

May 29, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31028	0.90	2.97	31074	25718	22.91
Nifty 50	9595	0.90	2.60	9605	7894	24.32
S&P BSE Midcap	14520	2.06	-1.64	15123	11011	22.91
S&P BSE 100	9904	1.14	2.02	9911	8038	22.91
S&P BSE 200	4153	1.18	1.43	4178	3346	22.91
Nifty Free Float	17586	1.39	-2.42	18512	12921	32.43
Midcap 100						
Nifty 500	8332	1.19	1.23	8404	6631	28.01

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23811	1.34	5.07	23906	18497	22.91
S&P BSE Metal	11413	3.40	1.43	12307	7607	22.91
S&P BSE Oil	14201	2.08	-1.50	14746	9195	22.91
S&P BSE Healthcare	13591	-0.76	-10.03	16866	13559	22.91
S&P BSE IT	10399	0.29	7.94	11776	9123	22.91
S&P BSE CD	15398	1.56	-0.91	16229	10502	22.91
S&P BSE PSU	8744	1.13	-1.85	9216	6140	22.91
S&P BSE FMCG	10016	1.77	4.36	10092	7653	22.91
S&P BSE CG	17896	1.47	0.18	18207	13255	22.91
Nifty Bank	23362	0.74	5.03	23408	16946	29.90
S&P BSE Realty	1977	0.49	1.67	2129	1163	22.91

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	21080	-0.01	0.50	21169	17063	19.87
S&P 500	2416	0.03	1.19	2419	1992	21.38
Nasdaq	6210	0.08	3.07	6217	4574	22.79
FTSE 100	7548	0.40	3.55	7554	5789	24.94
CAC 40	5337	-0.01	0.92	5442	3956	16.37
DAX	12602	-0.15	1.04	12842	9214	14.92
Nikkei	19687	-0.64	2.06	19998	14864	17.01
Hang Seng	25639	0.03	4.32	25724	19663	14.07
Shanghai Comp.	3110	0.07	-0.98	3301	2795	14.26

F&O Trends	Px Last	Previous	Change %
Near Futures	9,575.80	9,510.10	0.69
Near Basis	-19.30	0.35	-5,614.29
Mid Futures	9,589.95	9,495.90	0.99
Mid Basis	-5.15	-13.85	-62.82
Near Open Interest (Cr.)	1.90	0.70	170.53
Mid Open Interest (Cr.)	0.10	1.91	-95.01
Rollover (%)	4.97	74.09	-93.29

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.81	-1.80	-9.59	26.72	9.56
Nifty VIX	10.86	3.97	-7.47	23.09	8.84

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs					
Equity		9181.50	8392.30	789.20	51032.95
Debt		429.86	636.57	-206.71	65128.81
MF¹					
Equity		3222.19	2934.62	287.57	30448.69
Debt		6058.27	1802.69	4255.58	164052.81

¹ As on 23rd May 2017

Indian Equity Market

- Indian equity markets extended the previous session's rally with Sensex surpassing the 31,000-mark level for the first time and Nifty 50 hitting the 9,600-mark during intraday trade. Strong buying interest in index heavyweights across different sectors, coupled with expectation of normal monsoon buoyed investor sentiment. Encouraging corporate earning numbers from a major company in the FMCG sector furthered market's gains.
- Both the key benchmark indices, namely S&P BSE Sensex and Nifty 50 went up 0.90% each to close at 31,028.21 and 9,595.10, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 2.06% and 1.60%, respectively.
- The market breadth on BSE was positive with 1,822 scrips advancing and 851 scrips declining. A total of 175 scrips remained unchanged.

Indian Economy

- According to a major credit rating agency, India's economic growth could slow down to 7.1% in terms of gross domestic product in the fourth quarter of fiscal 2017, and to 6.9% in terms of gross value added. Also, the agency stated that the numbers would improve once the new Wholesale Price Index and the Index of Industrial Production are incorporated.
- According to media reports, for the second consecutive year, India has retained the position as the world's top most greenfield Foreign Direct Investment (FDI) destination with \$62.3 billion investments in 2016. India is followed by China and the U.S.
- According to a World Economic Forum report, retirement savings gap in India is expected to reach \$85 trillion by 2020 compared with the current shortfall of \$3 trillion owing to longer lifespans and reduced levels of savings.

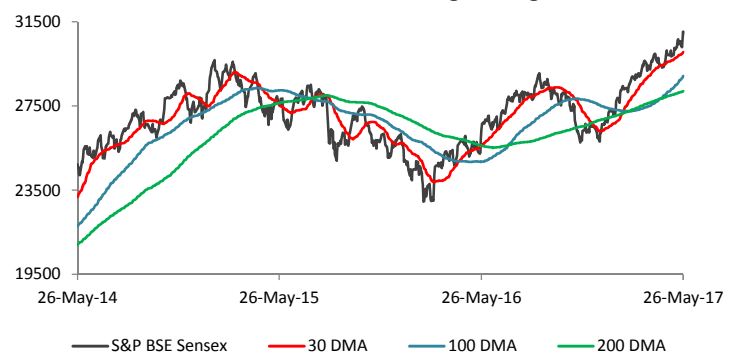
Global Equity Market

- As per the last close, U.S. market was little changed as investors remained uncertain about the near-term outlook for the markets following recent volatility.
- As per the last close, European market closed as energy and automakers declined and investors were not impressed by the outcome of Thursday's OPEC meeting.
- Most Asian markets closed negatively, primarily following a decline in crude oil prices. Prices dropped on news that the OPEC consented to extend production cuts by nine months to Mar 2018, although investors hoped for deeper cuts. A stronger Japanese yen further hindered gains. Today (As on May 29), Asian market were little changed as several major markets remain closed for public holidays.

Indian Derivative Market

- Nifty Jun 2017 Futures were at 9,575.80, a discount of 19.30 over the spot closing of 9,595.10. Turnover on NSE's Futures and Options segment went down from Rs. 12,61,114.37 crore on May 25 to Rs. 3,60,975.06 crore on May 26.
- The Put-Call ratio stood at 0.80 compared with previous day's close of 0.93.
- The Nifty Put-Call ratio stood at 1.10 compared with previous day's close of 1.42.
- India VIX moved up 3.97% to 10.8625 from 10.4475 in the previous trading session.
- The open interest on Nifty Futures stood at 19.95 million as against previous session's close of 26.21 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	26-May-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 (%)	26-May-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.19	6.25	6.25	6.59
CALL	6.03	6.06	5.99	6.33
CBLO	5.00	6.05	6.18	6.52
OIS- 1 Yr	6.41	6.47	6.50	6.68
OIS- 5 Yr	6.55	6.63	6.77	6.76

Liquidity Indicators (in Rs. Cr.)	26-May-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	52,225	42,883	33,885	28,271
Call Money	15,966	14,303	12,920	12,381
CBLO	66,438	115,472	119,739	83,735
LAF	1,621	-22,003	-18,246	5,817
Treasury Bills	2,171	966	7,623	1,226

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.83	6.84	-0.18
06.79 GS 2027	15-May-27	6.65	6.66	-0.20
06.97 GS 2026	06-Sep-26	6.79	6.79	-0.05
07.59 GS 2026	11-Jan-26	6.94	6.94	0.02
07.61 GS 2030	09-May-30	7.05	7.06	-0.12

Certificate of Deposit (%)	26-May-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.40	6.43	6.38	7.17
6-Month	6.64	6.60	6.54	7.31
9-Month	6.76	6.72	6.62	7.38
12-Month	6.87	6.84	6.70	7.46

Commercial Paper (%)	26-May-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.70	6.75	6.75	7.98
6-Month	6.96	7.00	7.03	8.18
9-Month	7.11	7.13	7.14	8.25
12-Month	7.26	7.26	7.25	8.33

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	3,000	6.85%
6.79 GS 2027	8,000	8,000	6.66%
7.73 GS 2034	2,000	2,000	7.31%
7.06 GS 2046	2,000	2,000	7.39%

Key Indicators	
GDP (Q3 FY'17)	7.00%
Manufacturing PMI (Apr'17)	52.50
Current Account Deficit (Q3 of FY17, in \$ Billion)	-7.90
Fiscal Deficit (FY2016, as a % of GDP)	3.90%
Credit Growth (May 12, 2017)	5.60%
Deposit Growth (May 12, 2017)	12.10%

Indian Debt Market

- Bond yields stood unchanged as gains from weakness in crude oil prices were offset by lower than expected cut-off of a government security.
- Yield on the 10-year benchmark paper (6.97% GS 2026) stood unchanged at 6.79%. During the trading session, bond yields traded in the range of 6.76% and 6.80%.
- Banks' borrowings under the repo window of the LAF stood at Rs. 1,621 crore (gross) on May 26, compared with the gross borrowing of Rs. 2,345 crore on May 25. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 24,419 crore on May 25.
- Banks did not borrow under the central bank's MSF on May 25 and on May 24.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 6,100 crore was allotted at a cut-off rate of 6.24%.
- RBI conducted a 14-day variable rate repo auction for a notified amount of Rs. 21,000 crore for which Rs. 575 crore was allotted at a cut-off rate of 6.26%.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 30,000 crore for which Rs. 11,980 crore was allotted at a cut-off rate of 6.24%.
- RBI conducted a 14-day variable rate repo auction for a notified amount of Rs. 21,000 crore for which Rs. 575 crore was allotted at a cut-off rate of 6.26%.

Spread Analysis

- Yields on gilt securities either fell by up to 4 bps or remained unchanged across maturities, barring 1-, 2-, and 30-year maturities that increased by up to 2 bps.
- Corporate bond yields fell across the maturities by up to 3 bps. The minimum contraction was witnessed on 1-, 2-, and 5-year maturities, and the maximum on 3-, 9-, and 10-year papers.
- Spread between AAA corporate bond and gilt either closed steady or expanded 1 bps across 3 to 7 years' maturities. Spread on the remaining maturities contracted by up to 3 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: May 22- 26	15,000	15,000	100.00%
Month: May 2017	60,000	60,000	100.00%
H1: Apr'17-Sep'17	372,000	119,784	32.20%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	29.76%
10 to 14 Yrs	44.09%	34.01%
Long Dated (above 14 Yrs)	33.33%	31.45%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	091 Days	8,000
Treasury Bills	182 Days	6,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	51.30	71.30	95.30
3 Yr	54.30	68.30	91.30
5 Yr	40.00	63.00	88.00
10 Yr	51.40	69.40	96.40

Key Indicators	Current	Previous
WPI (Apr'17)	3.85%	5.29%
CPI (Apr'17)	2.99%	3.89%
IIP (Mar'17)	2.70%	1.90%
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)	1267	0.90	-0.16	1366	1128
Silver (\$/oz)	17	1.34	-0.63	21	16
NYMEX Crude(\$/bbl)	50	2.08	-0.02	54	39
Brent Crude(\$/bbl)	50	-2.72	2.92	56	40
Baltic Dry Index	961	3.56	-16.22	1338	580
RJ/CRB Index	182	0.47	0.16	196	177

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,782	0.28	-0.19	31,529	27,172
Silver (1 kg)	39,635	0.46	-1.88	48,049	37,744
Crude Oil (1 bbl)	3,154	-5.31	-1.00	3,688	2,638
Natural Gas (1 mmbtu)	205	-1.30	5.01	693	145
Aluminium (1 kg)	126	-0.04	0.56	129	103
Copper (1 kg)	369	0.00	1.09	3,082	112
Nickel (1 kg)	582	-0.53	-1.81	803	561
Lead (1 kg)	135	1.62	-3.74	169	113
Zinc (1 kg)	169	0.68	1.38	200	127
Mentha Oil (1 kg)	1,063	0.57	-2.33	1,169	905
Cotton (1 bales)	20,490	0.20	-1.01	23,720	17,480

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	1.12	1.52	17.27	21.93	12.75	16.81
Small/Mid Cap	-0.43	-0.80	21.11	32.26	24.15	26.07
Diversified	0.72	1.17	17.81	24.02	15.09	18.25
Balanced	0.45	0.88	12.52	19.85	14.06	16.62
Banking	1.11	2.56	24.75	37.88	17.07	20.48
FMCG	2.88	3.01	25.87	23.12	17.93	17.86
Pharma	-6.63	-9.39	-12.78	-9.06	12.80	16.66
Technology	1.57	4.67	4.55	-4.31	10.25	15.46
Infrastructure	-0.10	-0.10	22.89	33.38	14.76	17.36
Gold Funds	0.36	0.23	-0.64	-2.77	1.13	-1.14
Nifty 50	1.77	2.60	18.25	18.90	9.24	14.27
S&P BSE Sensex	1.85	2.97	17.90	17.68	7.87	13.84
S&P BSE 500	0.87	1.22	19.63	23.93	12.12	15.96
S&P BSE Midcap	-0.85	-1.64	19.18	29.74	19.59	19.71
CRISIL Balanced	1.34	2.17	11.78	16.27	10.04	12.83

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	6.20	6.18	6.10	6.61	7.36
Ultrashort Bond	8.57	6.91	5.41	7.46	7.72
Short-T Bond	14.39	9.52	3.35	8.72	8.12
Long-T Bond	19.26	12.11	1.86	9.93	8.60
Long T Govt Sec	33.40	18.52	-1.58	12.56	8.54
Crisil Liquid	6.81	6.55	6.44	6.97	6.80
Crisil ST Bond	12.67	9.48	4.99	8.87	7.30
Crisil Composite	27.70	16.32	1.04	11.02	7.17
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 higher as the political uncertainty in the U.S. continued to boost the safe haven appeal of the bullion. Gains were restricted as the minutes of U.S. Federal Reserve's latest meeting fueled speculation about an interest rate hike in Jun 2017. Gold prices were last seen trading at \$1,267.55 per ounce, compared with the previous close of \$1,255.36.
- Brent crude prices traded lower as the major oil producers' agreement to extend production cut for nine months till Mar 2018 fell short of market's expectation for longer or deeper cuts. According to Saudi Arabia's energy minister, the consensus among members was that deeper cuts are not needed now. Oil prices were last seen trading at \$50.33 per barrel, compared with the previous close of \$51.89 per barrel.

International Market Update

- A report from the Commerce Department showed that U.S.' gross domestic product surpassed market expectations and grew 1.2% in the first quarter compared with the preliminary estimate of 0.7% growth. However, the pace was slower than 2.1% growth witnessed in fourth quarter 2016.
- According to a report released by the Commerce Department, durable goods orders in the U.S. fell 0.7% in Apr 2017 as against upwardly revised growth of 2.3% for Mar 2017. The decline came in better than market expectations. Orders for transportation equipment and non-defense aircraft and parts declined 1.2% and 9.2%, as against growth of 5.3% and 15.4%, respectively in Mar.

Mutual Fund & Insurance Update

- Axis Mutual Fund has announced change in the fund management of Axis Equity Advantage Fund - Series I, with effect from May 26. Accordingly, the fund will be managed by Mr. Shreyash Devalkar, Mr. Ashwin Patni, and Mr. Aditya Pagaria. Previously, the fund was managed by Mr. Shreyash Devalkar and Mr. Ashwin Patni.
- DSP Blackrock MF has announced that Mr. S Naganath, President and CIO, has resigned to pursue other opportunities. Mr. Kalpen Parekh, Joint President, takes over as President with effect from May 26. Mr. Anup Maheshwari, Head - Equities, takes over as Chief Investment Officer - Equities and Mr. Pankaj Sharma, Head - Fixed Income, takes over as Chief Investment Officer - Fixed Income. Meanwhile, Mr. Ramamoorthy Rajagopal, Chief Administrative Officer, has taken over as Chief Operating Officer. Ms. Aditi Kothari Desai continues to head Sales, Marketing, and e-Business.
- As per media reports, HDFC Life could go back to its preliminary decision of opting for an initial public offering (IPO), which was planned almost a year ago. This comes as there has been delay in getting regulatory approvals for a three-way merger between HDFC Life, Max Life, and Max Financial Services.

Dividend Update

- ICICI Prudential Mutual Fund has announced May 31 as the record date for declaration of dividend under the dividend option of ICICI Prudential Short Term Gilt Fund and ICICI Prudential Monthly Income Plan. The rates of dividend for ICICI Prudential Short Term Gilt Fund are Re. 0.1127 per unit (regular) and Re. 0.1330 per unit (direct). Rates of dividend for ICICI Prudential Monthly Income Plan are Re. 0.3421 per unit (regular) and Re. 0.3643 per unit (direct).
- BNP Paribas Mutual Fund has announced May 31 as the record date for declaration of dividend under the dividend option of BNP Paribas Enhanced Arbitrage Fund. The rate of dividend is Re. 0.012 per unit.

NFO Update

- ICICI Prudential Mutual Fund has announced the New Fund Offer period of ICICI Prudential Fixed Maturity Plan -Series 81 - 1154 Days Plan J, which will commence on Jun 6, 2017, and close on Jun 8, 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	64.44	-0.26	0.51	68.87	63.92
EUR/INR	72.13	-0.30	3.19	76.92	67.92
YEN(100)/INR	57.91	0.35	0.34	68.15	56.22
SGD/INR	46.68	0.29	1.69	50.57	45.58
EUR/USD	1.12	-0.24	2.56	1.14	1.03
GBP/USD	1.28	-1.06	-0.34	1.50	1.15
JPY/USD	0.01	0.46	-0.25	0.01	0.01
SGD/USD	0.72	0.35	1.02	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.45	-0.27	75,766	-11.31
EUR/INR	72.24	-0.32	557	1.64
GBP/INR	82.89	-1.06	2,665	-7.91
JPY/INR	58.12	0.50	315	4.65

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.59	64.51	0.13
GBP	83.18	83.77	-0.70
EURO	72.33	72.47	-0.19
100 Yen	57.95	57.74	0.36

Currency Update

- The Indian rupee gained against the U.S. dollar following strength in the domestic equity market. However, month-end dollar demand from oil importers capped the gains. The rupee rose 0.26% to close at 64.44 per dollar from the previous close of 64.61.
- The euro weakened against the greenback after data showed that the U.S. economy grew more than expected in the first quarter of 2017 and durable goods orders in the U.S. fell less than expected in Apr 2017. Euro was trading at \$1.1173, down 0.32% from the previous close of \$1.1209.

Global Economy

- According to a report from the Labor Department, initial jobless claims in the U.S. for the week ended May 20 missed market expectations and grew modestly. Initial jobless claims grew 1,000 to 234,000 from last week's revised level of 233,000. Also, the four-week moving average declined 5,750 to 235,250 from last week's revised level of 241,000.
- According to the Ministry of Internal Affairs and Communications, overall consumer prices in Japan came in line with market expectations. On an annual basis, overall consumer prices grew 0.4%, up from 0.2% in Mar 2017. On monthly basis, overall CPI was up 0.1% and while core CPI was flat.
- A report from the Bank of Japan showed that producer prices in Japan missed market expectations and grew 0.7% YoY in Apr 2017 as against 0.8% growth in Mar 2017. However, producer prices fell 0.2% on MoM basis compared with a growth of 0.6% in Mar.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Apr)	02-May-17	Consumer Price Index (Apr)	12-May-17
Nikkei India Service PMI (Apr)	04-May-17	Wholesale Price Index (Apr)	15-May-17
Forex Reserves	05-May-17	Index of Eight Core Industries (Apr)	31-May-17
Index of Industrial Production (Mar)	12-May-17	Q4 GDP Estimate for FY17'	31-May-17

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