

January 30, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	36283	0.65	6.54	36444	27590	26.38
Nifty 50	11130	0.55	5.69	11172	8538	27.71
S&P BSE Midcap	17710	-0.73	-0.63	18321	12836	46.44
S&P BSE 100	11541	0.42	4.64	11595	8812	25.93
S&P BSE 200	4865	0.26	3.98	4894	3694	27.07
Nifty Free Float	21273	-0.85	0.66	21841	15399	50.83
Midcap 100						
Nifty 500	9819	0.10	3.46	9895	7367	32.81

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	26081	1.60	-2.51	27031	21221	29.18
S&P BSE Metal	15721	0.24	5.23	16121	10736	30.37
S&P BSE Oil	16103	-0.85	-1.11	16727	12800	13.36
S&P BSE Healthcare	14891	-0.92	0.62	15612	12513	34.70
S&P BSE IT	12835	1.16	13.81	13126	9357	19.44
S&P BSE CD	23100	0.60	1.81	24238	12584	48.82
S&P BSE PSU	9094	-1.22	-0.86	9657	8013	20.59
S&P BSE FMCG	10884	-0.48	1.76	11011	8548	43.29
S&P BSE CG	20670	0.17	8.03	20883	14711	35.24
Nifty Bank	27498	0.19	7.67	27652	19435	30.97
S&P BSE Realty	2632	-0.67	0.90	2828	1364	74.04

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	26439	-0.67	6.96	26617	19785	27.81
S&P 500	2854	-0.67	6.73	2873	2267	25.03
Nasdaq	7467	-0.52	8.16	7506	5576	25.52
FTSE 100	7672	0.08	-0.21	7793	7094	20.54
CAC 40	5522	-0.14	3.93	5567	4734	17.13
DAX	13324	-0.12	3.15	13597	11480	16.58
Nikkei	23629	-0.01	3.80	24129	18225	19.29
Hang Seng	32967	-0.56	10.19	33484	22997	15.05
Shanghai Comp.	3523	-0.99	6.53	3587	3017	16.03

F&O Trends	Px Last	Previous	Change %
Near Futures	11,137.70	11,065.20	0.66
Near Basis	7.25	-4.50	-261.11
Mid Futures	11,160.40	11,062.60	0.88
Mid Basis	30.00	-7.05	-525.53
Near Open Interest (Cr.)	2.56	1.33	92.89
Mid Open Interest (Cr.)	0.09	2.51	-96.46
Rollover (%)	3.41	66.15	-94.85

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	13.84	24.91	25.36	17.28	8.56
Nifty VIX	17.89	2.17	41.18	18.50	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs				
Equity	9217.57	7871.36	1346.21	13105.45
Debt	1302.28	346.11	956.17	7083.59
MF¹				
Equity	4262.90	4292.81	-29.91	4977.62
Debt	3211.01	6826.89	-3615.88	14018.66

¹ As on 24th January 2018

Indian Equity Market

- Indian equity markets ended in the green after the Economic Survey report showed that the economic growth would accelerate in FY19 and would grow by 7-7.5%, compared with 6.75% growth projected for FY18. However, gains were capped as the report also noted that a pause in general government fiscal consolidation relative to 2016-2017 cannot be ruled out. Meanwhile, the beginning of February derivatives contracts supported buying interest.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.65% and 0.55% to close at 36,283.25 and 11,130.40, respectively. However, S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.73% and 1.10%, respectively.
- On the BSE sectoral front, S&P BSE Auto was the top gainer, up 1.6%, followed by S&P BSE Information Technology and S&P BSE Teck, which rose 1.16% and 0.92%, respectively.

Indian Economy

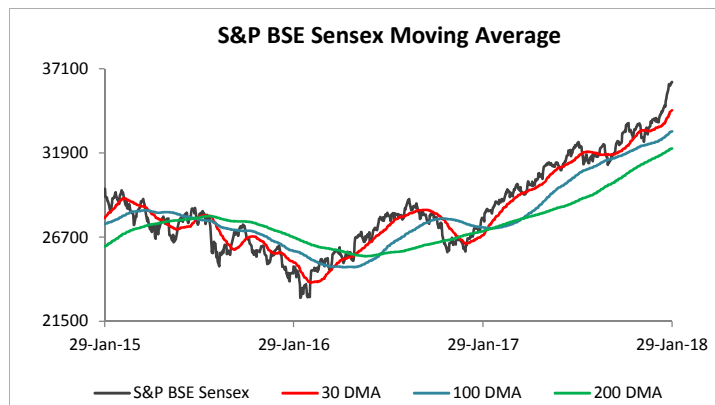
- As part of the reform process under the Reserve Bank of India's (RBI) Prompt Corrective Action (PCA), the Ministry of Finance would soon initiate a performance review of heads of Public Sector Banks (PSBs). So far, RBI has put 12 PSBs under screener based on performance parameters like unexpected level of high non-performing assets (NPAs), low capital level, low return on assets, etc. However, performance review of the top-level management of all such banks would be undertaken soon.
- India Economic Survey 2018 indicated that pause in government's fiscal consolidation programme cannot be ruled out. This comes on the wake of largely fiscal developments at the centre. The fiscal deficit for the first eight months of FY18 reached 112% of the total for 2017, significantly up from 89% norm (average of last 5 years) mainly due to shortfall in non-tax revenue.

Global Equity Market

- As per the last close, U.S market fell as market participants book profits after the recent gains in the market.
- As per the last close, European market were little changed ahead of a slew of corporate earnings, the U.S. Federal Reserve policy meeting and U.S. jobs data later in the week.
- Majority of the Asian markets closed on a positive note following upbeat quarterly earning numbers from some industry majors and steadiness in the U.S. dollar after witnessing recent weakness. Meanwhile, Chinese markets fell as investors booked profits after recent strong gains. Today (As of Jan 30), Asian markets opened lower following decline on the Wall Street overnight.

Indian Derivative Market

- Nifty Feb 2018 Futures were at 11,137.65 points, a premium of 7.25 points above the spot closing of 11,130.40. The turnover on NSE's Futures and Options segment went down from Rs. 17,50,208.42 crore on Jan 25 to Rs. 3,19,544.84 crore on Jan 29.
- The Put-Call ratio remained unchanged at 0.84 against the previous session's close.
- The Nifty Put-Call ratio stood at 1.44 against previous session's close of 1.78.
- India VIX moved up 2.17% to 17.8875 from 17.5075 in the previous trading session.
- Open interest on Nifty Futures stood at 26.49 million as against the previous session's close of 39.19 million.



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Debt Market Update

Policy Rates (%)	29-Jan-18	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	5.75	5.75
Repo	6.00	6.00	6.00	6.25
CRR	4.00	4.00	4.00	4.00
SLR	19.50	19.50	19.50	20.50
Bank Rate	6.25	6.25	6.25	6.75

Daily Rates (%)	29-Jan-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.01	6.20	6.25
CALL	5.89	5.92	6.10	6.02
CBLO	5.87	5.98	6.05	6.16
OIS- 1 Yr	6.45	6.44	6.46	6.19
OIS- 5 Yr	6.72	6.73	6.76	6.31

Liquidity Indicators (in Rs. Cr.)	29-Jan-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	30,262	32,334	45,921	60,281
Call Money	15,973	13,862	8,723	13,785
CBLO	151,818	144,181	121,086	93,097
LAF	2,620	4,815	-36,152	-3,962
Treasury Bills	460	1,438	3,736	2,609

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.44	7.31	1.86
06.68 GS 2031	17-Sep-31	7.72	7.58	1.88
06.79 GS 2027	15-May-27	7.62	7.48	1.93
06.57 GS 2033	05-Dec-33	7.76	NA	NA
06.84 GS 2022	19-Dec-22	7.33	7.23	1.35

Certificate of Deposit (%)	29-Jan-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.20	7.15	6.33	6.43
6-Month	7.34	7.31	6.88	6.48
9-Month	7.40	7.36	6.93	6.51
12-Month	7.46	7.41	6.98	6.54

Commercial Paper (%)	29-Jan-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.79	7.58	7.06	7.08
6-Month	7.94	7.66	7.33	7.31
9-Month	8.01	7.75	7.43	7.39
12-Month	8.09	7.84	7.53	7.46

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	3,000	7.06%
7.17% GS 2028	8,000	8,000	7.34%

Key Indicators	
GDP (Q2 FY'18)	6.30%
Manufacturing PMI (Dec'17)	54.70
Current Account Deficit (Q2 of FY18, in \$ Billion)	7.20
Fiscal Deficit (FY 2017, as a % of GDP)	3.20%
Credit Growth (Jan 05, 2018)	11.12%
Deposit Growth (Jan 05, 2018)	4.45%

Indian Debt Market

- Bond yields went up drastically after the economic survey showed that Indian government's fiscal consolidation could be kept on hold for the current financial year.
- Yield on the 10-year benchmark paper (7.17% GS 2028) surged 13 bps to close at 7.44% as against previous session's close of 7.31%. During the session, bond yields traded in the range of 7.29% and 7.44%.
- Yield on the old 10-year benchmark paper (6.79% GS 2027) jumped 14 bps to close at 7.62% as against previous session's close of 7.48%. During the session, bond yields traded in the range of 7.46% and 7.64%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,620 crore (gross) on Jan 29 compared with Rs. 2,920 crore on Jan 25. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 15,776 crore on Jan 25.
- Banks borrowed Rs. 110 crore under the central bank's Marginal Standing Facility on Jan 25 as against borrowing of Rs. 1,700 crore on Jan 24.
- RBI announced to conduct the auction of government securities (GS) - 6.84% GS 2022 and 7.17% GS 2028 for a notified amount of Rs. 11,000 crore on Feb 5, 2018.

Spread Analysis

- Yields on gilt securities surged across the maturities by up to 14 bps. Highest rise was seen on 1-, 9- and 14-year papers, while lowest increase was on 2-year paper.
- Corporate bond yields also increased across the curve by up to 5 bps, leaving 4-year paper that eased 1 bps. Yield on 5-year paper was flat. Highest rise was seen on 15-year paper.
- Spread between AAA corporate bond and gilt contracted across the segments in the range of 5 to 11 bps. Spread fell the most on 1-, 4- and 9-year papers and the least on 2- and 3-year papers.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jan 22-25	11,000	11,000	100.00%
Month: Jan 2017	60,000	52,000	86.67%
Q4: Jan'18-Mar'18	93,000	52,000	55.91%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled Q4'18	Completed Q4'18
5 to 9 Yrs	20.43%	78.95%
10 to 14 Yrs	52.69%	67.35%
Long Dated (above 14 Yrs)	26.88%	16.00%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	7,000
Treasury Bills	182-Days	4,000
Treasury Bills	364-Days	3,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	65.70	80.70	95.70
3 Yr	45.20	66.20	87.20
5 Yr	29.50	48.50	73.50
10 Yr	30.70	53.70	78.70

Key Indicators	Current	Previous
WPI (Dec'17)	3.58%	3.93%
CPI (Dec'17)	5.21%	4.88%
IIP (Nov'17)	8.40%	2.00%
Trade Deficit (In \$ billion-Dec 17)	-14.88	-13.83

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1340	-0.73	2.88	1358	1195
Silver (\$/oz)	17	-1.35	1.24	19	16
NYMEX Crude(\$/bbl)	66	-0.95	8.64	66	42
Brent Crude(\$/bbl)	68	-2.39	1.76	71	43
Baltic Dry Index	1214	-0.41	NA	1743	685
RJ/CRB Index	200	-0.49	2.93	201	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,223	-0.87	3.32	30,551	27,719
Silver (1 kg)	39,197	-1.27	2.21	43,398	35,660
Crude Oil (1 bbl)	4,160	-0.38	8.33	4,176	2,748
Natural Gas (1 mmbtu)	219	-1.97	17.06	229	167
Aluminium (1 kg)	142	0.00	-0.87	144	120
Copper (1 kg)	450	-0.60	-3.79	468	134
Nickel (1 kg)	870	0.00	10.99	870	561
Lead (1 kg)	166	0.00	4.29	169	131
Zinc (1 kg)	221	0.00	4.52	221	157
Mentha Oil (1 kg)	1,768	1.18	-12.18	2,158	993
Cotton (1 bales)	19,500	-1.96	-1.32	21,120	18,060

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	0.61	2.91	9.05	25.92	8.96	15.16
Small/Mid Cap	-1.88	-1.26	13.29	34.56	16.46	25.52
Diversified	-0.08	1.89	10.55	28.45	10.54	17.05
Balanced	-0.09	1.54	8.18	21.43	9.69	15.55
Banking	0.10	3.85	5.93	33.63	11.60	15.97
FMCG	-1.24	1.73	16.05	38.95	14.25	17.80
Pharma	-0.40	0.40	5.76	4.58	1.88	16.26
Technology	2.87	11.19	26.81	34.56	8.45	18.31
Infrastructure	-1.19	-0.66	15.26	34.09	12.87	17.90
Gold Funds	0.50	3.23	5.61	3.32	1.58	-1.33
Nifty 50	1.50	5.69	11.14	28.63	7.52	12.96
S&P BSE Sensex	1.36	6.54	12.30	29.94	6.92	12.65
S&P BSE 500	0.32	3.53	12.32	31.62	10.61	15.17
S&P BSE Midcap	-0.93	-0.63	15.53	36.37	18.01	20.61
CRISIL Balanced	0.88	3.58	7.08	19.29	7.91	11.62

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	6.26	6.20	6.18	6.29	7.32
Ultrashort Bond	5.45	5.21	5.39	6.06	7.60
Short-T Bond	1.70	3.36	3.26	4.97	7.90
Long-T Bond	-4.19	1.04	1.36	3.99	8.05
Long T Govt Sec	-28.94	-8.74	-5.20	0.38	8.00
Crisil Liquid	6.73	6.20	6.39	6.66	6.79
Crisil ST Bond	-2.40	2.11	3.50	5.36	7.21
Crisil Composite	-13.71	-3.06	-0.45	3.15	7.00
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 lower as U.S. dollar recovered from last week's weakness following conflicting comments from the U.S. administration at Davos. Gold prices were last seen trading at \$1,343.51 per ounce, compared with the previous close of \$1,349.76 per ounce.
- Brent crude prices too witnessed pressure amid strength in the U.S. dollar and as rising U.S. oil output undermined efforts led by the OPEC and Russia to tighten supplies. Oil prices were last seen trading at \$69.30 per barrel, compared with the previous close of \$69.92 per barrel.

International Market Update

- A preliminary report from Destatis showed that Germany's import price index grew 1.1% YoY in Dec 2017, compared with a 2.7% gain in Nov 2017. This marked the lowest gain since Nov 2016. Import prices grew 0.3% MoM in Dec, while for 2017 it surged 3.8% as against a decline of 3.1% in 2016. Excluding crude oil and mineral oil products, imports prices grew an average 2.7% in 2017.
- A preliminary report from the statistical office Istat showed that Italy's producer prices grew 2.0% YoY in Dec 2017, down from 2.5% gain in Nov 2017. Italy's producer prices grew 2.2% annually in Dec 2017 in the domestic market and 1.3% in foreign market.

Mutual Fund & Insurance Update

- According to media reports, the Association of Mutual Funds in India (AMFI), in response to the third consultation paper floated by the Securities and Exchange Board of India (SEBI), has recommended that Registered Investment Advisor (RIAs) should be allowed to provide mutual fund distribution services through their family member or by floating a separate arm to their clients.
- ICICI Prudential Mutual Fund has announced change in the fund management of several funds with effect from Jan 29. Amongst the changes announced, ICICI Prudential Balanced Advantage Fund, which was previously co-managed by Mr. Sankaran Naren, Mr. Rajat Chandak and Mr. Vinay Sharma (Equity) and Mr. Manish Banthia (Debt) will now be managed by Mr. Sankaran Naren, Mr. Rajat Chandak and Mr. Ihab Dalwai (Equity) and Mr. Manish Banthia (Debt). Mr. Vinay Sharma will be replaced by Mr. Roshan Chutkey in the fund management of ICICI Prudential Banking & Financial Services Fund.
- Star Health Insurance has launched a product that will cater to the needs of autistic children between 3 and 25 years of age, with a sum assured of Rs. 3 lakh. The policy will cover all in-patient and out-patient treatments including therapies viz. behavioural therapy, physiotherapy, occupational therapy and speech therapy.

Dividend Update

- ICICI Prudential Mutual Fund has announced Jan 31 as the record date for declaration of dividend under the dividend option of ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 Days Plan G. The rate of dividend is Re. 0.05 per unit.
- Motilal Oswal Mutual Fund has announced Jan 29 as the record date for declaration of dividend under the quarterly dividend option of MOST Focused Dynamic Equity Fund. The rate of dividend is Re. 0.07 per unit.
- HDFC Mutual Fund has announced Feb 1 as the record date for declaration of dividend under the normal and quarterly dividend options of HDFC FMP 1115D January 2015 (1).

NFO Update

- ICICI Prudential Mutual Fund has announced extension of NFO period of ICICI Prudential Fixed Maturity Plan – Series 82 - 1187 Days Plan F till Jan 29.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	63.57	0.04	-0.47	68.08	63.24
EUR/INR	78.73	-0.29	2.82	79.68	67.92
YEN(100)/INR	58.36	-0.20	3.04	60.27	55.87
SGD/INR	48.52	-0.18	1.68	48.86	45.58
EUR/USD	1.24	-0.31	3.21	1.25	1.05
GBP/USD	1.41	-0.68	4.14	1.43	1.21
JPY/USD	0.01	-0.23	3.41	0.01	0.01
SGD/USD	0.76	-0.18	2.09	0.70	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.55	-0.02	96,382	-4.83
EUR/INR	78.86	-0.10	1,926	-6.14
GBP/INR	89.82	-0.95	926	-3.44
JPY/INR	58.43	0.25	51	4.08

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	63.55	63.50	0.08
GBP	89.82	90.92	-1.20
EURO	78.87	79.07	-0.25
100 Yen	58.38	58.36	0.03

Currency Update

- The Indian rupee was almost steady against the U.S. dollar, as market participants awaited the Union Budget on Feb 1 and ahead of the U.S. Federal Reserve's two-day policy meet that ends on Jan 31. The rupee fell 0.04% to close at 63.57 per dollar from the previous close of 63.55.
- Euro fell against the U.S. dollar following rise in the U.S. Treasury yields. Euro was trading at \$1.2372 compared with the previous close of \$1.2419.

Global Economy

- A report from the statistical office INE showed that Spain's retail sales grew 1.2% YoY (seasonally and calendar-adjusted) in Dec 2017, down from a revised gain of 1.9% (2.0% gain originally reported) in Nov 2017. Retail sales grew 1.5% annually (unadjusted basis) in Dec, as against 3.2% rebound in Nov.
- A report from the Department of Statistics showed that Singapore's manufactured product price index fell 0.6% YoY in Dec 2017 as against a gain of 2.9% in Nov 2017. Meanwhile, Singapore's producer prices grew 3.8% in the whole year 2017 as against 5.5% decline in 2016.

Events Calendar

Event	Date	Event	Date
Index of Eight Core Industries (Nov)	01-Jan-18	Consumer Price Index (Dec)	12-Jan-18
Nikkei India Manufacturing PMI (Dec)	02-Jan-18	Wholesale Price Index (Dec)	15-Jan-18
Nikkei India Service PMI (Dec)	04-Jan-18	Forex Reserves	02-Feb-18
Index of Industrial Production (Nov)	12-Jan-18		

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