

March 08, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	33033	-0.85	-3.08	36444	28815	22.89
Nifty 50	10154	-0.93	-3.08	11172	8892	24.79
S&P BSE Midcap	15954	-1.32	-2.42	18321	13343	38.31
S&P BSE 100	10509	-0.88	-3.04	11595	9173	22.66
S&P BSE 200	4436	-0.97	-2.85	4894	3846	23.80
Nifty Free Float	18795	-1.58	-3.52	21841	16256	45.22
Midcap 100	8937	-1.14	-2.93	9895	7679	29.62

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24059	-0.17	-3.73	27031	21504	23.57
S&P BSE Metal	14340	-1.17	-2.55	16121	10736	24.66
S&P BSE Oil	15038	-1.29	-4.17	16727	13097	12.51
S&P BSE Healthcare	13565	-1.63	-2.68	15612	12513	35.61
S&P BSE IT	12303	-0.36	2.16	13126	9571	18.39
S&P BSE CD	21191	0.37	1.41	24238	13727	44.66
S&P BSE PSU	7985	-1.67	-8.26	9657	7961	19.89
S&P BSE FMCG	10286	0.09	-2.34	11047	8783	40.46
S&P BSE CG	18231	-1.94	-4.58	20883	15296	29.80
Nifty Bank	24134	-1.29	-5.98	27652	20534	29.38
S&P BSE Realty	2352	-1.11	-2.05	2828	1470	26.03

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24801	-0.33	-0.37	26617	20380	21.62
S&P 500	2727	-0.05	1.68	2873	2322	22.80
Nasdaq	7397	0.33	4.89	7506	5769	22.71
FTSE 100	7158	0.16	-1.67	7793	7062	12.60
CAC 40	5188	0.34	-1.30	5567	4934	14.69
DAX	12245	1.09	-2.74	13597	11831	14.38
Nikkei	21253	-0.77	-1.81	24129	18225	15.34
Hang Seng	30197	-1.03	-0.42	33484	23439	13.02
Shanghai Comp.	3272	-0.55	-1.14	3587	3017	14.93

F&O Trends	Px Last	Previous	Change %
Near Futures	10,171.50	10,248.50	-0.75
Near Basis	17.35	-0.70	-2,578.57
Mid Futures	10,206.40	10,281.50	-0.73
Mid Basis	52.15	32.30	61.46
Near Open Interest (Cr.)	2.38	2.43	-2.08
Mid Open Interest (Cr.)	0.18	0.13	40.49
Rollover (%)	9.86	7.18	37.27

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	17.76	-3.27	-35.95	50.30	8.56
Nifty VIX	15.70	-3.35	-19.34	24.04	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs					
Equity	5929.31	5180.10	749.21	1854.19	
Debt	592.17	771.22	-179.05	5474.41	
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 markets closed in the red amid consistent weakness in the banking stocks as fraud investigation of a major public-sector bank widened after chiefs of two major private banks were investigated by Serious Fraud Investigation Office, seeking explanation over loans given to one of the largest branded jewellery retailers.
- Additionally, weakness in global equity markets, amid concerns of intensification of global trade war, after the resignation of White House economic advisor weighed on the market sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.85% and 0.93% to close at 33,033.09 and 10,154.20, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 1.32% and 2.16%, respectively.
- The overall market breadth on BSE was weak with 2,290 scrips declining and 460 scrips advancing. A total of 115 scrips remained unchanged.

Indian Economy

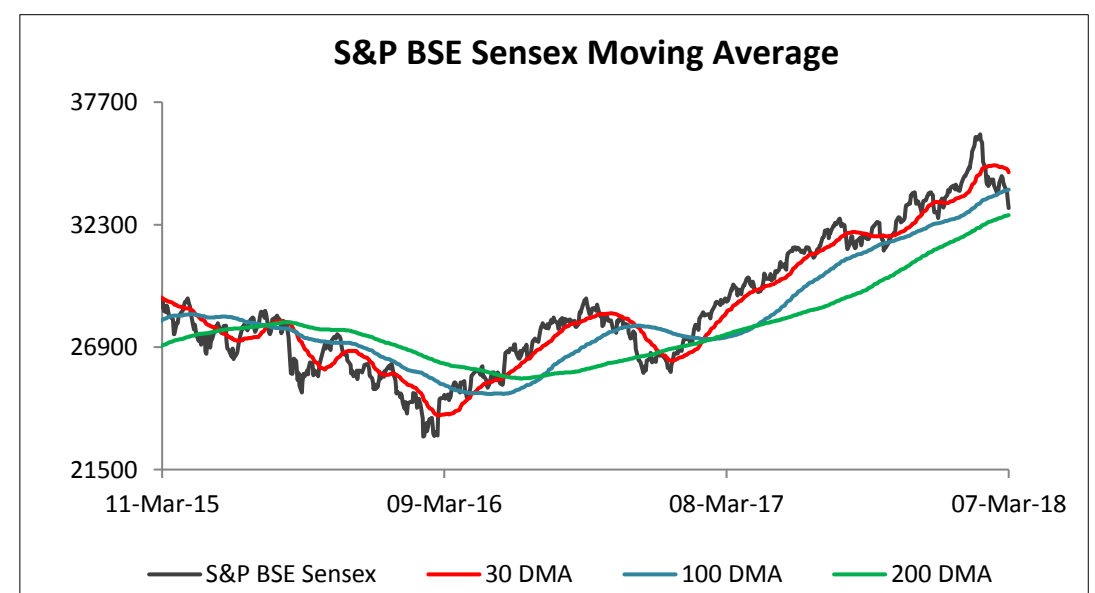
- The International Labour Organisation (ILO) released a report on "World Employment and Social Outlook Trends – 2018" as per which it expects unemployment in India at 18.6 million in 2018 and 18.9 million in 2019, up from 18.3 million in 2017. Meanwhile, the unemployment is expected to remain static at 3.5% during the same period.
- According to media report, the government expects the RBI to pay a total dividend of about Rs 45,000 crore for financial year 2017-18. The government has budgeted for a Rs 58,000 crore dividend from RBI for the current fiscal year.
- The finance minister announced that loans worth Rs. 81,683 crore were written-off by public sector banks (PSBs) in 2016-17. Meanwhile, the amount written off by nationalised banks was Rs. 28,781 crore during 2017-18 (up to Sep 2017).

Global Equity Market

- As per the last close, U.S. markets initially fell on news that a U.S. President's economic advisor resigned. However, some losses were erased after the White House hinted that Canada and Mexico could be exempted from tariffs.
- As per the last close, European market ended higher as it recovered losses following recovery in U.S. market.
- Asian markets closed lower as concerns over the potential trade war loomed large. Today (As of Mar 8), Asian markets opened higher after the White House hinted that Canada and Mexico could be exempted from tariffs proposed by President.

Indian Derivative Market

- Nifty Mar 2018 Futures were at 10171.55 points, a premium of 17.35 points, over the spot closing of 10,154.20. The turnover on NSE's Futures and Options segment went up from Rs. 7,15,138.13 crore on Mar 6 to Rs. 8,70,651.46 crore on Mar 7.
- The Put-Call ratio stood at 0.71 against previous session's close of 0.85.
- The Nifty Put-Call ratio stood at 1.09 against previous session's close of 1.14.
- India VIX moved down 3.35% to 15.7000 from 16.2450 in the previous trading session.
- Open interest on Nifty Futures stood at 26.37 million as against the previous session's close of 26.15 million.



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Debt Market Update

Policy Rates (%)	07-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 (%)	07-Mar-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.05	6.00	6.14
CALL	5.89	5.93	5.88	5.98
CBLO	5.85	5.84	5.90	5.72
OIS- 1 Yr	6.53	6.54	6.53	6.43
OIS- 5 Yr	6.85	6.90	6.89	6.73

Liquidity Indicators (in Rs. Cr.)	07-Mar-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	29,746	19,186	38,287	27,293
Call Money	13,994	13,216	12,583	14,089
CBLO	129,762	125,050	133,978	145,842
LAF	4,135	-21,403	-5,133	-4,053
Treasury Bills	8,272	7,440	4,100	1,137

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.68	7.77	-1.23
06.79 GS 2027	15-May-27	7.86	7.95	-1.10
06.68 GS 2031	17-Sep-31	7.94	8.03	-1.13
08.20 GS 2022	15-Feb-22	7.39	7.44	-0.67
07.72 GS 2025	25-May-25	7.68	7.74	-0.83

Certificate of Deposit (%)	07-Mar-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.19	7.25	7.24	6.28
6-Month	7.39	7.44	7.39	6.42
9-Month	7.43	7.51	7.45	6.53
12-Month	7.47	7.58	7.52	6.64

Commercial Paper (%)	07-Mar-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.92	7.92	7.79	6.83
6-Month	8.01	8.01	7.94	7.04
9-Month	8.07	8.09	8.00	7.14
12-Month	8.13	8.17	8.07	7.26

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	7,000	7,000	6.31%
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 plunged as investors resorted to value buying and amid expectations of improving liquidity conditions this month.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 9 bps to close at 7.68% as against previous session's close of 7.77%. During the session, bond yields traded in the range of 7.67% and 7.77%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,135 crore (gross) on Mar 7 compared with Rs. 3,600 crore on Mar 6. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 24,335 crore on Mar 6.
- Banks borrowed Rs. 900 crore under the central bank's Marginal Standing Facility on Mar 6 as compared to no borrowing on Mar 5.
- RBI conducted an overnight variable rate reverse repo auction for a notified amount of Rs. 15,000 crore for which Rs. 15,001 crore was allotted at a cut-off rate of 5.99%.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 crore, Rs. 3,000 crore and Rs. 4,000 crore, respectively. The cut-off for 91-, 182- and 364-days Treasury Bill stood at Rs. 98.45 (6.31%), Rs. 96.86 (6.50%) and Rs. 93.77 (6.66%), respectively.

Spread Analysis

- Yields on gilt securities fell across the maturities in the range of 3 bps to 9 bps barring 2- and 3-year maturities which increased 1 bps each.
- Corporate bond yields fell across the maturities by up to 8 bps barring 6- and 7-year maturities which closed steady.
- Spread between AAA corporate bond and gilt expanded across the maturities in the range of 2 bps to 8 bps barring 2- to 4-year maturities which contracted in the range of 2 bps to 9 bps. Spread on 15-year paper closed steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Mar 05 - Mar 09	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	104.20	119.20	134.20
3 Yr	52.70	73.70	93.70
5 Yr	50.60	76.60	94.60
10 Yr	43.10	78.10	98.10

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

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1325	-0.64	0.56	1358	1198
Silver (\$/oz)	17	-1.39	0.76	19	16
NYMEX Crude(\$/bbl)	61	-2.32	-1.31	66	42
Brent Crude(\$/bbl)	65	-1.93	-0.46	71	43
Baltic Dry Index	1191	-1.73	8.57	1743	818
RJ/CRB Index	194	-1.18	1.09	201	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,565	0.42	1.27	30,693	27,719
Silver (1 kg)	38,571	0.24	0.59	42,454	35,660
Crude Oil (1 bbl)	4,069	-0.02	-0.12	4,194	2,748
Natural Gas (1 mmbtu)	179	1.59	0.79	223	164
Aluminium (1 kg)	137	-1.15	-1.93	145	120
Copper (1 kg)	453	0.90	0.18	468	134
Nickel (1 kg)	868	-1.65	0.32	904	561
Lead (1 kg)	157	-0.73	-5.50	1,810	131
Zinc (1 kg)	214	-1.48	-5.93	232	157
Mentha Oil (1 kg)	1,445	-1.08	-15.77	2,158	993
Cotton (1 bales)	20,000	-1.09	3.63	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	-3.19	-2.90	-0.12	12.26	5.42	14.00
Small/Mid Cap	-3.39	-1.87	3.53	20.77	12.69	25.08
Diversified	-3.13	-2.69	1.14	15.21	7.16	16.02
Balanced	-2.36	-2.19	1.28	12.14	7.23	14.99
Banking	-3.92	-5.16	-5.21	14.24	8.61	14.97
FMCG	-2.00	-2.04	9.05	25.41	12.27	17.41
Pharma	-3.23	-1.83	4.74	-5.13	-2.33	14.84
Technology	-1.68	2.54	26.57	26.07	5.47	16.29
Infrastructure	-3.91	-3.41	3.04	19.59	8.70	17.28
Gold Funds	0.69	1.44	0.53	3.41	3.54	-0.49
Nifty 50	-3.23	-3.08	2.26	13.49	4.33	11.60
S&P BSE Sensex	-3.37	-3.08	4.33	13.91	3.89	11.21
S&P BSE 500	-3.49	-2.77	2.13	15.87	6.95	13.99
S&P BSE Midcap	-3.67	-2.42	0.83	18.15	13.00	19.88
CRISIL Hybrid 35+6	-2.13	-1.83	0.93	12.06	7.82	12.82

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	6.75	6.45	6.24	6.43	7.31
Ultrashort Bond	10.01	6.61	5.27	6.48	7.59
Short-T Bond	11.51	4.29	2.51	5.82	7.86
Long-T Bond	12.26	1.48	0.10	5.18	7.93
Long T Govt Sec	17.49	-2.13	-7.14	2.26	7.85
Crisil Liquid	8.62	7.40	6.57	6.73	6.80
Crisil ST Bond	12.98	5.73	2.99	5.92	7.20
Crisil Composite	12.88	-2.91	-2.76	4.72	6.93
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 lower amid speculation over faster than expected rate hike by U.S. Federal Reserve after data showed that U.S. private sector added 235,000 jobs in Feb, exceeding market expectation. Gold prices were last seen trading at \$1331.12 per ounce, compared with the previous close of \$ 1334.06 per ounce.
- Brent Crude prices traded higher as the positive impact of IEA's report on global oil demand outlook continued to outweigh concerns over growing U.S. oil supply. Nonetheless, gains were restricted ahead of the U.S. weekly stockpile data by U.S. Energy Information Administration, scheduled later during the day. Oil prices were last seen trading at \$66.65 per barrel, compared with the previous close of \$66.46 per barrel.

International Market Update

- According to data from the Lloyds bank subsidiary Halifax and IHS Markit, U.K. house prices rose 1.8%, weakest since Mar 2013, YoY in three months to Feb 2018 as compared with 2.2% rise in Jan 2018.
- According to data from Cabinet Office, Japan's leading index decreased more than expected to 104.8 in Jan 2018 from 106.6 in Dec 2017. Similarly, the coincident index that reflects the current economic activity fell to 114.0 in Jan from 119.7 in Dec.

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.

Dividend Update

- Sundaram Mutual Fund has announced Mar 8 as the record date for declaration of dividend under the dividend option of Sundaram S.M.I.L.E. Fund and Sundaram Rural India Fund (for the regular, direct and institutional plans). The rate of dividend is Rs. 0.50 per unit.

NFO Update

- HDFC Mutual Fund has announced extension of NFO period of HDFC FMP 1208D March 2018 (1), a plan under HDFC Fixed Maturity Plans - Series 39 (close-ended income scheme), from March 8 to March 15. Accordingly, the NFO will close for subscription on Mar 15.
- HDFC Mutual Fund has announced preponement of HDFC FMP 1143D March 2018 (1), a plan under HDFC Fixed Maturity Plans - Series 39 from Mar 13 to Mar 12.
- HDFC Mutual Fund has announced NFO of HDFC Fixed Maturity Plans - Series 39, which shall open and close for subscription on Mar 13.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.88	-0.12	0.94	66.86	63.24
EUR/INR	80.50	0.01	2.13	80.78	67.92
YEN(100)/INR	61.15	0.00	4.03	61.96	55.87
SGD/INR	49.35	0.10	1.78	49.47	45.58
EUR/USD	1.24	0.08	1.22	1.26	1.05
GBP/USD	1.39	0.10	0.14	1.43	1.21
JPY/USD	0.01	0.05	3.06	0.01	0.01
SGD/USD	0.76	0.17	0.87	0.70	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	65.04	-0.20	128,647	0.71
EUR/INR	80.91	0.40	5,068	9.46
GBP/INR	90.22	-0.22	796	0.13
JPY/INR	61.66	0.31	59	9.26

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.96	64.99	-0.05
GBP	90.34	89.91	0.48
EURO	80.75	80.21	0.67
100 Yen	61.55	61.20	0.57

Currency Update

- The Indian rupee rose against the greenback for the third consecutive session as the latter remained under pressure following the resignation of the U.S. President's chief economic advisor that renewed concerns of a global trade war. The rupee rose 0.12% to close at 64.88 per dollar from the previous close of 64.96.
- The Euro inched up against the greenback as the latter remained under pressure following the resignation of the U.S. President's chief economic advisor that renewed concerns of a global trade war. Euro was trading at \$1.2410, up 0.06% compared with the previous close of \$1.2402.

Global Economy

- According to the Commerce Department, U.S. factory orders fell 1.4% in Jan 2018 from upwardly revised 1.8% rise in Dec 2018. The decrease in factory orders was primarily due to fall in orders for durable goods by 3.6% in Jan where as non-durable goods rose 0.8% in Jan.
- According to data from Eurostat, gross domestic product (GDP) of euro area grew 0.6% sequentially in fourth quarter of 2017, at a slightly slower rate as estimated, following 0.7% expansion in the third quarter of 2017. In 2017, euro area rose 2.3% instead of 2.5% estimated previously. The economy had expanded 1.8% in 2016.

Events Calendar

Event	Date	Event	Date
Credit Growth	02-Mar-18	Index of Industrial Production (Jan 18)	12-Mar-18
Nikkei India Services PMI	05-Mar-18	Wholesale Price Index (Feb 18)	14-Mar-18
Forex Reserves	09-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

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