

June 21, 2018

## Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	35547	0.74	2.01	36444	30681	22.80
Nifty 50	10772	0.58	1.66	11172	9449	26.52
S&P BSE Midcap	15852	0.23	-0.28	18321	14376	34.17
S&P BSE 100	11073	0.53	1.57	11595	9774	22.58
S&P BSE 200	4655	0.48	1.25	4894	4113	23.87
Nifty Midcap 100	18613	0.51	-1.47	28895	17056	50.32
Nifty 500	9276	0.45	0.73	10208	8249	30.52

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	24779	0.45	1.77	27031	23112	23.40
S&P BSE Metal	13093	1.09	-3.84	16121	10845	9.49
S&P BSE Oil	14359	-0.27	0.42	16727	13097	10.89
S&P BSE Healthcare	14272	0.32	9.63	15249	12513	32.24
S&P BSE IT	13649	-0.17	3.37	14071	9725	18.89
S&P BSE CD	20296	0.53	-5.81	24238	15571	37.33
S&P BSE PSU	7638	-0.27	0.77	9657	7528	34.11
S&P BSE FMCG	11105	-0.36	-2.08	11413	9655	48.46
S&P BSE CG	17967	-0.28	-2.56	20883	16719	29.10
Nifty Bank	26558	1.11	2.64	27652	22996	34.65
S&P BSE Realty	2169	0.83	-5.47	2828	1926	11.95

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24658	-0.17	-0.23	26617	21197	20.41
S&P 500	2767	0.17	2.00	2873	2406	22.08
Nasdaq	7782	0.72	5.81	7807	6082	19.40
FTSE 100	7627	0.31	-1.95	7904	6867	13.08
CAC 40	5372	-0.34	-4.31	5657	4995	16.62
DAX	12695	0.14	-2.93	13597	11727	13.13
Nikkei	22555	1.24	-1.64	24129	19240	16.84
Hang Seng	29696	0.77	-4.35	33484	25200	11.66
Shanghai Comp.	2916	0.27	-8.69	3587	2871	12.67

F&O Trends	Px Last	Previous	Change %
Near Futures	10,790.70	10,719.90	0.66
Near Basis	18.60	9.40	97.87
Mid Futures	10,796.30	10,729.40	0.62
Mid Basis	24.20	18.95	27.70
Near Open Interest (Cr.)	2.46	2.47	-0.70
Mid Open Interest (Cr.)	0.13	0.11	17.41
Rollover (%)	5.48	4.73	15.75

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	12.79	-4.19	-4.69	50.30	8.56
Nifty VIX	12.17	-5.79	-13.98	24.04	8.76

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
<b>FIIs</b>					
Equity		4504.05	5914.85	-1410.80	-5506.24
Debt		569.60	1102.56	-532.96	-36888.67
<b>MF<sup>1</sup></b>					
Equity		1942.59	1521.23	421.36	62860.40
Debt		8500.74	8578.90	-78.16	122470.97

<sup>1</sup>As on 18<sup>th</sup> June 2018

## Indian Equity Market

- Indian equity markets edged up as concerns over U.S. and China trade war eased to some extent after media reports suggested that China may announce policy stimulus to mitigate the negative impact of trade policies. Meanwhile, market participants keenly awaited the minutes of the Monetary Policy Committee's latest policy meeting.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 0.74% and 0.58% to close at 35,547.33 and 10,772.05, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.23% and 0.27%, respectively.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Metal was the top gainer, up 1.09%, followed by S&P BSE Bankex and S&P BSE Energy, which rose 1.04% and 1.02%, respectively.

## Indian Economy

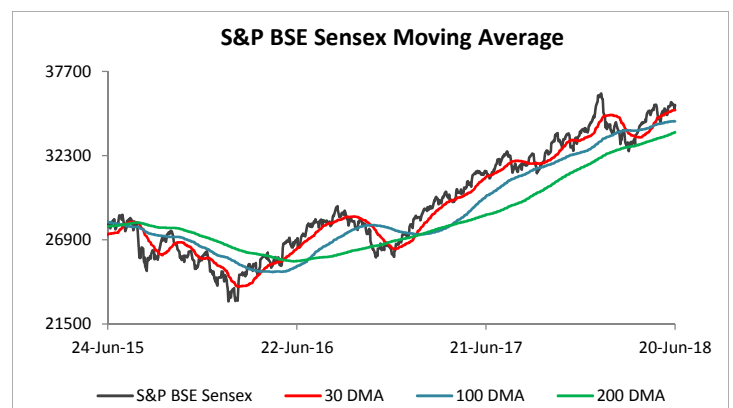
- The Securities and Exchange Board of India (SEBI) is planning to refurbish Initial Public Offering (IPO) norms in order to lower any possible misuse. The norms would include recognizing a wider set of institutional investors such as alternative investment funds (AIFs), requiring financial disclosures for three years from five currently and lowering disclosure of the price band to two days before the issue opens from the current norm of five days. The SEBI board would meet on Jun 21 to discuss the changes.
- The government plans to build 30 GW offshore wind capacity by 2030. The move is expected to place India among leading markets in the segment. The Minister for Power and New & Renewable Energy stated that India's target of achieving 175 GW renewable energy target by 2022 is expected to exceed by additional 50 GW within the same time period.

## Global Equity Market

- As per the last close, U.S markets closed mixed due to rise in technology index but saw decline in a Multinational Conglomerate Company and a major fast food chain prices.
- As per the last close, European markets rose marginally as market participants bought stocks at lower prices.
- Asian markets mostly gained ahead of the monetary policy meeting of the Bank of England and a key meeting between the OPEC and Russia. Chinese market gained as the Chinese central bank injected funds into the financial system via its medium-term lending facility to offset liquidity. Today (as of June 21), Asian markets opened mostly positive despite mixed close on the Wall Street Overnight.

## Indian Derivative Market

- Nifty Jun 2018 Futures were at 10790.65 points, a premium of 18.60 points, above the spot closing of 10,772.05. The turnover on NSE's Futures and Options segment went up to Rs. 8,87,651.18 crore on Jun 20 from Rs. 6,67,240.74 crore on Jun 19.
- The Put-Call ratio stood at 0.94 against previous session's close of 0.95.
- The Nifty Put-Call ratio stood at 1.56 against the previous session's close of 1.47.
- India VIX moved down 5.08% to 12.2625 from 12.9200 in the previous trading session.
- Open interest on Nifty Futures stood at 26.00 million as against the previous session's close of 25.97 million.



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## Debt Market Update

Policy Rates (%)	20-Jun-18	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	6.00	6.00	5.75	6.00
Repo	6.25	6.25	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	6.50	6.25	6.50

Daily Rates (%)	20-Jun-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.30	6.25	6.04	6.25
CALL	6.24	6.08	5.97	6.08
CBLO	6.28	6.14	5.98	6.20
OIS- 1 Yr	6.85	6.87	6.79	6.22
OIS- 5 Yr	7.24	7.29	7.23	6.24

Liquidity Indicators (in Rs. Cr.)	20-Jun-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	27,777	27,689	37,693	55,434
Call Money	18,718	13,227	16,037	12,616
CBLO	121,178	126,711	107,764	113,415
LAF	19,796	-4,938	1,261	-2,655
Treasury Bills	9,931	5,126	421	2,478

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.83	7.86	-0.45
06.68 GS 2031	17-Sep-31	8.00	8.04	-0.42
06.84 GS 2022	19-Dec-22	7.88	7.91	-0.41
07.59 GS 2026	11-Jan-26	8.05	8.07	-0.21
07.61 GS 2030	09-May-30	8.09	8.07	0.17

Certificate of Deposit (%)	20-Jun-18	Wk Ago	Mth Ago	Yr Ago
3-Month	6.89	7.16	7.70	6.35
6-Month	7.37	7.46	7.77	6.49
9-Month	7.63	7.91	8.00	6.58
12-Month	8.10	8.44	8.14	6.66

Commercial Paper (%)	20-Jun-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.55	7.75	8.30	6.70
6-Month	7.90	8.10	8.50	6.91
12-Month	8.55	8.50	8.70	7.18

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91 Days T-Bills	7,000	7,000	6.48%
182 Days T-Bills	4,000	4,000	6.89%
364 Days T-Bills	4,000	4,000	7.10%

Key Indicators	
GDP (Q4 FY'18)	7.70%
Manufacturing PMI May'18	51.20
Current Account Deficit (Q4 of FY18, in \$ Billion)	13.00
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 fell after the Reserve Bank of India (RBI) announced to buy government securities to the tune of Rs. 10,000 crore through an open market operation on Jun 21, 2018, to inject liquidity into the banking system. However, further gains were capped as market participants remained on the sidelines and awaited the minutes of the Monetary Policy Committee's Jun meeting for further cues on the extent and pace of future rate hikes.
- Yield on the 10-year benchmark paper (7.17% GS 2028) dropped 3 bps to close at 7.83% from the previous close of 7.86%. During the session, bond yields traded in the range of 7.79% and 7.85%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 19,796 crore (gross) on Jun 20, compared with Rs. 12,201 crore (gross) on Jun 19. Sale of securities under RBI's reverse repo window stood at Rs. 7,890 crore on Jun 19.
- Banks borrowed Rs. 300 crore under the central bank's Marginal Standing Facility on Jun 19 compared with that of Jun 18 when banks borrowed Rs. 75 crore.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 crore, Rs. 4,000 crore and Rs. 4,000 crore, respectively. The cut-off for 91-, 182- and 364-days T-Bill stood at Rs. 98.41 (6.48%), Rs. 96.68 (6.89%) and Rs. 93.39 (7.10%), respectively.

## Spread Analysis

- Yields on gilt securities fell across the maturities by up to 6 bps barring 2-year paper that increased 1 bps and 7-year paper that closed steady.
- Corporate bond yields fell across 4 to 15 years' papers in the range of 2 to 23 bps barring 1- and 2-year papers that increased 2 and 4 bps, respectively. Yield on 3-year paper closed steady.
- Spread between AAA corporate bond and gilt expanded across 1 to 6 years' maturities and 8-year paper by up to 9 bps. Spread contracted across the remaining maturities in the range of 2 bps to 19 bps barring 10-year paper that closed steady.

## Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: Jun 18-22	12,000	0	0.00%
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%	34.38%
10 to 14 Yrs	29.17%	47.62%
Long Dated (above 14 Yrs)	37.50%	43.52%

## Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
6.65% GS 2020	02 Yrs	2,000
7.59% GS 2026	10 Yrs	3,000
GOI FRB 2031	13 Yrs	3,000
6.57% GS 2033	17 Yrs	2,000
7.06% GS 2046	30 Yrs	2,000

## Corporate Bond Spread Matrix (in bps)

Period	AAA	AA	A
1 Yr	116.27	160.02	208.82
3 Yr	75.80	107.73	211.96
5 Yr	67.87	101.02	276.07
10 Yr	76.47	142.56	238.73

Key Indicators	Current	Previous
WPI (May'18)	4.43%	3.18%
CPI (May'18)	4.87%	4.58%
IIP (Apr'18)	4.90%	4.60%
Trade Deficit(In \$ billion-May18)	14.62	13.72

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## Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1268	-0.52	-1.84	1358	1213
Silver (\$/oz)	16	-0.06	-0.95	18	16
NYMEX Crude(\$/bbl)	66	1.28	-7.39	72	42
Brent Crude(\$/bbl)	74	-1.08	-7.28	81	43
Baltic Dry Index	1373	-3.24	7.86	1743	820
RJ/CRB Index	195	0.60	-4.27	206	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	30,589	-0.55	-1.07	31,427	27,719
Silver (1 kg)	39,483	-0.51	-0.42	41,364	35,660
Crude Oil (1 bbl)	4,435	-0.98	-8.39	4,919	2,748
Natural Gas (1 mmbtu)	198	-1.54	2.07	223	164
Aluminium (1 kg)	148	-0.13	-5.00	171	120
Copper (1 kg)	458	-1.74	-0.73	491	134
Nickel (1 kg)	1,011	2.00	0.89	1,055	178
Lead (1 kg)	163	-0.34	3.03	172	137
Zinc (1 kg)	208	0.31	-0.62	1,783	163
Mentha Oil (1 kg)	1,316	0.09	-11.29	2,158	993
Cotton (1 bales)	22,580	0.04	12.06	22,930	18,060

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

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	-0.95	1.05	-0.61	7.71	9.09	15.60
Small/Mid Cap	-1.74	-2.77	-7.48	5.88	13.94	25.73
Diversified	-1.09	0.13	-2.82	7.31	10.27	17.53
Balanced	-0.83	0.05	-1.54	6.27	9.44	15.69
Banking	-0.74	1.26	-0.22	6.53	13.97	17.81
FMCG	-1.19	-3.96	0.01	14.24	15.80	15.80
Pharma	2.71	4.86	-3.04	2.36	-1.49	13.26
Technology	-0.95	2.59	21.43	37.28	11.62	21.00
Infrastructure	-3.00	-4.54	-12.31	1.87	9.25	18.19
Gold Funds	-0.92	-1.14	6.44	5.35	2.89	1.26
Nifty 50	-0.78	1.66	3.14	11.59	9.39	13.74
S&P BSE Sensex	-0.54	2.01	5.24	13.58	9.16	13.68
S&P BSE 500	-1.10	0.76	-0.63	10.12	11.05	15.86
S&P BSE Midcap	-1.40	-0.28	-9.00	6.78	14.74	20.97
CRISIL Balanced	-0.39	1.13	0.86	8.35	10.61	13.83

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	7.53	7.12	6.77	6.63	7.30
Ultrashort Bond	11.37	8.23	6.05	6.13	7.64
Short-T Bond	15.95	7.02	3.69	4.14	7.68
Long-T Bond	18.71	5.57	2.13	2.59	7.76
Long T Govt Sec	25.80	5.75	-0.53	-1.31	7.74
Crisil Liquid	8.32	8.18	7.26	6.97	6.81
Crisil ST Bond	16.35	6.93	4.01	4.54	7.15
Crisil Composite	29.70	5.47	-0.03	1.20	6.86
NSE G-Sec Comp	--	--	--	--	--

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

## Commodity Market

- Gold prices inched down on a stronger dollar and as the People's Bank of China hinted that policymakers are prepared for outside shocks and would take necessary measures to stabilise the nation's stock markets if required. Gold prices were last seen trading at \$1,273.56 per ounce, compared with the previous close of \$1,274.37 per ounce.
- Brent crude prices gained after the American Petroleum Institute said that U.S. oil inventories fell by 3.0 million barrels for the week ended Jun 15. Also, Iran hinted at dismissing the compromise that could be reached at the upcoming meeting between Organization of the Petroleum Exporting Countries (OPEC) and Russia to rebalance oil production. Oil prices were at \$74.69 per barrel, compared with the previous close of \$74.39.

## International Market Update

- According to a report from the Commerce Department, U.S. housing starts surpassed market expectations and grew 5% to an annual rate of 1.350 million in May 2018 as against a decline of 3.1% to a revised rate of 1.286 million (1.287 million originally reported) in Apr 2018. This marked the highest annual rate since Jul 2007. The increase reflects significant increases in both single-family and multi-family starts.
- A report from Westpac showed that the Westpac-Melbourne Institute Leading index fell to +0.11% in May 2018 from +0.83% in Apr 2018.

## Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 1942.59 crore as against sale of Rs. 1521.23 crore as on June 18, 2018. This led to a net purchase of Rs. 421.36 crore compared with a net purchase of Rs. 1.13 crore on June 15, 2018.
- In the debt space, mutual funds bought to the tune of Rs. 8500.74 crore as against sale of Rs. 8578.90 crore as on June 18, 2018. This meant a net sale of Rs. 78.16 crore compared with a net purchase of Rs. 1832.89 crore on June 15, 2018.
- According to data from the National Health Profile 2018, the health insurance segment is growing in India. However, the report states that several measures will be required to improve the pace of growth. Around 43 crore individuals or 34% of the population were covered under any health insurance in 2016-17 in India. The report also shows that India's current spends on healthcare is little over 1% of gross domestic product.

## Dividend Update

- Reliance Mutual Fund has announced Jun 25 as the record date for declaration of dividend under the monthly and periodic dividend option of Reliance Arbitrage Fund and monthly dividend option of Reliance Equity Savings Fund. The rate of dividend for monthly and periodic dividend option of Reliance Arbitrage Fund are Re. 0.05 per unit and Re. 0.15 per unit, respectively. In case of Reliance Equity Savings Fund, the dividend rate is Re. 0.08 per unit.
- Reliance Mutual Fund has announced Jun 22 as the record date for declaration of dividend under the dividend option of Reliance Equity Hybrid Fund, Reliance Large Cap Fund and Reliance Balanced Advantage Fund. The rates of dividend for Reliance Equity Hybrid Fund and Reliance Large Cap Fund and Reliance Balanced Advantage Fund are Re. 0.15 per unit, Re. 0.16 per unit and Re. 0.18 per unit respectively.

## NFO Update

- Kotak Mutual Fund has announced extension of the NFO period of Kotak FMP Series 231 and Series 232 by Jun 27 and Jun 21, respectively.
- HDFC Mutual Fund has announced the NFO of HDFC FMP 1099D June 2018 (1). The NFO period will open and close on Jun 27.

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## Currency Market Update

### Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	68.07	5.70	0.10	68.46	63.24
EUR/INR	78.73	-0.53	-1.65	81.66	71.80
YEN(100)/INR	61.66	-0.64	0.47	62.75	55.87
SGD/INR	50.08	-0.50	-1.07	51.05	46.35
EUR/USD	1.16	-0.16	-1.74	1.26	1.11
GBP/USD	1.32	-0.05	-2.23	1.44	1.26
JPY/USD	0.01	-0.28	0.35	0.01	0.01
SGD/USD	0.74	-0.13	-1.16	0.72	0.77

### Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	68.13	-0.38	39,547	-19.80
EUR/INR	78.73	-0.34	404	-5.61
GBP/INR	89.80	-0.27	777	0.26
JPY/INR	61.95	-0.44	77	-2.53

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	68.08	68.15	-0.10
GBP	89.60	90.31	-0.78
EURO	78.83	79.16	-0.42
100 Yen	61.82	62.19	-0.59

## Currency Update

- The rupee rose against the greenback following gains in the domestic equity market. Selling of the greenback by banks and exporters further boosted the domestic currency. The rupee rose 0.45% to close at 68.07 per dollar from the previous close of 68.38 per dollar.
- The euro inched down against the greenback after the U.S. Federal Reserve chief advocated the case for gradual U.S. interest rate increases as the economy improves further. Euro was trading at \$1.1581, down 0.06% from the previous close of 1.1588.

## Global Economy

- A report from the Confederation of British Industry showed that a balance of 13% in U.K. stated that order books were above normal and a 9% stated that export order books remained above normal. Meanwhile, a balance of 18% manufacturers expect output growth to slow slightly in the upcoming quarter.
- According to a report from Destatis, Germany's producer prices grew 2.7% YoY in May 2018 against an increase of 2% in Apr 2018. This marked a 7-month high. Overall producer prices grew 0.5% for the second consecutive month on monthly basis.

## Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (May 18)	01-Jun-18	Consumer Price Index (May 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	22-Jun-18
Index of Industrial Production (Apr 18)	12-Jun-18	Index of Eight Core Industries (May 18)	02-Jul-18

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