

March 06, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	33747	-0.88	-2.91	36444	28815	23.34
Nifty 50	10359	-0.95	-2.88	11172	8892	25.40
S&P BSE Midcap	16304	-0.95	-1.54	18321	13343	39.08
S&P BSE 100	10714	-0.99	-2.92	11595	9173	23.06
S&P BSE 200	4527	-0.98	-2.55	4894	3846	24.25
Nifty Free Float Midcap 100	19327	-0.95	-2.00	21841	16256	46.50
Nifty 500	9136	-0.97	-2.23	9895	7679	30.37

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24434	-1.55	-3.79	27031	21504	23.90
S&P BSE Metal	14534	-3.30	-2.64	16121	10736	24.94
S&P BSE Oil	15240	-1.81	-2.75	16727	13097	12.65
S&P BSE Healthcare	13948	-0.59	-0.90	15612	12513	35.54
S&P BSE IT	12486	0.37	0.23	13126	9571	18.63
S&P BSE CD	21092	0.26	-1.02	24238	13686	44.36
S&P BSE PSU	8215	-1.02	-6.18	9657	8013	20.42
S&P BSE FMCG	10384	-1.24	-3.00	11047	8781	40.77
S&P BSE CG	18839	-0.99	-2.94	20883	15296	30.73
Nifty Bank	24819	-0.34	-4.90	27652	20532	30.21
S&P BSE Realty	2432	-0.71	0.71	2828	1470	26.87

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24875	1.37	2.17	26617	20380	21.24
S&P 500	2721	1.10	2.72	2873	2322	22.36
Nasdaq	7331	1.00	5.21	7506	5769	22.26
FTSE 100	7116	0.65	-2.99	7793	7062	12.90
CAC 40	5167	0.60	-2.24	5567	4934	14.63
DAX	12091	1.49	-4.70	13597	11831	14.02
Nikkei	21042	-0.66	-7.23	24129	18225	15.21
Hang Seng	29886	-2.28	-7.32	33484	23439	12.89
Shanghai Comp.	3257	0.07	-6.61	3587	3017	14.85

F&O Trends	Px Last	Previous	Change %
Near Futures	10,365.60	10,456.50	-0.87
Near Basis	6.75	-1.80	-475.00
Mid Futures	10,398.90	10,492.20	-0.89
Mid Basis	40.05	33.80	18.49
Near Open Interest (Cr.)	2.31	2.24	3.12
Mid Open Interest (Cr.)	0.12	0.12	-1.87
Rollover (%)	6.86	7.13	-3.68

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	18.73	-4.39	-49.81	50.30	8.56
Nifty VIX	15.40	9.40	0.95	24.04	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FII					
Equity	5684.01	5260.22	423.79	1449.01	
Debt	1071.83	2190.16	-1118.33	5405.25	
MF¹					
Equity	3248.05	1574.72	1673.33	22283.72	
Debt	8942.59	5140.37	3802.22	48787.29	

¹ As on 26th February 2018

Indian Equity Market

- Indian equity witnessed selling pressure, defying the ruling party's favorable outcome in the recently-held elections in three North Eastern states. Contraction in the domestic service sector in Feb 2018 weighed on investor sentiments. Additionally, weak cues from Wall Street continued to be a spoilsport. Last week, U.S. President announced imposition of hefty tariffs on imports of steel and aluminum products, in a move to protect U.S. industry. Such a move is expected to result in widespread fears of an ugly trade war with China as well as key American allies.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.88% and 0.95% to close at 33,746.78 and 10,358.85, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.95% and 1.09%, respectively.
- On the BSE sectoral front, barring, S&P BSE IT (0.37%) stood as the major gainer followed by S&P BSE Consumer Durables (0.26%) and S&P BSE TECK (0.08%).

Indian Economy

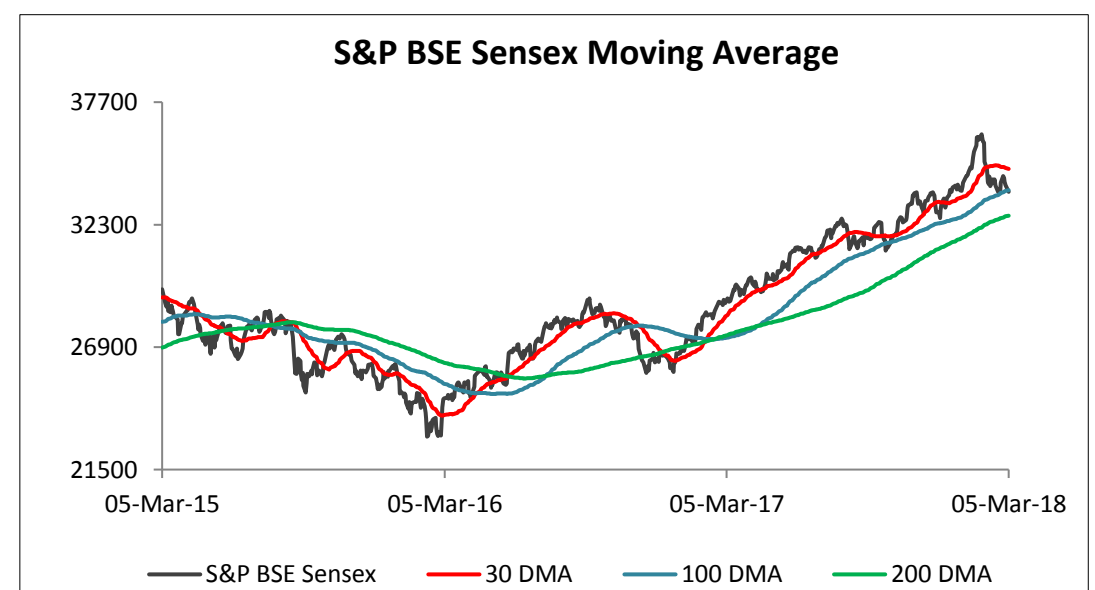
- Nikkei India Services Business Activity Index fell to 47.8 in Feb from 51.7 in Jan 2018, lowest since Aug 2017. Service activity contracted as rise in prices led to a decline in new businesses orders. Meanwhile, the contraction in services activity offset an expansion in manufacturing activity and composite Purchasing Managers' Index (PMI) that plunged to 49.7 from 52.5 in Jan.
- The Reserve Bank of India has further tightened the priority sector lending (PSL) norms for foreign banks. RBI has directed them to compulsorily create sub-targets so that they lend a portion of their loans to small and marginal farmers as well as micro enterprises from Apr 2020. RBI however has provided relief by removing the credit limit, which means all loans given to MSMEs will now qualify under priority sector lending.

Global Equity Market

- As per the last close, U.S markets ended higher as global trade war worries eased after the U.S. President announced opening the door for negotiations on tariffs on steel and aluminum imports.
- As per the last close, European market ended higher as worries over global trade war eased after the U.S. President opened the door for negotiations on tariffs.
- Asian markets largely remained low amid persisting concerns over a global trade war following U.S. President's announcement of hefty tariffs last week. Today (As of Mar 6), Asian markets opened higher as worries over global trade war eased after the U.S. President opened the door for negotiations on tariffs.

Indian Derivative Market

- Nifty Mar 2018 Futures were at 10365.6 points, a premium of 6.75 points, over the spot closing of 10,358.85. The turnover on NSE's Futures and Options segment went up from Rs. 13,18,649.24 crore on Mar 1 to Rs. 4,77,603.56 crore on Mar 5.
- The Put-Call ratio stood at 0.77 against previous session's close of 0.80.
- The Nifty Put-Call ratio stood at 1.22 against previous session's close of 1.29.
- India VIX moved up 9.40% to 15.3950 from 14.0725 in the previous trading session.
- Open interest on Nifty Futures stood at 24.80 million as against the previous session's close of 24.12 million.



March 06, 2018

Debt Market Update

Policy Rates (%)	05-Mar-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 (%)	05-Mar-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.05	6.04	6.00	6.12
CALL	5.88	5.97	5.86	5.90
CBLO	5.75	5.91	5.80	3.99
OIS- 1 Yr	6.54	6.56	6.58	6.43
OIS- 5 Yr	6.88	6.92	6.94	6.74

Liquidity Indicators (in Rs. Cr.)	05-Mar-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	9,664	22,590	18,355	49,488
Call Money	17,766	18,306	11,832	14,445
CBLO	137,150	139,180	134,004	77,150
LAF	3,640	-5,550	-11,274	-28,272
Treasury Bills	1,987	671	479	226

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.78	7.74	0.49
06.68 GS 2031	17-Sep-31	8.01	8.00	0.17
06.79 GS 2027	15-May-27	7.95	7.92	0.33
06.84 GS 2022	19-Dec-22	7.49	7.47	0.27
07.88 GS 2030	19-Mar-30	8.04	8.01	0.33

Certificate of Deposit (%)	05-Mar-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.28	7.26	7.25	6.31
6-Month	7.45	7.41	7.43	6.46
9-Month	7.52	7.47	7.49	6.56
12-Month	7.59	7.53	7.56	6.66

Commercial Paper (%)	05-Mar-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.88	7.90	7.76	6.76
6-Month	8.01	7.99	7.93	7.01
9-Month	8.10	8.06	8.00	7.14
12-Month	8.19	8.14	8.08	7.28

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	7,000	7,000	6.36%
182 Days T-Bills	3,000	3,000	6.50%
364 Days T-Bills	4,000	4,000	6.66%

Key Indicators	
GDP (Q3 FY'18)	7.20%
Manufacturing PMI (Feb'18)	52.10
Current Account Deficit (Q2 of FY18, in \$ Billion)	7.20
Fiscal Deficit (FY 2017, as a % of GDP)	3.50%
Credit Growth (Feb 16 2018)	10.65%
Deposit Growth (Feb 16 2018)	5.87%

Indian Debt Market

- Bond yields rose after the Reserve Bank of India announced infusing one trillion rupees in the banking system through term repos in Mar 2018 that ruled out the possibility of any open market purchase of bonds. Gains in U.S. Treasury yields also hurt appetite for the domestic bond market.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 4 bps to close at 7.78% as against previous session's close of 7.74%. During the session, bond yields traded in the range of 7.73% and 7.78%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,640 crore (gross) on Mar 5 compared with Rs. 7,475 crore on Mar 1. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 25,068 crore on Mar 1.
- Banks borrowed Rs. 6 crore under the central bank's Marginal Standing Facility on Mar 1 as against borrowing of Rs. 44 crore on Feb 28.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 30,000 crore for which Rs. 760 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted a 7-day variable rate reverse repo auction for a notified amount of Rs. 30,000 crore for which Rs. 19,475 crore was allotted at a cut-off rate of 5.99%.
- Data from RBI showed that India's foreign exchange reserves rose to \$420.59 billion as on Feb 23, 2018, from \$421.72 billion in the previous week.

Spread Analysis

- Yields on gilt securities increased across the maturities by up to 4 bps barring 6- and 7-year maturities which fell 1 bps each. Yield on 1 and 4-year maturities closed steady.
- Corporate bond yields increased across the maturities by up to 4 bps barring 1-, 7- and 9-year maturities which closed steady. Yield on 6-year paper fell 2 bps.
- Spread between AAA corporate bond and gilt expanded across 2 to 5-year maturities and 7-year paper by up to 3 bps. Spread on the remaining maturities contracted by up to 3 bps barring 1- and 15-year paper which closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Feb 26- Mar 01	0	0	N.A.
Month: Feb 2017	30,000	0	0.00%
Q4: Jan'18-Mar'18	93,000	52,000	55.91%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled Q4'18	Completed Q4'18
5 to 9 Yrs	20.43%	78.95%
10 to 14 Yrs	52.69%	67.35%
Long Dated (above 14 Yrs)	26.88%	16.00%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	7,000
Treasury Bills	182-Days	3,000
Treasury Bills	364-Days	4,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	105.60	120.60	135.60
3 Yr	57.10	78.10	98.10
5 Yr	43.90	69.90	87.90
10 Yr	36.90	71.90	91.90

Key Indicators	Current	Previous
WPI (Jan'18)	2.84%	3.58%
CPI (Jan'18)	5.07%	5.21%
IIP (Dec'17)	7.10%	8.80%
Trade Deficit(In \$ billion-Jan18)	-16.30	-14.88

March 06, 2018

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1320	-0.17	-1.44	1358	1198
Silver (\$/oz)	16	-0.36	-1.84	19	16
NYMEX Crude(\$/bbl)	62	2.12	-2.62	66	42
Brent Crude(\$/bbl)	67	2.34	-1.19	71	43
Baltic Dry Index	1210	0.25	11.83	1743	818
RJ/CRB Index	197	1.31	0.51	201	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,488	0.72	0.73	30,693	27,719
Silver (1 kg)	38,440	1.13	-0.70	42,454	35,660
Crude Oil (1 bbl)	3,995	-0.45	-4.74	4,194	2,748
Natural Gas (1 mmbtu)	176	1.27	-3.62	223	164
Aluminium (1 kg)	139	-0.64	-1.52	145	120
Copper (1 kg)	449	0.74	-0.22	468	134
Nickel (1 kg)	867	-1.54	0.06	904	561
Lead (1 kg)	158	-1.34	-6.64	1,810	131
Zinc (1 kg)	215	-3.29	-5.87	232	157
Mentha Oil (1 kg)	1,482	-1.06	-16.16	2,158	993
Cotton (1 bales)	19,940	0.50	2.68	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	-2.08	-2.47	1.99	14.79	6.10	14.73
Small/Mid Cap	-1.07	0.10	6.66	23.83	13.58	26.00
Diversified	-1.74	-1.79	3.41	17.79	7.88	16.82
Balanced	-1.40	-1.38	2.88	13.95	7.75	15.57
Banking	-2.90	-3.58	-2.07	18.05	9.65	15.98
FMCG	-1.17	-1.79	9.10	27.23	12.70	17.67
Pharma	-1.58	-0.52	6.45	-3.44	-1.64	15.49
Technology	0.22	1.38	27.74	26.90	5.81	17.08
Infrastructure	-1.72	-1.09	6.17	22.91	9.65	18.27
Gold Funds	-0.20	0.76	0.74	2.44	3.45	-0.56
Nifty 50	-2.11	-2.88	4.09	16.33	5.04	12.35
S&P BSE Sensex	-2.03	-2.91	6.09	16.94	4.64	12.00
S&P BSE 500	-2.08	-2.20	4.52	18.90	7.73	14.81
S&P BSE Midcap	-2.28	-1.54	3.99	21.46	13.85	20.79
CRISIL Hybrid 35+6	-1.42	-1.61	2.24	13.71	8.26	13.31

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	6.43	6.36	6.22	6.42	7.31
Ultrashort Bond	5.52	6.07	5.13	6.37	7.59
Short-T Bond	1.17	3.92	2.22	5.54	7.85
Long-T Bond	-3.09	1.15	-0.32	4.78	7.90
Long T Govt Sec	-10.28	-2.51	-8.00	1.57	7.81
Crisil Liquid	7.32	6.96	6.51	6.69	6.79
Crisil ST Bond	4.60	5.41	2.67	5.60	7.19
Crisil Composite	-4.22	-2.07	-3.29	4.12	6.91
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices inched up on fears of a potential trade war after U.S. President announced plans to impose tariffs of 25% on imported steel and 10% on aluminum, in a move to "protect U.S. industry". Gold prices were last seen trading at \$ 1323.62 per ounce, compared with the previous close of \$1322.17 per ounce.
- Brent Crude prices rose hopes of fresh output cuts ahead of a meeting between oil ministers from the Organization of the Petroleum Exporting Countries (OPEC) and U.S. shale firms. However, rising U.S crude output has limited the gains. Oil prices were last seen trading at \$65.46 per barrel, compared with the previous close of \$65.05 per barrel.

International Market Update

- According to a report from the University of Michigan, U.S. consumer sentiment index for Feb 2018 came in at 99.7 down from the initial expectation of 99.9. However, it was well above the consumer sentiment index of 95.7 in Jan 2018.
- According to the International Monetary fund (IMF), the import restrictions announced by the U.S. President are likely to cause damage not only outside the U.S., but also to the U.S. economy itself. Also, it would include manufacturing and construction sectors that are major users of aluminum and steel.
- A report from the Society of Motor Manufacturers and Traders showed that U.K. car registrations fell 2.8% YoY to 80,805 units in Feb 2018. Year-to-date market for new cars fell 5.1%, with 244,420 units registered nationwide.

Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 3,248.05 crore as against sale of Rs. 1,574.72 crore as on Feb 26, 2018. This led to a net purchase of Rs. 1,673.33 crore compared with a net purchase of Rs. 1,465.58 crore on Feb 23, 2018.
- In the debt space, mutual funds bought to the tune of Rs. 8,942.59 crore as against sale of Rs. 5,140.37 crore as on Feb 26, 2018. This meant a net purchase of Rs. 3,802.22 crore compared with a net purchase of Rs. 1,963.74 crore on Feb 23, 2018.
- According to media report, the government may ask cash rich PSU general insurer to buyout the smaller insurance companies. It has further mentioned that a share-swap could also be considered for smaller insurers.

Dividend Update

- ICICI Prudential Mutual Fund has announced Mar 7 as the record date for declaration of dividend under the monthly dividend option of ICICI Prudential Balanced Advantage Fund. The rate of dividend is Re. 0.10 per unit.
- SBI Mutual Fund has announced Mar 9 as the record date for declaration of dividend under the dividend option of SBI Small & Midcap Fund, SBI Emerging Businesses Fund, SBI Magnum Multicap Fund, SBI Contra Fund and SBI Magnum Taxgain Scheme and SBI Magnum Multiplier Fund.
- Axis Mutual Fund has announced Mar 8 as the record date for declaration of dividend under the dividend option of Axis Focused 25 Fund. The rate of dividend is Rs. 2.00 per unit.

NFO Update

- SBI Mutual Fund has announced that SBI Dual Advantage Fund – Series VII will mature on Mar 6 and accordingly units of the schemes will be suspended from trading on the NSE.

March 06, 2018

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	65.11	-0.10	1.63	66.86	63.24
EUR/INR	80.20	-0.15	1.12	80.63	67.92
YEN(100)/INR	61.21	-0.71	4.16	61.96	55.87
SGD/INR	49.30	-0.21	1.63	49.47	45.58
EUR/USD	1.23	0.15	-0.26	1.26	1.05
GBP/USD	1.38	0.33	-0.78	1.43	1.21
JPY/USD	0.01	-0.43	2.73	0.01	0.01
SGD/USD	0.76	0.11	0.27	0.70	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	65.31	-0.11	130,346	1.15
EUR/INR	80.50	0.84	4,600	-0.15
GBP/INR	90.09	0.14	766	-0.65
JPY/INR	61.79	0.88	49	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	65.05	65.23	-0.27
GBP	89.70	89.71	-0.01
EURO	80.03	79.50	0.67
100 Yen	61.64	61.07	0.93

Currency Update

- The Indian rupee rose against the greenback after the ruling party came out victorious in the state assembly elections of Tripura and Nagaland while it consolidated its base in Meghalaya as well. The greenback also remained under pressure after the U.S. President decided to impose steep tariffs on imported steel and aluminum which fueled concerns of an imminent trade war and worries about its potentially adverse impact on the U.S. economy. The rupee rose 0.10% to close at 65.11 per dollar from the previous close of 65.17.
- Euro weakened against the greenback on concerns of a possible prolonged political uncertainty in Italy following the outcome of its election results. Euro was trading at \$1.2302, down 0.12% compared with the previous close of \$1.2317.

Global Economy

- A report from the think tank Sentix showed that eurozone's investor sentiment index fell more than market expectations to 24.0 in Mar 2018 as against 31.9 in Feb 2018. Meanwhile, the current conditions index came in at 45.8 in Mar, down from 49.5 in Feb. The expectations index fell to 4.3 in Mar from 15.5 in Feb.
- A report from the IHS Markit showed that U.K.'s IHS Markit/Chartered Institute of Procurement & Supply Purchasing Managers' Index grew to 54.5 in Feb 2018 as against 53.0 in Jan 2018. The overall growth in Feb 2018 was driven by the sharpest rise in new work since May 2017 driven by improving global economic backdrop. Meanwhile, the employment growth surged to a five-month high in Feb driven by strong sales and subsequent efforts to expand business capacity.
- According to a report from the IHS Markit, eurozone's composite output index missed initial expectations and fell to 57.1 in Feb 2018 from 58.8 in Jan 2018. However, the headline index has signaled expansion in each of the past 56 months.

Events Calendar

Event	Date	Event	Date
Forex Reserves	02-Mar-18	Index of Industrial Production (Jan 18)	12-Mar-18
Credit Growth	02-Mar-18	Wholesale Price Index (Feb 18)	14-Mar-18
Nikkei India Services PMI (Feb 18)	05-Mar-18	Money Supply	14-Mar-18
Consumer Price Index (Feb 18)	12-Mar-18	Index of Eight Core Industries (Feb 18)	02-Apr-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 : LNPWM@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 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.