

January 04, 2018

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	33793	-0.06	2.93	34138	26606	25.08
Nifty 50	10443	0.01	3.18	10552	8181	26.70
S&P BSE Midcap	17819	0.53	6.34	17993	12179	47.36
S&P BSE 100	10957	0.09	3.43	11054	8405	25.08
S&P BSE 200	4650	0.16	3.79	4691	3527	26.34
Nifty Free Float	21101	0.68	7.16	21310	14648	52.53
Midcap 100						
Nifty 500	9439	0.23	4.18	9519	7024	32.38

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	26419	-0.55	5.87	27031	20600	29.68
S&P BSE Metal	15158	1.35	10.97	15224	10320	29.56
S&P BSE Oil	16095	-0.26	2.56	16727	12328	13.52
S&P BSE Healthcare	14674	-0.20	5.90	15612	12513	35.13
S&P BSE IT	11156	-0.32	5.32	11307	9357	17.84
S&P BSE CD	22876	0.80	7.63	23070	11788	49.08
S&P BSE PSU	9128	-0.01	0.87	9657	7795	20.64
S&P BSE FMCG	10635	0.30	3.41	10936	8136	42.49
S&P BSE CG	19397	1.49	5.75	19470	13914	33.21
Nifty Bank	25319	-0.08	0.50	25954	17869	29.31
S&P BSE Realty	2606	0.49	8.70	2675	1324	74.77

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24923	0.40	2.85	24942	19678	22.34
S&P 500	2713	0.64	2.68	2714	2254	23.57
Nasdaq	7066	0.84	3.18	7069	5440	24.75
FTSE 100	7671	0.30	5.08	7698	7094	20.70
CAC 40	5331	0.81	0.27	5536	4734	16.34
DAX	12978	0.83	0.91	13526	11425	15.96
Nikkei	<b>Closed</b>	<b>NA</b>	<b>NA</b>	23382	18225	<b>NA</b>
Hang Seng	30561	0.15	5.11	30724	22077	13.93
Shanghai Comp.	3369	0.62	1.55	3450	3017	15.16

F&O Trends	Px Last	Previous	Change %
Near Futures	10,469.40	10,472.20	-0.03
Near Basis	26.20	30.00	-12.67
Mid Futures	10,496.20	10,494.50	0.02
Mid Basis	53.00	52.35	1.24
Near Open Interest (Cr.)	2.35	2.27	3.49
Mid Open Interest (Cr.)	0.08	0.07	10.96
Rollover (%)	3.46	3.22	7.49

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.15	-6.35	-19.95	17.28	8.56
Nifty VIX	13.62	-0.46	-7.92	18.26	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FIIs</b>					
Equity		3166.29	2546.92	619.37	1140.93
Debt		863.27	1175.42	-312.15	-254.52
<b>MF<sup>1</sup></b>					
Equity		3719.87	2707.82	1012.05	116555.14
Debt		7133.78	8333.18	-1199.40	385082.21

<sup>1</sup> As on 21<sup>st</sup> December 2017

## Indian Equity Market

- Indian equity markets gave up all its intraday gains to close flat. The initial buying interest seen amid strong cues from Asian markets and upbeat manufacturing data for Dec 2017 was largely overshadowed by cautious stance ahead of key corporate results starting next week. Investors are waiting for corporate results from major IT companies, scheduled next week.
- Key benchmark indices S&P BSE Sensex and Nifty 50 closed flat at 33,793.38 and 10,443.20, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.53% and 0.98%, respectively.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Capital Goods was the top gainer, up 1.49%, followed by S&P BSE Basic Materials and S&P BSE Metal, which rose 1.48% and 1.35%, respectively. S&P BSE Industrials and S&P BSE Consumer Durables went up 1.02% and 0.80%, respectively.

## Indian Economy

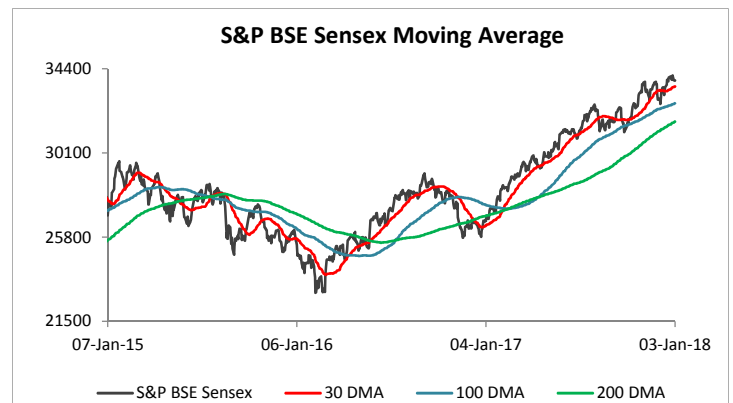
- The government has notified that manufacturers who have opted for composition scheme will now have to pay 1% Goods and Services Tax (GST) as against earlier tax of 2%. Also, the government has notified easier norms for traders who have opted for composition scheme.
- SEBI has directed credit ratings agencies (CRA) not to withdraw their ratings on instruments abruptly. However, CRAs can suspend ratings if they have rated an instrument for at least five years or 50% of its tenure. SEBI also said that CRAs will have to segregate their non-core activities into a separate legal entity to avoid any conflict of interest and CRAs have also been barred from holding more than 10% stake in a peer rating agency.

## Global Equity Market

- As per the last close, U.S market rose on optimism about the U.S. economic outlook. and after U.S. ISM manufacturing activity unexpectedly accelerated in Dec 2017.
- As per the last close, European market increased following positive opening on the Wall Street. Market received further boost after a major U.K. retailer increased its next year forecast.
- Most of the Asian markets ended on a positive note on the back of improved crude oil prices and optimism over global growth. Positive cues from overnight U.S. market further helped gains. Japanese market continued to remain close since Dec 29. Today (As of Jan 04), Asian markets mostly opened higher tracking rise on the Wall Street overnight.

## Indian Derivative Market

- Nifty Jan 2018 Futures were at 10,469.40, a premium of 26.20 points above the spot closing of 10,443.20. The turnover on NSE's Futures and Options segment went up from Rs. 5,25,119.01 crore on Jan 2 to Rs. 5,74,381.93 crore on Jan 3.
- The Put-Call ratio stood at 0.84 against the previous session's close at 0.93.
- The Nifty Put-Call ratio stood at 1.48 against previous session's close of 1.50.
- India VIX moved down 0.46% to 13.6225 from 13.6850 in the previous trading session.
- Open interest on Nifty Futures stood at 24.36 million as against the previous session's close of 23.48 million.



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## Debt Market Update

Policy Rates (%)	03-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	20.75
Bank Rate	6.25	6.25	6.25	6.75

Daily Rates (%)	03-Jan-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	5.99	6.05	6.00	6.16
CALL	5.84	5.96	5.89	6.00
CBLO	5.75	6.10	5.84	5.83
OIS- 1 Yr	6.47	6.44	6.30	6.16
OIS- 5 Yr	6.78	6.70	6.57	6.22

Liquidity Indicators (in Rs. Cr.)	03-Jan-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	41,316	45,535	48,027	104,796
Call Money	13,087	18,226	11,696	15,715
CBLO	131,726	131,274	137,205	124,347
LAF	3,315	17,335	-8,729	-19,930
Treasury Bills	2,994	4,881	2,620	3,589

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	7.32	7.38	-0.85
06.68 GS 2031	17-Sep-31	7.43	7.46	-0.35
06.84 GS 2022	19-Dec-22	7.17	7.20	-0.41
07.61 GS 2030	09-May-30	7.60	7.63	-0.41
07.35 GS 2024	22-Jun-24	7.31	7.35	-0.48

Certificate of Deposit (%)	03-Jan-18	Wk Ago	Mth Ago	Yr Ago
3-Month	6.60	6.40	6.25	6.35
6-Month	6.99	6.90	6.49	6.42
9-Month	7.02	6.93	6.55	6.48
12-Month	7.04	6.96	6.61	6.55

Commercial Paper (%)	03-Jan-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.23	7.01	6.80	6.79
6-Month	7.40	7.33	7.00	7.06
9-Month	7.48	7.42	7.09	7.18
12-Month	7.56	7.52	7.19	7.30

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T - Bills	7,000	7,000	6.27%
182 Days T - Bills	4,000	4,000	6.35%
364 Days T - Bills	3,000	3,000	6.49%

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 (Dec 22, 2017)	10.65%
Deposit Growth (Dec 22, 2017)	3.97%

## Indian Debt Market

- Bond yields fell on value buying as market participants rejoiced after 10-year benchmark bond yield hit record high. Meanwhile, investors await auction of the new 10-year paper later this week.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 6 bps to close at 7.32% from the previous close of 7.38%. During the session, bond yields traded in the range of 7.32% and 7.42%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,315 crore (gross) on Jan 3, 2018, compared with the borrowings of Rs. 3,490 similar on Jan 2. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 41,215 crore on Jan 2.
- Banks borrowed Rs. 600 crore under the central bank's Marginal Standing Facility on Jan 2 compared with borrowing of Rs. 1,705 crore on Jan 1.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 20,000 crore for which Rs. 2,625 crore were accepted. The cut-off rate stood at 5.99%.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 30,000 crore for which Rs. 7,658 crore were accepted. The cut-off rate stood at 5.99%.

## Spread Analysis

- Yields on gilt securities fell across 4 to 14 years' maturities and 24-year paper by up to 5 bps. Yield on the remaining maturities either closed steady or increased 1 bps.
- Corporate bond yields increased across 2 to 6 years' maturities and 15-year paper by up to 2 bps. Yield on the remaining maturities closed steady.
- Spread between AAA corporate bond and gilt expanded across 2-year paper and 4 to 10 years' maturities in the range of 2 bps to 5 bps. Yield on the remaining maturities closed steady.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jan 01-05	18,000	0	0.00%
Month: Jan 2017	60,000	0	0.00%
Q4: Jan'18-Mar'18	93,000	0	0.00%

## Maturity Bucket Wise Govt. Borrowing

Description	Scheduled Q4'18	Completed Q4'18
5 to 9 Yrs	20.43%	0.00%
10 to 14 Yrs	52.69%	0.00%
Long Dated (above 14 Yrs)	26.88%	0.00%

## Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
6.84% GS 2022	6 Yrs	5,000
7.73% GS 2034	19 Yrs	2,000
7.72% GS 2055	30 Yrs	2,000
New Government Securities	10 Yrs	9,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	66.30	72.30	90.30
3 Yr	45.50	60.50	79.50
5 Yr	37.40	71.40	90.40
10 Yr	23.90	58.90	81.90

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)	1313	-0.38	2.54	1349	1163
Silver (\$/oz)	17	-0.34	4.22	19	16
NYMEX Crude(\$/bbl)	62	2.06	5.59	62	42
Brent Crude(\$/bbl)	68	1.87	4.41	68	43
Baltic Dry Index	1262	2.60	-22.39	1743	685
RJ/CRB Index	195	0.33	2.45	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,434	0.20	0.88	30,415	27,719
Silver (1 kg)	38,575	-0.08	2.06	43,398	35,660
Crude Oil (1 bbl)	3,844	-0.47	3.95	3,862	2,748
Natural Gas (1 mmbtu)	195	3.07	-0.15	233	167
Aluminium (1 kg)	142	-0.97	7.89	3,606	116
Copper (1 kg)	460	-1.07	6.66	468	134
Nickel (1 kg)	791	-2.04	11.15	830	561
Lead (1 kg)	164	1.08	1.46	169	131
Zinc (1 kg)	213	-1.05	2.60	220	157
Mentha Oil (1 kg)	1,868	1.26	-8.76	2,158	993
Cotton (1 bales)	19,500	-0.31	6.38	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	-0.42	3.34	9.23	28.39	9.84	14.28
Small/Mid Cap	0.43	5.44	17.53	44.67	18.19	24.95
Diversified	-0.18	3.57	11.79	32.67	11.68	16.23
Balanced	0.06	2.73	8.99	24.22	10.55	15.02
Banking	-0.95	0.95	7.44	39.36	12.05	14.38
FMCG	1.30	4.56	10.75	44.34	15.42	17.45
Pharma	-1.12	4.55	5.79	3.73	3.10	15.18
Technology	0.83	5.59	16.82	18.58	5.64	18.01
Infrastructure	0.46	5.41	19.61	44.49	14.81	17.23
Gold Funds	1.31	0.88	3.64	3.99	2.07	-1.96
Nifty 50	-0.45	3.18	8.61	27.48	7.53	11.68
S&P BSE Sensex	-0.35	2.93	8.24	26.84	6.60	11.32
S&P BSE 500	0.07	4.14	12.15	34.29	11.15	14.07
S&P BSE Midcap	0.82	6.34	20.32	46.00	19.13	19.55
CRISIL Balanced	-0.36	1.88	6.08	18.87	8.18	10.88

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	6.44	6.13	6.26	6.29	7.32
Ultrashort Bond	7.01	4.06	6.20	6.24	7.62
Short-T Bond	4.06	0.38	4.79	5.27	7.96
Long-T Bond	-2.94	-2.26	3.40	4.50	8.14
Long T Govt Sec	-24.49	-10.98	-1.68	1.52	8.13
Crisil Liquid	7.12	6.26	6.48	6.66	6.79
Crisil ST Bond	1.14	0.16	5.06	5.89	7.24
Crisil Composite	-9.79	-5.99	2.71	4.08	7.05
NSE G-Sec Comp	--	--	--	--	--

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

## Commodity Market

- Gold prices eased after it reached a more than three-month high on the previous trading session. Stronger dollar and expectations of improvement in global economy further dented sentiment. However, geopolitical tension limited the downside. Gold prices were last seen trading at \$1,315.91 per ounce, compared with the previous close of \$1,317.76 per ounce.
- Brent crude prices moved upwards amid tensions in Iran. Supply cut efforts by global oil producers continued to support prices. However, upside was limited as investors remained focused on upcoming crude oil inventories data. Oil prices were last seen trading at \$67.59 per barrel, compared with the previous close of \$66.99 per barrel.

## International Market Update

- A report from the Federal Labor Agency showed that number of jobless people in Germany fell 29,000 in Dec 2017 from Nov 2017, when it declined 20,000. The unemployment rate remained unchanged at a record low 5.5% in Dec as against Nov. The rate for Nov was revised down from 5.6%.
- A report from the IHS Markit showed that U.K.'s IHS Markit/Chartered Institute of Procurement & Supply construction Purchasing Managers' Index fell more than market expectations. It fell to 52.2 in Dec 2017 as against 53.1 in Nov 2017. However, the indicator remained above 50.0, thereby indicating expansion.
- A report from the Destatis showed that Germany's jobless rate declined slightly to an adjusted 3.6% in Nov 2017 as against 3.7% in Oct 2017. Number of unemployed people in Nov came in at 1.57 million and the unemployment fell by approximately 14,000 as against Oct.

## 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 a media report, e-commerce behemoth Amazon is in final stage of closing an investment deal with web-based insurance startup Acko. This will enable Amazon will to sell financial products on its site. Another e-commerce company Flipkart was also in talk to pick up investment in Acko, but could not succeeded.

## Dividend Update

- DSP Blackrock Mutual Fund has announced Jan 2 as the record date for declaration of dividend under the dividend option of DSP BlackRock Dual Advantage Fund - Series 29 – 40M (Maturity Date 8-January -2018). The quantum of dividend is the 100% of distributable surplus as on record date.

## 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	63.53	0.09	-1.45	68.35	63.43
EUR/INR	76.28	-0.29	-0.54	77.89	67.92
YEN(100)/INR	56.43	-0.11	-1.92	60.49	56.22
SGD/INR	47.74	0.03	-0.32	48.43	45.58
EUR/USD	1.20	-0.37	1.03	1.21	1.04
GBP/USD	1.35	-0.53	0.33	1.37	1.20
JPY/USD	0.01	-0.19	-0.35	0.01	0.01
SGD/USD	0.75	-0.02	1.30	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	63.70	0.10	177,690	7.94
EUR/INR	76.63	-0.34	623	-2.20
GBP/INR	86.51	0.17	678	-4.24
JPY/INR	56.79	-0.11	43	2.38

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	63.48	63.67	-0.30
GBP	86.41	86.11	0.34
EURO	76.54	76.59	-0.06
100 Yen	56.55	56.52	0.05

## Currency Update

- The Indian rupee inched down against the U.S. dollar following greenback purchases by banks. Market participants also remained on the sidelines ahead of the minutes of U.S. Federal Reserve's meeting held in Dec 2017 due to release on Jan 3, 2018. The rupee inched down 0.09% to close at 63.53 per dollar from the previous close of 63.48.
- The euro weakened against the greenback as market participants remained on the sidelines ahead of the minutes of U.S. Federal Reserve's meeting held in Dec 2017 due Jan 3, 2018. The euro was trading at \$1.2026, down 0.26% compared with the previous close of \$1.2057.

## Global Economy

- A report from the labor ministry showed that number of unemployed fell by 61,500 in Dec 2017 in Spain from Nov 2017. Unemployment had declined by 86,849 in Dec 2016. Unemployment fell 7.84% YoY to 290,193 in Dec.
- A preliminary report from the Census and Statistics Department showed that Hong Kong's retail sales grew 7.5% YoY in Nov 2017 as against 3.9% gain in Oct 2017. This marked the highest level in three years. Meanwhile, the volume of retail sales grew at a faster pace of 6.9% annually in Nov as against an increase of 3.6% in Oct.

## Events Calendar

Event	Date	Event	Date
Index of Eight Core Industries (Nov)	01-Jan-18	Trade Deficit (Dec)	10-Jan-18
Nikkei India Manufacturing PMI (Dec)	02-Jan-18	Index of Industrial Production (Nov)	12-Jan-18
Nikkei India Service PMI (Dec)	04-Jan-18	Consumer Price Index (Dec)	12-Jan-18
Forex Reserves	05-Jan-18	Wholesale Price Index (Dec)	15-Jan-18

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