

September 05, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31702	-0.60	-1.93	32686	25718	23.61
Nifty 50	9913	-0.62	-1.53	10138	7894	25.83
S&P BSE Midcap	15580	-0.68	0.93	15741	11449	30.75
S&P BSE 100	10311	-0.70	-1.28	10494	8085	23.66
S&P BSE 200	4335	-0.67	-1.06	4406	3379	24.63
Nifty Free Float	18368	-0.74	0.01	18638	13658	33.64
Midcap 100	8700	-0.63	-0.86	8833	6712	29.85

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	23960	-0.78	-3.38	25037	19164	25.90
S&P BSE Metal	13567	0.26	7.64	13660	9464	29.95
S&P BSE Oil	15129	-0.78	2.09	15337	10902	12.86
S&P BSE Healthcare	13365	-0.20	-3.70	16866	12513	30.39
S&P BSE IT	9944	-1.02	-4.12	10642	9123	16.58
S&P BSE CD	17624	-0.17	2.22	17885	10502	38.17
S&P BSE PSU	8642	-0.51	-2.11	9216	7173	19.53
S&P BSE FMCG	10124	-0.76	0.92	10936	7653	41.81
S&P BSE CG	17285	-0.74	-2.48	18207	13255	28.25
Nifty Bank	24237	-0.81	-2.38	25199	17607	27.33
S&P BSE Realty	2162	-1.39	-0.52	2231	1163	60.33

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	Closed	NA	NA	22179	17884	NA
S&P 500	Closed	NA	NA	2491	2084	NA
Nasdaq	Closed	NA	NA	6461	5034	NA
FTSE 100	7411	-0.36	-1.33	7599	6654	21.94
CAC 40	5104	-0.38	-1.91	5442	4311	15.68
DAX	12102	-0.33	-1.59	12952	10175	13.10
Nikkei	19508	-0.93	-2.23	20318	16112	16.30
Hang Seng	27740	-0.76	0.64	28128	21489	13.56
Shanghai Comp.	3380	0.37	3.60	3382	2969	15.37

F&O Trends	Px Last	Previous	Change %
Near Futures	9,927.65	10,007.30	-0.80
Near Basis	14.80	32.90	-55.02
Mid Futures	9,955.75	10,034.20	-0.78
Mid Basis	42.90	59.80	-28.26
Near Open Interest (Cr.)	1.75	1.69	3.23
Mid Open Interest (Cr.)	0.06	0.06	-3.59
Rollover (%)	3.34	3.46	-3.49

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	Closed	NA	NA	23.01	8.84
Nifty VIX	13.17	12.76	15.58	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIs				
Equity	3193.04	3938.49	-745.45	43919.98
Debt	396.70	334.62	62.08	128601.09
MF¹				
Equity	1711.54	1145.50	566.04	70194.81
Debt	4274.82	3362.12	912.70	256657.33

¹As on 30th August 2017

Indian Equity Market

- Indian equity market closed in the red after North Korea reported that it tested a hydrogen bomb in spite of repeated U.S. warnings, thereby prompting investors to move to safe haven assets. Outflow of foreign funds from domestic market also weighed on market sentiment.
- Key benchmark indices S&P BSE Sensex as well as Nifty 50 fell 0.60% and 0.62% to close at 31,702.25 and 9,912.85, respectively. Both S&P BSE Small-Cap and S&P BSE Mid-Cap fell 0.62% and 0.68%, respectively.
- On the BSE sectoral front, indices closed on a negative note. The top losers comprised S&P BSE Realty, down 1.39%, trailed by S&P BSE Telecom (-1.32%), S&P BSE Industrials (-1.04%), S&P BSE Information Technology (-1.02%), S&P BSE Teck (-0.94%), and S&P BSE Oil and Gas, S&P BSE Bankex, and S&P BSE Auto (-0.78% each). Meanwhile, the only gainer was S&P BSE Metal (0.26%).

Indian Economy

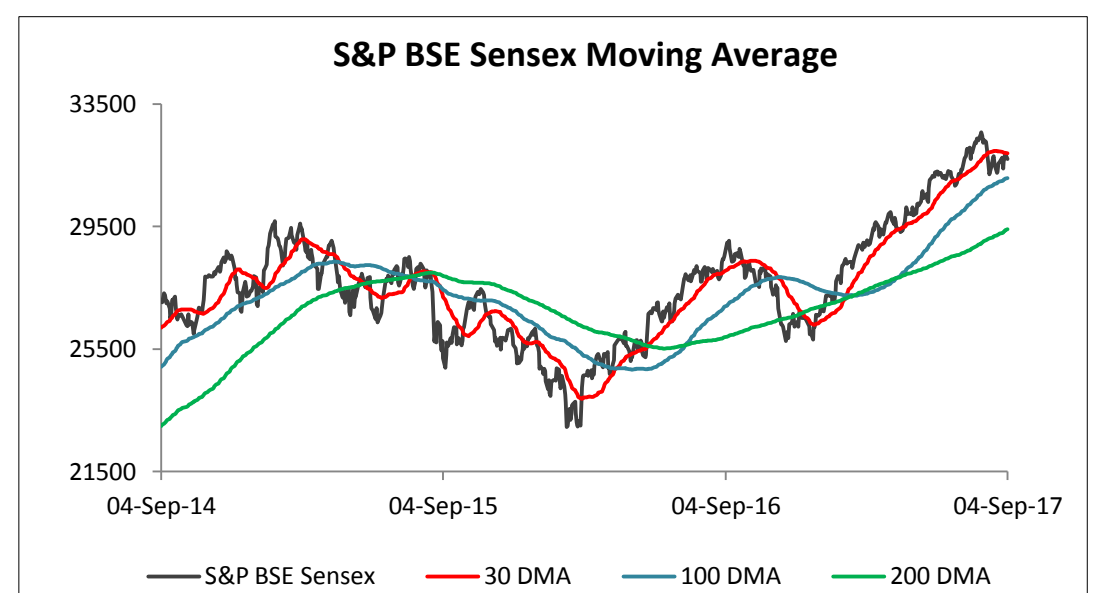
- According to the agriculture secretary, India's foodgrain production in the current kharif season is expected to remain around the last year's record level of 138.04 million tonnes which it attributed to goods monsoons.
- The Securities and Exchange Board of India (SEBI) could make stringent rules to classify mutual fund schemes. This move will lead to merger of schemes and will help investors identify the right plan from within the product heap. The panel appointed by SEBI has identified a little more than 30 subcategories to classify schemes.
- According to a major domestic rating agency, housing finance companies (HFCs) are likely to need around Rs. 9,000-16,000 crore of external capital over the next three year to grow at 20-22%. The rating agency added that capital adequacies of HFCs is at comfortable levels due to relatively lower risk weights for home loans and commercial real estate loans.

Global Equity Market

- As per the last close, U.S. market remained closed on account of Labor day.
- As per the last close, European market ended on a negative note amid North Korea's latest nuclear test prompted investors to rush to safe-haven assets.
- Most of the major Asian markets snapped owing to renewed geopolitical tensions; North Korea reportedly carried out its sixth and most powerful nuclear test. Disappointing U.S. jobs report further weighed on sentiment. Meanwhile, investors awaited a bunch of Chinese data due later during the week. Today (As of Sep 5), Asian markets opened on a mixed note. Geopolitical tensions amid North Korea's recent nuclear test continued to keep the market under pressure. Investors remained cautious ahead of China Caixin services PMI.

Indian Derivative Market

- Nifty Sep 2017 Futures were at 9,927.65, a premium of 14.80 points above the spot closing of 9,912.85. The turnover on NSE's Futures and Options segment went up from Rs. 3,26,441.18 crore on Sep 1 to Rs. 4,69,922.20 crore on Sep 4.
- The Put-Call ratio stood at 1.01 against previous session's close of 0.89.
- The Nifty Put-Call ratio stood at 1.30 against previous session's close of 1.38.
- India VIX moved up 2.32% to 13.1650 from 11.6750 in the previous trading session.
- The open interest on Nifty Futures stood at 18.06 million as against previous session's close of 17.52 million.



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Debt Market Update

Policy Rates (%)	04-Sep-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	5.75	6.00
Repo	6.00	6.00	6.00	6.50
CRR	4.00	4.00	4.00	4.00
SLR	20.00	20.00	20.00	21.00
Bank Rate	6.25	6.25	6.25	7.00

Daily Rates (%)	04-Sep-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.00	5.95	6.49
CALL	5.86	5.86	5.90	6.37
CBLO	5.80	5.82	5.24	5.12
OIS- 1 Yr	6.14	6.17	6.13	6.56
OIS- 5 Yr	6.02	6.22	6.12	6.49

Liquidity Indicators (in Rs. Cr.)	04-Sep-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	54,777	44,543	60,615	58,197
Call Money	11,560	14,998	25,221	19,204
CBLO	114,275	132,600	62,201	50,930
LAF	2,045	-32,507	-22,417	-16,903
Treasury Bills	3,228	3,055	11,945	3,465

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2029	26-Dec-29	6.82	6.81	0.05
06.79 GS 2027	15-May-27	6.50	6.48	0.19
06.68 GS 2031	17-Sep-31	6.64	6.63	0.20
07.72 GS 2025	25-May-25	6.79	6.77	0.30
07.68 GS 2023	15-Dec-23	6.62	6.60	0.30

Certificate of Deposit (%)	04-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.15	6.18	6.19	6.64
6-Month	6.35	6.38	6.33	6.92
9-Month	6.42	6.44	6.41	7.07
12-Month	6.49	6.50	6.48	7.22

Commercial Paper (%)	04-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.56	6.55	6.55	6.98
6-Month	6.75	6.74	6.76	7.33
9-Month	6.83	6.83	6.85	7.50
12-Month	6.91	6.93	6.94	7.68

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84 GS 2022	3,000	3,000	6.48%
6.57 GS 2033	3,000	3,000	6.87%
7.72 GS 2055	3,000	3,000	7.15%
6.68 GS 2031	9,000	9,000	6.68%

Key Indicators	
GDP (Q1 FY'18)	5.70%
Manufacturing PMI (Aug'17)	51.20
Current Account Deficit (Q4 of FY17, in \$ Billion)	-3.40
Fiscal Deficit (FY2018, as a % of GDP)	3.20%
Credit Growth (Aug 4, 2017)	6.30%
Deposit Growth (Aug 4, 2017)	10.80%

Indian Debt Market

- Bond yields rose due to increased geopolitical tension after North Korea tested an advanced hydrogen bomb for a long-range missile. Profit booking by investors after sharp gains last week added to the losses.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 2 bps to close at 6.50% from previous close of 6.48%. During the session, bond yields traded in the range of 6.48% and 6.53%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,045 crore (gross) on Sep 4 compared with borrowings of Rs. 2,365 crore (gross) on Sep 1. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 44,628 crore on Sep 1.
- Banks did not borrow under the central bank's Marginal Standing Facility on Sep 1 and Aug 31.
- RBI conducted a 25-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 1,000 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 15,000 crore for which Rs. 15,005 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 20,000 crore for which Rs. 17,613 crore was allotted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities increased across the maturities by up to 4 bps, barring 1-, 3-, 15-, and 30-year maturities that closed steady.
- Corporate bond yields increased across the maturities by up to 5 bps, barring 3- and 10-year maturities that closed steady.
- Spread between AAA corporate bond and gilt either closed steady or expanded by up to 3 bps, barring 10-year paper that contracted 2 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Aug 28 - Sep 01	18,000	18,000	100.00%
Month: Sep 2017	63,000	18,000	28.57%
H1: Apr'17-Sep'17	372,000	323,784	87.04%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	76.19%
10 to 14 Yrs	44.09%	91.94%
Long Dated (above 14 Yrs)	33.33%	87.90%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	091-Days	10,000
Treasury Bills	182-Day	7,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	39.30	56.30	81.30
3 Yr	42.90	72.90	99.90
5 Yr	52.60	71.60	96.60
10 Yr	58.00	77.00	106.00

Key Indicators	Current	Previous
WPI (Jul'17)	1.88%	0.90%
CPI (Jul'17)	2.36%	1.46%
IIP (Jun'17)	-0.10%	1.70%
Trade Deficit(In \$ billion-Jul 17)	-11.45	-12.96

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

Refer disclaimer at the end of the report

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1334	0.73	6.08	1350	1128
Silver (\$/oz)	18	1.16	10.23	20	16
NYMEX Crude(\$/bbl)	47	0.00	-4.54	54	42
Brent Crude(\$/bbl)	53	-1.58	0.23	56	41
Baltic Dry Index	1187	0.34	15.02	1338	685
RJ/CRB Index	181	0.00	0.15	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,165	1.42	5.64	31,316	27,172
Silver (1 kg)	40,616	2.09	6.98	46,577	35,660
Crude Oil (1 bbl)	3,026	0.10	-3.01	3,688	2,748
Natural Gas (1 mmbtu)	196	0.93	10.21	693	172
Aluminium (1 kg)	134	-0.74	11.51	135	103
Copper (1 kg)	440	1.21	8.93	446	112
Nickel (1 kg)	776	1.07	17.89	803	561
Lead (1 kg)	151	-0.13	1.17	169	125
Zinc (1 kg)	204	1.47	14.59	204	145
Mentha Oil (1 kg)	1,360	-0.93	2.60	1,373	993
Cotton (1 bales)	20,310	-0.39	-0.59	23,200	18,240

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	0.24	-1.16	12.12	12.89	10.07	16.18
Small/Mid Cap	1.11	0.42	15.24	20.20	18.44	25.67
Diversified	0.36	-0.46	13.45	15.22	11.89	17.79
Balanced	0.40	-0.25	10.38	13.13	11.12	16.33
Banking	-0.19	-1.62	19.98	22.91	17.54	19.89
FMCG	0.04	2.21	16.25	14.53	15.48	15.85
Pharma	0.12	-3.87	-9.51	-14.73	2.75	14.48
Technology	-0.60	-2.29	-0.69	1.99	2.79	15.23
Infrastructure	0.67	0.49	15.17	21.08	12.84	17.24
Gold Funds	3.63	5.41	1.85	-4.85	2.02	-1.96
Nifty 50	0.00	-1.53	11.41	12.45	6.98	13.44
S&P BSE Sensex	-0.15	-1.93	9.95	11.05	5.38	12.69
S&P BSE 500	0.32	-0.82	13.24	16.06	10.07	15.67
S&P BSE Midcap	1.12	0.93	16.19	17.65	17.44	20.85
CRISIL Balanced	0.15	-0.85	9.49	11.61	8.61	12.34

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	6.00	6.08	6.38	6.41	7.34
Ultrashort Bond	8.22	6.31	7.39	7.19	7.73
Short-T Bond	11.97	5.59	8.75	7.91	8.16
Long-T Bond	15.06	4.42	9.86	8.55	8.64
Long T Govt Sec	21.86	0.13	11.39	9.40	8.59
Crisil Liquid	6.35	6.34	6.65	6.75	6.80
Crisil ST Bond	13.01	6.20	8.39	8.23	7.33
Crisil Composite	21.06	4.34	11.63	9.46	7.26
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 investors resorted to safe haven asset after North Korea tested hydrogen bomb over the weekend. In response to the nuclear test, U.S. President refused to rule out military action and threatened to cut off trade with any country doing business with North Korea. Gold prices were last seen trading at \$1,334.01 per ounce, compared with the previous close of \$1,324.57 per ounce.
- Brent crude prices slipped amid concerns over supply glut as the impact of Hurricane Harvey receded. The U.S. oil production units commenced operation, after the same was shut down by devastating rains. Oil prices were last seen trading at \$53.62 per barrel, compared with the previous close of \$53.94 per barrel.

International Market Update

- A report from the Eurostat showed that euro zone's producer prices grew 2% YoY in Jul 2017, down from downwardly revised gain of 2.4% (2.5% originally reported) in Jun 2017. The 2% increase reflects increase in intermediate goods and non-durable consumer goods. Producer prices were flat MoM in Jul as against a revised 0.2% decline in Jun.
- A report from Sentix showed that euro zone's investor confidence index grew to 28.2 in Sep 2017 from 27.7 in Aug 2017. While the current situation index declined to 39.75 in Sep from 40.0 in Aug, expectations index surged to 17.3 from 16.0.
- According to a report from the IHS Markit, Chartered Institute of Procurement & Supply/Markit construction PMI in U.K. missed market expectations and came in at 51.1 in Aug 2017 as against 51.9 in Jul 2017. This marked the weakest construction performance since Aug 2016.

Mutual Fund & Insurance Update

- According to media reports, the Securities and Exchange Board of India (SEBI) is planning to come out with the uniform definitions for all categories of mutual fund schemes. The matter was taken up for discussion in a meeting held by SEBI's Mutual Fund Advisory Committee. Currently, the mutual fund industry has over 2,000 schemes. The presence of multiple funds in the category from the same fund house creates confusion among distributors and investors. The capital market regulator has been pushing fund houses to merge schemes to reduce confusion among investors.
- As per media reports, Life Insurance Corporation of India has settled claims of over Rs. 1 trillion in 2016-17. The insurer settled 215.58 lakh claims, valued at Rs. 1,12,700.41 crore in 2016-17.

Dividend Update

- Reliance Mutual Fund has announced Sep 6 as the record date for declaration of dividend under the dividend option of Reliance Interval Fund - Quarterly Interval Fund - Series III. The rate of dividend for the regular and institutional plans is Re. 0.1343 per unit; for direct plan, the dividend rate is Re. 0.1378 per unit.
- SBI Mutual Fund has announced Sep 8 as the record date for declaration of dividend under the dividend option of SBI Fixed Interval Debt Series - 90 days -1. The rate of dividend is the entire distributable surplus as on the record date.
- ICICI Prudential Mutual Fund has announced Sep 8 as the record date for declaration of dividend under the dividend option of ICICI Prudential Long Term Equity Fund (Tax Saving) and ICICI Prudential Dynamic Plan. The rates of dividend are Re. 0.70 per unit and Re. 0.24 per unit, respectively.

NFO Update

- SBI Debt Fund Series A-40 (1100 Days) of SBI Mutual Fund will mature on Aug 31, 2017, and units of the scheme will therefore be suspended from trading on the National Stock Exchange.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.05	0.05	0.74	68.87	63.56
EUR/INR	76.17	0.34	1.73	77.25	67.92
YEN(100)/INR	58.34	0.50	1.51	66.80	56.22
SGD/INR	47.19	0.08	0.95	49.50	45.58
EUR/USD	1.19	0.32	1.08	1.21	1.03
GBP/USD	1.29	-0.14	-0.80	1.34	1.15
JPY/USD	0.01	0.48	0.87	0.01	0.01
SGD/USD	0.74	0.05	0.29	0.69	0.74

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.22	0.04	213,084	-0.32
EUR/INR	76.52	-0.05	814	10.15
GBP/INR	83.21	0.14	3,811	0.03
JPY/INR	58.68	0.60	338	1.20

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.05	63.98	0.10
GBP	82.97	82.66	0.37
EURO	76.15	76.10	0.06
100 Yen	58.51	58.10	0.71

Currency Update

- The Indian rupee marginally weakened against the greenback following losses in the domestic equity market after North Korea tested an advanced hydrogen bomb for a long-range missile. The rupee fell 0.05% to close at 64.05 from the previous closing of 64.02.
- The euro strengthened against the greenback as the latter weakened after North Korea tested a hydrogen bomb, increasing the geopolitical tension between North Korea and the U.S. Euro was trading at \$1.1912, up 0.46% compared with the previous close of \$1.1857.

Global Economy

- A report from the University of Michigan showed that U.S. consumer sentiment for Aug 2017 came in at 96.8, down from the preliminary expectation of a reading of 97.6. However, the index was up from previous month's reading of 93.4.
- According to a report from the Institute for Supply Management, U.S. manufacturing Purchasing Managers' Index (PMI) surpassed market expectations and grew to 58.8 in Aug 2017 from 56.3 in Jul 2017. This marked the highest level since Apr 2011. The upside reflects growth in employment index and the production index.
- According to a report from the Commerce Department, U.S. construction spending missed market expectations and fell 0.6% to an annual rate of \$1.212 trillion in Jul 2017, down from the revised estimate of \$1.219 trillion in Jun 2017. The downside reflects decline in spending on public construction, educational construction, private construction, and non-residential construction.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Aug)	01-Sep-17	Consumer Price Index (Aug)	12-Sep-17
Nikkei India Service PMI (Aug)	05-Sep-17	Wholesale Price Index (Aug)	14-Sep-17
Forex Reserves	08-Sep-17	Money Supply	15-Sep-17
Index of Industrial Production (Jul)	12-Sep-17	Index of Eight Core Industries (Aug)	29-Sep-17

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