

January 24, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	27117	0.31	4.13	29077	22495	21.14
Nifty 50	8392	0.50	5.08	8969	6826	22.48
S&P BSE Midcap	12645	0.48	7.52	13713	9389	28.02
S&P BSE 100	8663	0.58	5.73	9211	6914	23.28
S&P BSE 200	3631	0.52	5.91	3847	2883	23.41
Nifty Free Float	15189	0.47	7.89	16169	11190	30.58
Midcap 100	7243	0.55	6.28	7648	5717	26.17

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	21398	0.70	7.61	23210	15385	23.27
S&P BSE Metal	11436	2.61	14.49	11456	6169	-23.14
S&P BSE Oil	12639	1.15	6.51	12763	7987	15.17
S&P BSE Healthcare	14764	-0.52	1.32	16866	13955	28.38
S&P BSE IT	9894	0.63	-0.07	11776	9123	16.14
S&P BSE CD	12172	0.54	11.71	13099	10502	69.08
S&P BSE PSU	8174	1.26	7.74	8247	5412	29.86
S&P BSE FMCG	8581	0.99	11.24	9044	6782	38.99
S&P BSE CG	14412	-0.56	6.85	15835	10935	28.97
Nifty Bank	18843	0.12	5.36	20576	13407	29.02
S&P BSE Realty	1360	0.61	7.13	1647	1000	44.81

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	19800	-0.14	-0.67	20000	15503	19.28
S&P 500	2265	-0.27	0.06	2282	1810	20.67
Nasdaq	5553	-0.04	1.65	5584	4210	23.65
FTSE 100	7151	-0.66	1.17	7354	5500	25.03
CAC 40	4821	-0.60	-0.38	4930	3892	17.06
DAX	11546	-0.73	0.84	11692	8699	15.06
Nikkei	18891	-1.29	-2.76	19615	14864	19.94
Hang Seng	22899	0.06	6.14	24364	18279	12.35
Shanghai Comp.	3137	0.44	0.86	3301	2638	14.37

F&O Trends	Px Last	Previous	Change %
Near Futures	8,402.40	8,362.65	0.48
Near Basis	10.90	13.30	-18.05
Mid Futures	8,424.75	8,387.20	0.45
Mid Basis	33.25	37.85	-12.15
Near Open Interest (Cr.)	1.55	1.80	-13.94
Mid Open Interest (Cr.)	0.67	0.39	73.35
Rollover (%)	32.15	19.71	63.09

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	11.77	1.99	2.88	30.90	10.93
Nifty VIX	15.91	0.73	5.14	26.87	10.93

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIs				
Equity	4542.43	4509.14	33.29	-3221.74
Debt	565.76	1238.71	-672.95	-2562.99
MF¹				
Equity	1765.40	1707.20	58.20	3301.80
Debt	4829.80	2773.90	2055.90	27807.30

¹As on 20th January 2017

Indian Equity Market

- Indian equity market closed in the green as investors went for value buying for the recent beaten-down stocks. However, caution ahead of the Union Budget 2017 due on Feb 1 restricted the gains.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.31% and 0.50% to close at 27,117.34 points and 8,391.50 points, respectively. Moreover, S&P BSE Mid-Cap and S&P BSE Small-Cap gained 0.48% and 0.47%, respectively.
- The overall market breadth on BSE was positive with 1,579 scrips advancing and 1,129 scrips declining. A total of 207 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Telecom, S&P BSE Healthcare and S&P BSE Capital Goods, all the other indices closed in the green. S&P BSE Metal was the top gainer, up 2.61%, followed by S&P BSE Basic Material and S&P BSE Oil & Gas, which went up 1.43% and 1.15%, respectively.

Indian Economy

- According to Securities and Exchange Board of India (SEBI) data, Indian companies have raised Rs. 29,033 crore by issuing non-convertible debentures to retail investors during the ongoing financial year till Jan 17. In the last fiscal year, companies had mobilised Rs. 38,812 crore through similar route.
- According to media reports, a panel set up to review the Fiscal Responsibility and Budget Management Act has recommended the government to completely overhaul the act. The panel suggested that there is no need for reducing fiscal deficit below 3% in the near term and advocated for expansionary fiscal consolidation policy to boost growth.

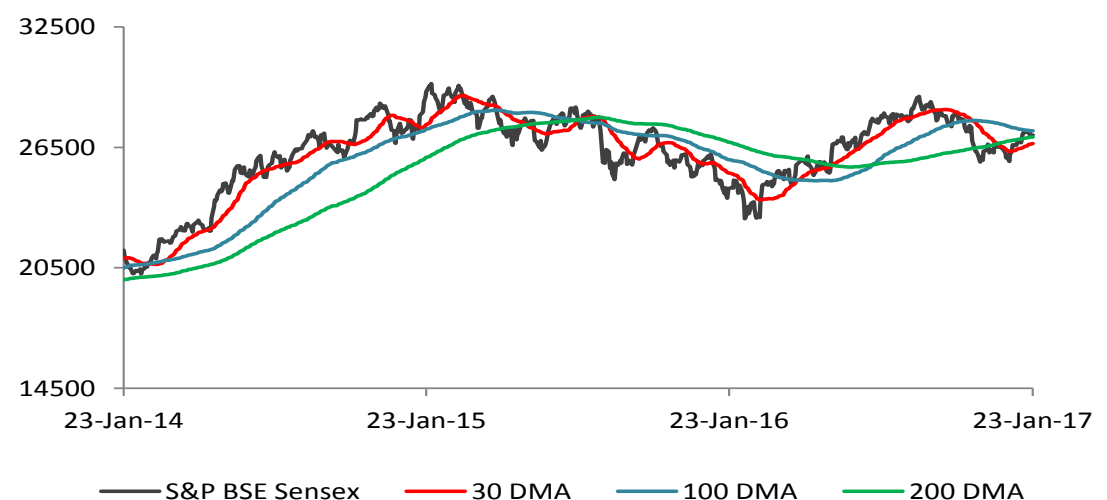
Global Equity Market

- As per the last close, U.S. market closed lower as investors were worried on the protectionist policies that would be adopted by the new U.S. President.
- As per the last close, European market closed lower after the oath ceremony of the new U.S. President who promised to adopt a protectionist policy.
- Asian markets witnessed a mixed trend. Chinese market got support from the central bank's decision to ease tight liquidity. However, Japanese market moved down following stronger yen. Today (As on Jan 24), Asian market opened mixed. Upbeat Q4 earnings of a major electronics gave some support while, new U.S. President's decision of withdrawing U.S. from the Trans-Pacific Partnership trade deal had negative impact.

Indian Derivative Market

- Nifty Jan 2017 Futures were at 8,402.40 points, a premium of 10.90 points, over the spot closing of 8,391.50 points. The turnover on NSE's Futures and Options segment went up from Rs. 4,16,475.59 crore on Jan 20 to Rs. 5,20,342.42 crore on Jan 23.
- The Put-Call ratio stood at 0.99, compared with the previous session's close of 1.00.
- The Nifty Put-Call ratio stood at 1.24, compared with the previous session's close of 1.19.
- India VIX moved up 0.73% to 15.9050 from 15.7900 in the previous trading session.
- The open interest on Nifty Futures stood at 22.82 million compared with the previous session's close of 22.41 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	23-Jan-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	5.75	5.75
Repo	6.25	6.25	6.25	6.75
CRR	4.00	4.00	4.00	4.00
SLR	20.50	20.50	20.75	21.50
Bank Rate	6.75	6.75	6.75	7.75

Daily Rates (%)	23-Jan-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.16	6.21	6.24	6.90
CALL	5.96	5.98	6.13	6.92
CBLO	5.98	6.08	4.59	6.75
OIS- 1 Yr	6.20	6.19	6.22	6.90
OIS- 5 Yr	6.29	6.27	6.32	6.76

Liquidity Indicators (in Rs. Cr.)	23-Jan-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	30,220	37,859	35,749	39,602
Call Money	11,557	12,710	28,455	24,543
CBLO	103,129	92,722	65,494	43,779
LAF	1,400	-2,518	-12,762	13,188
Treasury Bills	5,602	3,947	6,345	3,448

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.61 GS 2030	09-May-30	6.77	6.78	-0.06
06.97 GS 2026	06-Sep-26	6.45	6.46	-0.17
07.59 GS 2026	11-Jan-26	6.59	6.61	-0.23
07.68 GS 2023	15-Dec-23	6.60	6.60	-0.06
06.79 GS 2029	26-Dec-29	6.64	6.64	-0.02

Certificate of Deposit (%)	23-Jan-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.41	6.39	6.27	7.75
6-Month	6.46	6.47	6.46	7.78
9-Month	6.51	6.53	6.51	7.79
12-Month	6.56	6.58	6.57	7.80

Commercial Paper (%)	23-Jan-17	Wk Ago	Mth Ago	Yr Ago
3-Month	7.08	7.04	6.68	8.50
6-Month	7.33	7.18	7.06	8.56
9-Month	7.40	7.27	7.18	8.59
12-Month	7.48	7.38	7.30	8.61

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	2,000	2,000	6.83%
6.79 GS 2029	5,000	5,000	6.65%
6.57 GS 2033	2,000	2,000	6.84%
6.62 GS 2051	2,000	2,000	6.99%

Key Indicators	
GDP (Q2 FY'17)	7.30%
Manufacturing PMI (Dec'16)	49.60
Current Account Deficit (Q2 of FY17, in \$ Billion)	-3.40
Fiscal Deficit (FY2016, as a % of GDP)	3.90%
Credit Growth (Jan 06, 2017)	5.15%
Deposit Growth (Jan 06, 2017)	14.72%

Indian Debt Market

- Bond yields fell for the second straight session as lack of clarity about the new U.S. President's fiscal stimulus and future policies boosted emerging market assets.
- Yield on the 10-year benchmark bond (6.97% GS 2026) eased 1 bps to close at 6.45% compared with the previous close of 6.46%. During the session, bond yields moved in the region of 6.42% to 6.46%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility stood at Rs. 1,400 crore (gross) on Jan 23, compared with gross borrowing of Rs. 1,625 crore on Jan 20. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 37,202 crore on Jan 20.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jan 20, while borrowings on Jan 19 stood at Rs. 350 crore.
- RBI conducted overnight variable rate reverse repo auction for notified amount of Rs. 40,000 crore. An amount of Rs. 40,006 crore was allotted at a cut-off rate of 6.20%.
- RBI conducted 11-day variable rate reverse repo auction for notified amount of Rs. 40,000 crore. An amount of Rs. 35,725 crore was allotted at a cut-off rate of 6.24%.
- RBI conducted a 28-day variable rate reverse repo auction for notified amount of Rs. 40,000 crore. An amount of Rs. 14,427 crore was allotted at a cut-off rate of 6.24%.

Spread Analysis

- Yields on gilt securities increased on 2-year paper by 1 bps. Yield across the remaining maturities either fell by up to 4 bps or remained unchanged.
- Corporate bond yields fell across the maturities in the range of 1 bps to 7 bps, barring 1- and 3-year maturities that closed unchanged.
- Spread between AAA corporate bond and gilt contracted across 4 to 8 years' maturities and 10-year paper in the range of 1 bps to 8 bps and expanded on 3- and 15-year papers by 1 bps each. Spread on remaining maturities closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jan 16 - 20	11,000	11,000	100.00%
Month: Jan 2017	44,000	33,000	75.00%
H2: Oct'16-Mar'17	227,000	205,000	90.31%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H2'17	Completed H2'17
5 to 9 Yrs	18.72%	75.29%
10 to 14 Yrs	50.88%	83.98%
Long Dated (above 14 Yrs)	34.80%	82.28%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Day	6,000
Treasury Bills	182-Day	4,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	32.80	52.80	79.80
3 Yr	39.70	62.70	89.70
5 Yr	42.70	65.70	89.70
10 Yr	61.40	90.40	116.40

Key Indicators	Current	Previous
WPI (Dec'16)	3.39%	3.15%
CPI (Dec'16)	3.41%	3.63%
IIP (Nov'16)	5.70%	-1.80%
Trade Deficit(In \$ billion-Dec 16)	-10.37	-13.01

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1217	0.65	7.44	1366	1108
Silver (\$/oz)	17	0.77	9.28	21	14
NYMEX Crude(\$/bbl)	53	0.84	1.46	54	26
Brent Crude(\$/bbl)	55	-0.62	1.71	56	28
Baltic Dry Index	914	-4.89	-4.89	1257	290
RJ/CRB Index	194	0.22	2.05	289	155

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,259	0.81	7.49	31,529	26,269
Silver (1 kg)	41,516	1.30	7.82	48,049	34,067
Crude Oil (1 bbl)	3,624	3.48	0.78	3,688	1,783
Natural Gas (1 mmbtu)	218	-4.97	-9.20	693	110
Aluminium (1 kg)	127	1.64	7.70	160	98
Copper (1 kg)	394	0.43	5.29	446	109
Nickel (1 kg)	665	0.35	-7.34	803	173
Lead (1 kg)	160	1.78	12.95	615	110
Zinc (1 kg)	189	1.66	7.83	625	102
Mentha Oil (1 kg)	1,124	0.38	-0.01	1,152	123
Cotton (1 bales)	20,410	0.74	8.56	23,720	1,010

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	-0.03	5.78	-0.21	15.18	14.22	13.60
Small/Mid Cap	0.60	7.26	3.86	21.50	28.48	23.64
Diversified	0.12	5.81	1.27	16.34	16.44	15.01
Balanced	-0.02	4.44	2.52	15.69	16.18	14.83
Banking	-0.58	6.68	1.91	28.65	21.06	16.23
FMCG	2.04	9.21	-4.04	13.59	13.30	17.22
Pharma	-1.65	0.48	-9.32	-6.25	15.42	20.10
Technology	0.06	0.38	-3.81	-3.75	5.39	14.95
Infrastructure	0.17	7.68	3.82	21.69	22.60	12.66
Gold Funds	0.74	6.89	-7.34	9.99	0.91	0.24
Nifty 50	-0.25	5.08	-1.75	12.98	9.75	10.69
S&P BSE Sensex	-0.63	4.13	-2.47	10.91	8.25	10.10
S&P BSE 500	-0.07	6.19	0.25	16.42	13.60	12.51
S&P BSE Midcap	-0.22	7.52	2.99	23.91	24.40	17.32
CRISIL Balanced	-0.15	3.73	1.26	13.44	10.71	10.63

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	6.28	6.55	7.24	7.39
Ultrashort Bond	6.41	8.13	7.90	8.49	7.80
Short-T Bond	4.16	10.73	9.90	10.26	8.22
Long-T Bond	2.76	12.12	11.89	11.98	8.82
Long T Govt Sec	-2.48	14.14	15.74	15.93	8.79
Crisil Liquid	6.82	6.26	6.67	7.47	6.80
Crisil ST Bond	5.81	10.00	9.56	10.06	7.33
Crisil Composite	1.44	14.50	13.46	13.46	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 climbed since uncertainties over the U.S. President's economic policies turned investors cautious, who opted for safe-haven bullion as the U.S. bond yields and dollar dipped. Gold prices were last seen trading at \$1,213.20 per ounce, compared with the previous close of \$1,209.56 per ounce.
- Brent crude prices snapped due to signs of strong revival in U.S. oil drilling activity. News that the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC producers could reach a consensus over supply cut targets laid out last Dec could not help prices. Brent crude prices were last seen trading at \$54.38 per barrel, compared with the previous close of \$54.98 per barrel.

International Market Update

- According to the European Central Bank, euro area's government debt to GDP fell to 90.1% in the Sep quarter from 91.2% in the Jun quarter of 2016 and 91.5% in the same period last year. Debt securities contributed for 79.7% of euro area general government debt, while loans accounted for 17.3% and currency and deposits represented 3% of the government debt.
- The Financial Services Survey from the Confederation of British Industry and PwC revealed that confidence among financial services firms in the U.K. worsened in the last quarter of 2016. The confidence fell for fourth straight quarter, which is the longest period of declining since 2008. Business volumes were steady but are expected to grow modestly in the first quarter of 2017. The survey showed that a balance of -35% said they were less optimistic about overall business situation.

Mutual Fund & Insurance Update

- According to data from the Securities and Exchange Board of India, mutual funds invested almost Rs. 3,302 crore in equities this month so far based on repeated participation by retail investors. Net investment in mutual funds for Jan 2017 so far stood at around Rs. 31,109 crore.
- SBI Mutual Fund has declared that trading of SBI Debt Fund Series – 366 Days – 51 will be suspended from trading on the National Stock Exchange as the scheme will mature on Jan 24.
- The Insurance Regulatory and Development Authority of India (IRDAI) has approved Swiss Re to open a branch in Mumbai. With the composite branch license, Swiss Re will be able to operate in India and offer non-life, life, and health reinsurance solutions directly to clients and brokers in the country.

Dividend Update

- DSP BlackRock Mutual Fund has declared Jan 27 as the record date for declaration of dividend under the dividend options of DSP BlackRock Balanced Fund, and DSP BlackRock Top 100 Equity Fund.
- SBI Mutual Fund has declared Jan 27 as the record date for declaration of dividend under the dividend option of SBI Arbitrage Opportunities Fund.
- Franklin Templeton Mutual Fund has declared Jan 27 as the record date for declaration of dividend under the dividend options of Franklin India Bluechip Fund, and Franklin India Dynamic PE Ratio Fund of Funds.
- Kotak Mutual Fund has declared Jan 27 as the record date for declaration of dividend under the dividend option of Kotak Tax Saver, an open-ended equity linked savings scheme.

NFO Update

- IDFC Mutual Fund has announced roll over of IDFC Equity Opportunity - Series 2 for a period of three years, which is due for maturity on Jan 31, 2017. Accordingly, the scheme will now mature on Jan 31, 2020.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	68.20	0.03	0.57	68.87	66.07
EUR/INR	73.22	0.56	3.26	79.70	70.35
YEN(100)/INR	60.36	1.70	4.47	68.15	55.71
SGD/INR	47.98	0.53	2.33	50.57	46.71
EUR/USD	1.08	0.58	2.94	1.32	1.03
GBP/USD	1.25	1.27	1.96	1.65	1.15
JPY/USD	0.01	1.70	4.11	0.01	0.01
SGD/USD	0.71	0.53	1.98	0.69	0.80

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	68.24	0.00	168,677	-0.88
EUR/INR	73.21	0.93	852	41.53
GBP/INR	84.97	1.40	2,514	7.48
JPY/INR	59.98	1.27	1,490	1.64

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	68.08	68.09	-0.01
GBP	84.65	84.12	0.63
EURO	73.15	72.73	0.57
100 Yen	60.10	59.38	1.21

Currency Update

- The Indian rupee rose initially against the U.S. dollar as the greenback remained under pressure after the new U.S. President did not provide any detail about future fiscal policies in his inaugural address. However, initial gains were wiped out as the rupee closed almost steady against the U.S. dollar following month-end demand of the greenback from importers. The rupee inched down 0.03% to close at 68.20 per dollar from the previous close of 68.18.
- The euro rose against the greenback as the U.S. dollar came under pressure after the new U.S. President struck a protectionist tone in his inauguration speech. Euro was trading at \$1.0722, up 0.21% compared with the previous close of \$1.0699.

Global Economy

- According to the Cabinet Office, Japan's leading index (measures future economic activity) improved to 102.8 (102.7 initially reported) in Nov 2016 from 100.8 in the prior month. The latest score stood at its highest level in 15 months. The coincident index (reflects current economic activity) rose at a faster pace than lagging index.
- The Ministry of Economy, Trade and Industry showed Japan's all industry activity index increased 0.3% MoM (a seasonally adjusted) in Nov 2016, which is slower than forecast but better Oct 2016 that remained unchanged. Annually, all industry activity index rose 2.1% in Nov, compared with a fall of 0.4% in the prior month.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Dec)	02-Jan-17	Index of Industrial Production (Nov)	12-Jan-17
Index of Eight Core Industries (Nov)	02-Jan-17	Consumer Price Index (Dec)	12-Jan-17
Nikkei India Services PMI (Dec)	04-Jan-17	Wholesale Price Index (Dec)	16-Jan-17
Money Supply	04-Jan-17	Forex Reserves	27-Jan-17

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