

September 15, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	32242	0.17	2.52	32686	25718	24.06
Nifty 50	10087	0.07	2.99	10138	7894	26.25
S&P BSE Midcap	16017	0.57	6.13	16142	11449	31.98
S&P BSE 100	10521	0.18	3.48	10571	8085	24.24
S&P BSE 200	4429	0.24	3.79	4448	3379	25.24
Nifty Free Float	18936	0.61	6.06	19037	13658	35.04
Midcap 100						
Nifty 500	8885	0.20	4.02	8928	6712	30.39

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24448	0.31	3.57	25037	19164	26.49
S&P BSE Metal	13936	-0.67	9.62	14296	9464	30.84
S&P BSE Oil	15187	-0.31	4.27	15629	10902	12.94
S&P BSE Healthcare	13790	2.11	5.34	16750	12513	31.45
S&P BSE IT	9966	0.17	-2.40	10642	9123	16.64
S&P BSE CD	18108	0.24	3.07	18427	10502	39.32
S&P BSE PSU	8638	0.00	2.38	9216	7173	19.57
S&P BSE FMCG	10163	0.10	3.85	10936	7653	42.17
S&P BSE CG	18224	0.07	5.48	18444	13255	29.83
Nifty Bank	24912	0.32	3.30	25199	17607	28.09
S&P BSE Realty	2201	-0.47	5.94	2253	1163	61.55

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22203	0.20	0.95	22216	17884	20.17
S&P 500	2496	-0.11	1.21	2498	2084	22.25
Nasdaq	6429	-0.48	1.40	6461	5034	24.01
FTSE 100	7295	-1.14	-0.80	7599	6655	21.62
CAC 40	5225	0.15	2.02	5442	4311	16.07
DAX	12540	-0.10	3.09	12952	10175	13.58
Nikkei	19807	-0.29	1.38	20318	16112	16.55
Hang Seng	27777	-0.42	1.93	28128	21489	13.58
Shanghai Comp.	3371	-0.38	4.14	3392	2969	15.33

F&O Trends	Px Last	Previous	Change %
Near Futures	10,114.50	10,091.50	0.23
Near Basis	27.85	12.15	129.22
Mid Futures	10,144.90	10,122.80	0.22
Mid Basis	58.25	43.50	33.91
Near Open Interest (Cr.)	2.08	2.05	1.56
Mid Open Interest (Cr.)	0.08	0.08	2.94
Rollover (%)	4.68	4.62	1.30

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.44	-0.57	-15.33	23.01	8.84
Nifty VIX	11.47	-2.42	-20.25	23.09	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FII</b>				
Equity	7085.53	4499.24	2586.29	43591.34
Debt	1139.23	1415.25	-276.02	131416.81
<b>MF<sup>1</sup></b>				
Equity	2104.28	1739.56	364.72	73168.89
Debt	5106.50	3755.59	1350.91	275676.06

<sup>1</sup> As on 8<sup>th</sup> September 2017

## Indian Equity Market

- Indian equity markets climbed, pushed by gains in healthcare and banking stocks. Markets gained even though data showed the country's wholesale price index-based inflation increased to 3.24% YoY, triggered by higher prices of fuel and food. Weak Chinese data could not dampen sentiment either. Meanwhile, markets awaited data on U.S. inflation due later during the day; the data could throw light on the U.S. Federal Reserve's future interest rate decisions.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.17% and 0.07% to close at 32,241.93 and 10,086.60, respectively. S&P BSE MidCap and S&P BSE Small-Cap went up 0.57% and 0.64%, respectively.
- On the BSE sectoral front, most indices closed in the positive. S&P BSE Healthcare, up 2.11%, was the major gainer, followed by S&P BSE Industrials (0.89%), S&P BSE Power (0.83%), S&P BSE Bankex (0.45%) and S&P BSE Finance (0.31%).

## Indian Economy

- Government data showed that Wholesale Price Index (WPI) based inflation increased 3.24% YoY in Aug 2017 from 1.88% in the previous month and 1.09% in the same month of the previous year. This marked a 4-month high. The increase was because of increase in food inflation and prices of manufactured items. The build-up inflation rate in this fiscal so far came in at 1.41% compared with a build-up rate of 3.25% in the previous-year period.
- The Securities and Exchange Board of India has issued a new set of guidelines that will govern outsourcing by stock exchanges and clearing corporations. The guidelines set to safeguard capital markets from outside risks will ensure that exchanges and clearing corporations do not outsource their core and critical activities to third parties. Also, exchanges and clearing corporations will have to put in place a robust system to monitor outsourced activities.

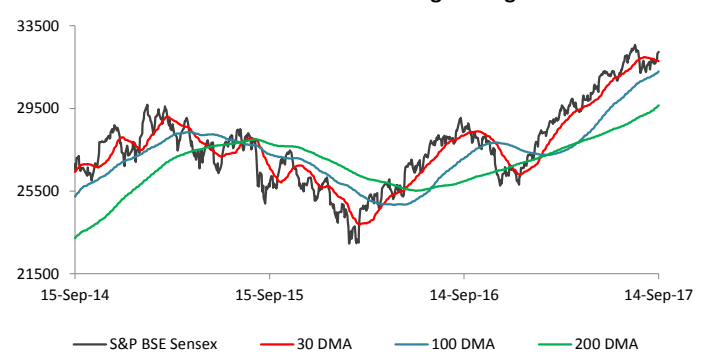
## Global Equity Market

- As per the last close, U.S. markets ended mixed. More than expected rise in U.S. inflation in Aug weighed on the market. However, announcement by two aerospace companies of raising production restricted the fall.
- As per the last close, European market ended mostly lower amid geopolitical tension between U.S. and North Korea.
- Most of the Asian markets traded in the red following lower-than-estimated Chinese and Japanese economic data. Renewed geopolitical tension following North Korea threatening Japan and the U.S. also weighed on market sentiment. Today (As of Sep 15), Asian markets opened mostly lower after North Korea launched a missile in the direction of the east.

## Indian Derivative Market

- Nifty Sep 2017 Futures were at 10,114.45, a premium of 27.85 points above the spot closing of 10,086.60. The turnover on NSE's Futures and Options segment went up from Rs. 6,58,605.06 crore on Sep 13 to Rs. 10,03,147.09 crore on Sep 14.
- The Put-Call ratio remained unchanged from the previous session's close at 0.92.
- The Nifty Put-Call ratio stood at 1.54 against previous session's close at 1.52.
- India VIX moved down 2.42% to 11.4700 from 11.7550 in the previous trading session.
- The open interest on Nifty Futures stood at 21.87 million as against previous session's close of 21.52 million.

S&P BSE Sensex Moving Average



September 15, 2017

## Debt Market Update

Policy Rates (%)	14-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 (%)	14-Sep-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	5.94	5.95	6.00	6.50
CALL	5.83	5.84	5.86	6.42
CBLO	5.85	5.83	5.93	6.48
OIS- 1 Yr	6.15	6.11	6.15	6.49
OIS- 5 Yr	6.23	6.16	6.18	6.41

Liquidity Indicators (in Rs. Cr.)	14-Sep-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	32,368	36,288	28,910	65,291
Call Money	13,806	11,496	12,178	17,281
CBLO	104,776	104,553	123,439	107,736
LAF	2,005	-6,203	-2,413	-488
Treasury Bills	4,127	4,331	4,754	8,799

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.59	6.59	0.07
06.79 GS 2029	26-Dec-29	6.86	6.87	-0.13
06.68 GS 2031	17-Sep-31	6.70	6.70	0.11
07.35 GS 2024	22-Jun-24	6.76	6.75	0.20
07.68 GS 2023	15-Dec-23	6.68	6.66	0.20

Certificate of Deposit (%)	14-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.14	6.14	6.19	6.63
6-Month	6.30	6.33	6.34	6.94
9-Month	6.40	6.41	6.40	7.08
12-Month	6.50	6.50	6.47	7.23

Commercial Paper (%)	14-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.69	6.64	6.55	6.99
6-Month	6.85	6.82	6.73	7.30
9-Month	6.93	6.91	6.83	7.47
12-Month	7.01	7.01	6.93	7.64

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	10,000	10,000	6.11%
364 Days T-Bills	6,000	6,000	6.25%

Key Indicators	
GDP (Q1 FY'18)	5.70%
Manufacturing PMI (Aug'17)	51.20
Current Account Deficit (Q4 of FY17, in \$ Billion)	-3.40
Fiscal Deficit (FY2018, as a % of GDP)	3.20%
Credit Growth (Sep 1, 2017)	6.48%
Deposit Growth (Sep 1, 2017)	9.60%

## Indian Debt Market

- Bond yields stood steady as investors preferred to stay on the sidelines due to lack of any major trigger in the market.
- Yield on the 10-year benchmark paper (6.79% GS 2027) stood unchanged at 6.59% from the previous close. During the session, bond yields traded in the range of 6.58% and 6.60%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,005 crore (gross) on Sep 14 compared with borrowings of Rs. 2,135 crore (gross) on Sep 13. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 7,068 crore on Sep 13.
- Banks did not borrow under the central bank's Marginal Standing Facility on Sep 13 as well as on Sep 12.
- 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 open market operation sale auction of government securities namely 8.19% GS 2020, 8.13% GS 2022, 7.35% GS 2024, 8.15% GS 2026 and 8.97% GS 2030 for a notified amount of Rs. 10,000 crore for which full amount was accepted by RBI. The cut-off price stood at Rs. 103.82 (6.40%), Rs. 106.35 (6.62%), Rs. 103.09 (6.77%), Rs. 107.86 (6.97%) and Rs. 115.35 (7.15%), respectively.

## Spread Analysis

- Yields on gilt securities either closed steady or increased across the maturities by up to 2 bps, barring 1-, 24- and 30-year maturities that fell by up to 3 bps.
- Corporate bond yields either closed steady or increased across the maturities by up to 2 bps, barring 5-year paper that fell 2 bps.
- Spread between AAA corporate bond and gilt either closed steady or expanded across the maturities by up to 3 bps, barring 5-year paper that contracted 3 bps.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Sep 11-15	--	--	N.A.
Month: Sep 2017	63,000	33,000	52.38%
H1: Apr'17-Sep'17	372,000	338,784	91.07%

## Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'18	Completed H1'18
5 to 9 Yrs	22.58%	79.76%
10 to 14 Yrs	44.09%	96.82%
Long Dated (above 14 Yrs)	33.33%	91.13%

## Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
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## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	45.40	62.40	87.40
3 Yr	48.60	78.60	105.60
5 Yr	51.50	70.50	95.50
10 Yr	55.10	74.10	103.10

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-Jul 17)	-11.45	-12.96

September 15, 2017

## Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1329	0.50	3.71	1349	1128
Silver (\$/oz)	18	0.08	4.25	20	16
NYMEX Crude(\$/bbl)	50	1.14	4.77	54	42
Brent Crude(\$/bbl)	58	2.20	12.64	58	41
Baltic Dry Index	1361	1.80	17.84	1361	685
RJ/CRB Index	183	0.23	3.27	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,972	-0.10	3.71	31,316	27,172
Silver (1 kg)	40,494	-0.63	4.46	46,541	35,660
Crude Oil (1 bbl)	3,154	2.27	0.67	3,688	2,748
Natural Gas (1 mmbtu)	196	1.98	2.25	693	172
Aluminium (1 kg)	132	-0.75	1.77	135	104
Copper (1 kg)	421	-1.75	2.08	446	112
Nickel (1 kg)	722	-1.78	7.27	803	561
Lead (1 kg)	145	-0.17	-2.12	169	127
Zinc (1 kg)	192	-1.69	3.62	205	145
Mentha Oil (1 kg)	1,358	-0.66	4.01	1,373	993
Cotton (1 bales)	19,730	-1.00	-3.90	23,200	18,240

## MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	1.44	3.51	12.36	15.92	10.43	15.61
Small/Mid Cap	1.01	5.25	16.95	23.90	17.59	25.55
Diversified	1.36	3.80	14.21	18.40	11.98	17.29
Balanced	1.09	2.92	11.14	15.30	11.08	15.98
Banking	1.53	3.99	20.06	26.66	17.92	19.31
FMCG	0.91	3.11	14.28	17.92	14.59	15.66
Pharma	3.09	3.73	-6.98	-12.86	2.69	14.87
Technology	0.73	0.27	-0.01	3.88	2.63	13.54
Infrastructure	1.63	5.11	17.29	25.55	12.84	17.00
Gold Funds	-1.15	3.18	3.92	-6.55	2.35	-2.72
Nifty 50	1.58	2.99	11.00	15.58	7.54	12.57
S&P BSE Sensex	1.83	2.52	9.51	13.64	6.00	11.79
S&P BSE 500	1.52	4.16	13.76	19.39	10.47	15.11
S&P BSE Midcap	1.22	6.13	18.14	22.03	17.02	20.72
CRISIL Balanced	1.00	2.10	9.40	13.40	8.95	11.74

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	6.01	6.01	6.37	6.39	7.34
Ultrashort Bond	4.54	6.11	7.53	7.12	7.72
Short-T Bond	0.23	5.30	9.19	7.68	8.14
Long-T Bond	-2.57	4.53	10.39	8.24	8.59
Long T Govt Sec	-11.92	1.64	11.88	8.86	8.55
Crisil Liquid	6.16	6.28	6.67	6.74	6.80
Crisil ST Bond	1.91	6.30	8.76	8.04	7.33
Crisil Composite	-2.95	5.23	12.63	8.99	7.24
NSE G-Sec Comp	--	--	--	--	--

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

## Commodity Market

- Gold prices dipped ahead of the release of U.S. inflation data due later during the day. The report could throw light on the U.S. Federal Reserve's future interest rate decisions. Gold prices were last seen trading at \$1,319.91 per ounce, compared with the previous close of \$1,322.85 per ounce.
- Brent crude prices gained on data showing a snap in inventories; report from the International Energy Agency showed that global oil output declined in Aug 2017, and revised its 2017 demand estimate up to 1.6 million barrels a day from its Jul 2017 estimate of 1.5 million barrels a day. Hints that the global market was on its way to rebalance itself also helped prices. Oil prices were last seen trading at \$57.07 per barrel, compared with the previous close of \$56.41 per barrel.

## International Market Update

- Data from the U.S. Labor Department showed that the U.S. consumer price index grew 0.4% in Aug 2017 after inching up by 0.1% in Jul 2017. The increase can be attributed to the spike in energy prices, which surged 2.8% in Aug 2017 after edging down by 0.1% in Jul 2017.
- Data from the U.S. Labor Department showed that the initial jobless claims in U.S. for the week ended Sep 9 fell 14,000 to 284,000 from the previous week's unrevised level of 298,000.
- Japan's industrial production came in line with preliminary expectations and fell 0.8% (seasonally adjusted) MoM in Jul 2017 as against a gain of 2.2% in Jun 2017. Industrial production growth eased to 4.7% YoY in Jul as against 5.5% in Jun.

## Mutual Fund & Insurance Update

- According to the Executive Vice Chairman and Managing Director of Max Life Insurance, the company is exploring business opportunities both with private and public sector banks. Earlier, the company's plan to merge with HDFC Life Insurance was cancelled due to regulatory hurdles.

## Dividend Update

- Reliance Mutual Fund has announced Sep 15 as the record date for declaration of dividend under the monthly and quarterly dividend options of Reliance Regular Savings Fund - Balanced Option. The rates of dividend are Re. 0.1000 and Re. 0.4000 per unit, respectively.
- ICICI Prudential Mutual Fund has announced Sep 19 as the record date for declaration of dividend under the dividend option of ICICI Prudential Interval Fund – Quarterly Interval Plan I. The rates of dividend for the regular, direct and retail plans of the scheme are Re. 0.1332, Re. 0.1344 and Re. 0.1332, respectively.
- IDFC Mutual Fund has announced Sep 18 as the record date for declaration of dividend under the dividend option of IDFC Tax Advantage (ELSS) Fund. The rates of dividend for the regular and direct plans are Re. 0.62 and Re. 0.75 per unit, respectively.

## NFO Update

- SBI Mutual Fund announces New Fund Offer (NFO) of SBI Dual Advantage Fund – Series XXIV, with a tenure of 1100 days. The NFO will start from Sep 11 and close on Sep 25.

September 15, 2017

## Currency Market Update

### Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	64.12	0.19	0.00	68.87	63.56
EUR/INR	76.42	0.47	1.24	77.38	67.92
YEN(100)/INR	58.16	0.41	-0.49	66.80	56.22
SGD/INR	47.60	0.45	1.23	49.50	45.58
EUR/USD	1.19	0.28	1.19	1.21	1.03
GBP/USD	1.34	1.41	3.33	1.34	1.15
JPY/USD	0.01	0.23	-0.54	0.01	0.01
SGD/USD	0.74	0.27	1.17	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.18	0.14	155,975	-12.75
EUR/INR	76.37	-0.61	1,578	-1.44
GBP/INR	84.88	-0.25	1,604	-2.96
JPY/INR	58.15	-0.21	249	1.22

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.07	63.98	0.14
GBP	84.69	85.15	-0.55
EURO	76.14	76.66	-0.68
100 Yen	58.02	58.11	-0.15

## Currency Update

- The Indian rupee weakened against the greenback as the later strengthened after U.S. producer prices grew in Aug 2017 following a decline in Jul 2017. Market participants also remained on the sidelines ahead of the release of U.S. consumer prices data due later in the day. The rupee fell 0.19% to close at 64.12 per dollar, compared with the previous day's close at 64.00.
- Euro inched down against the greenback after data showed U.S. consumer prices accelerated in Aug 2017, which increased possibility of further monetary policy tightening from the U.S. Federal Reserve this year. Euro was trading at \$1.1878, down 0.06% compared with the previous close of \$1.1885.

## Global Economy

- According to a report from the Labor Department, U.S. producer price index for final demand missed market expectations and grew 0.2% in Aug 2017 after falling 0.1% in Jul 2017. While energy prices and gasoline prices grew 3.3% and 2.9%, respectively, food prices fell 1.3% and meat prices fell 3.4%. Core producer prices excluding food and energy prices edged up 0.1% in Aug as against a 0.1% fall in Jul. Producer prices were up 2.4% YoY in Aug, up from 1.9% growth in Jul.
- The Bank of England retained its record low interest rate again at 0.25% with 7-2 vote. All the members voted to maintain the quantitative easing at GBP 435 billion. According to some members, a withdrawal of part of the stimulus injected in Aug 2016 would help to keep inflation rate moderate. Over the next three years, inflation is expected to overshoot the 2% target.

## Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Aug)	01-Sep-17	Wholesale Price Index (Aug)	14-Sep-17
Nikkei India Service PMI (Aug)	05-Sep-17	Forex Reserves	15-Sep-17
Consumer Price Index (Aug)	12-Sep-17	Money Supply	15-Sep-17
Index of Industrial Production (Jul)	12-Sep-17	Index of Eight Core Industries (Aug)	29-Sep-17

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