

October 10, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31847	0.10	0.50	32686	25718	23.79
Nifty 50	9989	0.09	0.54	10179	7894	25.95
S&P BSE Midcap	15834	-0.04	0.50	16184	11449	40.18
S&P BSE 100	10398	0.14	0.44	10608	8085	23.99
S&P BSE 200	4376	0.12	0.45	4469	3379	25.03
Nifty Free Float	18524	-0.02	-0.27	19200	13658	42.89
Midcap 100						
Nifty 500	8798	0.12	0.55	8977	6712	30.23

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24597	0.05	2.14	25054	19164	26.89
S&P BSE Metal	14190	0.20	1.67	14312	9620	31.51
S&P BSE Oil	15310	-1.01	1.41	15629	11098	13.01
S&P BSE Healthcare	13983	0.04	6.47	16554	12513	32.21
S&P BSE IT	10149	0.39	2.34	10642	9123	16.29
S&P BSE CD	18226	0.90	1.27	18550	10502	39.74
S&P BSE PSU	8477	-0.54	-1.18	9216	7173	19.91
S&P BSE FMCG	10123	0.66	0.47	10936	7653	40.92
S&P BSE CG	17299	-0.08	-2.01	18625	13255	28.41
Nifty Bank	24252	0.26	-0.49	25199	17607	27.63
S&P BSE Realty	2153	2.20	-1.27	2253	1163	60.53

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22761	-0.06	4.42	22803	17884	20.75
S&P 500	2545	-0.18	3.38	2553	2084	22.68
Nasdaq	6580	-0.16	3.45	6599	5034	24.32
FTSE 100	7508	-0.20	1.77	7599	6677	21.91
CAC 40	5366	0.11	4.93	5442	4345	16.57
DAX	12976	0.16	5.47	12997	10175	14.06
Nikkei	<b>Closed</b>	<b>NA</b>	<b>NA</b>	20721	16112	<b>NA</b>
Hang Seng	28327	-0.46	2.38	28626	21489	13.80
Shanghai Comp.	3374	<b>NA</b>	0.27	3410	3015	15.34

F&O Trends	Px Last	Previous	Change %
Near Futures	10,016.50	10,003.40	0.13
Near Basis	27.80	23.70	17.30
Mid Futures	10,047.30	10,032.00	0.15
Mid Basis	58.55	52.25	12.06
Near Open Interest (Cr.)	2.37	2.34	1.26
Mid Open Interest (Cr.)	0.12	0.12	-0.78
Rollover (%)	5.27	5.24	0.50

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.33	7.05	-14.77	23.01	8.84
Nifty VIX	11.39	2.47	-12.11	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FIs</b>					
Equity		3661.23	4615.08	-953.85	32848.46
Debt		4093.69	1064.34	3029.35	137777.36
<b>MF<sup>1</sup></b>					
Equity		2100.86	1417.48	683.38	90825.83
Debt		6810.81	4367.43	2443.38	303988.44

<sup>1</sup> As on 5<sup>th</sup> October 2017

## Indian Equity Market

- Indian equity markets closed in the green after witnessing volatility during the session. Investor sentiment found support after the Goods and Service Tax (GST) Council, in its latest meeting, offered relief to exporters and small and medium businesses by way of easing rules. Nonetheless, caution prevailed as corporate earnings season for the Sep quarter is scheduled to commence later during this week.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.10% and 0.09% to close at 31,846.89 and 9,988.75, respectively. While, S&P BSE Mid-Cap inched down 0.04%, S&P BSE Small-Cap witnessed modest gain of 0.62%.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Realty was the top gainer, up 2.20%, followed by S&P BSE Consumer Durables and S&P BSE FMCG, which went up 0.90% and 0.66%, respectively. S&P BSE IT and S&P BSE Consumer Discretionary Goods & Services rose 0.39% and 0.34%, respectively.

## Indian Economy

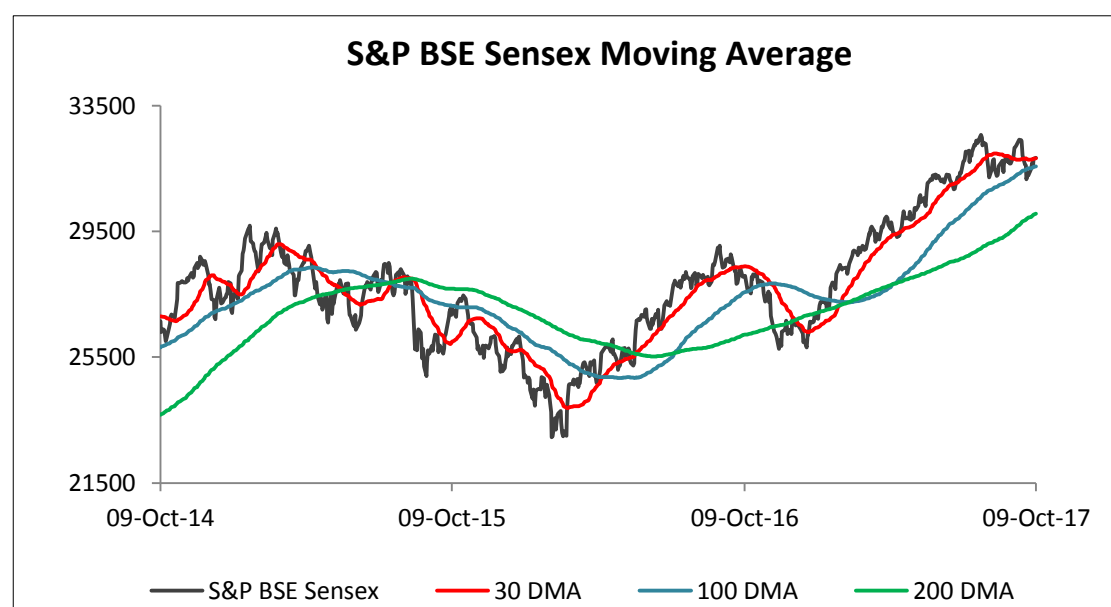
- According to a report from the Society of Indian Automobile Manufacturers, domestic passenger vehicle sales came in at 3,09,955 units in Sep 2017, up 11.32% from 2,78,428 units in the year-ago period. While car sales increased 6.86%, motorcycle sales grew 6.98%. Two-wheeler sales went up 9.05% to 20,41,024 units driven by good monsoons that led to improved buying in rural areas.
- According to media reports, the Goods and Service Tax (GST) Council would reduce the number of products in the highest slab of 28%. This comes amid a slew of complaints by state finance ministers that several common-use products face a 28% levy, thereby raising difficulty for people. As per media reports, state finance ministers stated that a number of items like bath fittings, cement, steel products such as rods used for construction are in 28% bracket that should not belong there.

## Global Equity Market

- As per the last close, U.S markets closed lower following choppy trading on Wall Street due to Columbus Day holiday.
- As per the last close, European market closed mixed. China's weak private sector data for Sep weighed on the market while strong German industrial production and GDP of France supported the market.
- Asian markets witnessed thin trading as markets in Japan, South Korea and Taiwan remained closed. Chinese market gained after it resumed trading following a week-long holiday but gains were limited due to China's weak private sector data. Today (As of Oct 10), Asian markets opened higher as market recovered from softer close on Wall Street.

## Indian Derivative Market

- Nifty Oct 2017 Futures were at 10,016.55, a premium of 27.80 points over the spot closing of 9,988.75. The turnover on NSE's Futures and Options segment went up from Rs. 3,59,536.77 crore on Oct 6 to Rs. 3,71,921.69 crore on Oct 9.
- The Put-Call ratio stood at 0.96 against the previous session's close of 0.95.
- The Nifty Put-Call ratio stood at 1.39 against the previous session's close of 1.37.
- India VIX moved up 2.47% to 11.3925 from 11.1175 in the previous trading session.
- Open interest on Nifty Futures stood at 24.97 million as against the previous session's close of 24.65 million.



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## Debt Market Update

Policy Rates (%)	09-Oct-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	20.00	20.00	20.00	20.75
Bank Rate	6.25	6.25	6.25	6.75

Daily Rates (%)	09-Oct-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.05	6.00	6.25
CALL	5.95	5.98	5.86	6.18
CBLO	5.98	5.55	5.87	6.20
OIS- 1 Yr	6.13	6.09	6.10	6.40
OIS- 5 Yr	6.31	6.27	6.14	6.37

Liquidity Indicators (in Rs. Cr.)	09-Oct-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	27,505	68,046	52,260	88,559
Call Money	12,517	16,368	13,351	14,483
CBLO	121,978	79,842	108,874	106,707
LAF	18,764	-64,608	-14,193	-6,924
Treasury Bills	3,229	2,906	1,851	2,494

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.78	6.76	0.34
06.79 GS 2029	26-Dec-29	7.07	7.04	0.32
06.68 GS 2031	17-Sep-31	7.00	6.97	0.45
07.16 GS 2023	20-May-23	6.83	6.83	0.11
06.84 GS 2022	19-Dec-22	6.72	6.71	0.10

Certificate of Deposit (%)	09-Oct-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.15	6.14	6.15	6.48
6-Month	6.40	6.34	6.32	6.69
9-Month	6.50	6.45	6.40	6.77
12-Month	6.60	6.57	6.48	6.85

Commercial Paper (%)	09-Oct-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.76	6.64	6.64	6.75
6-Month	6.89	6.84	6.83	7.05
9-Month	6.97	6.94	6.92	7.17
12-Month	7.05	7.04	7.01	7.30

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84% GS 2022	3,000	3,000	6.72%
6.68% GS 2031	8,000	8,000	6.98%
6.57% GS 2033	2,000	0	--
6.62% GS 2051	2,000	2,000	7.32%

Key Indicators	
GDP (Q1 FY'18)	5.70%
Manufacturing PMI (Sep'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 for the fourth consecutive session as hawkish monetary policy stance by the Reserve Bank of India (RBI) last week weakened sentiment, which pushed market participants to offload bonds.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 2 bps to close at 6.78% from the previous close of 6.76%. During the session, bond yields traded in the range of 6.75% and 6.79%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 18,764 crore (gross) on Oct 9 compared with borrowings of Rs. 1,750 crore (gross) on Oct 6. Sale of securities under RBI's reverse repo window stood at Rs. 8,002 crore on Oct 6.
- Banks did not borrow under the central bank's Marginal Standing Facility on Oct 6 as against borrowing of Rs. 7,340 crore on Oct 5.
- RBI announced to sell (re-issue) four dated Government Securities (GS) namely Gol FRB 2024, 6.79% GS 2027, 7.73% GS 2034 and 7.06% GS 2046, for an aggregate amount of Rs. 15,000 crore on Oct 13.
- RBI announced to conduct 28-day, 14-day and 7-day variable rate reverse repo auctions under LAF for a notified amount of Rs. 10,000 crore, Rs. 10,000 crore and Rs. 15,000 crore, respectively, on Oct 10, 2017.

## Spread Analysis

- Yields on gilt securities either closed steady or increased across the maturities by up to 2 bps, barring 1-year paper which fell 3 bps.
- Corporate bond yields increased on 5-and10-year paper by 5 bps and 1 bps respectively. Yields across the remaining papers fell by upto 4 bps, barring 1-and 15-year note that closed steady.
- Spread between AAA corporate bond and gilt expanded on 1- and 5-year paper by 3 bps and 4 bps respectively. Spread on the remaining maturities contracted in the range of 2 bps to 5 bps, barring 2-, 10- and 15-year maturities, which closed steady.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Oct 03 - 06	15,000	13,000	86.67%
Month: Oct 2017	45,000	13,000	28.89%
H2: Oct'17-Mar'18	208,000	13,000	6.25%

## Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H2'18	Completed H2'18
5 to 9 Yrs	20.19%	7.14%
10 to 14 Yrs	51.44%	7.48%
Long Dated (above 14 Yrs)	28.37%	0.00%

## Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	91-Days	7,000
Treasury Bills	182-Days	2,000
Treasury Bills	364-Days	2,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	53.80	70.80	95.80
3 Yr	40.40	68.40	93.40
5 Yr	42.20	56.20	98.20
10 Yr	45.40	66.40	99.40

Key Indicators	Current	Previous
WPI (Aug'17)	3.24%	1.88%
CPI (Aug'17)	3.36%	2.36%
IIP (Jul'17)	1.20%	-0.20%
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)	1284	0.67	-4.64	1349	1128
Silver (\$/oz)	17	0.96	-5.49	19	16
NYMEX Crude(\$/bbl)	50	0.49	4.52	54	42
Brent Crude(\$/bbl)	55	-0.02	0.53	61	41
Baltic Dry Index	1411	0.43	5.93	1503	685
RJ/CRB Index	181	0.00	-0.12	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,594	0.88	-2.61	30,776	27,172
Silver (1 kg)	39,406	1.77	-4.11	44,527	35,660
Crude Oil (1 bbl)	3,215	-2.87	2.29	3,688	2,748
Natural Gas (1 mmbtu)	187	-1.99	-2.20	693	172
Aluminium (1 kg)	139	0.76	5.37	140	107
Copper (1 kg)	436	-0.49	-1.84	446	112
Nickel (1 kg)	703	2.79	-7.02	803	561
Lead (1 kg)	164	-0.88	13.20	169	131
Zinc (1 kg)	218	0.07	10.67	220	145
Mentha Oil (1 kg)	1,371	-0.07	0.35	1,373	993
Cotton (1 bales)	19,010	1.55	-5.98	21,650	18,240

### MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	1.86	-0.02	8.24	13.12	10.80	14.54
Small/Mid Cap	2.54	1.16	10.49	19.29	18.73	24.20
Diversified	1.89	0.38	9.51	15.46	12.53	16.21
Balanced	1.44	0.43	7.76	12.75	11.44	15.05
Banking	1.30	-1.25	12.48	22.58	17.86	16.59
FMCG	3.65	2.17	12.46	20.36	14.77	15.03
Pharma	2.70	5.13	-6.12	-10.90	3.32	15.04
Technology	1.28	2.80	4.90	6.54	3.35	15.00
Infrastructure	1.96	0.36	9.60	21.03	14.04	15.18
Gold Funds	-0.73	-2.80	1.09	-3.06	2.24	-2.11
Nifty 50	2.04	0.54	8.59	14.76	7.85	11.85
S&P BSE Sensex	1.80	0.50	7.20	13.41	6.13	11.12
S&P BSE 500	2.35	0.59	9.58	16.89	11.04	13.98
S&P BSE Midcap	2.58	0.50	11.25	16.82	18.23	18.83
CRISIL Balanced	1.25	0.25	7.28	12.17	8.98	11.18

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	6.04	6.10	6.31	6.35	7.33
Ultrashort Bond	6.19	4.95	7.13	6.70	7.70
Short-T Bond	3.19	1.49	7.87	6.64	8.10
Long-T Bond	-1.23	-1.52	8.26	6.70	8.44
Long T Govt Sec	-16.70	-10.97	8.10	6.25	8.42
Crisil Liquid	6.53	6.35	6.62	6.70	6.80
Crisil ST Bond	0.12	2.08	7.69	7.16	7.30
Crisil Composite	-11.11	-3.97	9.46	6.91	7.19
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 high amid persisting geopolitical tension between North Korea and the U.S. Sentiment also got support after Chinese market resumed trading after a week-long holiday. However, upside was limited as investors remained cautious ahead of minutes of the U.S. Federal Reserve's latest policy meeting and upcoming key economic data. Gold prices were last seen trading at \$1,281.59 per ounce, compared with the previous close of \$1,275.30 per ounce.
- Brent crude prices inched up marginally after the number of rigs in the U.S. fell by two to 748 last week. Brent crude prices were last seen trading at \$55.41 per barrel, compared with the previous close of \$55.39 per barrel.

## International Market Update

- A report from the Commerce Department showed that U.S. wholesale inventories grew slightly less than expected by 0.9% in Aug 2017 after rising 0.6% in Jul 2017. Inventories of durable goods increased 0.8% driven by increases in inventories of metals, automotive products, and computer equipment. Meanwhile, inventories of non-durable goods increased 1.2% owing to significant growth in inventories of drugs, paper, and petroleum.
- A report from the U.S. Federal Reserve showed that U.S. consumer credit grew less than market expectations and increased by \$13.1 billion in Aug 2017 after climbing by a revised \$17.7 billion in Jul. Consumer credit increased 4.2% YoY in Aug, as revolving credit increased 7% and non-revolving credit rose 3.2%.
- Euro zone's investor confidence index rose unexpectedly to 29.7 in Oct 2017 from 28.2 in Sep 2017, thereby marking a 10-year high.

## Mutual Fund & Insurance Update

- LIC Mutual Fund has appointed Ms. Jyoti K. Ruprel as the Senior Debt dealer effective from Oct 3. Accordingly, she will be the key personnel of LIC Mutual Fund.
- According to a latest rule by the Supreme Court, insurance companies cannot withhold claims of a beneficiary only because of delayed filing of documents. It has also stated that it would not be fair and reasonable to reject genuine claims that had already been verified and found to be correct by the investigator.
- According to media news, Reliance General Insurance Company has filed its draft red herring prospectus (DRHP) with the Securities and Exchange Board of India for its initial public offering (IPO). The 6,70,79,979 equity shares public issue comprises of a fresh issue of up to 1,67,69,995 shares by Reliance General Insurance Company and an offer for sale of up to 5,03,09,984 shares by Reliance Capital.

## Dividend Update

- Sundaram Mutual Fund has announced Oct 12 as the record date for declaration of dividend under the dividend option of Sundaram Equity Multiplier Fund. The rate of dividend is Re. 0.50 per unit.
- Canara Robeco Mutual Fund has announced Oct 13 as the record date for declaration of dividend under the dividend option of Canara Robeco India Opportunities Fund and Canara Robeco India Opportunities Fund - Series 2. The rate of dividend is Re. 0.40 per unit.

## NFO Update

- DSP Blackrock Mutual Fund has announced NFO of DSP BlackRock Equal Nifty 50 Fund. The NFO period is from Sep 29 to Oct 13.
- ICICI Prudential Mutual Fund has announced NFO of ICICI Prudential Value Fund - Series 18. The NFO period is from Oct 3 to Oct 17.



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## Currency Market Update

### Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	65.35	-0.04	2.46	68.87	63.56
EUR/INR	76.71	-0.01	-0.04	77.89	67.92
YEN(100)/INR	58.00	-0.08	-1.92	66.10	56.22
SGD/INR	47.91	0.01	0.85	48.55	45.58
EUR/USD	1.17	0.05	-2.44	1.21	1.03
GBP/USD	1.31	0.59	-0.43	1.37	1.20
JPY/USD	0.01	-0.03	-4.29	0.01	0.01
SGD/USD	0.73	0.07	-1.58	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	65.55	0.00	166,480	1.59
EUR/INR	77.03	0.34	815	2.39
GBP/INR	86.40	0.80	3,260	1.05
JPY/INR	58.25	0.29	86	-1.15

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	65.31	65.23	0.12
GBP	85.63	85.31	0.37
EURO	76.60	76.26	0.44
100 Yen	57.99	57.72	0.47

## Currency Update

- The Indian rupee inched up against the U.S. dollar following selling of the greenback by foreign banks. Modest gains in the domestic equity market also aided the domestic currency. However, greenback demand from importers capped the gains. The rupee rose 0.04% to close at 65.35 per dollar from the previous close of 65.38.
- Euro inched up against the greenback but remained under pressure on growing possibility of a rate hike by the U.S. Federal Reserve in the remaining of 2017. Euro was trading at \$1.1738, up 0.04% from the previous close of \$1.1733.

## Global Economy

- A report from Destatis showed that Germany's industrial output rose more than market expectations and grew 2.6% MoM in Aug 2017 as against a fall of 0.1% in Jul 2017. Excluding energy and construction, industrial production grew 3.2%. Production of capital goods, intermediate goods and consumer goods rose 4.8%, 1.8% and 2.1%, respectively.
- According to a report from the IHS Markit, China's private sector expanded at a slower rate in Sep 2017 amid weaker increases in output of both manufacturing and services companies due to slowdown in new orders growth. Caixin Purchasing Managers' Index (PMI) decreased to 51.4 in Sep from 52.4 in Aug. The services PMI fell to 50.6 in Sep from 52.7 in Aug.

## 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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