

January 25, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	36162	0.06	6.54	36268	27440	26.34
Nifty 50	11086	0.02	5.65	11110	8494	27.66
S&P BSE Midcap	17976	-0.57	2.29	18321	12785	48.02
S&P BSE 100	11544	-0.03	5.10	11581	8769	26.06
S&P BSE 200	4875	-0.12	4.73	4894	3678	27.27
Nifty Free Float	21637	-0.44	3.85	21841	15364	52.17
Midcap 100						
Nifty 500	9854	-0.24	4.48	9895	7335	32.95

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	25975	-0.65	-2.25	27031	21221	29.14
S&P BSE Metal	15552	-1.50	7.05	16121	10736	30.31
S&P BSE Oil	16299	0.15	-1.22	16727	12795	13.56
S&P BSE Healthcare	15143	0.24	5.01	15612	12513	36.08
S&P BSE IT	12834	1.53	15.25	13126	9357	19.46
S&P BSE CD	23184	-2.08	2.84	24238	12399	49.67
S&P BSE PSU	9374	1.13	0.63	9657	8013	21.25
S&P BSE FMCG	10995	0.54	3.17	11011	8548	43.88
S&P BSE CG	20557	-0.66	7.48	20772	14615	35.14
Nifty Bank	27399	0.03	6.82	27479	19114	30.93
S&P BSE Realty	2690	0.12	7.64	2828	1364	77.11

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	26252	0.16	6.05	26393	19785	26.77
S&P 500	2838	-0.06	5.75	2853	2267	24.77
Nasdaq	7415	-0.61	6.54	7486	5576	25.87
FTSE 100	7643	-1.14	0.67	7793	7094	20.63
CAC 40	5495	-0.72	2.43	5567	4734	17.01
DAX	13415	-1.07	2.62	13597	11480	16.69
Nikkei	23941	-0.76	4.53	24129	18225	19.67
Hang Seng	32959	0.09	11.43	33019	22961	15.02
Shanghai Comp.	3559	0.37	7.96	3569	3017	16.18

F&O Trends	Px Last	Previous	Change %
Near Futures	11,083.20	11,085.50	-0.02
Near Basis	-2.80	1.75	-260.00
Mid Futures	11,105.40	11,107.90	-0.02
Mid Basis	19.40	24.15	-19.67
Near Open Interest (Cr.)	2.17	2.49	-13.02
Mid Open Interest (Cr.)	1.45	1.08	34.93
Rollover (%)	41.22	31.12	32.45

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	11.47	3.33	15.86	17.28	8.56
Nifty VIX	18.04	11.19	55.69	18.50	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs				
Equity	8416.66	5935.20	2481.46	10881.62
Debt	2721.13	1079.94	1641.19	6126.56
MF¹				
Equity	2880.48	3021.01	-140.53	4665.31
Debt	6791.70	2740.13	4051.57	19465.91

1 As on 22nd January 2018

Indian Equity Market

- Indian equity markets closed on a flat note. Consistent buying by participants and healthy corporate results boosted the indices. Also, surge in IT stocks added to the gains. However, gains were capped amid profit booking by investors.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.06% and 0.02%, respectively, to close at 36,161.64 and 11,086.00, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.57% and 0.90%, respectively.
- The overall market breadth on BSE was negative with 1,900 scrips declining and 1,004 scrips advancing. A total of 135 scrips remained unchanged.
- On the BSE sectoral front, the gainers comprised S&P BSE Information Technology, up 1.53%, followed by S&P BSE FMCG and S&P BSE Teck, which grew 0.54% and 0.49%, respectively. S&P BSE Healthcare and S&P BSE Oil & Gas grew 0.24% and 0.15%, respectively.

Indian Economy

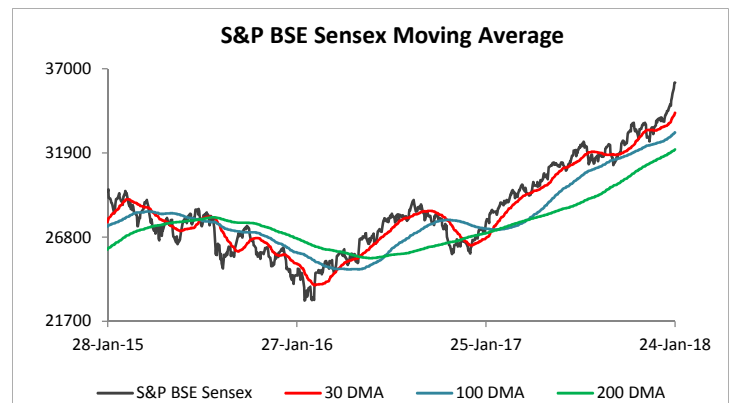
- The finance ministry has announced certain banking reforms to be introduced soon. The government will put loans above Rs. 250 crore under specialised monitoring to reduce the number of non-performing assets after the recapitalisation plan. The government is also planning to limit banks with minimum 10% of exposure only to become a part of the consortium.
- The government is set to amend the Goods and Services Tax (GST) law to explicitly state that no transition credit can be availed in lieu of cesses paid under the previous tax regime. The move comes after companies claimed hundreds of crores of rupees as transition credit in lieu of Swachh Bharat Cess and Krishi Kalyan Cess. The government had cleared that no transition credit would be available after implementation of the GST regime.

Global Equity Market

- As per the last close, U.S market rose initially on positive reaction to the quarterly results but closed mixed on profit booking after recent rise in the prices.
- As per the last close, European market fell following rally in euro and pound currency against the U.S. dollar. Rally in both these currencies put pressure on European exporters.
- Asian markets traded in mixed on optimism about growth in Chinese economy in 2018 and improved overnight U.S. markets. However, upside was limited as news of U.S. tariffs on some goods raised fears of a global trade war. Additionally, weaker than expected Japanese trade data for Dec 2017 dented sentiment. Today (As of Jan 25), Asian markets opened on a mixed note while U.S dollar remain lower after falling in the previous session.

Indian Derivative Market

- Nifty Jan 2018 Futures were at 11,083.2, a discount of 2.80 points below the spot closing of 11,086.00. The turnover on NSE's Futures and Options segment went up from Rs. 9,98,933.13 crore on Jan 23 to Rs. 10,41,404.92 crore on Jan 24.
- The Put-Call ratio closed at 0.92 against the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.81 against previous session's close of 1.89.
- India VIX moved up 11.19% to 18.0400 from 16.2250 in the previous trading session.
- Open interest on Nifty Futures stood at 36.84 million as against the previous session's close of 36.14 million.



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Debt Market Update

Policy Rates (%)	24-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 (%)	24-Jan-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.05	6.02	6.03	6.17
CALL	5.90	5.86	5.97	5.95
CBLO	5.94	5.88	5.71	6.00
OIS- 1 Yr	6.41	6.46	6.43	6.20
OIS- 5 Yr	6.68	6.76	6.72	6.29

Liquidity Indicators (in Rs. Cr.)	24-Jan-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	33,457	57,949	38,674	33,346
Call Money	15,537	18,082	26,000	12,159
CBLO	139,910	137,739	85,092	90,673
LAF	2,817	-26,100	-21,740	-3,752
Treasury Bills	7,493	4,516	5,344	3,139

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	7.44	7.41	0.43
06.68 GS 2031	17-Sep-31	7.55	7.50	0.58
07.17 GS 2028	08-Jan-28	7.28	7.25	0.33
06.84 GS 2022	19-Dec-22	7.21	7.19	0.33
07.72 GS 2025	25-May-25	7.44	7.41	0.45

Certificate of Deposit (%)	24-Jan-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.23	6.96	6.45	6.41
6-Month	7.35	7.14	6.83	6.46
9-Month	7.40	7.20	6.87	6.50
12-Month	7.45	7.27	6.90	6.54

Commercial Paper (%)	24-Jan-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.73	7.58	7.03	7.06
6-Month	7.84	7.69	7.34	7.32
9-Month	7.90	7.74	7.41	7.41
12-Month	7.96	7.79	7.50	7.50

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	7,000	7,000	6.40%
182 Days T-Bills	3,000	3,000	6.46%
364 Days T-Bills	4,000	4,000	6.55%

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 increased as market participants sold securities in the secondary market to make room for the scheduled weekly government borrowing ahead of the Union Budget next week.
- Yield on the existing 10-year benchmark paper (6.79% GS 2027) increased 3 bps to close at 7.44% as against previous session's close of 7.41%. During the session, bond yields traded in the range of 7.39% and 7.46%.
- Yield on the new 10-year benchmark paper (7.17% GS 2028) rose 3 bps to close at 7.28% as against previous session close of 7.25%. During the session, bond yields traded in the range of 7.23% and 7.28%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,817 crore (gross) on Jan 24 compared with Rs. 13,572 crore on Jan 23. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 8,627 crore on Jan 23.
- Banks borrowed Rs. 3 crore under the central bank's Marginal Standing Facility on Jan 23 as against borrowing of Rs. 475 crore on Jan 22.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 25,000 crore for which Rs. 10,208 crore was allotted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities increased across maturities by up to 5 bps, barring 8- to 10-year, 14-, 15- and 19-year papers that fell in the range of 2 to 23 bps.
- Corporate bond yields increased on 1- to 8-year papers by 1 bps each while remaining securities were unchanged.
- Spread between AAA corporate bond and gilt expanded on 2-, 8- to 10-year and 15-year papers by up to 23 bps while 4-year paper was steady. Spread on remaining maturities fell by up to 4 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jan 22-25	11,000	0	0.00%
Month: Jan 2017	60,000	41,000	68.33%
Q4: Jan'18-Mar'18	93,000	41,000	44.09%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled Q4'18	Completed Q4'18
5 to 9 Yrs	20.43%	63.16%
10 to 14 Yrs	52.69%	51.02%
Long Dated (above 14 Yrs)	26.88%	16.00%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
GOI FRB 2024	8 Yrs	3,000
7.17% GS 2028	10 Yrs	8,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	83.70	98.70	113.70
3 Yr	52.10	73.10	94.10
5 Yr	42.90	61.90	86.90
10 Yr	45.80	68.80	93.80

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)	1358	1.27	6.55	1358	1188
Silver (\$/oz)	18	3.06	7.44	19	16
NYMEX Crude(\$/bbl)	66	1.96	12.74	66	42
Brent Crude(\$/bbl)	70	0.07	7.93	71	43
Baltic Dry Index	1200	3.72	-12.15	1743	685
RJ/CRB Index	200	1.30	6.19	200	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,239	0.60	5.41	30,415	27,719
Silver (1 kg)	39,007	0.75	5.15	43,398	35,660
Crude Oil (1 bbl)	4,111	1.23	9.92	4,111	2,748
Natural Gas (1 mmbtu)	220	6.60	31.89	229	167
Aluminium (1 kg)	141	-0.14	3.03	144	120
Copper (1 kg)	437	-2.91	-3.85	468	134
Nickel (1 kg)	827	1.80	7.21	830	561
Lead (1 kg)	166	-0.15	4.99	169	131
Zinc (1 kg)	218	-0.64	5.34	221	157
Mentha Oil (1 kg)	1,778	-1.04	-6.24	2,158	993
Cotton (1 bales)	19,960	-1.24	2.62	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	1.69	3.35	9.73	28.51	9.50	15.35
Small/Mid Cap	-0.47	1.20	15.46	39.20	17.40	26.15
Diversified	1.07	2.82	11.80	31.62	11.24	17.36
Balanced	0.72	2.35	8.92	23.66	10.15	15.79
Banking	2.29	4.10	8.35	39.04	12.40	16.36
FMCG	2.05	3.85	18.05	42.37	15.68	18.61
Pharma	0.93	3.00	5.25	5.95	2.68	16.73
Technology	4.98	12.75	25.91	34.36	7.98	18.40
Infrastructure	-0.34	1.09	16.99	38.50	13.77	18.26
Gold Funds	0.41	5.65	5.68	1.40	1.24	-1.51
Nifty 50	2.76	5.65	11.23	30.80	7.84	12.98
S&P BSE Sensex	3.08	6.54	12.14	32.09	7.28	12.65
S&P BSE 500	1.72	4.58	13.28	34.82	11.16	15.42
S&P BSE Midcap	0.24	2.29	18.06	40.80	18.86	21.27
CRISIL Balanced	1.81	3.63	7.24	20.74	8.18	11.68

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	6.25	6.18	6.29	7.32
Ultrashort Bond	4.94	5.16	5.41	6.07	7.61
Short-T Bond	4.21	3.58	3.36	5.09	7.92
Long-T Bond	2.82	2.00	1.57	4.27	8.09
Long T Govt Sec	-3.08	-4.81	-4.57	1.26	8.06
Crisil Liquid	6.14	6.35	6.37	6.65	6.79
Crisil ST Bond	3.59	2.89	3.73	5.61	7.22
Crisil Composite	3.27	-0.60	0.11	3.76	7.03
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices gained as investors remained cautious ahead of the European Central Bank (ECB) policy meeting which will provide cues on the central bank's economic stimulus program. Weaker dollar also helped gains. Gold prices were last seen trading at \$1,349.83 per ounce, compared with the previous close of \$1,341.01 per ounce.
- Brent crude prices inched down after data from the American Petroleum Institute indicated that crude inventories rose by 4.8 million barrels in the week ending Jan 19, after nine weeks of fall. Investors also remained cautious ahead of U.S. Energy Information Administration data on crude oil supply for the same period. Oil prices were last seen trading at \$70.02 per barrel, compared with the previous close of \$70.05 per barrel.

International Market Update

- A report from the Office for National Statistics showed that U.K.'s jobless rate came in at 4.3% in three months to Nov 2017 as against the same rate in three months to Aug 2017. This marked the lowest rate since 1975. The unemployment rate was 4.8% in three months to Nov 2016. Meanwhile, the employment rate grew to 75.3% from 74.5% a year ago.
- A flash report from the IHS Markit showed that euro zone's composite output index grew to 58.6 in Jan 2018 as against 58.1 in Dec 2017. This marked the fastest pace since Jun 2006. The services Purchasing Managers' Index (PMI) came in at 57.6 in Jan, up from 56.6 in Dec. Meanwhile, the factory PMI fell to 59.6 in Jan 2018 from 60.6 in Dec.

Mutual Fund & Insurance Update

- According to media reports, the Association of Mutual Funds in India (AMFI) has requested the Union finance minister to introduce Debt Linked Savings Scheme (DLSS) with a view to channelize long term savings of retail investors into corporate bond market through mutual funds. In line with ELSS, the mutual fund industry body wants DLSS investors to avail benefits of tax deduction under Section 80C on investments of up to Rs. 1.50 lakh. However, AMFI has recommended that DLSS should have lock-in of 5 years. In the event of implementation, AMFI expects debt-oriented mutual funds to be at par with tax saving bank fixed deposits, where deduction is available under Section 80C.
- According to a media report, a survey conducted by the National Family Health Survey (NFHS-4) revealed that more than 55% of households in India do not generally use government healthcare facilities. Private health sector is the primary source of health care in urban areas (56%) and in rural areas (49%).

Dividend Update

- LIC Mutual Fund has announced Jan 29 as the record date for declaration of dividend under the dividend option of LIC MF Balanced Fund and LIC MF Growth Fund. The rates of dividend are Re. 0.10 and Re. 0.20 per unit, respectively.

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	63.69	-0.13	-0.55	68.23	63.24
EUR/INR	78.96	0.73	4.04	79.03	67.92
YEN(100)/INR	58.27	0.83	3.12	60.27	55.87
SGD/INR	48.68	0.61	2.25	48.70	45.58
EUR/USD	1.24	0.89	4.63	1.24	1.05
GBP/USD	1.42	1.73	6.59	1.43	1.21
JPY/USD	0.01	0.99	3.71	0.01	0.01
SGD/USD	0.77	0.76	2.79	0.70	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.67	-0.27	105,873	-10.06
EUR/INR	78.53	0.40	2,052	0.10
GBP/INR	89.74	0.62	986	-4.92
JPY/INR	57.82	0.20	52	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	63.64	63.77	-0.20
GBP	89.32	89.20	0.13
EURO	78.45	78.22	0.30
100 Yen	57.92	57.57	0.61

Currency Update

- The Indian rupee gained for the second straight session against the U.S. dollar following most of the Asian counterparts. Broad weakness in greenback was witnessed following expectations that the European Central Bank may go for monetary tightening at its policy meeting on Jan 25. However, gains were limited following dollar purchases by state-run banks on likely intervention of the Reserve Bank of India. The rupee rose 0.13% to close at 63.69 per dollar from the previous close of 63.77
- Euro rose for the third consecutive session against the greenback on expectations that the European Central Bank may go for monetary tightening at its policy meeting on Jan 25. Euro was trading at \$1.2329 compared with the previous close of \$1.2297.

Global Economy

- A report from the Ministry of Finance showed that Japan's merchandise trade surplus came in at 358.971 billion yen in Dec 2017, down 43.5% on year. The trade surplus missed market expectations. However, it was up from trade surplus of 113.4 billion yen in Nov 2017. Exports surged 9.3% on year to 7.302 trillion yen in Dec. However, it was down from 16.2% in Nov. Meanwhile, imports grew an annual 14.9% to 6.943 trillion yen and was down from 17.2% in Nov.
- A report from the Cabinet Office showed that Japan's leading index grew to 108.3 in Nov 2017 as against 106.5 in Oct 2017. Though the score came in less than initial estimations, this marked the highest score since Jan 2014. Meanwhile, the current economic activity surged to 117.9 in Nov from 116.4 in Oct.

Events Calendar

Event	Date	Event	Date
Index of Eight Core Industries (Nov)	01-Jan-18	Index of Industrial Production (Nov)	12-Jan-18
Nikkei India Manufacturing PMI (Dec)	02-Jan-18	Consumer Price Index (Dec)	12-Jan-18
Nikkei India Service PMI (Dec)	04-Jan-18	Wholesale Price Index (Dec)	15-Jan-18
Trade Deficit (Dec)	10-Jan-18	Forex Reserves	25-Jan-18

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