017. This meant a net purchase of Rs. 1864.06 crore compared with a net sale of Rs. 229.09 crore on Jun 21, 2017.

## Dividend Update

- LIC Mutual Fund has declared Jun 28, 2017, as the record date for declaration of dividend under the dividend option of LIC MF Balanced Fund, LIC MF Monthly Income Plan, LIC MF Bond Fund, LIC MF G-SEC Fund, and LIC MF Tax Plan.
- ICICI Mutual Fund has declared Jun 28, 2017, as the record date for declaration of dividend under the dividend option of ICICI Prudential Dynamic Bond Fund (Half Yearly Dividend and Direct Plan - Half Yearly Dividend) and ICICI Prudential Regular Income Fund (Half Yearly Dividend and Direct Plan - Half Yearly Dividend).
- Reliance Mutual Fund has declared Jun 28, 2017, as the record date for declaration of dividend under the dividend option of Reliance Interval Fund - Annual Interval Fund – Series I - Retail Plan - Dividend Option, Reliance Interval Fund - Annual Interval Fund – Series I - Dividend Option, and Reliance Yearly Interval Fund - Series 8 - Dividend Plan.

## NFO Update

- ICICI Prudential Mutual Fund has extended the NFO period of ICICI Prudential Fixed Maturity Plan - Series 81 - 1141 Days Plan N till Jun 29, 2017.

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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	0.00	0.12	68.87	63.92
EUR/INR	72.02	-0.20	-0.15	76.25	67.92
YEN(100)/INR	57.60	-0.56	-0.54	67.36	56.22
SGD/INR	46.41	-0.12	-0.57	50.28	45.58
EUR/USD	1.12	-0.12	-0.03	1.14	1.03
GBP/USD	1.27	0.03	-0.64	1.36	1.15
JPY/USD	0.01	-0.51	-0.46	0.01	0.01
SGD/USD	0.72	-0.04	-0.45	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.53	-0.13	149,235	-3.67
EUR/INR	72.04	-0.16	136	3.82
GBP/INR	82.20	0.44	1,081	1.31
JPY/INR	58.01	-0.07	397	18.15

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.54	64.50	0.06
GBP	81.97	81.80	0.21
EURO	72.08	72.07	0.01
100 Yen	58.01	58.05	-0.07

## Currency Update

- The Indian rupee rose against the U.S. dollar following selling of the greenback by corporates. However, month-end dollar demand from importers capped the gains. The rupee closed at 64.52 per dollar, up 0.10% from the previous close of 64.59.
- The euro inched down against the greenback as market participants remained sceptical of another rise in U.S. interest rates and remained on the sidelines ahead of a speech by the U.S. Federal Reserve chief in Europe due Jun 27. Euro was trading at \$1.1185, down 0.06% from the previous close of \$1.1192.

## Global Economy

- A flash report from IHS Markit showed that composite output index in Germany dropped to 56.1 in Jun 2017 from 57.4 in May 2017, marking the weakest pace of growth since Feb 2017. However, overall growth remained strong and marked the fastest growth over a period of six years. Flash manufacturing Purchasing Managers' Index (PMI) fell to 59.3 in Jun from 59.5 in May. Meanwhile, services PMI dropped to 53.7 from 55.4 in May, thereby hitting a 5-month low.
- According to a report from data from Destatis, seasonally, working-day and price-adjusted orders in construction in Germany grew 0.9% on MoM basis in Apr 2017. On an annual basis, construction new orders surged a working-day-adjusted 6.4% in Apr.
- Per a report from Destatis, on an annual basis, Germany's real wages went up 0.6% in the first quarter slower than 1.1% increase in fourth quarter of 2016. Although consumer prices grew 1.9% during the quarter, real earnings grew on YoY basis for the thirteenth consecutive quarter.

## Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (May)	01-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	Forex Reserves	30-Jun-17
Index of Industrial Production (Apr)	12-Jun-17	Index of Eight Core Industries (May)	30-Jun-17

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