

September 26, 2017

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	31627	-0.93	0.10	32686	25718	23.54
Nifty 50	9873	-0.92	0.16	10179	7894	25.71
S&P BSE Midcap	15433	-1.14	1.18	16184	11449	38.93
S&P BSE 100	10253	-0.98	0.15	10608	8085	23.56
S&P BSE 200	4309	-1.07	0.33	4469	3379	24.54
Nifty Free Float	18151	-1.32	1.04	19200	13658	35.36
Midcap 100	8638	-1.14	0.38	8977	6712	29.74

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24109	-1.04	2.38	25054	19164	26.23
S&P BSE Metal	13174	-1.23	0.92	14296	9578	29.12
S&P BSE Oil	14837	-0.69	-0.16	15629	11098	12.55
S&P BSE Healthcare	13622	-1.75	2.99	16750	12513	31.24
S&P BSE IT	10007	-0.56	-0.14	10642	9123	16.07
S&P BSE CD	17512	-0.25	0.53	18447	10502	38.00
S&P BSE PSU	8339	-0.75	-2.66	9216	7173	19.49
S&P BSE FMCG	9926	-0.99	-0.92	10936	7653	39.91
S&P BSE CG	17465	-1.58	1.77	18625	13255	28.54
Nifty Bank	24165	-0.84	-0.45	25199	17607	27.25
S&P BSE Realty	2000	-3.46	-4.47	2253	1163	55.97

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	22296	-0.24	2.21	22420	17884	20.35
S&P 500	2497	-0.22	2.19	2509	2084	22.33
Nasdaq	6371	-0.88	1.68	6478	5034	23.90
FTSE 100	7301	-0.13	-1.35	7599	6677	21.55
CAC 40	5267	-0.27	3.19	5442	4343	16.29
DAX	12595	0.02	3.51	12952	10175	13.66
Nikkei	20398	0.50	4.86	20481	16112	17.04
Hang Seng	27500	-1.36	-1.25	28248	21489	13.40
Shanghai Comp.	3342	-0.33	0.30	3392	2969	15.21

F&O Trends	Px Last	Previous	Change %
Near Futures	9,878.65	9,982.95	-1.04
Near Basis	6.05	18.55	-67.39
Mid Futures	9,911.75	10,021.70	-1.10
Mid Basis	39.15	57.30	-31.68
Near Open Interest (Cr.)	1.95	2.05	-4.51
Mid Open Interest (Cr.)	0.44	0.26	67.76
Rollover (%)	19.69	12.70	54.98

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	10.21	6.47	-9.49	23.01	8.84
Nifty VIX	13.34	4.14	6.10	23.09	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FII</b>					
Equity	6843.09	5861.91	981.18	41234.19	
Debt	713.69	982.59	-268.90	132674.78	
<b>MF<sup>1</sup></b>					
Equity	716.67	414.33	302.34	78539.34	
Debt	2489.90	2777.56	-287.66	281734.60	

<sup>1</sup> As on 21<sup>st</sup> September 2017

## Indian Equity Market

- Indian equity markets fell for the fifth straight session following weak cues from the other regional peers, U.S. Federal Reserve's indication of probable rate hike by end of this year and lingering geopolitical tension between the U.S. and North Korea. Investors also remained concerned over increase in fiscal deficit, on expectations of probable fiscal stimulus measures by the government. Market participants were also cautious ahead of the September F&O expiry scheduled later during the week.
- While S&P BSE Sensex went down 0.93% to close at 31,626.63, Nifty 50 lost 0.92% to close at 9,872.60. S&P BSE MidCap and S&P BSE SmallCap lost 1.14% and 2.02%, respectively.
- On the BSE sectoral front, all indices closed in the negative. S&P BSE Realty (-3.46%) stood as the major loser followed by S&P BSE Basic Materials (-1.98%), S&P BSE Healthcare (-1.75%), S&P BSE CG (-1.58%), S&P BSE Industrials (-1.56%) and S&P BSE Consumer Discretionary Goods & Services (-1.35%).

## Indian Economy

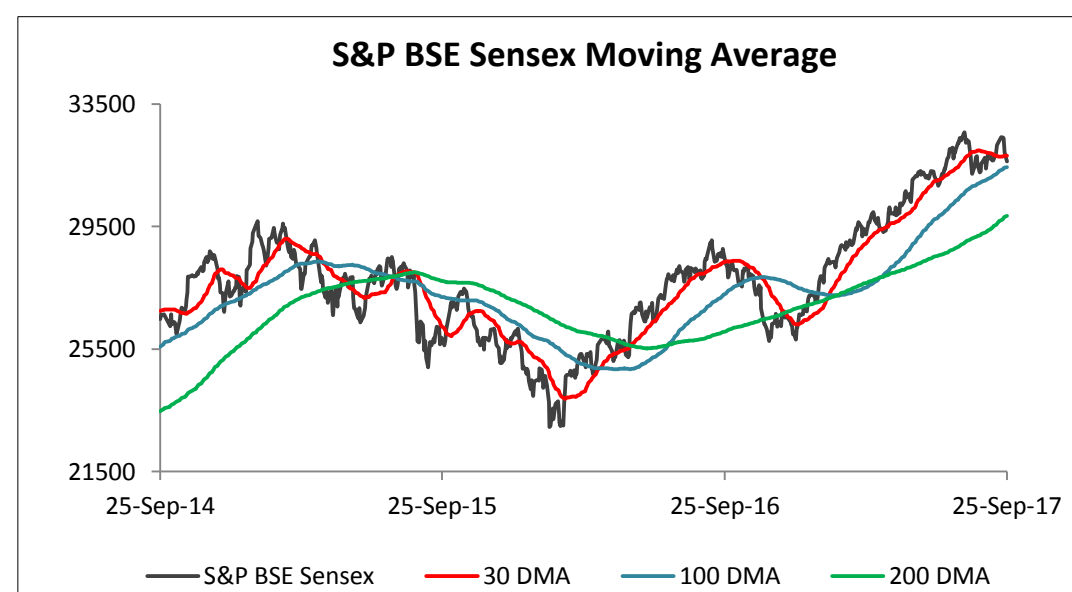
- According to a media report, government can announce Rs. 65,000 crore stimulus to revive the ailing Indian economy. The news comes a day after the finance minister indicated that the government may look to pump funds to stimulate the economy.
- According to the finance ministry, after the rate cut of 25 bps in the Aug 2017 monetary policy decision, there is scope of further rate cut in the upcoming bi-monthly monetary policy decision scheduled on Oct 4 as the retail inflation of the country continues to be low. The ministry added that the slowdown in the manufacturing sector is due to demonetisation and implementation of Goods and Service Tax (GST). However, once the effects of these fades down, the manufacturing sector is expected to pick up. Appreciation of rupee is also hindering the sector which is been looked after by the Reserve Bank of India.

## Global Equity Market

- As per the last close, U.S markets closed lower amid geopolitical tension .
- As per the last close, European market ended mostly lower as investors were cautious mood due to the results of the German election over the weekend. Increased geopolitical tension also weighed on the market.
- Most Asian markets closed lower due to persistent geopolitical concerns. Elections in Germany and New Zealand that made ground for political uncertainty also affected markets. However, Japanese index went up after data Japan's manufacturing sector grew in Sep 2017. Today (As of Sep 26), Asian markets opened lower amid increased geopolitical tension.

## Indian Derivative Market

- Nifty Sep 2017 Futures were at 9,878.65, a premium of 6.05 points above the spot closing of 9,872.60. The turnover on NSE's Futures and Options segment went up from Rs. 6,99,710.91 crore on Sep 22 to Rs. 7,76,571.78 crore on Sep 25.
- The Put-Call ratio stood at 0.91 against previous session's close at 0.94.
- The Nifty Put-Call ratio stood at 1.12 against previous session's close at 1.27.
- India VIX moved up 4.14% to 13.3400 from 12.8100 in the previous trading session.
- The open interest on Nifty Futures stood at 14.45 million as against previous session's close of 23.45 million.



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## Debt Market Update

Policy Rates (%)	25-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 (%)	25-Sep-17	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.00	6.00	6.05	6.55
CALL	5.90	5.94	5.90	6.42
CBLO	5.90	6.01	5.96	6.44
OIS- 1 Yr	6.12	6.15	6.17	6.44
OIS- 5 Yr	6.26	6.25	6.20	6.32

Liquidity Indicators (in Rs. Cr.)	25-Sep-17	Wk Ago	Mth Ago	Yr Ago
Govt Securities	50,126	42,871	36,130	88,617
Call Money	17,713	13,070	12,713	12,853
CBLO	129,270	123,865	125,477	95,009
LAF	2,163	13,937	-6,411	198
Treasury Bills	3,617	4,167	1,714	2,347

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
06.79 GS 2027	15-May-27	6.62	6.66	-0.67
06.79 GS 2029	26-Dec-29	6.91	6.95	-0.54
06.68 GS 2031	17-Sep-31	6.81	6.84	-0.45
07.72 GS 2025	25-May-25	6.93	6.95	-0.34
06.84 GS 2022	19-Dec-22	6.63	6.66	-0.38

Certificate of Deposit (%)	25-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.15	6.14	6.19	6.60
6-Month	6.33	6.32	6.36	6.89
9-Month	6.44	6.41	6.42	7.04
12-Month	6.54	6.51	6.49	7.20

Commercial Paper (%)	25-Sep-17	Wk Ago	Mth Ago	Yr Ago
3-Month	6.68	6.66	6.55	6.85
6-Month	6.86	6.84	6.73	7.20
9-Month	6.94	6.92	6.82	7.35
12-Month	7.03	7.00	6.93	7.51

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
6.84% GS 2022	3,000	3,000	6.68%
6.68% GS 2031	8,000	8,000	6.85%
6.57% GS 2033	2,000	2,000	7.08%
7.06% GS 2046	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 01, 2017)	6.50%
Deposit Growth (Sep 01, 2017)	9.60%

## Indian Debt Market

- Bond yields fell as investors resorted to value buying after a sharp fall in prices over the past few weeks. However, the medium-term outlook for bonds remained uncertain amid lack of clarity on whether government is planning a fiscal stimulus to boost the economy.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 4 bps to close at 6.62% from the previous close at 6.66%. During the session, bond yields traded in the range of 6.61% and 6.66%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,163 crore (gross) on Sep 25 compared with borrowings of Rs. 8,927 crore (gross) on Sep 22. Sale of securities under RBI's reverse repo window stood at Rs. 20,178 crore on Sep 22.
- Banks did not borrow under the central bank's Marginal Standing Facility on Sep 22 as against borrowing of Rs. 52 crore on Sep 21.
- RBI announced that it will conduct the auction of 5 to 20 years' state government securities for an aggregate amount of Rs. 22,500 crore on Sep 26, 2017. Uttar Pradesh and Maharashtra will have an option to retain an additional amount of Rs. 500 crore and Rs. 200 crore for the issuance of 5-year security, respectively.

## Spread Analysis

- Yields on gilt securities fell across the maturities in the range of 2 bps to 8 bps, barring 2- and 24-year maturities that increased 1 bps each. Yield on 15- and 19-year maturities closed steady.
- Corporate bond yields either closed steady or increased across the maturities by 1 bps, barring 2-, 3- and 15-year maturities that fell by up to 2 bps.
- Spread between AAA corporate bond and gilt expanded across the maturities by up to 8 bps, barring 15-year maturities that closed steady.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Sep 18-22	15,000	15,000	100.00%
Month: Sep 2017	63,000	48,000	76.19%
H1: Apr'17-Sep'17	372,000	353,784	95.10%

## 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	10,000
Treasury Bills	364 Days	6,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA+	AA
1 Yr	56.60	86.60	113.60
3 Yr	47.50	58.50	84.50
5 Yr	51.00	71.00	131.00
10 Yr	56.30	80.30	109.30

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)	1310	1.02	1.48	1349	1128
Silver (\$/oz)	17	1.35	0.77	19	16
NYMEX Crude(\$/bbl)	52	3.06	8.82	54	42
Brent Crude(\$/bbl)	61	2.21	15.24	61	41
Baltic Dry Index	1503	0.07	24.32	1503	685
RJ/CRB Index	185	0.57	3.81	195	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	29,713	0.55	2.89	31,305	27,172
Silver (1 kg)	39,391	0.46	1.75	46,031	35,660
Crude Oil (1 bbl)	3,291	0.89	6.02	3,688	2,748
Natural Gas (1 mmbtu)	192	1.10	2.34	693	172
Aluminium (1 kg)	138	-0.61	2.30	139	107
Copper (1 kg)	422	1.02	0.08	446	112
Nickel (1 kg)	674	-1.94	-9.61	803	561
Lead (1 kg)	163	1.24	9.15	169	127
Zinc (1 kg)	205	1.56	3.53	205	145
Mentha Oil (1 kg)	1,340	-0.24	-0.06	1,373	993
Cotton (1 bales)	18,740	-1.16	-7.91	22,500	18,240

## MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	-3.46	-0.07	8.48	11.06	10.63	14.49
Small/Mid Cap	-3.91	1.35	11.07	17.75	18.40	24.06
Diversified	-3.36	0.36	9.78	13.58	12.31	16.12
Balanced	-2.48	0.38	7.91	11.52	11.34	15.06
Banking	-4.31	-0.67	14.19	20.69	18.72	16.75
FMCG	-2.08	-0.58	9.88	15.38	13.46	15.79
Pharma	-0.63	2.74	-7.81	-14.44	3.29	15.32
Technology	-1.48	0.84	0.27	2.97	2.46	14.26
Infrastructure	-4.10	0.60	11.44	19.73	13.90	15.08
Gold Funds	-0.14	2.03	1.95	-7.52	2.84	-2.38
Nifty 50	-2.76	0.16	8.39	11.72	7.65	11.71
S&P BSE Sensex	-2.46	0.10	7.50	10.26	6.11	11.08
S&P BSE 500	-3.47	0.43	9.54	14.38	10.76	13.87
S&P BSE Midcap	-4.09	1.18	11.43	15.66	18.16	18.93
CRISIL Balanced	-1.80	0.19	7.25	10.67	8.94	11.14

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	6.06	6.03	6.35	6.38	7.33
Ultrashort Bond	3.42	5.30	7.21	6.97	7.71
Short-T Bond	-0.05	3.55	8.06	7.24	8.11
Long-T Bond	-1.39	2.39	8.59	7.59	8.51
Long T Govt Sec	-1.68	-0.15	9.15	7.81	8.51
Crisil Liquid	6.23	6.31	6.62	6.73	6.80
Crisil ST Bond	2.47	4.90	7.91	7.70	7.31
Crisil Composite	-0.66	2.54	9.95	8.17	7.22
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 investors awaited comments from the U.S. Federal Reserve (Fed) chief and a number of Fed officials, scheduled later during the week, for further insights on the policy stance of the U.S. central bank. Gold prices were last seen trading at \$1,294.00 per ounce, compared with the previous session's close at \$1,296.98 per ounce.
- Brent crude prices traded higher following the outcome of the Organization of the Petroleum Exporting Countries (OPEC)-led committee meeting, which showed strong compliance of OPEC and non-OPEC members to curb oil production. Oil prices were last seen trading at \$59.81 per barrel, compared with the previous close of \$59.20 per barrel.

## International Market Update

- According to the Financial Policy Committee of the Bank of England, there is little risk in the continuous growth of U.K. consumer credit. According to the committee, lenders are placing too much weight on the recent performance of consumer lending in benign conditions as an indicator of underlying credit quality and therefore warned banking system would incur around GBP 30 billion losses in three years in the event of a recession. The committee will therefore set capital buffer for banks so that they can absorb the losses on consumer lending.
- Japan's Government maintained its economic assessment for Sep 2017 as the country's economy is on a moderate recovery. The government retained its view on private consumption, business investment, exports, industrial production, corporate profits and employment situation. The government expects that the policies implemented by them will lead to recovery of Japan.

## Mutual Fund & Insurance Update

- According to media reports, data from the Association of mutual funds in India (AMFI) showed that mutual fund industry has added 7,846 new distributors for the period Jan to Aug 2017. As a result, the number of total individual ARN distributors was at 75,866 as on Aug 2017. The growing popularity of mutual funds has attracted many people to opt mutual fund distributor. The data shows that the total number of mutual fund distributors registered with AMFI including non-individual ARN holders increased by 9,684 to 92,565 in 2017.
- As per media reports, the Insurance Regulatory and Development Authority of India has issued a circular instructing life insurance companies to follow a standard practice in times of death claims data communication in their advertisements. Companies can now only publish annual figures of death claims paid ratios based on the number of policies.

## Dividend Update

- Reliance Mutual Fund has announced Sep 29 as the record date for declaration of dividend under the dividend option of Reliance Tax Saver (ELSS) Fund. The rate of dividend is Re. 0.6000 per unit.
- Reliance Mutual Fund has announced Sep 28 as the record date for declaration of dividend under the dividend option of Reliance Fixed Horizon Fund XXVII -Series 5 and Series 7 and Reliance Fixed Horizon Fund XXXII -Series 8.
- Sundaram Mutual Fund has announced Sep 25 as the record date for declaration of dividend under the dividend option of Sundaram Select Midcap and Sundaram Balanced Fund. The rates of dividend are Re. 0.20 per unit and Re. 0.125 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	65.10	0.48	1.67	68.87	63.56
EUR/INR	77.14	-0.33	1.10	77.89	67.92
YEN(100)/INR	58.28	0.74	-0.41	66.61	56.22
SGD/INR	48.20	0.15	2.12	49.11	45.58
EUR/USD	1.18	-0.89	-0.65	1.21	1.03
GBP/USD	1.35	-0.19	4.51	1.37	1.15
JPY/USD	0.01	0.22	-2.13	0.01	0.01
SGD/USD	0.74	-0.39	0.36	0.69	0.75

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	65.18	0.52	137,176	1.19
EUR/INR	77.38	-0.34	995	-18.11
GBP/INR	87.88	-0.10	1,613	-0.55
JPY/INR	58.13	0.30	274	4.58

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	64.84	64.96	-0.19
GBP	87.94	88.31	-0.42
EURO	77.30	77.76	-0.58
100 Yen	57.75	57.99	-0.41

## Currency Update

- The Indian rupee rose initially against the greenback following selling of the U.S. dollar by foreign banks. However, the trend reversed following losses in the domestic equity market. Month-end dollar demand from oil importers also weighed on the domestic currency. The rupee fell 0.48% to close at 65.10 per dollar, compared with the previous day's close at 64.79.
- Euro weakened against the U.S. dollar after the outcome of the German election resulted in political uncertainty and shifted market participants' focus towards other political events in Europe, particularly an independence referendum in Catalonia on Oct 1 and Italian elections next year. Euro was trading at \$1.1885, down 0.56% compared with the previous close of \$1.1952.

## Global Economy

- According to Nikkei, Japan's manufacturing Purchasing Managers' Index (PMI) score was 52.6 in Sep 2017, up from 52.2 in Aug 2017. The upside was driven by expansion in output, new orders, new export orders and input prices increased accelerated, while employment and output prices continued to expand but at a slower rate.
- A report from the Cabinet Office showed that Japan's leading index that measures the future economic activity came in at 105.2 in Jul 2017, down from 105.7 in Jun 2017. The score came in less than initial expectations. Meanwhile, the coincident index that measures the current economic activity fell to 115.7 in Jul from 116.8 in Jun.

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

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