

October 03, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31284	0.00	-0.33	32686	25718	23.41
Nifty 50	9789	0.20	-0.08	10179	7894	25.43
S&P BSE Midcap	15436	0.83	1.04	16184	11449	39.20
S&P BSE 100	10173	0.30	-0.12	10608	8085	23.51
S&P BSE 200	4281	0.34	0.07	4469	3379	24.52
Nifty Free Float	18108	0.93	0.84	19200	13658	42.43
Midcap 100	8600	0.50	0.33	8977	6712	29.58

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24180	1.22	3.09	25054	19164	26.48
S&P BSE Metal	13564	1.37	4.74	14296	9578	30.17
S&P BSE Oil	14843	1.15	0.61	15629	11098	12.63
S&P BSE Healthcare	13488	0.62	2.67	16588	12513	31.13
S&P BSE IT	9947	-0.28	-1.07	10642	9123	15.98
S&P BSE CD	17555	1.24	0.98	18447	10502	38.35
S&P BSE PSU	8322	0.83	-2.18	9216	7173	19.58
S&P BSE FMCG	9773	-0.66	-2.67	10936	7653	39.56
S&P BSE CG	17172	0.79	0.33	18625	13255	28.25
Nifty Bank	24053	0.19	-0.31	25199	17607	27.41
S&P BSE Realty	2065	2.42	-0.69	2253	1163	58.17

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22558	0.68	2.59	22559	17884	20.40
S&P 500	2529	0.39	2.12	2529	2084	22.42
Nasdaq	6517	0.32	1.26	6527	5034	23.97
FTSE 100	7439	0.90	0.00	7599	6677	21.76
CAC 40	5350	0.39	4.43	5442	4345	16.46
DAX	12903	0.58	6.26	12952	10175	13.89
Nikkei	Closed	NA	NA	43007	21601	NA
Hang Seng	Closed	NA	NA	43007	3048	NA
Shanghai Comp.	Closed	NA	NA	3685	2638	NA

F&O Trends	Px Last	Previous	Change %
Near Futures	9,800.55	9,766.80	0.35
Near Basis	11.95	-2.15	-655.81
Mid Futures	9,836.55	9,787.00	0.51
Mid Basis	47.95	18.05	165.65
Near Open Interest (Cr.)	2.05	0.89	131.66
Mid Open Interest (Cr.)	0.09	1.97	-95.49
Rollover (%)	4.36	69.87	-93.76

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	9.45	-0.63	-6.71	23.01	8.84
Nifty VIX	12.49	-5.22	-7.81	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs				
Equity	7745.86	12423.60	-4677.74	34353.06
Debt	996.39	2178.21	-1181.82	129862.11
MF¹				
Equity	3082.83	1658.74	1424.09	82731.49
Debt	8708.10	8612.32	95.78	290104.84

¹ As on 27th September 2017

Indian Equity Market

- Indian equity markets pared its intraday gains to close on a flattish note. Markets commenced the session on a positive note backed by the government's decision to keep the budgeted borrowing plan unchanged and expectation of additional capital spending by public sector units. However, the intraday gains eroded towards the end of the session as investors preferred to cash in on the recent gains ahead of an extended weekend.
- While S&P BSE Sensex closed flat at 31,283.72, Nifty 50 witnessed marginal gain to close at 9,788.60. Meanwhile S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.83% and 1.09%, respectively.
- The overall market breadth on BSE was positive with 1,607 scrips advancing and 922 scrips declining. A total of 168 scrips remained unchanged.

Indian Economy

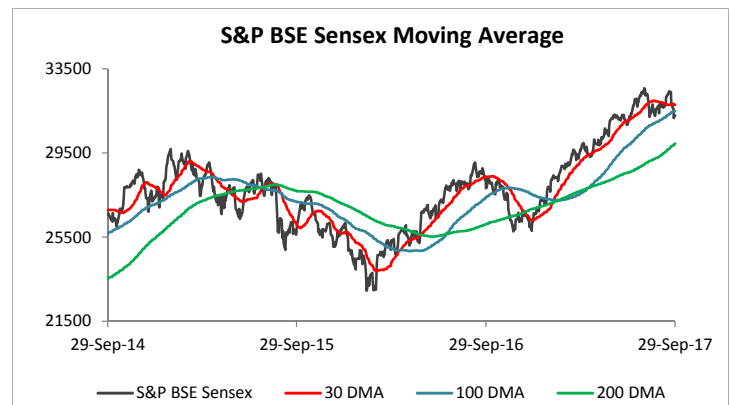
- Government data showed India's fiscal deficit touched 96.1% (Rs. 5.25 lakh crore) of the budget estimate (Rs. 5.47 lakh crore) for the period from Apr to Aug of 2017. The fiscal deficit in the corresponding period of the previous year stood at 76.4%. Net tax receipts were at Rs. 3.4 lakh crore during the first five months of FY18. Government total spending stood at Rs. 9.5 lakh crore while capital spending rose to Rs. 1.1 lakh crore from Rs. 91,300 crore, in the corresponding period of FY17. Revenue deficit stood at Rs. 4.31 lakh crore compared with Rs. 3.25 crore, a year ago.
- According to media reports, the chief of the Central Board of Direct Taxes (CBDT) has told tax officials to target and impose tax on Rs. 3 lakh crore deposited in banks during demonetization. This amount is said to be the unexplained cash parked with banks after demonetisation was announced.

Global Equity Market

- As per the last close, U.S markets went up following the releasing of ISM based U.S. manufacturing data for Sep 2017 that showed an unexpected growth acceleration.
- As per the last close, European market rose after China's manufacturing sector in Sep 2017 grew at its fastest pace since 2012.
- Asian markets rose despite lower trading volumes due to holidays in South Korea, China, India and Hong Kong. Investors took positive cues from a series of encouraging data across different Asian countries. The Tankan survey results showed that business confidence among large manufacturers in Japan improved in the third quarter. Today (As of Oct 03), Asian markets opened higher following rise on the Wall Street overnight.

Indian Derivative Market

- Nifty Oct 2017 Futures were at 9,800.55, a premium of 11.95 points over the spot closing of 9,788.60. The turnover on NSE's Futures and Options segment fell from Rs. 15,00,675.00 crore on Sep 28 to Rs. 3,57,995.39 crore on Sep 29.
- The Put-Call ratio remained unchanged from the previous session's close at 0.82.
- The Nifty Put-Call ratio stood at 1.20 against previous session's close at 1.00.
- India VIX moved down 5.22% to 12.4850 from 13.1725 in the previous trading session.
- Open interest on Nifty Futures stood at 21.44 million as against previous session's close of 29.38 million.



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Debt Market Update

Policy Rates (%)	29-Sep-17	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	5.75	6.00
Repo	6.00	6.00	6.00	6.50
CRR	4.00	4.00	4.00	4.00
SLR	20.00	20.00	20.00	21.00
Bank Rate	6.25	6.25	6.25	7.00

Daily Rates (%)	29-Sep-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.05	6.05	6.00	6.52
CALL	5.98	5.89	5.85	6.44
CBLO	5.55	5.93	5.76	6.40
OIS- 1 Yr	6.09	6.16	6.16	6.49
OIS- 5 Yr	6.27	6.29	6.21	6.39

Liquidity Indicators (in Rs. Cr.)	29-Sep-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	68,046	41,185	40,393	76,076
Call Money	16,368	17,413	12,636	17,870
CBLO	79,842	133,533	136,680	105,326
LAF	4,100	-11,251	-18,769	-4,727
Treasury Bills	2,906	3,431	3,918	4,195

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.66	6.64	0.34
06.79 GS 2029	26-Dec-29	6.93	6.93	0.09
06.68 GS 2031	17-Sep-31	6.86	6.84	0.30
07.72 GS 2025	25-May-25	6.96	6.96	0.01
07.35 GS 2024	22-Jun-24	6.86	6.88	-0.25

Certificate of Deposit (%)	29-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.14	6.16	6.17	6.58
6-Month	6.34	6.33	6.35	6.79
9-Month	6.45	6.43	6.42	6.96
12-Month	6.57	6.53	6.50	7.14

Commercial Paper (%)	29-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.64	6.69	6.56	6.75
6-Month	6.84	6.86	6.75	7.16
9-Month	6.94	6.94	6.84	7.34
12-Month	7.04	7.03	6.93	7.53

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
GOI FRB 2024	3,000	3,000	6.69%
6.79% GS 2027	8,000	8,000	6.63%
7.73% GS 2034	2,000	2,000	7.21%
7.72% GS 2055	2,000	2,000	7.28%

Key Indicators	
GDP (Q1 FY'18)	5.70%
Manufacturing PMI (Aug'17)	51.20
Current Account Deficit (Q1 of FY18, in \$ Billion)	14.30
Fiscal Deficit (FY 2017, as a % of GDP)	3.20%
Credit Growth (Sep 15, 2017)	6.50%
Deposit Growth (Sep 15, 2017)	9.60%

Indian Debt Market

- Bond yields rose amid rumours of an increased government borrowing even after the government announced that it will borrow a gross Rs. 2.08 trillion from the local debt market in Oct 2017-Mar 2018 in line with the government's budget estimates.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 2 bps to close at 6.66% from the previous close of 6.64%. During the session, bond yields traded in the range of 6.61% and 6.70%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,100 crore (gross) on Sep 29 compared with borrowings of Rs. 2,055 crore (gross) on Sep 28. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 35,677 crore on Sep 28.
- Banks borrowed Rs. 2,885 crore under the central bank's Marginal Standing Facility on Sep 28 as against no borrowing on Sep 27.
- RBI conducted a 28-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which no amount was allotted.
- RBI conducted a 14-day variable rate repo auction for a notified amount of Rs. 21,500 crore for which Rs. 3,865 crore was allotted at a cut-off rate of 6.01%.
- RBI conducted a 4-day variable rate repo auction for a notified amount of Rs. 10,000 crore for which Rs. 10,002 crore was allotted at a cut-off rate of 5.95%.

Spread Analysis

- Yields on gilt securities increased by up to 3 bps across maturities, barring 7- and 13-year papers that were flat, and 1-year paper plunged 32 bps. Yields on 3- to 5-year, 8- and 9-year papers fell by up to 5 bps.
- Corporate bond dropped by up to 3 bps across maturities, barring 10- and 15-year that increased 2 bps each. Yield on 3-, 5- and 9-year securities was flat.
- Spread between AAA corporate bond and gilt contracted by up to 4 bps on 4-, 6-, 7- and 10-year papers while 8- and 15-year papers were steady.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Sep 25 - 29	15,000	15,000	100.00%
Month: Sep 2017	63,000	63,000	100.00%
H1: Apr'17-Sep'17	372,000	368,784	99.14%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	83.33%
10 to 14 Yrs	44.09%	101.70%
Long Dated (above 14 Yrs)	33.33%	94.35%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	7,000
Treasury Bills	182-Days	2,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	77.20	107.20	134.20
3 Yr	45.60	56.60	82.60
5 Yr	46.10	66.10	126.10
10 Yr	49.40	73.40	102.40

Key Indicators	Current	Previous
WPI (Aug'17)	3.24%	1.88%
CPI (Aug'17)	3.36%	2.36%
IIP (Jul'17)	1.20%	-0.10%
Trade Deficit (In \$ billion-Aug 17)	-11.64	-11.45

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1271	-0.66	-4.07	1349	1128
Silver (\$/oz)	17	-0.38	-6.46	19	16
NYMEX Crude(\$/bbl)	51	-2.09	6.92	54	42
Brent Crude(\$/bbl)	56	-2.62	3.37	61	41
Baltic Dry Index	1328	-2.06	12.26	1503	685
RJ/CRB Index	181	-1.19	-0.02	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,620	-0.16	-0.05	31,175	27,172
Silver (1 kg)	39,357	0.12	-1.28	45,487	35,660
Crude Oil (1 bbl)	3,391	-0.99	14.02	3,688	2,748
Natural Gas (1 mmbtu)	198	-1.34	6.21	693	172
Aluminium (1 kg)	138	0.00	3.29	139	107
Copper (1 kg)	432	1.86	0.21	446	112
Nickel (1 kg)	669	0.00	-10.94	803	561
Lead (1 kg)	162	0.00	6.92	169	131
Zinc (1 kg)	208	0.00	4.32	208	145
Mentha Oil (1 kg)	1,332	0.04	0.09	1,373	993
Cotton (1 bales)	18,680	-0.27	-8.34	22,350	18,240

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	-1.46	0.02	7.51	13.73	10.08	14.19
Small/Mid Cap	-0.71	2.00	10.75	21.48	17.84	23.80
Diversified	-1.20	0.54	9.00	16.50	11.81	15.85
Balanced	-0.79	0.55	7.30	13.70	10.94	14.85
Banking	-1.68	-0.81	12.38	24.14	17.98	16.49
FMCG	-1.21	-0.65	8.59	18.35	13.50	14.83
Pharma	-2.40	2.71	-8.39	-12.92	1.81	14.60
Technology	0.23	1.31	1.46	5.72	2.38	14.58
Infrastructure	-0.76	1.25	10.64	23.64	13.40	14.95
Gold Funds	-0.14	-0.32	2.08	-6.43	2.52	-2.21
Nifty 50	-1.76	-0.08	7.05	13.94	7.13	11.40
S&P BSE Sensex	-2.00	-0.33	5.93	12.42	5.55	10.75
S&P BSE 500	-1.62	0.30	8.47	17.30	10.22	13.55
S&P BSE Midcap	-1.11	1.04	10.81	19.52	17.48	18.47
CRISIL Balanced	-1.09	-0.01	6.25	12.03	8.58	10.93

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	6.21	6.06	6.35	6.37	7.33
Ultrashort Bond	6.46	5.22	7.19	6.93	7.71
Short-T Bond	6.91	3.06	7.83	7.19	8.11
Long-T Bond	6.93	1.44	8.10	7.52	8.49
Long T Govt Sec	3.73	-3.61	7.91	7.67	8.48
Crisil Liquid	6.56	6.36	6.64	6.72	6.80
Crisil ST Bond	7.58	4.13	7.68	7.66	7.31
Crisil Composite	9.16	1.11	9.18	8.12	7.21
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 as growing optimism over health of the U.S. economy continued to dampen the safe haven appeal of the bullion. Additionally, growing expectations of a rate hike by the U.S. Federal Reserve in Dec 2017 also weighed on the precious metal. Gold prices were last seen trading at \$1,273.61 per ounce, compared with the previous close of \$1,279.10 per ounce.
- Brent crude prices dipped following increase in oil drilling activities by U.S. energy companies and after Iraq announced its exports increased slightly in Sep 2017. Brent crude prices were last seen trading at \$55.63 per barrel, compared with the previous close of \$57.26 per barrel.

International Market Update

- According to a report from the Commerce Department, U.S. gross domestic product (GDP) grew 3.1% in the second quarter surpassing the previous expectation of 3.0%. The stronger than previously estimated GDP growth primarily reflected an upward revision to private inventory investment.
- According to a report from the Labor Department, U.S. initial jobless claims rose to 272,000 for the week ended Sep 23, 2017, up 12,000 from the previous week's revised level of 260,000. Continuing claims fell by 45,000 to 1.934 million in the week ended Sep 16.

Mutual Fund & Insurance Update

- According to media reports, the Association of Mutual Funds in India (AMFI) has suggested Securities and Exchange Board of India (SEBI) to make MF Utilities a market infrastructure institution for the mutual fund industry. In case of recognition of MF Utilities as the market infrastructure institution, all the transactions in mutual funds will pass through a single gateway i.e. MF Utilities. The platform has to provide guaranteed clearing and settlement functions for transactions in mutual funds. This will lead to significant improvement in transaction efficiency, transparency, liquidity and risk management practices in mutual funds along with added benefits like reduced settlement and operational risk and savings on settlement costs. Currently, mutual fund houses use different payment gateways to settle transactions.
- On the backdrop of growing incidents of ransom-ware attack, insurance companies are planning customised standalone products for companies and organisations in India. Such products are already available in the U.S. However, in India, insurance companies primarily sell cyber threat products as part of bundled offers covering multiple risks such as risk of errors and omission, computer crime, commercial crime.

Dividend Update

- ICICI Prudential Mutual Fund has announced Oct 4 as the record date for declaration of dividend under the dividend option of ICICI Prudential Balanced Fund, ICICI Prudential Equity Income Fund and ICICI Prudential Equity - Arbitrage Fund. The dividend rates for the regular and direct plans of ICICI Prudential Balanced Fund are Re. 0.24 and Re. 0.20 per unit. The dividend rate for ICICI Prudential Equity Income Fund and ICICI Prudential Equity - Arbitrage Fund is Re. 0.06.
- ICICI Prudential Mutual Fund has announced Oct 4 as the record date for declaration of dividend under the dividend option of ICICI Prudential Balanced Advantage Fund. The rate of dividend is Re. 0.10 per unit.

NFO Update

- Kotak Mutual Fund has extended the New Fund Offer of Kotak FMP Series 210, with a maturity of 1127 days, up to Sep 19, 2017.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	65.28	0.00	1.97	68.87	63.56
EUR/INR	76.61	-0.69	0.92	77.89	67.92
YEN(100)/INR	57.90	-0.24	-0.25	66.10	56.22
SGD/INR	47.96	-0.30	1.71	48.82	45.58
EUR/USD	1.17	-0.69	-1.07	1.21	1.03
GBP/USD	1.33	-0.90	2.52	1.37	1.15
JPY/USD	0.01	-0.25	-2.22	0.01	0.01
SGD/USD	0.73	-0.30	-0.29	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	65.54	-0.32	139,851	4.40
EUR/INR	77.46	-0.11	982	-0.91
GBP/INR	87.80	-0.55	3,226	-2.30
JPY/INR	58.34	-0.09	53	35.90

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	65.36	65.76	-0.62
GBP	87.71	87.98	-0.31
EURO	77.06	77.18	-0.15
100 Yen	58.03	58.18	-0.26

Currency Update

- Indian rupee rose against the U.S. dollar for the second consecutive day due to expectations of fund inflows after the Reserve Bank of India raised the limit for foreign investments in government debt. The rupee increased 0.34% to close at 65.28 per dollar from the previous close of 65.50.
- Euro weakened against the greenback on concerns over political risk in the euro zone following a violent police crackdown on the independence vote in Catalonia. Euro was trading at \$1.1754, down 0.49% from the previous close of \$1.1812.

Global Economy

- According to a flash estimate report from Eurostat, euro zone's inflation grew to 1.5% in Sep 2017 same as the previous month. It continues to stay below the European Central Bank's target of 'below, but close to 2%'. Excluding energy, food, alcohol and tobacco, core inflation eased marginally to 1.1% from 1.2% in the previous month.
- According to the Ministry of Internal Affairs and Communications, Japan's overall consumer prices grew 0.7% YoY in Aug 2017 as against 0.4% in Jul 2017. Core inflation (excluding food prices) grew 0.7% YoY as against 0.5% in Jul 2017.
- A report from the Ministry of Economy, Trade and Industry showed that Japan's industrial production increased more than market expectations and was up 2.1% (seasonally adjusted) in Aug 2017 as against a decline of 0.8% in Jul 2017. On an annual basis, Japan's industrial production grew 5.4% in Aug as against an increase of 4.7% in Jul.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Sep)	03-Oct-17	Money Supply	11-Oct-17
Fourth Bi-monthly Monetary Policy Statement for 2017-18	04-Oct-17	Index of Industrial Production (Aug)	12-Oct-17
Nikkei India Service PMI (Sep)	05-Oct-17	Consumer Price Index (Sep)	12-Oct-17
Forex Reserves	06-Oct-17	Wholesale Price Index (Sep)	16-Oct-17

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