

December 26, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	33940	0.55	1.13	33964	25754	25.03
Nifty 50	10493	0.50	1.46	10501	7894	26.86
S&P BSE Midcap	17574	0.11	4.70	17654	11449	46.37
S&P BSE 100	10984	0.45	1.69	10991	8085	24.97
S&P BSE 200	4655	0.41	2.17	4660	3379	26.18
Nifty Free Float Midcap 100	20834	0.30	5.09	20893	13658	53.50
Nifty 500	9432	0.47	2.56	9440	6712	32.40

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	26574	0.44	5.07	27031	19501	29.67
S&P BSE Metal	14528	-0.06	1.14	15158	9620	28.16
S&P BSE Oil	16500	0.67	3.42	16727	11668	13.78
S&P BSE Healthcare	14420	0.09	3.41	15612	12513	34.31
S&P BSE IT	11136	1.31	4.02	11167	9357	17.67
S&P BSE CD	22545	-0.58	8.73	22832	10725	48.07
S&P BSE PSU	9315	0.54	-0.15	9657	7399	20.82
S&P BSE FMCG	10657	0.08	3.41	10936	7653	42.34
S&P BSE CG	19127	0.93	4.32	19157	13268	32.55
Nifty Bank	25649	0.37	-0.46	25954	17607	29.60
S&P BSE Realty	2500	0.00	4.99	2530	1196	71.30

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24754	-0.11	5.22	24876	19678	22.27
S&P 500	2683	-0.05	3.32	2695	2234	23.49
Nasdaq	6960	-0.08	1.35	7004	5372	24.99
FTSE 100	7593	-0.15	2.34	7610	7020	20.56
CAC 40	5365	-0.39	0.22	5536	4734	16.57
DAX	13073	-0.28	0.44	13526	11405	16.21
Nikkei	22939	0.16	1.69	23382	18225	18.92
Hang Seng	29578	0.72	-1.42	30200	21489	13.48
Shanghai Comp.	3297	-0.09	-3.89	3450	3017	14.77

F&O Trends	Px Last	Previous	Change %
Near Futures	10,505.50	10,462.50	0.41
Near Basis	12.45	22.15	-43.79
Mid Futures	10,545.00	10,498.30	0.44
Mid Basis	52.00	57.95	-10.27
Near Open Interest (Cr.)	1.77	1.82	-2.37
Mid Open Interest (Cr.)	0.76	0.56	34.82
Rollover (%)	31.01	24.68	25.68

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.90	2.91	0.20	17.28	8.56
Nifty VIX	11.59	-4.12	-17.45	18.26	8.76

Fund Flow	Amount in Rs. Crore			
	Gross Pur.	Gross Sale	Net	YTD
FIIs				
Equity	4817.18	6126.09	-1308.91	49835.76
Debt	1462.13	1285.02	177.11	147812.53
MF¹				
Equity	3719.87	2707.82	1012.05	116555.14
Debt	7133.78	8333.18	-1199.40	385082.21

¹ As on 21st December 2017

Indian Equity Market

- Indian equity markets closed in the green amid firm global cues owing to passage of U.S. tax reform bill that aimed at reducing corporate tax rates and strong U.S. GDP growth for the third quarter. Also, expectation of good budget and strong earnings for H2FY18 boosted investor sentiment. Gains by one of the major U.S tech majors as some analysts turned bullish on the stock in the last one month, with 'strong buy' recommendations increasing by two to 11 and 'buy' ratings increasing by one to 11 further supported buying interest.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.55% and 0.50% to close at 33,940.30 and 10,493.00, respectively. Moreover, S&P BSE Mid-Cap and S&P BSE Small-Cap went up 0.11% and 0.58%, respectively.
- On the BSE sectoral front, among the gainers comprised S&P BSE Information technology, up 1.31% followed by S&P BSE Teck and S&P BSE Capital Goods, which rose 1.02% and 0.93%, respectively.

Indian Economy

- According to the media reports, Securities and Exchange Board of India (SEBI) has rejuvenated a plan to make it compulsory for listed companies to disclose loan defaults as soon as they occur to stock exchanges. The market regulator had put the rule on hold a day before it was supposed to be implemented on Oct 1, 2017 amid protests from banks. The proposal will be presented to the board on Dec 28.
- According to the International Monetary Fund (IMF), currently India's bad loans has surged to Rs. 9.5 lakh crore which is hampering country's economic growth. As per the organisation, India's major banks seems strong, but the system is subject to considerable vulnerabilities. High non-performing assets and slow deleveraging and repair of corporate balance sheets are testing the resilience of the banking system, and holding back investment and growth. IMF expects growth in India to be 6.7% in 2017 and 7.4% in 2018.

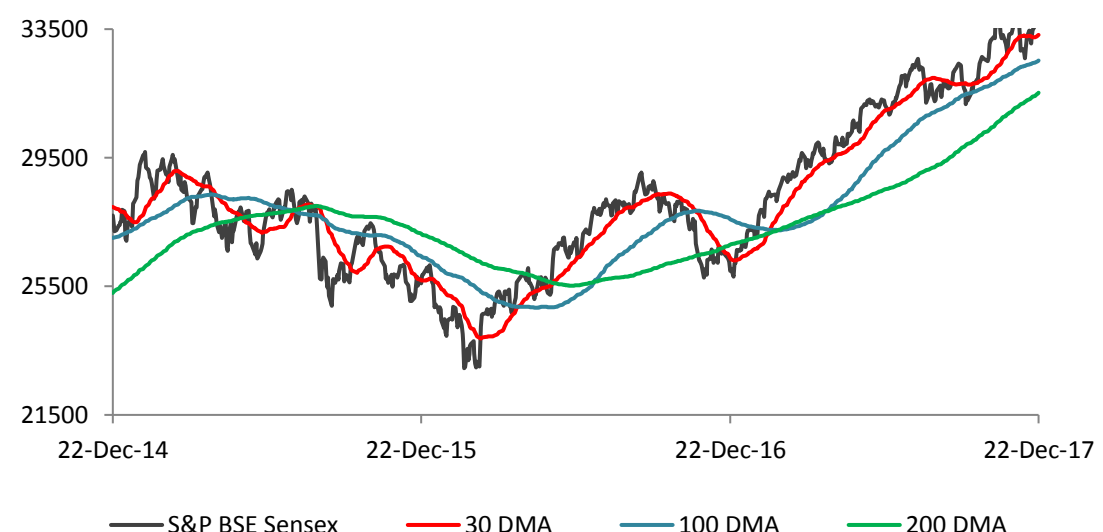
Global Equity Market

- As per the last close, U.S markets ended almost lower with many investors remaining from their desks ahead of Christmas weekend.
- As per the last close, European market ended lower amid results of elections in Catalonia, wherein the separatists won a majority.
- Asian markets witnessed a mixed trend with several markets closed on the Christmas Day. Chinese markets closed in the red amid profit booking. Japanese markets reported modest gains amid buying interest in stocks of major companies across different sectors owing to strong profit forecast. Today (As of Dec 26), Asian markets opened mixed as several regional markets re-opened after the Christmas break.

Indian Derivative Market

- Nifty Dec 2017 Futures were at 10,505.45, a premium of 12.45 points above the spot closing of 10,493.00. The turnover on NSE's Futures and Options segment went down from Rs. 9,88,369.98 crore on Dec 21 to Rs. 4,97,339.94 crore on Dec 22.
- The Put-Call ratio stood at 1.08 against the previous session's close at 0.75.
- The Nifty Put-Call ratio stood at 1.59 against the previous session's close at 1.49.
- India VIX moved down 4.12% to 11.5875 from 12.0850 in the previous trading session.
- Open interest on Nifty Futures stood at 25.70 million as against the previous session's close of 24.11 million.

S&P BSE Sensex Moving Average



December 26, 2017

Debt Market Update

Policy Rates (%)	22-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 (%)	22-Dec-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.03	6.02	6.04	6.25
CALL	5.97	5.99	5.91	6.11
CBLO	5.71	6.15	5.98	6.10
OIS- 1 Yr	6.43	6.37	6.29	6.21
OIS- 5 Yr	6.72	6.64	6.53	6.31

Liquidity Indicators (in Rs. Cr.)	22-Dec-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	38,674	41,341	49,083	54,148
Call Money	26,000	10,429	17,169	14,685
CBLO	85,092	107,866	136,818	104,854
LAF	18,545	12,666	-3,953	-2,055
Treasury Bills	5,344	913	10,350	3,032

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	7.27	7.21	0.78
06.68 GS 2031	17-Sep-31	7.34	7.29	0.57
06.79 GS 2029	26-Dec-29	7.12	7.12	0.01
07.68 GS 2023	15-Dec-23	7.19	7.18	0.22
07.72 GS 2025	25-May-25	7.32	7.27	0.59

Certificate of Deposit (%)	22-Dec-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.45	6.30	6.23	6.26
6-Month	6.83	6.66	6.45	6.46
9-Month	6.87	6.72	6.53	6.51
12-Month	6.90	6.77	6.61	6.55

Commercial Paper (%)	22-Dec-17	Wk Ago	Mth Ago	Yr Ago
3-Month	7.03	6.84	6.80	6.68
6-Month	7.34	7.16	7.04	7.06
9-Month	7.41	7.24	7.11	7.18
12-Month	7.50	7.31	7.19	7.31

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	675	6.84%
6.79% GS 2027	8,000	8,000	7.26%
7.73% GS 2034	2,000	2,000	7.54%
6.62% GS 2051	2,000	2,000	7.54%

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 (Dec 08, 2017)	9.80%
Deposit Growth (Dec 08, 2017)	3.30%

Indian Debt Market

- Bond yields rose as worries on government's fiscal stance continued to weigh on investor sentiment. Meanwhile, the weekly debt auction of government securities witnessed devolvement of Rs. 675 crore.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 6 bps to close at 7.27% from the previous close of 7.21%. During the session, bond yields traded in the range of 7.19% and 7.29%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 18,545 crore (gross) on Dec 22 compared with borrowings of Rs. 4,010 crore on Dec 21. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 8,116 crore on Dec 21.
- Banks borrowed Rs. 1,630 crore under the central bank's Marginal Standing Facility on Dec 21 compared with borrowing of Rs. 76 crore on Dec 20.
- RBI conducted a 14-day variable rate repo auction for a notified amount of Rs. 22,000 crore for which Rs. 9,210 crore was allotted at a cut-off rate of 6.01%.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 25,000 crore for which Rs. 10,131 crore was allotted at a cut-off rate of 5.99%.
- RBI announced the auction of 91-, 182- and 364-days Treasury Bills for an aggregate amount of Rs. 11,000 crore on Dec 27, 2017.

Spread Analysis

- Yields on gilt securities increased across the maturities by up to 13 bps barring 12-year paper which closed steady.
- Corporate bond yields either closed steady or increased across the maturities by up to 2 bps barring 6-, 7-, 9- and 15-year maturities that fell 1 bps each.
- Spread between AAA corporate bond and gilt contracted across the maturities in the range of 2 bps to 13 bps barring 2-year paper that expanded 3 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Dec 18-22	15,000	12,675	84.50%
Month: Dec 2017	60,000	42,675	71.13%
H2: Oct'17-Mar'18	208,000	145,675	70.04%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H2'18	Completed H2'18
5 to 9 Yrs	20.19%	65.89%
10 to 14 Yrs	51.44%	74.77%
Long Dated (above 14 Yrs)	28.37%	64.41%

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	73.70	79.70	92.70
3 Yr	47.00	54.00	78.00
5 Yr	41.10	48.10	76.10
10 Yr	27.30	60.30	76.30

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 26, 2017

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1275	0.62	-1.35	1349	1134
Silver (\$/oz)	16	1.55	-4.67	19	16
NYMEX Crude(\$/bbl)	58	-0.12	0.66	58	42
Brent Crude(\$/bbl)	65	-0.05	3.49	66	43
Baltic Dry Index	1366	-4.48	-3.33	1743	685
RJ/CRB Index	188	0.08	-1.94	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	28,686	0.03	-2.52	30,415	27,221
Silver (1 kg)	37,097	0.00	-5.54	43,398	35,660
Crude Oil (1 bbl)	3,740	0.51	1.19	3,760	2,748
Natural Gas (1 mmbtu)	167	-1.42	-15.14	266	167
Aluminium (1 kg)	135	0.00	0.07	3,606	116
Copper (1 kg)	455	0.79	1.40	462	134
Nickel (1 kg)	769	0.00	1.26	830	561
Lead (1 kg)	160	0.00	0.25	169	131
Zinc (1 kg)	207	0.00	-2.50	220	157
Mentha Oil (1 kg)	1,897	4.13	-1.23	2,158	993
Cotton (1 bales)	19,450	1.73	6.93	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	2.06	2.12	9.55	32.55	10.64	15.07
Small/Mid Cap	3.59	5.43	16.62	48.66	19.54	25.71
Diversified	2.24	2.71	11.87	36.73	12.50	17.00
Balanced	1.66	1.81	8.75	27.10	11.19	15.58
Banking	1.54	0.19	7.52	43.80	13.40	15.64
FMCG	1.58	3.81	14.04	49.59	15.43	15.87
Pharma	2.58	3.35	6.54	2.80	3.89	15.45
Technology	1.95	4.56	15.34	19.20	5.94	18.28
Infrastructure	4.07	4.72	19.02	49.46	15.90	18.01
Gold Funds	0.48	-2.52	-1.38	2.79	0.89	-2.32
Nifty 50	1.55	1.46	8.96	31.51	8.02	12.39
S&P BSE Sensex	1.43	1.13	8.47	30.64	7.00	12.01
S&P BSE 500	2.21	2.46	11.96	38.26	11.77	14.73
S&P BSE Midcap	3.53	4.70	19.04	48.82	20.29	20.20
CRISIL Balanced	0.92	0.79	6.18	21.68	8.56	11.41

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	5.99	6.00	6.26	6.30	7.32
Ultrashort Bond	1.73	3.54	6.08	6.34	7.63
Short-T Bond	-4.96	-0.70	4.40	5.65	7.97
Long-T Bond	-9.29	-3.08	2.80	5.12	8.18
Long T Govt Sec	-28.49	-10.52	-2.54	2.81	8.18
Crisil Liquid	5.30	5.99	6.45	6.64	6.79
Crisil ST Bond	-4.23	0.29	4.80	6.22	7.25
Crisil Composite	-12.53	-5.56	2.08	5.01	7.08
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 flat amid lack of any major cues owing to Christmas Day. The precious metal found underlying support from the compromise spending bill, which helped to avert a U.S. government shutdown. Gold prices were last seen trading at \$1,274.86 per ounce, compared with the previous close of \$1,274.61 per ounce.
- Brent Crude prices traded flat with investors taking cues from the Russian Energy Minister's statement regarding discussion by oil producers. The discussion was regarding exit strategy for their deal on cutting output, once the market moves closer towards being balanced. Oil prices were last seen trading at \$64.95 per barrel, compared with the previous close of \$64.98 per barrel.

International Market Update

- A report from the Labor Department showed that U.S. initial jobs grew to 245,000 for the week ended Dec 16, up 20,000 from the previous week's unrevised level of 225,000. Meanwhile, the continuing claims grew 43,000 to 1.932 million for the week ended Dec 9, 2017.
- A report from the Commerce Department showed that U.S. personal income grew 0.3% in Nov 2017 as against a gain of 0.4% in Oct 2017. Meanwhile, personal spending grew 0.6% in Nov as against a gain of 0.2% in Oct.
- According to a report from the Commerce Department, U.S. durable goods surged 1.3% in Nov 2017 as against a decline of revised 0.4% (0.8% decline originally reported) in Oct 2017. However, it missed market expectations.

Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 3719.87 crore as against sale of Rs. 2707.82 crore as on Dec 21, 2017. This led to a net purchase of Rs. 1012.05 crore compared with a net purchase of Rs. 481.21 crore on Dec 20, 2017.
- In the debt space, mutual funds bought to the tune of Rs. 7133.78 crore as against sale of Rs. 8333.18 crore as on Dec 21, 2017. This meant a net sale of Rs. 1199.40 crore compared with a net purchase of Rs. 293.97 crore on Dec 20, 2017.
- According to media report, Managing Director and Chief Executive Officer of Bajaj Allianz General Insurance said that the company has reduced premium rates by 5-15% for the private car segment. The new rates will be applicable from Jan 1, 2018.
- General Insurance Corp. (GIC) Re, has received approval to set up syndicate at Lloyd's of London. The move will help enable the company to spread and diversify its international portfolio.

Dividend Update

- SBI Mutual Fund has announced Dec 27 as the record date for declaration of dividend under the dividend option of SBI Arbitrage Opportunities Fund. The rates of dividend are Re. 0.06 per unit (regular plan) and Re. 0.07 per unit (direct plan).
- Edelweiss Mutual Fund has announced Dec 26 as the record date for declaration of dividend under the monthly dividend option of Edelweiss Arbitrage Fund. The rate of dividend is Re. 0.06 per unit.
- Axis Mutual Fund has announced Dec 26 as the record date for declaration of dividend under the quarterly dividend option of Axis Dynamic Bond Fund, Axis Regular Savings Fund, Axis Income Saver Fund, Axis Fixed Term Plan - Series 52 and Axis Equity Saver Fund (both monthly and quarterly dividend options).

NFO Update

- SBI Mutual Fund has launched SBI Debt Fund Series C-7 (1190 days) and the NFO period will be from Dec 28, 2017 to Jan 2, 2018.

December 26, 2017

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.05	-0.01	-1.33	68.35	63.56
EUR/INR	75.90	-0.13	-1.02	77.89	67.92
YEN(100)/INR	56.51	0.05	-3.11	60.49	56.22
SGD/INR	47.61	-0.01	-1.12	48.43	45.58
EUR/USD	1.19	-0.13	0.31	1.21	1.03
GBP/USD	1.34	-0.18	0.27	1.37	1.20
JPY/USD	0.01	0.05	-1.82	0.01	0.01
SGD/USD	0.74	-0.02	0.25	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.05	-0.03	71,246	-8.67
EUR/INR	75.94	-0.19	732	-1.21
GBP/INR	85.74	0.05	807	5.35
JPY/INR	56.57	0.19	43	2.38

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.04	64.09	-0.07
GBP	85.67	85.63	0.05
EURO	75.88	76.03	-0.20
100 Yen	56.51	56.50	0.02

Currency Update

- The Indian rupee closed steady against the greenback as gains in the domestic equity market were neutralized by month end dollar demand from oil importers and greenback purchases by state run banks. The rupee closed steady at 64.05 per dollar from the previous close of the same.
- The euro inched up against the greenback in a holiday-thinned trading. However, the common bloc currency remained under pressure after Catalan separatists won a regional election, stoking concerns about the possible break-up of the euro zone's fourth-largest economy i.e. the Spanish economy. The euro was trading at \$1.1864, up 0.06% compared with the previous close of \$1.1857.

Global Economy

- A report from the National Statistics showed that U.K. gross domestic product grew 0.4% sequentially in the third quarter as against a growth of 0.3% witnessed in the first two quarters of 2017. GDP surpassed market expectations and grew 1.7% on a yearly basis in the third quarter. Services grew 0.4% quarterly and remained the strongest contributor to growth in the output approach to GDP.
- A report from the Destatis showed that producer price inflation slightly grew to 2.7% in Nov 2017 as against an increase of 2.6% in Oct 2017. The annual increase was mainly driven by 17.3% gain in energy prices. Import prices (excluding crude oil and mineral oil products) grew 1.2% on an annual basis. Producer prices grew 0.8% MoM in Nov as against an increase of 0.6% in Oct. Meanwhile, export price inflation came in at 1.2% in Nov as against 1.5% in Oct.
- According to a report from the GfK, Germany's forward-looking consumer sentiment index grew to 10.8 for Jan 2018 as against 10.7 in Dec 2017.

Events Calendar

Event	Date
Nikkei India Manufacturing PMI (Nov)	01-Dec-17
Nikkei India Service PMI (Nov)	05-Dec-17
Fifth Bi-monthly Monetary Policy Review	06-Dec-17
Index of Industrial Production (Oct)	12-Dec-17

Event	Date
Consumer Price Index (Nov)	12-Dec-17
Wholesale Price Index (Nov)	14-Dec-17
Forex Reserves	29-Dec-17
Index of Eight Core Industries (Nov)	01-Jan-18

Contact Details

L&T Financial Services

7th Floor, Brindavan, Plot No. 177,
 CST Road, Kalina,
 Santacruz (East). Mumbai – 400 098, INDIA
 Board: +91 22 6621 7310
 Email : LNTPWM@lts.com

Disclaimer: This presentation is strictly meant for private circulation and not for public distribution and is being furnished by L&T Capital Markets Limited ("LTCML") strictly on confidential basis. This presentation and communication is for the personal information of the Authorised Recipient and LTCML will not treat recipients as clients by virtue of their receiving this presentation. It shall not be photocopied, reproduced or distributed to other person(s) at any time in any form without prior written consent of LTCML. This presentation or communication does not solicit any action based on the material contained herein. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation / circumstances and the particular needs of any specific person who may receive this presentation. The product / strategy / data discussed in the presentation may not be suitable for all the investors. Further this information also does not construe any investment, legal or tax advice to the recipient. Information and statistical data herein have been extracted from publicly available information sources and also obtained from sources LTCML believes to be reliable but in no way are warranted by LTCML, its affiliates, directors and officers as to its accuracy or completeness. The information is compiled by L&T Capital Markets Ltd and while LTCML endeavours to keep the information up to date and correct, it makes no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the report for any purpose. Any reliance the recipient may place on such information is therefore strictly at his / her / their own risk. LTCML, its affiliates, directors and officers accept no responsibility for any direct, indirect, incidental or consequential losses and / or damages resulting from the use, operation or transmission of the data / information / views represented in this presentation or inability to use this presentation and information contained herein. The recipient of this material alone shall be fully responsible / liable for any decision taken on the basis of this material. Person(s) who may receive this presentation should consider and independently evaluate whether it is suitable for his / her / their particular circumstances and, if necessary, seek professional, financial, legal and/or tax advice before investing. This Presentation does not constitute, nor should it be regarded as, an offer, invitation, inducement, solicitation or advertisement with respect to any other investment or development or implementation of an investment strategy. The views should not be construed as investment advice. All opinions and estimates included here constitute our view as of this time and are subject to change without notice. **Statements made herein regarding future prospects may not be realized.** Any performance information shown refers to the past should not be seen as an indication or assurance of any future returns.