

September 19, 2017

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	32424	0.47	2.85	32686	25718	24.25
Nifty 50	10153	0.67	3.21	10172	7894	26.42
S&P BSE Midcap	16090	0.73	5.80	16142	11449	40.74
S&P BSE 100	10577	0.59	3.53	10598	8085	24.43
S&P BSE 200	4456	0.61	3.87	4464	3379	25.51
Nifty Free Float	19089	0.72	5.79	19136	13658	35.32
Midcap 100	8947	0.67	4.10	8964	6712	30.60

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24787	1.24	4.21	25037	19164	27.07
S&P BSE Metal	14067	0.65	8.70	14296	9488	31.22
S&P BSE Oil	15220	-0.07	2.87	15629	11098	12.92
S&P BSE Healthcare	13792	0.21	6.60	16750	12513	31.76
S&P BSE IT	10111	0.41	0.29	10642	9123	16.40
S&P BSE CD	18342	1.43	3.63	18427	10502	39.97
S&P BSE PSU	8641	0.13	0.95	9216	7173	20.36
S&P BSE FMCG	10156	0.19	0.79	10936	7653	41.00
S&P BSE CG	18426	1.47	7.00	18511	13255	30.24
Nifty Bank	25047	0.82	4.04	25199	17607	28.24
S&P BSE Realty	2203	0.59	5.40	2253	1163	61.89

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22331	0.28	3.03	22356	17884	20.27
S&P 500	2504	0.15	3.23	2508	2084	22.31
Nasdaq	6455	0.10	3.83	6478	5034	23.98
FTSE 100	7253	0.52	-0.97	7599	6677	21.37
CAC 40	5229	0.30	2.25	5442	4343	16.12
DAX	12559	0.32	3.24	12952	10175	13.57
Nikkei	Closed	NA	NA	20318	16112	NA
Hang Seng	28160	1.27	4.11	28160	21489	13.74
Shanghai Comp.	3363	0.28	2.88	3392	2969	15.26

F&O Trends	Px Last	Previous	Change %
Near Futures	10,175.30	10,102.00	0.73
Near Basis	22.20	16.55	34.14
Mid Futures	10,206.80	10,133.10	0.73
Mid Basis	53.70	47.70	12.58
Near Open Interest (Cr.)	2.05	2.09	-2.31
Mid Open Interest (Cr.)	0.10	0.09	12.10
Rollover (%)	5.69	4.94	15.31

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.15	-0.20	-28.82	23.01	8.84
Nifty VIX	11.44	-2.01	-21.47	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIs					
Equity		11850.73	10665.73	1185.00	43845.05
Debt		723.08	265.35	457.73	132021.95
MF¹					
Equity		2597.21	1752.69	844.52	76032.71
Debt		4333.10	3849.52	483.58	284474.96

¹ As on 13th September 2017

Indian Equity Market

- Indian equity markets closed in the positive terrain, with Nifty 50 hitting an all-time high. The optimism was triggered by upbeat global cues and gains in auto and bank stocks. Investors turned confident after North Korea stayed away from stirring up further geopolitical tensions over the weekend.
- While S&P BSE Sensex went up 0.47% to close at 32,423.76, Nifty 50 gained 0.67% to close at 10,153.10. S&P BSE MidCap and S&P BSE SmallCap grew 0.73% and 0.87%, respectively.
- On the BSE sectoral front, all indices except S&P BSE Oil & Gas (-0.07%) closed in the positive. S&P BSE Telecom, up 1.88%, was the major gainer. Some of the other gainers included S&P BSE Capital Goods (1.47%), S&P BSE Consumer Durables (1.43%), S&P BSE Auto (1.24%), S&P BSE Consumer Discretionary Goods & Services (1.22%), S&P BSE Industrials (1.10%) and S&P BSE Bankex (0.71%).

Indian Economy

- Government data showed that India's exports grew 10.29% on a yearly basis to \$23.82 billion in Aug 2017 from \$21.60 billion in the same period of the previous year on account of rise in shipments of engineering, petroleum and chemicals, which grew 19.53%, 36.56% and 32.41%, respectively. Imports too grew 21.02% to \$35.46 billion in Aug from \$29.30 billion in the year-ago month due to rise in inward shipments of gold and silver, which grew 68.90% and 106.83%, respectively. As a result, trade deficit in Aug widened to \$11.64 billion from \$7.71 billion during the same period of the previous year.
- The government notified three benefits from demonetization, which it announced on Nov 8, 2016, to put a check on black money circulation. The benefits are - increase in volume of digital transactions, widening of tax base and controlled circulation of high denomination currency notes.

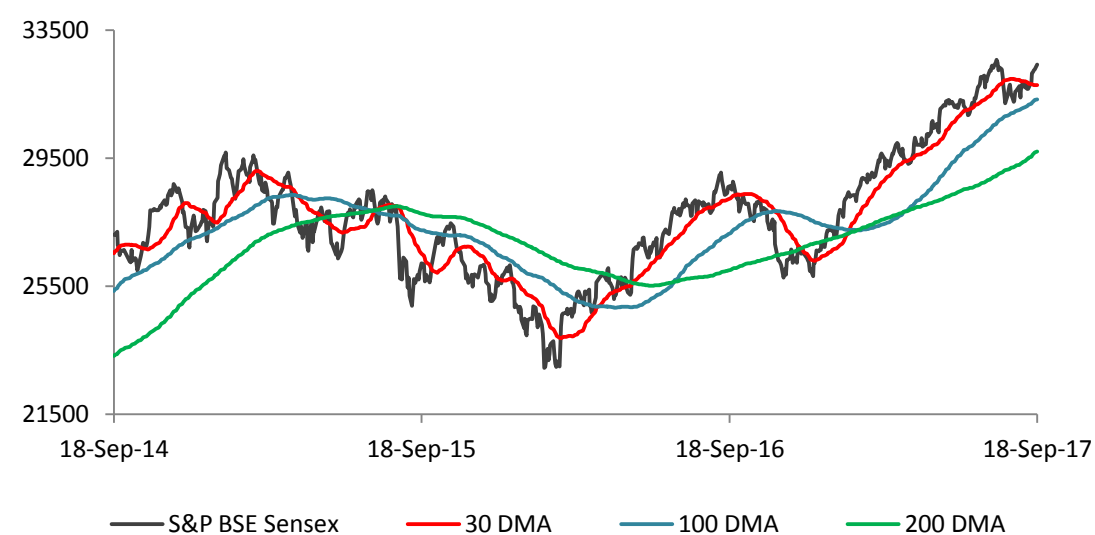
Global Equity Market

- As per the last close, U.S markets ended mostly higher amid hopes of easing of geopolitical concerns and hope that U.S Federal Reserve will keep interest rates low.
- As per the last close, European market ended higher amid easing of geopolitical concerns. Raise of Portugal's credit rating also boosted the indices.
- Asian markets gained ahead of the U.S. Federal Reserve and Bank of Japan's policy meetings scheduled during the week. Positive cues from overnight U.S. market also helped sentiment. Meanwhile, Japanese market remained closed on account of public holiday. Today (As of Sep 19), Asian markets opened mixed as investors remained watchful ahead of the Federal Open Market Committee's monetary policy meeting.

Indian Derivative Market

- Nifty Sep 2017 Futures were at 10,175.30, a premium of 22.20 points above the spot closing of 10,153.10. The turnover on NSE's Futures and Options segment went down from Rs. 4,10,128.92 crore on Sep 15 to Rs. 4,04,222.38 crore on Sep 18.
- The Put-Call ratio stood at 1.11 against previous session's close at 1.03.
- The Nifty Put-Call ratio stood at 1.61 against previous session's close at 1.53.
- India VIX moved down 2.01% to 11.4425 from 11.6775 in the previous trading session.
- The open interest on Nifty Futures stood at 21.70 million as against previous session's close of 22.03 million.

S&P BSE Sensex Moving Average



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Debt Market Update

Policy Rates (%)	18-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 (%)	18-Sep-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.00	5.99	6.49
CALL	5.94	5.84	5.86	6.46
CBLO	6.01	5.88	5.08	5.62
OIS- 1 Yr	6.15	6.12	6.16	6.47
OIS- 5 Yr	6.25	6.17	6.18	6.39

Liquidity Indicators (in Rs. Cr.)	18-Sep-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	42,871	28,948	49,756	56,142
Call Money	13,070	10,630	23,587	25,835
CBLO	123,865	120,912	68,777	52,107
LAF	18,397	-6,172	-25,783	4,987
Treasury Bills	4,167	3,788	2,086	694

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.61	6.60	0.18
06.79 GS 2029	26-Dec-29	6.90	6.88	0.33
06.68 GS 2031	17-Sep-31	6.72	6.72	-0.07
07.72 GS 2025	25-May-25	6.89	6.87	0.29
07.35 GS 2024	22-Jun-24	6.81	6.79	0.21

Certificate of Deposit (%)	18-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.14	6.14	6.19	6.60
6-Month	6.32	6.30	6.35	6.94
9-Month	6.41	6.40	6.41	7.08
12-Month	6.51	6.50	6.48	7.22

Commercial Paper (%)	18-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.66	6.66	6.55	6.96
6-Month	6.84	6.84	6.75	7.31
9-Month	6.92	6.92	6.85	7.44
12-Month	7.00	7.01	6.96	7.58

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 01, 2017)	6.50%
Deposit Growth (Sep 01, 2017)	9.60%

Indian Debt Market

- Bond yields rose after the Reserve Bank of India (RBI) announced open market sale of government securities on Sep 28, 2017, to absorb excess liquidity from the banking system resulting out of demonetisation.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 1 bps to close at 6.61% from the previous close at 6.60%. During the session, bond yields traded in the range of 6.59% and 6.62%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 18,397 crore (gross) on Sep 18 compared with borrowings of Rs. 10,214 crore (gross) on Sep 15. Sale of securities under RBI's reverse repo window stood at Rs. 11,246 crore on Sep 15.
- Banks borrowed Rs. 3,915 crore under the central bank's Marginal Standing Facility on Sep 15 as against borrowing of Rs. 62 crore on Sep 14.
- RBI announced the sell (issue/re-issue) of four dated securities namely 6.84% GS 2022, 6.68% GS 2031, 6.57% GS 2033 and 7.06% GS 2046 for an aggregate amount of Rs. 15,000 crore on Sep 22, 2017.
- RBI announced to conduct 7-day, 14-day and 28-day variable rate reverse repo auctions on Sep 19, 2017, for an aggregate amount of Rs. 30,000 crore.

Spread Analysis

- Yields on gilt securities increased across most of the maturities by up to 2 bps, barring 1- and 24-year papers that fell 1 bps each. Yield on 13- and 14-year maturities closed steady
- Corporate bond yields either fell by up to 2 bps or closed steady across maturities, barring 1- and 5-year maturities that increased 4 bps and 2 bps, respectively.
- Spread between AAA corporate bond and gilt contracted across the maturities by up to 3 bps, barring 1- and 5-year maturities that expanded 5 bps and 1 bps, respectively. Spread on 15-year paper closed steady.

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.
Treasury Bills	91-Days	10,000
Treasury Bills	182-Days	7,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	47.20	77.20	104.20
3 Yr	46.60	57.60	83.60
5 Yr	54.50	74.50	134.50
10 Yr	53.40	77.40	106.40

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)	1307	-0.95	1.75	1349	1128
Silver (\$/oz)	17	-2.10	1.64	20	16
NYMEX Crude(\$/bbl)	50	-0.04	2.66	54	42
Brent Crude(\$/bbl)	56	-1.80	10.06	58	41
Baltic Dry Index	1398	0.94	10.95	1398	685
RJ/CRB Index	184	-0.17	3.51	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,723	-0.68	2.02	31,316	27,172
Silver (1 kg)	40,118	-0.60	2.58	46,541	35,660
Crude Oil (1 bbl)	3,197	0.03	5.69	3,688	2,748
Natural Gas (1 mmbtu)	194	-1.47	2.98	693	172
Aluminium (1 kg)	132	-0.15	-1.93	135	104
Copper (1 kg)	417	-0.28	0.12	446	112
Nickel (1 kg)	710	0.71	3.24	803	561
Lead (1 kg)	152	2.16	-0.95	169	127
Zinc (1 kg)	199	2.16	-0.35	205	145
Mentha Oil (1 kg)	1,353	-0.70	-0.09	1,373	993
Cotton (1 bales)	19,630	0.05	-3.96	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	1.13	3.64	11.94	16.05	10.73	15.60
Small/Mid Cap	1.41	5.34	16.15	24.41	18.39	25.53
Diversified	1.21	3.96	13.63	18.66	12.40	17.27
Balanced	0.91	2.98	10.71	15.45	11.35	15.92
Banking	1.21	4.42	19.59	27.69	18.44	18.42
FMCG	0.07	1.30	12.41	16.93	14.71	16.46
Pharma	3.74	4.79	-7.50	-13.43	2.81	15.39
Technology	2.03	1.75	0.67	4.44	2.60	14.47
Infrastructure	1.20	4.72	16.41	26.29	13.47	16.59
Gold Funds	-1.29	1.42	3.08	-6.33	2.60	-2.52
Nifty 50	1.47	3.21	10.84	15.55	7.75	12.63
S&P BSE Sensex	1.70	2.85	9.36	13.30	6.14	11.87
S&P BSE 500	1.54	4.21	13.12	19.53	10.81	15.04
S&P BSE Midcap	1.41	5.80	15.81	23.15	17.71	20.34
CRISIL Balanced	0.90	2.18	9.06	13.32	9.02	11.76

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	6.03	6.02	6.36	6.39	7.33
Ultrashort Bond	3.88	5.86	7.41	7.07	7.72
Short-T Bond	-1.58	4.44	8.73	7.55	8.13
Long-T Bond	-5.23	3.15	9.63	8.03	8.55
Long T Govt Sec	-12.58	-0.77	10.61	8.53	8.53
Crisil Liquid	6.22	6.27	6.66	6.74	6.80
Crisil ST Bond	1.12	5.60	8.34	7.91	7.32
Crisil Composite	-8.04	3.11	11.27	8.68	7.23
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices moved down ahead of U.S. Federal Reserve's policy meeting, which would provide cues on the next rate hike and a plan to start reducing its balance sheet. Gold prices were last seen trading at \$1,315.35 per ounce, compared with the previous close of \$1,319.22 per ounce.
- Brent crude prices slipped amid profit booking. Oil prices were last seen trading at \$56.92 per barrel, compared with the previous close of \$57.27 per barrel.

International Market Update

- A preliminary report from the University of Michigan showed that U.S. consumer sentiment index fell to 95.3 in Sep 2017 from the final reading of 96.8 in Aug 2017.
- According to a report from the Federal Reserve, U.S. industrial production fell 0.9% in Aug 2017 as against a gain of 0.4% in Jul 2017. Hurricane Harvey is expected to have reduced the rate of change in total output by roughly three-quarters of a percentage point.
- According to the Commerce Department, U.S. business inventories grew 0.2% in Jul 2017 after a gain of 0.5% in Jun 2017. The number came in line with market expectations.
- According to final data from Eurostat, euro zone's inflation climbed to a four-month high to 1.5% YoY in Aug 2017 faster than 1.3% rise in Jul 2017. However, inflation continued to stay below the European Central Bank's target of below 2%. On a monthly basis, consumer prices rose 0.3% in Aug.

Mutual Fund & Insurance Update

- Edelweiss Mutual Fund has revised the scheme name of Edelweiss Treasury Fund and Edelweiss Short Term Income Fund with effect from Sep 18. Accordingly, the same stands revised as Edelweiss Ultra Short Term Fund and Edelweiss Short Term Fund, respectively.
- According to media reports, Life Insurance Council has collated data that showed the life insurance industry has drastically cut down its fresh exposure in equities by 57% during FY17 to Rs. 16,793 crore from Rs. 39,535 crore a year ago. The private sector life insurers have been a net seller in the equity market to the extent of Rs. 438 crore during this period. Correspondingly, the life insurers' investment in fixed income, where government securities are major components, grew 15% to Rs 21,67,143 crore in FY17 from Rs. 18,81,361 crore a year ago.
- According to media reports, the Initial Public Offer (IPO) of the two state-owned general insurance companies is likely to yield over Rs. 15,000 crore to the exchequer. Out of the five state-owned general insurance companies, New India Assurance (NIA) and GIC Re are preparing to launch IPO over the next few weeks. The government had estimated to raise about Rs. 11,000 crore by diluting its stake in the above mentioned insurance companies as part of disinvestment plans for the current fiscal.

Dividend Update

- Reliance Mutual Fund has announced Sep 22 as the record date for declaration of dividend under the dividend option of Reliance Top 200 Fund and Reliance Regular Savings Fund – Balanced Option. The rates of dividend are Re. 0.17 per unit and Re. 0.15 per unit.
- Canara Robeco Mutual Fund has announced Sep 22 as the record date for declaration of dividend under the dividend option of Canara Robeco Income Fund, Canara Robeco Monthly Income Plan, Canara Robeco Indigo Fund and Canara Robeco Yield Advantage Fund. The rates of dividend are Re. 0.20, Re. 0.30, Re. 0.15 and Re. 0.18 per unit, respectively.

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	64.13	0.09	-0.01	68.87	63.56
EUR/INR	76.68	0.17	1.73	77.38	67.92
YEN(100)/INR	57.50	-0.58	-2.02	66.80	56.22
SGD/INR	47.59	-0.12	1.23	49.50	45.58
EUR/USD	1.20	0.09	1.63	1.21	1.03
GBP/USD	1.35	-0.73	4.82	1.36	1.15
JPY/USD	0.01	-0.65	-2.14	0.01	0.01
SGD/USD	0.74	-0.19	1.13	0.69	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	64.20	0.02	118,305	-14.31
EUR/INR	76.82	0.14	1,221	-22.03
GBP/INR	86.94	-0.21	1,660	-2.81
JPY/INR	57.77	0.04	246	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.04	64.08	-0.06
GBP	87.08	86.12	1.12
EURO	76.49	76.40	0.12
100 Yen	57.57	57.92	-0.60

Currency Update

- The Indian rupee inched down against the dollar as greenback demand from state-run banks outweighed gains in the domestic equity market. The rupee inched down 0.09% to close at 64.13 per dollar, compared with the previous day's close at 64.07.
- Euro rose against the greenback as market participants remained on the sidelines ahead of the outcome of U.S. Federal Reserve's policy review meeting due later in the week. Euro was trading at \$1.1960, up 0.16% compared with the previous close of \$1.1941.

Global Economy

- According to a report from IHS Markit and market research company Ipsos Mori, U.K.'s Household Finance Index (seasonally adjusted) fell to 42.8 in Sep 2017 from 43.4 in Aug 2017. A score below 50 reflects pessimism regarding finances among the U.K. households. The index measuring the outlook for financial well-being over the next 12 months, inched up to 47.8 in Sep from 47.3 in Aug.
- According to property tracking website Rightmove, average asking price for a house in the U.K. dropped 1.2% MoM in Sep 2017 compared with a decline of 0.9% in Aug 2017.
- According to a report from the National Bureau of Statistics, house prices in China grew in 46 cities out of 70 surveyed by the government on MoM basis. While it fell in 18 cities, it remained flat in 6 cities. Prices had climbed in 56 cities in the previous month.

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	Money Supply	15-Sep-17
Index of Industrial Production (Jul)	12-Sep-17	Forex Reserves	22-Sep-17
Consumer Price Index (Aug)	12-Sep-17	Index of Eight Core Industries (Aug)	29-Sep-17

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