

December 28, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	33912	-0.29	0.56	34138	26167	24.99
Nifty 50	10491	-0.39	0.88	10552	8021	26.85
S&P BSE Midcap	17674	-0.19	3.83	17784	11732	46.60
S&P BSE 100	10985	-0.33	1.10	11054	8221	24.95
S&P BSE 200	4656	-0.30	1.49	4685	3441	26.17
Nifty Free Float Midcap 100	20980	-0.12	4.45	21107	14017	53.87
Nifty 500	9438	-0.34	1.84	9494	6840	32.43

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	26538	-0.39	4.48	27031	19857	29.61
S&P BSE Metal	14705	-0.01	4.02	15158	9902	28.48
S&P BSE Oil	16434	-0.81	2.08	16727	11834	13.71
S&P BSE Healthcare	14811	1.84	5.24	15612	12513	35.22
S&P BSE IT	11131	-0.10	2.01	11178	9357	17.65
S&P BSE CD	22488	-0.46	4.51	22832	10921	47.92
S&P BSE PSU	9249	-0.69	-1.29	9657	7536	20.65
S&P BSE FMCG	10632	-0.30	2.84	10936	7895	42.20
S&P BSE CG	19076	-0.72	3.04	19300	13465	32.44
Nifty Bank	25496	-0.70	-1.53	25954	17829	29.43
S&P BSE Realty	2522	-0.63	4.41	2555	1227	71.87

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24774	0.11	5.06	24876	19678	22.27
S&P 500	2683	0.08	3.12	2695	2234	23.46
Nasdaq	6939	0.04	0.88	7004	5372	24.89
FTSE 100	7621	NA	3.21	7633	7061	20.64
CAC 40	5369	NA	0.16	5536	4734	16.58
DAX	13070	-0.02	0.54	13526	11405	16.22
Nikkei	22911	0.08	1.85	23382	18225	18.90
Hang Seng	29598	NA	-0.30	30200	21489	13.49
Shanghai Comp.	3276	-0.92	-1.40	3450	3017	14.71

F&O Trends	Px Last	Previous	Change %
Near Futures	10,500.20	10,526.00	-0.25
Near Basis	9.45	-5.55	-270.27
Mid Futures	10,533.40	10,567.90	-0.33
Mid Basis	42.60	36.35	17.19
Near Open Interest (Cr.)	1.35	1.80	-25.20
Mid Open Interest (Cr.)	1.33	0.93	43.04
Rollover (%)	50.70	35.00	44.85

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.47	2.15	6.08	17.28	8.56
Nifty VIX	12.49	3.65	-4.13	18.26	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FII					
Equity	3605.63	2351.22	1254.41	49954.61	
Debt	1680.77	1655.82	24.95	148882.85	
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 ended the session in the red as investors preferred to book profit after the benchmark indices touched a record high in the previous trading session. Investors also remained cautious ahead of the expiry of the current derivative series and rising crude oil prices in the international market. Meanwhile, media reported that the government is likely to borrow more than its FY18 Budget target and soon will issue fiscal situation statement.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.29% and 0.39% to close at 33,911.81 and 10,490.75, respectively. Moreover, S&P BSE Mid-Cap and S&P BSE Small-Cap moved down 0.19% and 0.33%, respectively.
- On the BSE sectoral front, all the indices closed in the red barring S&P BSE Healthcare (1.84%). S&P BSE Oil & Gas (-0.81%) stood as the major loser followed by S&P BSE Energy (-0.73%), S&P BSE CG (-0.72%).

Indian Economy

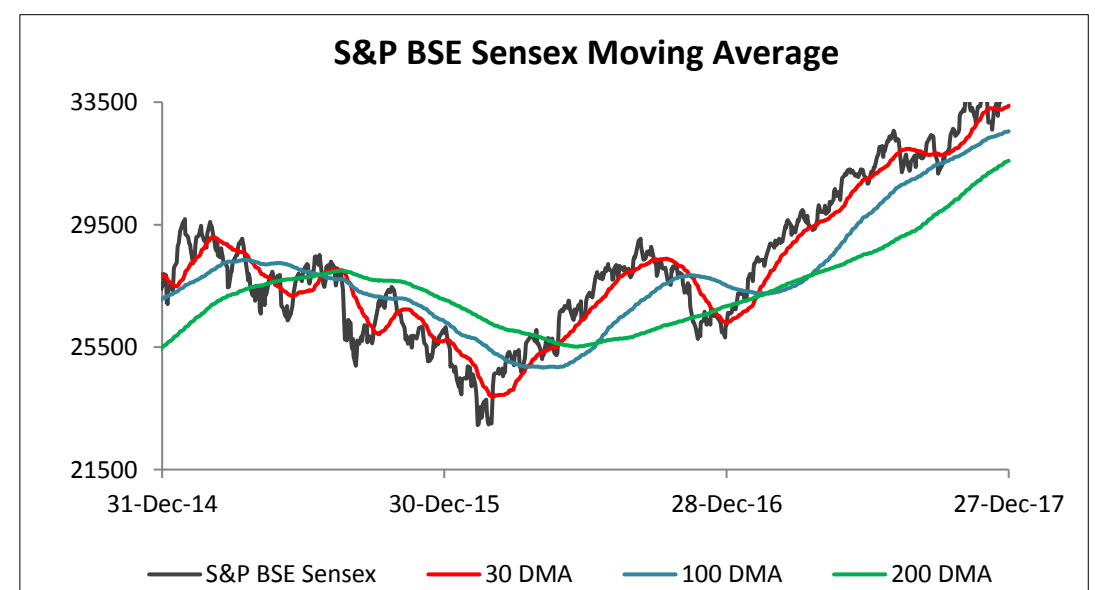
- The Securities and Exchange Board of India (SEBI) is set to ease entry norms for foreign portfolio investors (FPIs) willing to invest in the Indian markets. The regulator may expand the eligible jurisdictions for registration by including countries with diplomatic tie-ups with India and could also rationalise "fit and proper" criteria for FPIs as well as simplify broad-based requirements for such investors. The regulator may also allow listing of security receipts issued by an asset reconstruction company (ARC) on the exchange platform.
- According to a media report, SEBI may give a 30 day-window for listed companies to inform stock exchanges about defaults on working capital loans. In case of long-term loans, companies may be asked to disclose a default as soon as it occurs. The issue might be discussed at the upcoming board meet of the regulator.

Global Equity Market

- As per the last close, U.S markets ended higher as U.S. pending home sales unexpectedly edged higher in Nov 2017 but consumer confidence fell more than expected in Dec 2017. Also, many traders remained away from their desks following Christmas and ahead of the holiday on New Year's Day.
- As per the last close, European market ended higher following rise in crude oil prices.
- Most of the Asian markets got support from positive Chinese economic data as China's industrial profits continued to rise in Nov 2017. Improved crude oil prices and optimism over consumer goods sector during the festive season also supported gains. Today (As of Dec 28), Asian markets opened higher following rise in copper prices.

Indian Derivative Market

- Nifty Dec 2017 Futures were at 10,500.2, a premium of 9.45 points above the spot closing of 10,490.75. The turnover on NSE's Futures and Options segment went up from Rs. 5,19,204.72 crore on Dec 26 to Rs. 9,10,323.17 crore on Dec 27.
- The Put-Call ratio stood at 0.99 against the previous session's close at 1.10.
- The Nifty Put-Call ratio remained unchanged from the previous session's close at 1.59.
- India VIX moved up 3.65% to 12.4925 from 12.0525 in the previous trading session.
- Open interest on Nifty Futures stood at 27.34 million as against the previous session's close of 27.73 million.



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Debt Market Update

Policy Rates (%)	27-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 (%)	27-Dec-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.05	6.15	6.00	6.25
CALL	5.96	5.98	5.88	6.13
CBLO	6.10	6.03	5.92	6.14
OIS- 1 Yr	6.44	6.39	6.31	6.21
OIS- 5 Yr	6.70	6.68	6.55	6.32

Liquidity Indicators (in Rs. Cr.)	27-Dec-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	45,535	22,951	40,892	40,660
Call Money	18,226	12,792	13,283	18,366
CBLO	131,274	120,766	135,591	114,201
LAF	25,480	1,883	-7,902	-4,840
Treasury Bills	4,881	2,975	2,049	3,219

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	7.22	7.28	-0.77
06.68 GS 2031	17-Sep-31	7.32	7.36	-0.51
06.79 GS 2029	26-Dec-29	7.20	7.15	0.72
07.16 GS 2023	20-May-23	7.11	7.16	-0.63
08.15 GS 2022	11-Jun-22	7.14	7.14	-0.10

Certificate of Deposit (%)	27-Dec-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.40	6.39	6.24	6.26
6-Month	6.90	6.77	6.46	6.46
9-Month	6.93	6.81	6.53	6.51
12-Month	6.96	6.85	6.60	6.56

Commercial Paper (%)	27-Dec-17	Wk Ago	Mth Ago	Yr Ago
3-Month	7.01	6.89	6.80	6.71
6-Month	7.33	7.21	7.05	7.03
9-Month	7.42	7.28	7.12	7.15
12-Month	7.52	7.36	7.20	7.29

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days Treasury Bills	7,000	7,000	6.19%
182 Days Treasury Bills	2,000	2,000	6.33%
364 Days Treasury Bills	2,000	2,000	6.42%

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 fell as market participants resorted to short covering. However, the overall market sentiment remained subdued after lower goods and services tax collections in Nov 2017 fueled concerns that the government may not be able to meet its fiscal deficit target for the current fiscal. Meanwhile, the Reserve Bank of India (RBI) in the revised borrowing calendar showed that the government will borrow an additional Rs. 50,000 crore through previously scheduled auctions in Jan 2018 and Feb 2018.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 6 bps to close at 7.22% from the previous close of 7.28%. During the session, bond yields traded in the range of 7.21% and 7.31%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 25,480 crore (gross) on Dec 27 compared with borrowings of Rs. 10,775 crore on Dec 26. Sale of securities under RBI's reverse repo window stood at Rs. 9,781 crore on Dec 26.
- Banks did not borrow under the central bank's Marginal Standing Facility on Dec 26 compared with borrowing of Rs. 485 crore on Dec 22.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 crore, Rs. 2,000 crore and Rs. 2,000 crore, respectively. The cut-off for 91-, 182- and 364-days T-Bill stood at Rs. 98.48 (6.19%), Rs. 96.94 (6.33%) and Rs. 93.98 (6.42%), respectively.

Spread Analysis

- Yields on gilt securities fell across the maturities by up to 6 bps, barring 2-, 11- and 12-year maturities that increased by up to 5 bps.
- Corporate bond yields closed steady across the maturities, barring 1-, 8- and 10-year maturities that increased 1 bps each.
- Spread between AAA corporate bond and gilt expanded across the maturities by up to 6 bps, barring 15-year paper that closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Dec 26-29	15,000	0	0.00%
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.
06.84 GS 2022	06 Yrs	3,000
06.68 GS 2031	14 Yrs	8,000
06.57 GS 2033	17 Yrs	2,000
07.06 GS 2046	30 Yrs	2,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	78.70	84.70	97.70
3 Yr	49.10	56.10	80.10
5 Yr	42.80	49.80	77.80
10 Yr	28.00	61.00	77.00

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

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1287	0.29	-0.57	1349	1142
Silver (\$/oz)	17	0.90	-2.03	19	16
NYMEX Crude(\$/bbl)	60	0.71	2.72	60	42
Brent Crude(\$/bbl)	66	-0.67	4.32	67	43
Baltic Dry Index	1366	0.00	-7.52	1743	685
RJ/CRB Index	191	0.52	-0.08	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,092	0.72	-1.28	30,415	27,532
Silver (1 kg)	37,867	0.85	-3.67	43,398	35,660
Crude Oil (1 bbl)	3,841	2.59	2.24	3,841	2,748
Natural Gas (1 mmbtu)	169	-0.88	-11.91	266	167
Aluminium (1 kg)	137	0.00	0.26	3,606	116
Copper (1 kg)	463	1.31	3.46	463	134
Nickel (1 kg)	772	0.00	2.83	830	561
Lead (1 kg)	158	0.00	-0.19	169	131
Zinc (1 kg)	207	0.00	-0.70	220	157
Mentha Oil (1 kg)	1,909	0.58	-1.92	2,158	993
Cotton (1 bales)	19,650	-0.15	8.20	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	0.49	1.51	11.19	32.34	10.97	14.96
Small/Mid Cap	1.33	4.35	19.65	49.92	19.54	25.54
Diversified	0.64	1.97	13.77	36.65	12.76	16.87
Balanced	0.58	1.34	10.17	27.33	11.40	15.50
Banking	0.09	-0.30	9.79	43.45	13.39	15.22
FMCG	-0.16	2.51	14.63	47.80	15.78	15.70
Pharma	2.69	4.51	9.09	7.38	4.51	15.58
Technology	1.76	3.08	17.22	19.36	6.50	18.40
Infrastructure	1.67	3.48	21.74	49.50	15.96	17.86
Gold Funds	1.43	-1.81	0.11	3.84	1.57	-2.06
Nifty 50	0.45	0.88	10.30	30.60	8.54	12.31
S&P BSE Sensex	0.40	0.56	9.54	29.37	7.56	11.90
S&P BSE 500	0.77	1.77	13.88	38.15	12.18	14.66
S&P BSE Midcap	1.46	3.83	22.15	51.02	20.40	20.21
CRISIL Balanced	0.27	0.50	7.05	21.34	8.91	11.34

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	6.14	6.03	6.26	6.30	7.32
Ultrashort Bond	2.42	3.55	6.05	6.38	7.63
Short-T Bond	-2.19	-0.10	4.40	5.85	7.96
Long-T Bond	-2.66	-1.56	2.89	5.49	8.17
Long T Govt Sec	-4.10	-6.37	-2.17	3.53	8.19
Crisil Liquid	6.31	6.05	6.46	6.65	6.79
Crisil ST Bond	0.86	1.22	4.85	6.36	7.25
Crisil Composite	-2.99	-2.75	2.23	5.55	7.07
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices continued with its upward trend amid weak dollar and geopolitical tension. However, lack of fresh cues during the holiday season kept the investors on the sidelines. Gold prices were last seen trading at \$1,285.81 per ounce, compared with the previous close of \$1,283.24 per ounce.
- Brent crude prices inched down as trading activity was low following the Christmas holiday and North Sea's Forties pipeline system is expected to be fully operative soon. However, news of an explosion of a Libyan crude oil supply pipeline limited the downside. Oil prices were last seen trading at \$66.44 per barrel, compared with the previous close of \$66.82 per barrel.

International Market Update

- A report from the statistical office INE showed that Spain's retail sales grew 2% YoY (calendar adjusted) in Nov 2017 as against a revised gain of 0.3% in Oct 2017 (0.1% decline originally reported). Retail sales rebounded (unadjusted basis) strongly with a 2.9% gain in Nov as against a decline of 1.2% in Oct. Retail sales grew 1.3% MoM in Nov as against a decline of 0.8% in Oct.
- According to a report from the Statistics Finland, Finland's consumer confidence index grew to 24.0 in Dec 2017 as against 23.0 in Nov 2017. This marked the highest score since May 2017.

Mutual Fund & Insurance Update

- According to a media report, the Securities and Exchange Board of India (SEBI) may introduce a new framework to strengthen the governance structure for mutual funds. The issue is likely to be taken up at the regulator's upcoming board meeting scheduled on Dec 28, 2017.
- According to a media report, HDFC Mutual Fund is planning to sell 10% stake through initial public offering (IPO). Bank of America Merrill Lynch, Credit Suisse and Citigroup are expected to manage the IPO. HDFC holds 60% of HDFC Mutual Fund while the rest is owned by Standard Life Investments. Both will sell about 5% stake each in the IPO as per the board's approval.
- Mr. Vikram Pamnani has been appointed as a Fund Manager (Fixed Income) and the key personnel of BNP Paribas Asset Management India Private Limited (AMC) effective from Dec 22. Additionally, he will be managing the following funds with Mr. Mayank Prakash effective from Dec 27- BNP Paribas Flexi Debt Fund, BNP Paribas Money Plus Fund, BNP Paribas Corporate Bond Fund, BNP Paribas Government Securities Fund, BNP Paribas Medium Term Income Fund, BNP Paribas Short Term Income Fund and BNP Paribas Overnight Fund.

Dividend Update

- Reliance Mutual Fund has announced Dec 28 as the record date for declaration of dividend under the dividend option of Reliance Tax Saver (ELSS) Fund - Dividend Plan, Reliance Tax Saver (ELSS) Fund - Direct Plan - Dividend Plan and Reliance Fixed Horizon Fund XXXII - Series 8 - Dividend Payout Option.
- ICICI Prudential Mutual Fund has announced Dec 28 as the record date for declaration of dividend under the dividend option of ICICI Prudential Equity - Arbitrage Fund.
- Motilal Oswal Mutual Fund has announced Dec 29 as the record date for declaration of dividend under the dividend option of Motilal Oswal MOST Ultra Short Term Bond Fund Regular Plan - Quarterly Dividend Option and Motilal Oswal MOST Ultra Short Term Bond Fund Direct Plan - Quarterly Dividend Option.

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.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.15	0.11	-0.54	68.35	63.56
EUR/INR	76.20	0.35	-0.65	77.89	67.92
YEN(100)/INR	56.55	0.00	-2.55	60.49	56.22
SGD/INR	47.84	0.37	-0.05	48.43	45.58
EUR/USD	1.19	0.24	-0.08	1.21	1.03
GBP/USD	1.34	0.17	0.59	1.37	1.20
JPY/USD	0.01	-0.11	-1.99	0.01	0.01
SGD/USD	0.75	0.27	0.51	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.14	0.09	42,655	-23.20
EUR/INR	76.22	0.26	674	-2.60
GBP/INR	85.82	0.20	598	-25.06
JPY/INR	56.66	0.16	42	-16.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.16	64.05	0.16
GBP	85.84	85.67	0.19
EURO	76.23	76.03	0.26
100 Yen	56.68	56.53	0.27

Currency Update

- The Indian rupee fell against the greenback following month-end dollar demand from oil importers. Increase in global crude oil prices also dampened market sentiment. The rupee fell 0.11% to close at 64.15 per dollar from the previous close of 64.08.
- The euro rose against the greenback as increase in global crude oil prices weakened the U.S. dollar against commodity-linked currencies. The euro was trading at \$1.1898, up 0.34% compared with the previous close of \$1.1858.

Global Economy

- A report from the Ministry of Land, Infrastructure, Transport and Tourism showed that Japan's housing starts fell 0.4% YoY in Nov 2017 as against a decline of 4.8% in Oct 2017. This marked the fifth successive monthly decline. Annualized housing starts grew to 951,000 in Nov from 933,000 in Oct. Construction orders received by big 50 contractors surged 20.5% yearly in Nov as against an increase of 6.7% in Oct.
- A report from the National Bureau of Statistics showed that China's industrial profits grew 14.9% YoY in Nov 2017, down from 25.1% increase in Oct 2017. During the period Jan-Nov 2017, total profits of industrial enterprises increased 21.9% annually, down from 23.3% gain in the period Jan-Oct 2017.

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	29-Dec-17
Index of Industrial Production (Oct)	12-Dec-17	Index of Eight Core Industries (Nov)	01-Jan-18

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