

December 19, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	33602	0.41	0.78	33866	25754	24.75
Nifty 50	10389	0.54	1.02	10490	7894	26.60
S&P BSE Midcap	17104	0.76	2.59	17195	11449	45.09
S&P BSE 100	10851	0.50	1.00	10959	8085	24.62
S&P BSE 200	4588	0.53	1.27	4616	3379	25.76
Nifty Free Float	20130	0.84	2.48	20238	13658	51.69
Midcap 100						
Nifty 500	9271	0.59	1.46	9319	6712	31.88

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	25858	1.21	3.15	25942	19501	28.85
S&P BSE Metal	14123	1.83	-0.88	15158	9620	26.89
S&P BSE Oil	16331	0.25	3.92	16727	11668	13.62
S&P BSE Healthcare	14146	0.78	2.94	15612	12513	33.63
S&P BSE IT	10905	0.07	1.61	10991	9357	17.28
S&P BSE CD	22220	0.94	9.26	22280	10725	47.34
S&P BSE PSU	9177	0.70	-0.97	9657	7399	20.49
S&P BSE FMCG	10554	0.01	2.86	10936	7653	41.89
S&P BSE CG	18447	0.65	1.16	18889	13268	31.36
Nifty Bank	25595	0.61	-0.52	25954	17607	29.54
S&P BSE Realty	2378	-0.29	0.68	2481	1196	67.77

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24792	0.57	6.14	24876	19678	22.19
S&P 500	2690	0.54	4.32	2695	2234	23.54
Nasdaq	6995	0.84	3.13	7004	5372	25.36
FTSE 100	7537	0.62	2.12	7599	6986	20.29
CAC 40	5421	1.33	1.91	5536	4734	16.54
DAX	13312	1.59	2.45	13526	11380	16.26
Nikkei	22902	1.55	2.25	23382	18225	18.90
Hang Seng	29050	0.70	-0.51	30200	21489	13.25
Shanghai Comp.	3268	0.05	-3.40	3450	3017	14.65

F&O Trends	Px Last	Previous	Change %
Near Futures	10,404.40	10,359.50	0.43
Near Basis	15.60	26.25	-40.57
Mid Futures	10,439.30	10,392.10	0.45
Mid Basis	50.55	58.85	-14.10
Near Open Interest (Cr.)	1.95	1.97	-1.37
Mid Open Interest (Cr.)	0.13	0.09	37.48
Rollover (%)	6.94	5.22	33.05

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.53	1.17	-16.62	17.28	8.56
Nifty VIX	13.12	-12.22	-4.36	18.26	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs					
Equity		9274.29	10144.34	-870.05	53748.94
Debt		1334.50	930.38	404.12	147980.09
MF¹					
Equity		3119.42	2255.04	864.38	113466.28
Debt		8299.63	5264.41	3035.22	374279.41

¹ As on 8th December 2017

Indian Equity Market

- Indian equity markets witnessed initial jittery amid close fight between the ruling and the opposition party on the vote count. However, market witnessed buying spree as final voting trends showed the ruling party is winning in both Gujarat and Himachal Pradesh. On the global front, Asian shares inched up driven by expectations that U.S. lawmakers will pass a long-awaited tax bill this week. Meanwhile, Chinese stocks remained soft amid liquidity and tighter regulation concerns.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.41% and 0.54% to close at 33,601.68 and 10,388.75, respectively.
- On the BSE sectoral front, gainers comprised S&P BSE Metal, up 1.83% followed by S&P BSE Auto and S&P BSE Consumer Discretionary Goods & Services, which rose 1.21% and 1.17%, respectively. S&P BSE Consumer Durables and S&P BSE Telecom went up 0.94% and 0.91%, respectively.

Indian Economy

- The goods and services tax (GST) Council has approved an early roll-out of the e-way bill for the inter-state movement of goods from Feb 2018 and the facility bill will be available for the trial run from Jan 15, 2018. An e-way bill is required for movement of goods worth more than Rs. 50,000. However, when goods are transported for less than 10 km within a state, the supplier or the transporter need not furnish details on the GST portal. The e-way bill mechanism has been introduced in the GST regime to plug tax evasion loopholes.
- GST Network has added a new function on its online portal which allow taxpayers to choose the frequency i.e. quarterly or monthly basis of filing GSTR 1 form. Taxpayers with annual aggregate turnover of up to Rs. 1.5 crore in the previous financial year or anticipated in the current financial year can avail the option of filing quarterly returns.

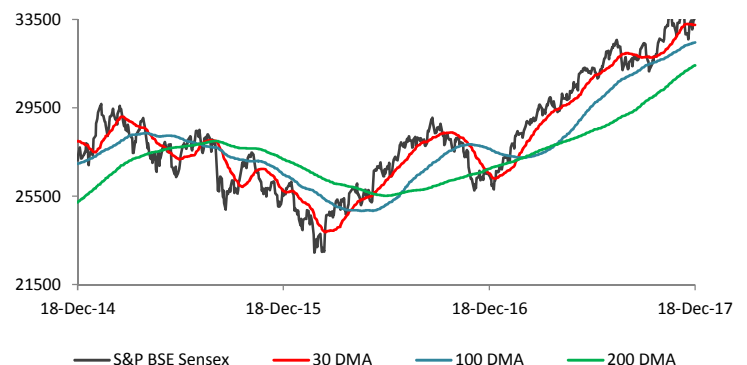
Global Equity Market

- As per the last close, U.S market moved up reflecting optimism about outlook for Republican tax reform, which would cut corporate and individual tax rates.
- As per the last close, European market rose firmly following strong performance of the Asian markets, as well as some positive economic data from China and Japan.
- Most of the Asian markets gained on expectations that U.S. tax reform bill would be passed soon. Weaker yen, higher closing of U.S. market over the weekend, faster-than-expected rise in export data from Japan in Nov and improved house prices data in majority of the Chinese cities further buoyed the sentiments. Today (As of Dec 19), Asian markets opened mostly higher following gains on the Wall Street overnight.

Indian Derivative Market

- Nifty Dec 2017 Futures were at 10404.35, a premium of 15.60 points above the spot closing of 10,388.75. The turnover on NSE's Futures and Options segment went up from Rs. 4,54,995.00 crore on Dec 15 to Rs. 10,00,521.07 crore on Dec 18.
- The Put-Call ratio stood at 0.94 against the previous session's close at 1.01.
- The Nifty Put-Call ratio stood at 1.31 against the previous session's close at 1.29.
- India VIX moved down 12.22% to 13.1150 from 14.9400 in the previous trading session.
- Open interest on Nifty Futures stood at 20.92 million as against the previous session's close of 20.83 million.

S&P BSE Sensex Moving Average



December 19, 2017

Debt Market Update

Policy Rates (%)	18-Dec-17	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	20.75
Bank Rate	6.25	6.25	6.25	6.75

Daily Rates (%)	18-Dec-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.25	5.95	6.00	6.28
CALL	6.02	5.86	5.88	6.14
CBLO	6.13	5.90	5.88	6.14
OIS- 1 Yr	6.38	6.30	6.26	6.21
OIS- 5 Yr	6.67	6.58	6.48	6.29

Liquidity Indicators (in Rs. Cr.)	18-Dec-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	41,416	40,196	63,277	78,337
Call Money	11,515	14,066	12,340	17,005
CBLO	116,947	118,229	128,150	109,251
LAF	24,022	3,815	-1,459	2,368
Treasury Bills	2,873	2,574	3,485	1,406

Top 5 Traded G-Sec	Maturity	Yield %		Change
		Closing	Previous	%
06.79 GS 2027	15-May-27	7.18	7.14	0.64
06.68 GS 2031	17-Sep-31	7.26	7.21	0.57
07.40 GS 2035	09-Sep-35	7.50	7.47	0.39
06.79 GS 2029	26-Dec-29	7.16	7.15	0.13
07.73 GS 2034	19-Dec-34	7.54	NA	NA

Certificate of Deposit (%)	18-Dec-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.30	6.24	6.23	6.26
6-Month	6.65	6.62	6.43	6.44
9-Month	6.70	6.67	6.52	6.50
12-Month	6.75	6.72	6.60	6.55

Commercial Paper (%)	18-Dec-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.88	6.81	6.79	6.64
6-Month	7.19	7.08	6.99	7.09
9-Month	7.26	7.16	7.07	7.20
12-Month	7.34	7.25	7.16	7.33

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	7,000	7,000	6.15%
182 Days T-Bills	2,000	2,000	6.31%
364 Days T-Bills	2,000	2,000	6.36%

Key Indicators	
GDP (Q2 FY'18)	6.30%
Manufacturing PMI (Nov'17)	52.60
Current Account Deficit (Q2 of FY18, in \$ Billion)	7.20
Fiscal Deficit (FY 2017, as a % of GDP)	3.20%
Credit Growth (Nov 24, 2017)	9.60%
Deposit Growth (Nov 24, 2017)	3.50%

Indian Debt Market

- Bond yields rose after current ruling government's party headed to win the Gujarat elections but by a lesser margin. Market participants awaited cues on the government's fiscal stance.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 4 bps to close at 7.18% from the previous close of 7.14%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 24,022 crore (gross) on Dec 18 compared with borrowings of Rs. 16,789 crore on Dec 15. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 4,123 crore on Dec 15.
- Banks borrowed Rs. 9,661 crore under the central bank's Marginal Standing Facility on Dec 15 compared with no borrowing on Dec 14.
- RBI conducted the auction of repurchase of two government securities for a notified amount of Rs. 20,000, for which no amount was accepted. 7.83% GS 2018 and 8.24% GS 2018 papers witnessed offers of Rs. 8,145 crore and Rs. 3,791.821 crore.
- RBI conducted two overnight variable rate repo auctions for a notified amount of Rs. 30,000 crore each for which Rs. 25,609 crore and Rs. 30,004 crore were allotted at a cut-off rate of 6.01% and 6.05%, respectively.

Spread Analysis

- Yields on gilt securities increased across the maturities by up to 8 bps, barring 1-year paper that plunged 16 bps. Yield rose the most on 8-year paper.
- Corporate bond yields went up across the curve by up to 4 bps, leaving 7- and 8-year papers that remained steady. Yield increased the most on 3-year paper.
- Spread between AAA corporate bond and gilt expanded on 1- to 3-year papers by up to 18 bps while 5-year paper remained unchanged. Spread on remaining securities contracted by up to 8 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Dec 11-15	0	0	N.A.
Month: Dec 2017	60,000	30,000	50.00%
H2: Oct'17-Mar'18	208,000	133,000	63.94%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H2'18	Completed H2'18
5 to 9 Yrs	20.19%	64.29%
10 to 14 Yrs	51.44%	67.29%
Long Dated (above 14 Yrs)	28.37%	57.63%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91 Days	7,000
Treasury Bills	182 Days	2,000
Treasury Bills	364 Days	2,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	68.40	74.40	87.40
3 Yr	49.80	56.80	80.80
5 Yr	41.90	48.90	76.90
10 Yr	35.00	68.00	84.00

Key Indicators	Current	Previous
WPI (Nov'17)	3.93%	3.59%
CPI (Nov'17)	4.88%	3.58%
IIP (Oct'17)	2.20%	4.10%
Trade Deficit (In \$ billion-Nov 17)	-13.83	-14.02

December 19, 2017

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1261	0.49	-2.55	1349	1129
Silver (\$/oz)	16	0.50	-6.78	19	16
NYMEX Crude(\$/bbl)	57	-0.21	1.06	58	42
Brent Crude(\$/bbl)	65	0.42	4.68	66	43
Baltic Dry Index	1588	-1.91	15.83	1743	685
RJ/CRB Index	185	0.48	-2.61	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,555	-0.11	-3.08	30,415	27,172
Silver (1 kg)	36,873	0.62	-6.60	43,398	35,660
Crude Oil (1 bbl)	3,673	0.16	2.03	3,760	2,748
Natural Gas (1 mmbtu)	167	-2.96	-16.05	266	167
Aluminium (1 kg)	131	0.00	-3.08	3,606	116
Copper (1 kg)	443	1.73	0.95	462	134
Nickel (1 kg)	716	0.00	-3.77	830	561
Lead (1 kg)	161	0.00	3.04	169	131
Zinc (1 kg)	204	0.00	-1.66	220	157
Mentha Oil (1 kg)	1,781	-0.17	-2.71	2,158	993
Cotton (1 bales)	19,100	0.42	4.89	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	0.64	1.27	8.33	27.80	10.72	14.55
Small/Mid Cap	0.41	3.59	12.71	40.35	18.92	24.73
Diversified	0.52	1.72	10.16	31.21	12.45	16.41
Balanced	0.18	1.23	7.55	23.32	11.16	15.17
Banking	0.39	-0.50	7.00	38.48	13.85	15.19
FMCG	0.49	3.91	13.22	44.73	15.22	15.36
Pharma	-0.21	2.74	4.26	-2.08	3.49	14.97
Technology	0.10	3.32	13.47	15.34	5.96	18.06
Infrastructure	-0.10	2.33	14.61	40.54	15.15	16.93
Gold Funds	-0.09	-3.12	-2.29	2.06	0.37	-2.91
Nifty 50	0.64	1.02	8.35	27.46	8.38	11.99
S&P BSE Sensex	0.44	0.78	8.20	26.68	7.39	11.65
S&P BSE 500	0.41	1.43	10.33	32.69	11.78	14.16
S&P BSE Midcap	-0.01	2.59	15.51	39.53	19.71	19.29
CRISIL Balanced	0.41	0.68	5.93	19.43	8.82	11.16

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	6.04	6.02	6.27	6.30	7.33
Ultrashort Bond	2.57	4.65	6.26	6.42	7.64
Short-T Bond	-1.07	2.31	4.86	5.80	7.99
Long-T Bond	-0.95	1.30	3.43	5.31	8.23
Long T Govt Sec	-1.15	-1.32	-1.35	3.07	8.23
Crisil Liquid	5.90	6.21	6.49	6.65	6.79
Crisil ST Bond	0.74	3.16	5.24	6.35	7.26
Crisil Composite	-1.67	0.07	2.83	5.25	7.09
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 U.S. dollar fell against the euro after U.S. tax cuts look set for passage this week. Moreover, dovish stance of U.S. Federal Reserve regarding future rate hike provided additional support. Gold prices were last seen trading at \$1258.56 per ounce, compared with the previous close of \$1255.18 per ounce.
- Brent crude prices traded marginally higher amid ongoing North Sea pipeline outage and a strike by Nigerian oil workers that has threatened its crude exports. Also, indications that flourishing U.S. crude output growth is likely slowing also supported crude prices. Oil prices were last seen trading at \$64.63 per barrel, compared with the previous close of \$64.55 per barrel.

International Market Update

- According to a report from the U.S. Federal Reserve, U.S. industrial production inched up 0.2% in Nov 2017 as against an upwardly revised gain of 1.2% in Oct 2017. Gains of 2% in mining output were offset by pullback in utilities output that fell 1.9% in Nov.
- According to a report from the Eurostat, eurozone's consumer prices grew 1.5% year-on-year in Nov 2017 as against a gain of 1.4% in Oct 2017. However, inflation remained below the European Central Bank's target of 'below, but close to 2%'. The increase in inflation was mainly driven by higher energy prices. Energy price inflation grew to 4.7% in Nov from 3% in Oct. Meanwhile, growth in food, alcohol and tobacco came in at 2.2% in Nov as against 2.3% in Oct.

Mutual Fund & Insurance Update

- According to media reports, the Union Minister of Finance and Corporate Affairs met representatives from banks and financial institutions in the pre-budget consultation meeting held in Delhi. Among the delegates, Mr. N S Venkatesh, CEO of the Association of Mutual Funds in India represented the mutual fund industry. The industry body has requested the Ministry of Finance to introduce mutual fund linked retirement plans (MFLRP) under Section 80 CCD. AMFI believes that long term product like mutual fund retirement plans with tax incentive can play a significant role in channelizing household savings to capital markets. Secondly, AMFI has asked the government to consider extending the tax benefits provided under 80CCD of the Income Tax Act (for eg. National Pension Scheme) to mutual fund retirement plans.

Dividend Update

- Reliance Mutual Fund has announced Dec 22 as the record date for declaration of dividend under the dividend option of Reliance Top 200 Fund and Reliance Regular Savings Fund - Balanced Option. The rates of dividend are Re. 0.17 and Re. 0.16 per unit, respectively.
- Sundaram Mutual Fund has announced Dec 21 as the record date for declaration of dividend under the dividend option of Sundaram Balanced Fund. The rate of dividend is Re. 0.125 per unit.
- Axis Mutual Fund has announced Dec 21 as the record date for declaration of dividend under the dividend option of Axis Enhanced Arbitrage Fund. The rate of dividend is Re. 0.05 per unit.

NFO Update

- Union Mutual Fund has announced extension of new fund offer period of Union Prudence Fund from Dec 15, 2017, to Dec 21, 2017

December 19, 2017

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.24	0.30	-1.19	68.35	63.56
EUR/INR	75.63	0.45	-1.35	77.89	67.92
YEN(100)/INR	57.04	0.24	-1.65	60.49	56.22
SGD/INR	47.64	0.29	-0.66	48.43	45.58
EUR/USD	1.18	0.25	-0.10	1.21	1.03
GBP/USD	1.34	0.46	1.28	1.37	1.20
JPY/USD	0.01	0.04	-0.41	0.01	0.01
SGD/USD	0.74	0.07	0.59	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.29	0.21	77,130	-17.73
EUR/INR	75.86	0.05	709	10.95
GBP/INR	85.91	-0.21	978	8.43
JPY/INR	57.20	-0.21	29	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.11	64.10	0.02
GBP	85.54	86.13	-0.68
EURO	75.43	75.52	-0.13
100 Yen	56.90	57.13	-0.40

Currency Update

- The Indian rupee weakened against the U.S dollar due to greenback demand from oil and other importers. Rupee fell despite the current government's ruling party won assembly elections in Gujarat in a closely-fought race. Domestic currency reported its biggest single day fall in over a month. The rupee fell 0.30% to close at 64.24 per dollar from the previous close of 64.04.
- The euro gained against the weak U.S. dollar as market participants remained concerned over whether a proposed U.S. tax reform program would have a major impact on economic growth, despite passing of the bill. The euro was trading at \$1.1792 compared with the previous close of \$1.1752.

Global Economy

- According to a report from the Confederation of British Industry, approximately 28% of manufacturers in U.K. reported that total order booked were above normal. Meanwhile, 11% expect it to be below normal, thereby giving a balance of +17%. Output growth is expected to slow in the coming quarter. 26% of the manufacturers expect volumes to increase and 13% expect a decline, thereby giving a balance of +13%.
- A report from the IHS Markit showed that U.K. household finance index grew to 43.9 in Dec 2017 as against 43.5 in Nov 2017. Meanwhile, the index measuring the outlook for financial well-being over the next twelve months, grew to 48.2 in Dec as against 46.9 in Nov.
- According to a report from the National Bureau of Statistics, China home prices grew in 50 cities out of 70 surveyed by the government. Meanwhile, it fell in 10 cities and remained flat in 10 cities. Urumqi witnessed the highest rise in house prices Yangzhou witnessed the steepest decline. Beijing showed no variations.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Nov)	01-Dec-17	Consumer Price Index (Nov)	12-Dec-17
Nikkei India Service PMI (Nov)	05-Dec-17	Wholesale Price Index (Nov)	14-Dec-17
Fifth Bi-monthly Monetary Policy Review	06-Dec-17	Forex Reserves	22-Dec-17
Index of Industrial Production (Oct)	12-Dec-17	Index of Eight Core Industries (Nov)	01-Jan-18

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