

June 13, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	35693	0.59	0.44	36444	30681	23.51
Nifty 50	10843	0.52	0.34	11172	9449	27.60
S&P BSE Midcap	16151	0.90	-1.18	18321	14376	34.72
S&P BSE 100	11154	0.53	0.17	11595	9774	22.70
S&P BSE 200	4698	0.55	0.03	4894	4113	23.95
Nifty Midcap 100	18986	0.85	-2.67	28895	17056	53.34
Nifty 500	9386	0.58	-0.32	10208	8249	31.84

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	25000	0.04	-1.11	27031	23112	23.63
S&P BSE Metal	13729	-0.56	-2.29	16121	10845	9.98
S&P BSE Oil	14657	0.28	-0.64	16727	13097	11.28
S&P BSE Healthcare	13756	1.94	2.89	15249	12513	31.16
S&P BSE IT	13663	0.59	3.49	13740	9725	19.11
S&P BSE CD	20697	0.35	-5.77	24238	15571	40.27
S&P BSE PSU	7913	0.71	0.92	9657	7528	35.90
S&P BSE FMCG	11328	0.73	1.03	11413	9655	49.46
S&P BSE CG	18757	1.19	-2.41	20883	16719	32.35
Nifty Bank	26607	0.58	0.73	27652	22996	34.72
S&P BSE Realty	2207	0.31	-5.53	2828	1926	14.69

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	25321	-0.01	1.97	26617	21197	20.92
S&P 500	2787	0.17	2.17	2873	2406	22.13
Nasdaq	7704	0.57	4.06	7708	6082	18.44
FTSE 100	7704	-0.43	-0.27	7904	6867	13.22
CAC 40	5453	-0.38	-1.60	5657	4995	16.72
DAX	12842	0.00	-1.22	13597	11727	13.31
Nikkei	22878	0.33	0.53	24129	19240	17.07
Hang Seng	31103	0.13	-0.06	33484	25200	12.22
Shanghai Comp.	3080	0.89	-2.64	3587	3034	13.22

F&O Trends	Px Last	Previous	Change %
Near Futures	10,839.00	10,785.80	0.49
Near Basis	-3.80	-1.15	230.43
Mid Futures	10,850.90	10,797.60	0.49
Mid Basis	8.00	10.65	-24.88
Near Open Interest (Cr.)	2.37	2.32	2.13
Mid Open Interest (Cr.)	0.09	0.08	6.54
Rollover (%)	4.05	3.85	5.05

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	12.34	-0.08	-2.45	50.30	8.56
Nifty VIX	12.73	-3.41	-8.93	24.04	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs					
Equity		4011.09	5205.52	-1194.43	-3129.11
Debt		389.87	1342.83	-952.96	-32048.70
MF¹					
Equity		2075.86	2163.59	-87.73	60484.97
Debt		13453.81	7422.25	6031.56	113550.97

¹ As on 8th June 2018

Indian Equity Market

- Indian equity markets witnessed gains following the U.S.-North Korea summit in Singapore which ended on a positive note and investors expect a more cordial relationship between the nations. Market participants will now shift their focus towards upcoming key domestic economic data that includes Consumer Price Index (CPI) and Index of Industrial Production (IIP) data, scheduled post market hours on Jun 12 and the Wholesale Price Index (WPI) inflation data due on Jun 14. Upcoming U.S. Federal Reserve's (Fed) policy review kept investors wary.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.59% and 0.52% to close at 35,692.52 and 10,842.85, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap gained 0.90% and 0.54% respectively.

Indian Economy

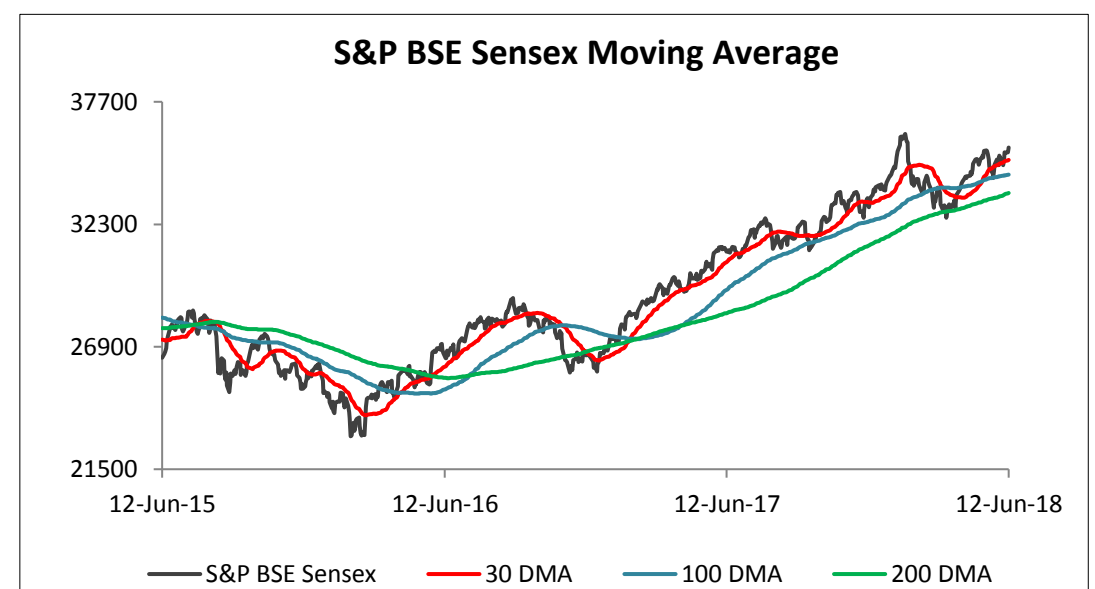
- The Consumer Price Index (CPI)-based inflation or retail inflation grew 4.87% in May 2018, up from 4.58% in Apr 2018 and from 2.18% in May 2017. This marked a four-month high. The increase reflects increase in prices of fruits and vegetables by 12.33% and 8.04%, respectively. However, prices of pulses and products, sugar and confectionery, declined 11.57% and 8.12%, respectively. The retail inflation growth remained above the Reserve Bank of India's medium-term target of 4% for the seventh consecutive month.
- India's Index of Industrial Production (IIP) grew 4.9% in Apr 2018 as against upwardly revised growth of 4.6% (4.4% originally reported) in Mar 2018 and 3.2% in Apr 2017. The manufacturing sector surged 5.2% in Apr 2018 as against 2.9% growth in Apr 2017. Meanwhile, the mining sector surged 5.1% in Apr 2018 following 3.0% growth in Apr 2017.

Global Equity Market

- As per the last close, U.S markets closed little changed as investors were awaiting policy decisions from the U.S. Federal Reserve and European Central Bank scheduled this week.
- As per the last close, European markets closed lower as investors were cautious ahead of Brexit vote in the House of Commons and policy decisions from the U.S. Federal Reserve and European Central Bank scheduled this week.
- Asian markets closed in the green as the highly anticipated North Korea-U.S. Summit culminated in both leaders agreeing to work together to "build a lasting and stable peace regime on the Korean Peninsula". Today (as of Jun 13), Asian markets opened mixed as investors were cautious ahead of policy decisions from key central banks this week.

Indian Derivative Market

- Nifty June 2018 Futures were at 10839.05 points, a discount of 3.80 points, over the spot closing of 10,842.85. The turnover on NSE's Futures and Options segment went up to Rs. 6,13,694.61 crore on June 12 from Rs. 5,40,038.38 crore on June 11.
- The Put-Call ratio stood at 0.88 against previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.59 against the previous session's close of 1.49.
- India VIX moved down 2.59% to 12.8375 from 13.1800 in the previous trading session.
- Open interest on Nifty Futures stood at 24.73 million as against the previous session's close at 24.17 million.



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Debt Market Update

Policy Rates (%)	12-Jun-18	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	6.00	5.75	5.75	6.00
Repo	6.25	6.00	6.00	6.25
CRR	4.00	4.00	4.00	4.00
SLR	19.50	19.50	19.50	20.50
Bank Rate	6.50	6.25	6.25	6.50

Daily Rates (%)	12-Jun-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.21	5.99	6.03	6.25
CALL	6.10	5.89	5.92	6.04
CBLO	6.12	5.70	5.36	6.18
OIS- 1 Yr	6.87	6.80	6.63	6.26
OIS- 5 Yr	7.29	7.16	7.10	6.28

Liquidity Indicators (in Rs. Cr.)	12-Jun-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	21,448	21,761	19,290	45,471
Call Money	15,989	15,927	21,629	11,066
CBLO	117,133	120,328	68,960	101,870
LAF	3,728	-76,516	-26,719	-9,697
Treasury Bills	1,792	2,183	554	5,695

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.97	7.96	0.04
06.68 GS 2031	17-Sep-31	8.13	8.13	-0.01
06.84 GS 2022	19-Dec-22	8.01	7.99	0.23
07.59 GS 2026	11-Jan-26	8.18	8.18	0.07
06.90 GS 2019	13-Jul-19	7.20	7.22	-0.31

Certificate of Deposit (%)	12-Jun-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.17	7.91	7.45	6.37
6-Month	7.42	8.24	7.98	6.54
9-Month	7.80	8.04	7.93	6.62
12-Month	8.40	8.26	7.94	6.70

Commercial Paper (%)	12-Jun-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.75	8.10	7.95	6.68
6-Month	8.20	8.60	8.00	6.91
12-Month	8.45	8.75	8.40	7.21

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
06.84% GS 2022	3,000	3,000	8.01%
07.17% GS 2028	4,000	4,000	7.95%
07.40% GS 2035	2,000	2,000	8.15%
08.13% GS 2045	3,000	3,000	8.10%

Key Indicators	
GDP (Q4 FY'18)	7.70%
Manufacturing PMI May'18	51.20
Current Account Deficit (Q3 of FY18, in \$ Billion)	13.50
Fiscal Deficit (FY 2018, as a % of GDP)	3.53%
Credit Growth (May 25,2018)	13.10%
Deposit Growth (May 25,2018)	8.50%

Indian Debt Market

- Bond yields rose marginally as investors postponed purchases due to fear of acceleration in retail inflation in May that is due after market hours. Investors also awaited cues from the U.S. Federal Reserve's two-day monetary policy meeting that starts on May 12.
- Yield on the 10-year benchmark paper (7.17% GS 2028) increased 1 bps to close at 7.97% from the previous close of 7.96%. During the session, bond yields traded in the range of 7.96% and 7.99%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,728 crore (gross) on Jun 12, same as Jun 11. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 15,386 crore on Jun 11.
- Banks borrowed Rs. 15 crore under the central bank's Marginal Standing Facility on Jun 11 as compared with borrowing of Rs. 1,150 crore on Jun 8.
- RBI conducted a 14-day variable rate reverse repo auction for a notified amount of Rs. 22,500 crore for which Rs. 7,450 crore was allotted at a cut-off rate of 6.26%.
- RBI conducted auction of state development loans of six state governments for a notified amount of Rs. 5,000 crore for which only Jammu & Kashmir and Punjab accepted Rs. 500 each at cut-off rate of 8.61% and 8.62%, respectively. Andhra Pradesh, Assam, Maharashtra and Tamil Nadu have rejected the entire amount in the auction.

Spread Analysis

- Yields on gilt securities fell on 14- to 30-year papers by 1 bps each while 3-, 10- and 13-year papers remained flat. Remaining securities increased by up to 2 bps.
- Corporate bond yields increased on 4- to 10-year papers in the range of 2 to 4 bps, leaving 15-year paper that was flat. Remaining securities fell by up to 4 bps.
- Spread between AAA corporate bond and gilt expanded on 4- to 9-year papers by up to 3 bps, leaving 10- and 15-year papers that remained flat. Remaining securities contracted in the range of 2 to 5 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jun 04-08	12,000	12,000	100.00%
Month: Jun 2018	48,000	24,000	50.00%
H1: Apr'18-Sep'18	288,000	120,000	41.67%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'19	Completed H1'19
1 to 9 Yrs	33.33%	31.25%
10 to 14 Yrs	29.17%	42.86%
Long Dated (above 14 Yrs)	37.50%	38.89%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bills	091-Days	7,000
Treasury Bills	182-Days	4,000
Treasury Bills	364-Days	4,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA	A
1 Yr	124.47	151.10	209.74
3 Yr	72.86	102.96	211.10
5 Yr	61.97	98.73	270.92
10 Yr	68.58	120.93	224.28

Key Indicators	Current	Previous
WPI (Apr'18)	3.18%	2.47%
CPI (May'18)	4.87%	4.58%
IIP (Apr'18)	4.90%	4.60%
Trade Deficit(In \$ billion-Apr18)	13.72	13.69

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1296	-0.32	-1.68	1358	1213
Silver (\$/oz)	17	-0.19	1.41	18	16
NYMEX Crude(\$/bbl)	66	0.42	-6.03	72	42
Brent Crude(\$/bbl)	74	0.38	-5.63	81	43
Baltic Dry Index	1390	0.22	-5.57	1743	820
RJ/CRB Index	200	0.38	-1.68	206	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,858	0.25	-1.66	31,427	27,719
Silver (1 kg)	40,388	0.56	1.77	41,097	35,660
Crude Oil (1 bbl)	4,451	0.27	-7.43	4,919	2,748
Natural Gas (1 mmbtu)	199	1.79	4.75	223	164
Aluminium (1 kg)	156	0.58	1.93	171	120
Copper (1 kg)	484	-1.58	4.67	491	134
Nickel (1 kg)	1,032	0.09	10.34	1,055	178
Lead (1 kg)	166	-0.72	5.78	172	131
Zinc (1 kg)	218	0.46	5.24	1,783	157
Mentha Oil (1 kg)	1,273	-3.36	-14.80	2,158	993
Cotton (1 bales)	22,660	0.71	12.68	22,700	18,060

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	2.47	0.20	2.60	9.23	10.46	15.48
Small/Mid Cap	3.59	-2.78	-2.82	9.27	16.03	26.04
Diversified	2.59	-0.60	0.46	9.26	11.71	17.36
Balanced	1.97	-0.56	0.79	7.84	10.63	15.68
Banking	2.32	0.04	2.38	9.03	15.26	17.41
FMCG	1.49	-2.50	3.31	16.24	17.11	15.73
Pharma	6.09	-1.34	-4.58	-0.98	-1.25	12.32
Technology	3.84	2.08	23.05	37.21	12.62	20.81
Infrastructure	3.27	-3.98	-7.09	6.42	11.46	18.61
Gold Funds	0.64	-1.67	8.26	4.89	3.57	0.84
Nifty 50	2.36	0.34	5.89	12.75	10.74	13.48
S&P BSE Sensex	2.26	0.44	7.42	14.78	10.53	13.38
S&P BSE 500	2.97	-0.37	2.66	11.94	12.62	15.72
S&P BSE Midcap	3.97	-1.18	-4.62	9.16	16.84	21.12
CRISIL Balanced	1.57	-0.11	2.55	9.14	11.61	13.63

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	7.46	6.79	6.70	6.59	7.30
Ultrashort Bond	7.62	5.41	5.62	6.02	7.62
Short-T Bond	-0.97	0.86	2.84	3.92	7.63
Long-T Bond	-10.72	-2.43	1.14	2.31	7.69
Long T Govt Sec	-24.35	-5.69	-2.03	-1.60	7.68
Crisil Liquid	9.31	7.63	7.13	6.94	6.81
Crisil ST Bond	-1.48	1.33	3.23	4.34	7.14
Crisil Composite	-29.94	-8.38	-1.51	0.65	6.82
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 due to lack of specific development from the meeting between U.S. President and North Korean leader. Gold prices were last seen trading at \$1298.60 per ounce, compared with the previous close of \$1299.74 per ounce.
- Brent Crude prices traded lower after the Organization of the Petroleum Exporting Countries (OPEC) stated that there is high degree of uncertainty in the global market in 2018. Oil prices were last seen trading at \$73.44 per barrel, compared with the previous close of \$73.67 per barrel.

International Market Update

- A report from the Ministry of Economy, Trade and Industry showed that Japan's tertiary activity index grew 1.4% MoM in Apr 2018 as against a decline of 0.3% in Mar 2018. Tertiary activity index on a yearly basis increased 1.4% in Apr as against a gain of 0.9% in Mar.
- A report from the Bank of Japan showed that Japan's producer prices grew 0.6% on month in May 2018 as against upwardly revised gain of 0.2% (0.1% originally reported) in April 2018. Japan's producer prices grew 2.7% on yearly basis in May as against upwardly revised gain of 2.1% (2% originally reported) in Apr.

Mutual Fund & Insurance Update

- HDFC Mutual Fund has decided to change the exit load structure of HDFC Multi Asset Fund and accordingly, 15% of the units ('the limit') may be redeemed without any exit load from the date of allotment and exit load of 1.00% is payable if units are redeemed within 12 months from the date of allotment above the limit. No exit load is payable if units are redeemed after 12 months from the date of allotment. It has also changed the exit load structure of HDFC Retirement Savings Fund and no exit load will be charged upon completion of the lock-in period. The change would become effective from Jun 15, 2018.
- Franklin India Mutual Fund has decided to change the exit load structure of Franklin India Corporate Debt Fund. Accordingly, no exit load will be charged instead of earlier exit load of 0.5%, if redeemed/switched-out within one year of allotment. The change has become effective from Jun 11, 2018.
- Bombay Stock Exchange (BSE) and U.S.-based insurance exchange Ebixis are set to launch an insurance distribution platform soon. According to BSE chief, they are waiting for approval from the Insurance Regulatory and Development Authority of India (IRDA). The chief expects approval anytime soon to launch the platform in the next few months.

Dividend Update

- Invesco Mutual Fund has announced Jun 15 as the record date for declaration of dividend under the quarterly dividend option of Invesco India Gilt Fund and Invesco India Ultra Short Term Fund. The rate of dividend of Invesco India Gilt Fund is Rs. 9.4974 per unit. In case of Invesco India Ultra Short Term Fund, the dividend rates are Rs. 117.1804 per unit (regular) and Rs. 18.4397 per unit (direct).

NFO Update

- Invesco Mutual Fund has extended the closing date of the New Fund Offer period of Invesco India Fixed Maturity Plan - Series 31 - Plan E, from Jun 11, 2018 to Jun 18, 2018.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	67.48	4.79	0.23	68.46	63.24
EUR/INR	79.24	-0.32	-1.49	81.66	71.74
YEN(100)/INR	61.12	-0.29	-0.71	62.75	55.87
SGD/INR	50.46	-0.14	0.12	51.05	46.35
EUR/USD	1.17	-0.33	-1.67	1.26	1.11
GBP/USD	1.34	-0.02	-1.26	1.44	1.26
JPY/USD	0.01	-0.31	-0.89	0.01	0.01
SGD/USD	0.75	-0.10	-0.01	0.72	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	67.59	0.04	38,392	1.13
EUR/INR	79.47	-0.32	323	2.22
GBP/INR	90.56	0.29	752	0.40
JPY/INR	61.26	-0.38	87	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	67.46	67.34	0.18
GBP	90.06	90.37	-0.34
EURO	79.35	79.52	-0.22
100 Yen	61.10	61.24	-0.23

Currency Update

- The Indian rupee fell against the U.S. dollar as market participants remained cautious ahead of monetary policy decisions of key central banks including the U.S. Federal Reserve. The rupee fell 0.09% to close at 67.48 per dollar from the previous close of 67.42.
- Euro changed little against the U.S. dollar as market participants remained cautious ahead of monetary policy decisions of the U.S. Federal Reserve and European Central Bank this week. Euro was last seen trading at \$1.1788 compared with the previous close of \$1.1782.

Global Economy

- A report from the Centre for European Economic Research showed that ZEW Indicator of Economic Sentiment for Germany fell 7.9 points in Jun 2018 and came in at -16.1 points. This marked the lowest reading since Sep 2012. The current conditions index of the survey fell 6.8 points to 80.6 points.
- According to a report from the Office for National Statistics, U.K.'s ILO jobless rate remained unchanged at 4.2% in the three months ended Apr 2018. However, it was down from 4.6% a year ago. This marked the lowest rate since 1975. Meanwhile, the employment rate was 75.6%, higher than a year earlier.
- According to a report from Destatis, Germany's business insolvencies came in at 5,020. This marked a decline of 3% in business insolvencies in the first quarter of 2018 compared with same period of 2017 according to German local courts. There were 902 and 883 bankruptcy filings in the construction and commercial sector, respectively.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (May 18)	01-Jun-18	Index of Industrial Production (Apr 18)	12-Jun-18
Nikkei India Services PMI (May 18)	05-Jun-18	Wholesale Price Index (May 18)	14-Jun-18
MPC Second Bi-monthly Monetary Policy Statement	06-Jun-18	Forex Reserves	15-Jun-18
Consumer Price Index (May 18)	12-Jun-18	Index of Eight Core Industries (May 18)	02-Jul-18

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