

February 15, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	34156	-0.42	-1.26	36444	28102	24.27
Nifty 50	10501	-0.37	-1.69	11172	8713	25.37
S&P BSE Midcap	16881	0.17	-6.92	18321	13160	39.96
S&P BSE 100	10912	-0.31	-2.61	11595	8987	24.06
S&P BSE 200	4613	-0.26	-2.98	4894	3771	25.24
Nifty Free Float	20152	0.01	-7.11	21841	15770	48.63
Midcap 100						
Nifty 500	9327	-0.23	-3.50	9895	7520	30.67

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	25234	-0.30	-4.73	27031	21221	28.18
S&P BSE Metal	15257	0.02	-3.72	16121	10736	26.18
S&P BSE Oil	15584	-0.34	-4.76	16727	12848	12.94
S&P BSE Healthcare	14417	-0.69	-3.68	15612	12513	34.80
S&P BSE IT	12038	-0.22	2.89	13126	9571	18.13
S&P BSE CD	21303	-0.03	-10.39	24238	13138	44.82
S&P BSE PSU	8607	-1.80	-6.95	9657	8013	21.24
S&P BSE FMCG	10563	-0.25	-2.33	11047	8717	41.61
S&P BSE CG	19622	0.33	-2.11	20883	15076	32.19
Nifty Bank	25341	-1.40	-1.58	27652	20088	28.54
S&P BSE Realty	2523	0.19	-8.71	2828	1416	69.85

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24893	1.03	-3.53	26617	20380	24.36
S&P 500	2699	1.34	-3.14	2873	2322	23.29
Nasdaq	7144	1.86	-1.62	7506	5769	24.99
FTSE 100	7214	0.64	-7.26	7793	7073	19.36
CAC 40	5165	1.10	-6.38	5567	4806	15.67
DAX	12339	1.17	-6.84	13597	11694	14.78
Nikkei	21154	-0.43	-10.57	24129	18225	15.36
Hang Seng	30516	2.27	-2.86	33484	23439	13.86
Shanghai Comp.	3199	0.45	-6.70	3587	3017	14.68

F&O Trends	Px Last	Previous	Change %
Near Futures	10,495.20	10,543.10	-0.45
Near Basis	-5.70	3.35	-270.15
Mid Futures	10,519.90	10,565.00	-0.43
Mid Basis	18.95	25.20	-24.80
Near Open Interest (Cr.)	2.34	2.36	-0.69
Mid Open Interest (Cr.)	0.38	0.37	1.84
Rollover (%)	14.45	14.10	2.42

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	19.26	-22.87	89.57	50.30	8.56
Nifty VIX	17.19	-3.90	25.14	24.04	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIs				
Equity	4354.54	5233.87	-879.33	7670.73
Debt	1071.18	875.09	196.09	13387.15
MF¹				
Equity	1607.40	781.43	825.97	13634.32
Debt	2220.51	1242.71	977.80	37136.69

¹ As on 12th February 2018

Indian Equity Market

- Indian equity markets dipped, dragged by banking stocks, which witnessed selling pressure after a major state-owned bank detected some fraudulent and unauthorised transactions worth about Rs 1.13 trillion (\$1,771.69 million) at one of its branches in Mumbai. Weak cues from Wall Street amid inflationary pressure too dented investor sentiments.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.42% and 0.32% to close at 34,155.95 and 10,500.90, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.17% and 0.16%, respectively.
- On the BSE sectoral front, majority of the indices closed in the red. S&P BSE Bankex was the major loser, down 1.62%, followed by S&P BSE Healthcare and S&P BSE Power, which slipped 0.69% and 0.68%, respectively. S&P BSE Finance and S&P BSE Utilities fell 0.62% and 0.54%, respectively.

Indian Economy

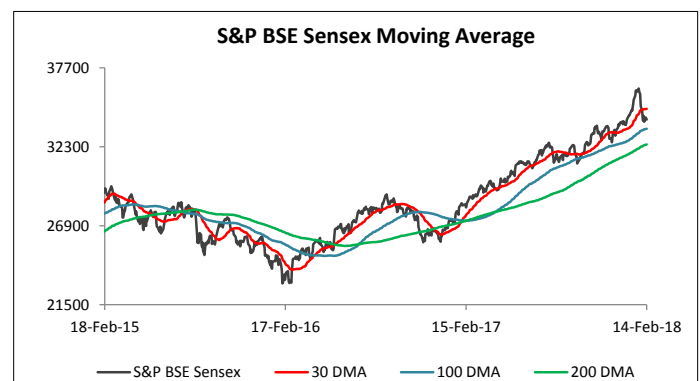
- The government announced that goods and service tax (GST) will not be charged on the cost of food served to patients by hospitals as advised by doctors. However, patients not admitted will have to pay tax on the total value of food served by the hospital. The revenue department also clarified that no GST would be levied on services provided by senior doctors/ consultants/ technicians hired by the hospitals as these are covered under healthcare services.
- The Securities and Exchange Board of India (SEBI) is set to crack down on companies whose financial statements have either been falsified or incorrect business records have been approved by auditors. It is mandatory under law to report to the government and report any fraud they come across while auditing the books of accounts of companies.

Global Equity Market

- As per the last close, U.S markets ended almost higher as gains in banking stocks boosted the indices. However, gains were capped amid strong inflation and weak retail sales data for Jan.
- As per the last close, European market ended higher amid strong GDP data for Germany in 2017 and strong corporate results by some of the majors.
- Asian markets traded mixed ahead of the Lunar New Year holidays in China and upcoming U.S inflation data which will provide further cues on U.S. Fed's future rate hike stance. Japanese market moved down after data showed that its GDP grew at a slower than expected annual pace in fourth quarter. Today (As of Feb 15), Asian markets opened higher amid strong lead from Wall Street's last session. Nikkei and Hang seng grew 1.63% and 1.05%, respectively (as at 8.a.m. IST).

Indian Derivative Market

- Nifty Feb 2018 Futures were at 10495.20 points, a discount of 5.70 points below the spot closing of 10,500.90. The turnover on NSE's Futures and Options segment went up from Rs. 4,41,659.86 crore on Feb 12 to Rs. 78,69,372 crore on Feb 14.
- The Put-Call ratio stood at 0.78 against previous session's close of 0.74.
- The Nifty Put-Call ratio stood at 1.09 against previous session's close of 0.99.
- India VIX moved down 3.90% to 17.1850 from 17.8825 in the previous trading session.
- Open interest on Nifty Futures stood at 27.41 million as against the previous session's close of 27.49 million.



February 15, 2018

Debt Market Update

Policy Rates (%)	14-Feb-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 (%)	14-Feb-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.05	6.00	6.00	6.22
CALL	5.98	5.88	5.91	6.02
CBLO	6.04	5.90	5.87	6.13
OIS- 1 Yr	6.45	6.53	6.47	6.41
OIS- 5 Yr	6.77	6.89	6.79	6.67

Liquidity Indicators (in Rs. Cr.)	14-Feb-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	38,319	38,287	27,029	35,171
Call Money	14,597	12,583	13,810	12,181
CBLO	134,337	133,978	141,909	125,258
LAF	21,929	-5,133	-3,639	-2,300
Treasury Bills	3,791	4,100	1,109	4,372

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.49	7.50	-0.06
06.68 GS 2031	17-Sep-31	7.76	7.77	-0.08
06.79 GS 2027	15-May-27	7.66	7.66	0.00
06.84 GS 2022	19-Dec-22	7.32	7.33	-0.20
08.33 GS 2026	09-Jul-26	7.82	7.82	-0.07

Certificate of Deposit (%)	14-Feb-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.22	7.24	6.86	6.45
6-Month	7.38	7.39	7.00	6.55
9-Month	7.43	7.45	7.06	6.59
12-Month	7.48	7.52	7.13	6.63

Commercial Paper (%)	14-Feb-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.90	7.79	7.38	7.08
6-Month	8.00	7.94	7.49	7.31
9-Month	8.07	8.00	7.55	7.41
12-Month	8.15	8.07	7.63	7.51

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	7,000	7,000	6.36%
182 Days T-Bills	3,000	3,000	6.48%
364 Days T-Bills	4,000	4,000	6.58%

Key Indicators	
GDP (Q2 FY'18)	6.30%
Manufacturing PMI (Jan'18)	52.40
Current Account Deficit (Q2 of FY18, in \$ Billion)	7.20
Fiscal Deficit (FY 2017, as a % of GDP)	3.50%
Credit Growth (Jan 19, 2018)	10.58%
Deposit Growth (Jan 10, 2018)	5.10%

Indian Debt Market

- Bond yields remained almost unchanged as investors deferred purchases amid a lack of fresh triggers.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 1 bps to close at 7.49% as against previous session's close of 7.50%. During the session, bond yields traded in the range of 7.44% and 7.51%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 21,929 crore (gross) on Feb 14 compared with Rs. 3,630 crore on Feb 12. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 6,697 crore on Feb 12.
- Banks borrowed Rs. 2,046 crore under the central bank's Marginal Standing Facility on Feb 12 as against borrowing of Rs. 20 crore on Feb 9.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 crore, Rs. 4,000 crore and Rs. 3,000 crore, respectively. The cut-off for 91-, 182- and 364-days T-Bill stood at Rs. 98.44 (6.36%), Rs. 96.87 (6.48%) and Rs. 93.84 (6.58%), respectively.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 15,000 crore for which Rs. 290 crore was allotted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities increased on 1-, 2- and 19-year maturities by 6 bps, 1 bps and 2 bps respectively. Yield on the remaining maturities fell by up to 5 bps barring 9-, 10-, 12 and 13-year maturities which closed steady.
- Corporate bond yields either closed steady or fell by up to 2 bps across the maturities.
- Spread between AAA corporate bond and gilt contracted 8 bps on 1-year paper. Spread across the remaining maturities expanded by up to 4 bps barring 5-, 9-, 10- and 15-year maturities which closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jan Feb 12-16	0	0	N.A.
Month: Feb 2017	30,000	0	0.00%
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.

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	82.90	96.90	116.90
3 Yr	57.30	79.30	101.30
5 Yr	34.80	54.80	78.80
10 Yr	36.00	53.00	82.00

Key Indicators	Current	Previous
WPI (Dec'17)	3.58%	3.93%
CPI (Jan'18)	5.07%	5.21%
IIP (Dec'17)	7.10%	8.80%
Trade Deficit (In \$ billion-Dec 17)	-14.88	-13.83

February 15, 2018

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1351	1.60	0.92	1358	1198
Silver (\$/oz)	17	1.93	-2.21	19	16
NYMEX Crude(\$/bbl)	61	2.31	-5.44	66	42
Brent Crude(\$/bbl)	62	0.00	-12.18	71	43
Baltic Dry Index	1095	-1.71	-14.39	1743	688
RJ/CRB Index	192	1.34	-1.87	201	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,200	0.46	1.21	30,551	27,719
Silver (1 kg)	38,175	0.83	-1.44	43,398	35,660
Crude Oil (1 bbl)	3,805	-0.16	-6.42	4,194	2,748
Natural Gas (1 mmbtu)	167	0.30	-15.16	223	164
Aluminium (1 kg)	137	0.15	-2.56	144	120
Copper (1 kg)	448	4.11	-1.34	468	134
Nickel (1 kg)	874	4.87	8.61	884	561
Lead (1 kg)	165	2.35	2.58	172	131
Zinc (1 kg)	226	2.22	3.84	229	157
Mentha Oil (1 kg)	1,624	-3.03	-15.78	2,158	993
Cotton (1 bales)	19,450	-0.05	-4.42	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	0.89	-3.03	5.89	18.03	7.50	14.73
Small/Mid Cap	2.69	-6.16	12.98	27.55	15.56	25.84
Diversified	1.20	-3.63	7.72	21.06	9.31	16.80
Balanced	0.89	-2.66	6.38	16.64	8.83	15.43
Banking	0.28	-3.51	2.64	22.20	10.88	15.52
FMCG	0.98	-2.70	14.96	29.62	13.02	17.46
Pharma	3.19	-2.48	10.77	1.64	1.01	16.02
Technology	1.62	3.89	24.91	27.19	5.79	17.61
Infrastructure	2.26	-5.82	12.80	27.04	12.14	18.28
Gold Funds	0.14	1.06	3.58	1.57	2.38	-1.22
Nifty 50	0.23	-1.69	7.22	19.43	6.03	12.23
S&P BSE Sensex	0.21	-1.26	8.61	20.52	5.48	11.86
S&P BSE 500	1.37	-3.42	9.24	22.83	9.12	14.74
S&P BSE Midcap	3.25	-6.92	11.85	26.52	16.23	20.62
CRISIL Balanced	0.81	-1.90	5.36	16.30	9.29	13.35

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	6.34	6.26	6.19	6.29	7.31
Ultrashort Bond	8.22	5.83	5.36	6.15	7.60
Short-T Bond	9.81	4.34	3.08	5.62	7.89
Long-T Bond	11.52	2.15	1.16	5.13	8.02
Long T Govt Sec	14.88	-5.57	-5.34	2.85	7.96
Crisil Liquid	7.28	6.65	6.44	6.69	6.79
Crisil ST Bond	10.99	3.56	3.48	6.03	7.21
Crisil Composite	14.39	-1.30	-0.75	5.12	6.99
NSE G-Sec Comp	--	--	--	--	--

Less than 1 yr return are simple annualised and greater than 1 yr returns are CAGR

Commodity Market

- Gold prices remained steady ahead of the U.S. inflation data which may provide further cues on Federal Reserve's policy stance. Gold prices were last seen trading at \$1329.65 per ounce, compared with the previous close of \$1329.47 per ounce.
- Brent crude prices gained after the Energy Minister from Saudi Arabia stated that crude output in Mar 2018 will be 100,000 barrels per day (bpd) below its Feb 2018 level while exports would be kept below 7 million bpd. Healthy economic growth also helped gains. Oil prices were last seen trading at \$62.19 per barrel, compared with the previous close of \$61.88 per barrel.

International Market Update

- According to Eurostat, gross domestic product (GDP) rose as previously estimated by 0.6% in the Dec quarter of 2017, in line with expectations and slower than 0.7% increase in the Sep quarter of 2017. On a yearly basis, GDP growth slowed to 2.7% from 2.8% in the preceding period.
- Data from Destatis showed Germany's GDP grew 0.6% QoQ in the Dec quarter of 2017, in line with expectations and slower than the revised 0.7% increase in the Sep quarter of 2017. The growth came on the back of improved foreign demand.

Mutual Fund & Insurance Update

- HDFC Mutual Fund has revised the exit load of HDFC Income Fund. Accordingly, an exit load of 0.25% shall be payable in case of redemption or switching of units allotted within one month from the date of allotment. Previously, no exit load was levied for the fund. The change is effective from Feb 16.
- According to the Chairman of Pension Fund Regulatory and Development Authority (PFRDA), the proposal of long-term capital gains (LTCG) tax will not have much impact on the National Pension Scheme (NPS) however, it will have an impact on tier II accounts also known as non-pension account. PFRDA also expects that its Asset Under Management (AUM) would grow by 45-47% in the next year.
- According to a media report, Max Bupa has introduced a digitally enabled Health Insurance Plan called Max Bupa GoActive Health Insurance Plan. The plan has been designed to give customers a 360 degree coverage for their daily health needs, including inpatient hospitalisation and on-the-go access to OPD, diagnostics, personalised health coaching, second medical opinion, behavioural counselling and much more.
- According to the chairman and managing director of United India Insurance Co. Ltd., the proposed merger of three public sector insurance firms may be completed by early 2019.

Dividend Update

- Reliance Mutual Fund has announced Feb 19 as the record date for declaration of dividend under the monthly dividend option of Reliance Equity Savings Fund and Reliance Arbitrage Advantage Fund. The rates of dividend are Re. 0.0800 and Re. 0.0500 per unit, respectively.
- Invesco Mutual Fund has announced Feb 15 as the record date for declaration of dividend under the dividend option of Invesco India Arbitrage Fund and Invesco India Dynamic Equity Fund. The rates of dividend are Re. 0.10 and Re. 0.20, respectively.

NFO Update

- Invesco Mutual Fund has announced extension of the closing date of the New Fund Offer period of Invesco India Fixed Maturity Plan - Series 30 - Plan D from Feb 14 to Feb 26.

February 15, 2018

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.09	-0.48	0.72	67.15	63.24
EUR/INR	79.79	0.53	2.95	80.21	67.92
YEN(100)/INR	59.89	0.49	4.56	60.07	55.87
SGD/INR	48.76	0.39	1.64	48.93	45.58
EUR/USD	1.24	0.79	2.16	1.25	1.05
GBP/USD	1.40	0.76	1.96	1.43	1.21
JPY/USD	0.01	0.77	3.77	0.01	0.01
SGD/USD	0.76	0.62	0.85	0.70	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.20	-0.36	125,728	-3.33
EUR/INR	79.31	0.21	2,006	-0.05
GBP/INR	88.98	-0.43	878	-0.45
JPY/INR	59.91	1.05	45	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.13	64.28	-0.25
GBP	89.17	89.02	0.17
EURO	79.39	78.93	0.57
100 Yen	59.84	59.14	1.18

Currency Update

- The Indian rupee rose against the greenback as the latter remained under pressure ahead of the release of the U.S. inflation data due Feb 14. The rupee rose 0.34% to close at 64.09 per dollar from the previous close of 64.31.
- Euro fell sharply against the greenback after data showed that U.S. consumer prices rose more than expected in Jan 2018 posting its biggest gain in a year which increased the possibility of a faster pace of interest rate increases from the U.S. Federal Reserve. Euro was trading at \$1.2290, down 0.49% compared with the previous close of \$1.2350.

Global Economy

- According to a report from Destatis, Germany's consumer price inflation came in line with preliminary expectations and stood at 1.6% YoY in Jan 2018, down from 1.7% in Dec 2017. Consumer prices fell 0.7% in Jan MoM as against 0.6% increase in Dec.
- A preliminary report from the Cabinet Office showed that Japan's gross domestic product (GDP) rose less than expected by 0.1% in the fourth quarter of 2017 and less than 0.6% growth in third quarter of 2017. On an annual basis, GDP rose 0.4% compared with downwardly revised 2.2% growth in the prior quarter.

Events Calendar

Event	Date	Event	Date
Nikkei Manufacturing PMI (January)	01-Feb-18	Industrial Production YoY (December)	12-Feb-18
Union Budget FY19	01-Feb-18	CPI Inflation Rate YoY (January)	12-Feb-18
Nikkei Services PMI (January)	05-Feb-18	WPI Inflation YoY (January)	15-Feb-18
RBI Interest Rate Decision	07-Feb-18	GDP Growth Rate YoY (December Quarter of 2017)	28-Feb-18

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