

May 15, 2018

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	35557	0.06	3.99	36444	30248	24.17
Nifty 50	10807	0.00	3.11	11172	9342	26.82
S&P BSE Midcap	16200	-0.88	-2.86	18321	13995	33.07
S&P BSE 100	11116	-0.17	2.11	11595	9625	23.36
S&P BSE 200	4686	-0.24	1.76	4894	4036	24.27
Nifty Midcap 100	19275	-1.19	-1.51	28895	17039	49.79
Nifty 500	9390	-0.28	1.32	10208	8087	31.01

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	25043	-0.93	-1.61	27031	22888	24.41
S&P BSE Metal	14024	-0.19	-0.51	16121	10824	20.54
S&P BSE Oil	14774	0.15	0.73	16727	13097	12.16
S&P BSE Healthcare	13353	-0.12	-2.39	15249	12513	34.03
S&P BSE IT	13177	-0.20	3.09	13711	9725	18.68
S&P BSE CD	21415	-2.50	-6.26	24238	15123	44.82
S&P BSE PSU	7850	0.11	-1.26	9657	7607	18.48
S&P BSE FMCG	11186	-0.24	5.22	11412	9431	43.73
S&P BSE CG	19063	-0.81	-0.37	20883	16719	31.24
Nifty Bank	26475	0.23	5.08	27652	22470	32.63
S&P BSE Realty	2324	-0.53	1.87	2828	1856	15.63

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	24899	0.27	2.21	26617	20553	20.57
S&P 500	2730	0.09	2.78	2873	2353	21.73
Nasdaq	7411	0.11	4.29	7637	5997	21.29
FTSE 100	7711	-0.18	6.15	7793	6867	13.28
CAC 40	5541	-0.02	4.25	5567	4995	16.96
DAX	12978	-0.18	4.30	13597	11727	13.55
Nikkei	22866	0.47	4.99	24129	19240	17.17
Hang Seng	31541	1.35	2.38	33484	25025	12.63
Shanghai Comp.	3174	0.34	0.47	3587	3022	13.68

F&O Trends	Px Last	Previous	Change %
Near Futures	10,814.70	10,820.10	-0.05
Near Basis	8.10	13.60	-40.44
Mid Futures	10,822.00	10,827.80	-0.05
Mid Basis	15.35	21.30	-27.93
Near Open Interest (Cr.)	2.46	2.51	-2.09
Mid Open Interest (Cr.)	0.11	0.10	7.68
Rollover (%)	4.38	4.00	9.34

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	12.93	2.21	-25.73	50.30	8.56
Nifty VIX	14.25	1.91	-3.23	24.04	8.76

Fund Flow				
Amount in Rs. Crore				
Nature	Gross Pur.	Gross Sale	Net	YTD
FIIs				
Equity	3952.43	4257.90	-305.47	4510.77
Debt	187.00	2472.57	-2285.57	-21737.31
MF¹				
Equity	165.35	92.41	72.94	49829.96
Debt	1092.30	4.96	1087.34	107050.22

¹ As on 11th May 2018

Indian Equity Market

- Indian Equity markets ended flat as investors remained cautious ahead of Karnataka election results. Post release of disappointing wholesale price index (WPI)-based inflation data in Apr 2018, investors turned cautious as they awaited the consumer price inflation data for April 2018 that was due after market hours. Weak industrial output data for Mar 2018 released on May 11 weighed on the market sentiment. However, positive cues from Asian peers after U.S. and China prepared to continue trade talks in Washington capped the losses.
- Key benchmark indices S&P BSE Sensex grew 0.06% to close at 35,556.71 and Nifty 50 remained unchanged at 10,806.60, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 0.88% and 1.00%, respectively.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major loser, down 2.50%, followed by S&P BSE Telecom that fell 1.14%.

Indian Economy

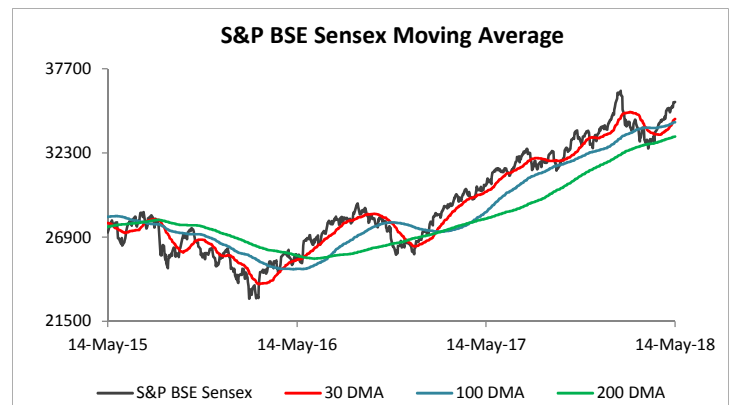
- The Consumer Price Index (CPI)-based inflation or retail inflation grew 4.58% in Apr 2018, up from 4.28% in Mar 2018 and from 2.99% in Apr 2017. The increase reflects increase in prices of fruits and vegetables by 9.65% and 7.29%, respectively.
- Government data showed that India's Wholesale Price Index-based inflation (WPI) sharply rose to four-month high to 3.18% in Apr 2018 from a provisional 2.47% in Mar 2018 and 3.85% in Apr 2017. The WPI Food Index also increased to 0.67% in Apr 2018 from -0.07% in Mar 2018. The inflation for fuel items surged to 7.85% in Apr 2018 from 4.70% in Mar 2018.

Global Equity Market

- As per the last close, U.S markets rose on hopes of a breakthrough in trade tensions between the U.S. and China ahead of their second round of discussions this week.
- As per the last close, European markets ended on a mixed note as positive start on the Wall Street supported the upside but market participants remained focused on the political situation in Italy.
- Asian markets largely remained positive as U.S. and China commenced the second round of trade talks in Washington. Weakness in Japanese yen against U.S. dollar supported gains in the Japanese markets. Today (as of May 15), Asian markets opened on a mixed note. Positive close on the Wall Street overnight failed to lift the Asian indices.

Indian Derivative Market

- Nifty May 2018 Futures were at 10814.70 points, a premium of 8.10 points, above the spot closing of 10,806.60. The turnover on NSE's Futures and Options segment went up to Rs. 4,04,390.21 crore on May 14 from Rs. 3,87,111.61 crore on May 11.
- The Put-Call ratio stood at 0.98 against previous session's close of 0.89.
- The Nifty Put-Call ratio stood at 1.64 against the previous session's close of 1.66.
- India VIX moved up 1.94% to 14.0425 from 13.9775 in the previous trading session.
- Open interest on Nifty Futures stood at 25.68 million as against the previous session's close of 26.13 million.



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Debt Market Update

Policy Rates (%)	14-May-18	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	5.75	6.00
Repo	6.00	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	6.25	6.25	6.25	6.50

Daily Rates (%)	14-May-18	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR	6.01	6.00	6.00	6.20
CALL	5.91	5.94	5.86	6.11
CBLO	6.00	6.00	4.86	5.64
OIS- 1 Yr	6.65	6.60	6.47	6.49
OIS- 5 Yr	7.15	7.03	6.81	6.73

Liquidity Indicators (in Rs. Cr.)	14-May-18	Wk Ago	Mth Ago	Yr Ago
Govt Securities	21,083	25,757	37,876	54,208
Call Money	12,993	15,032	22,102	27,564
CBLO	107,160	99,866	69,059	62,132
LAF	7,257	8,429	-28,014	-21,346
Treasury Bills	1,004	1,113	1,099	3,842

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.17 GS 2028	08-Jan-28	7.83	7.73	1.29
06.68 GS 2031	17-Sep-31	8.05	7.95	1.29
06.84 GS 2022	19-Dec-22	7.88	7.79	1.17
06.79 GS 2027	15-May-27	7.90	7.80	1.33
08.27 GS 2020	09-Jun-20	7.50	7.42	1.05

Certificate of Deposit (%)	14-May-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.41	7.16	6.67	6.42
6-Month	7.90	7.43	6.88	6.56
9-Month	7.79	7.60	7.27	6.67
12-Month	7.89	7.76	7.30	6.78

Commercial Paper (%)	14-May-18	Wk Ago	Mth Ago	Yr Ago
3-Month	7.95	7.70	6.34	6.81
6-Month	8.00	7.90	6.82	7.01
9-Month	NA	NA	NA	7.13
12-Month	8.40	8.25	7.55	7.26

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
06.84 GS 2022	3,000	3,000	7.82%
07.17 GS 2028	4,000	4,000	7.76%
07.40 GS 2035	2,000	2,000	7.96%
07.72 GS 2055	3,000	3,000	7.93%

Key Indicators	
GDP (Q3 FY'18)	7.20%
Manufacturing PMI (Apr'18)	51.60
Current Account Deficit (Q3 of FY18, in \$ Billion)	13.50
Fiscal Deficit (FY 2018, as a % of GDP)	3.50%
Credit Growth (Apr 27,2018)	12.61%
Deposit Growth (Apr 27,2018)	8.20%

Indian Debt Market

- Bond yields rose following more than expected rise in wholesale prices in Apr 2018 and gains in crude oil prices. Both the factors also created concerns amongst investors over accelerated consumer price inflation in Apr.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 10 bps to close at 7.83% from the previous close of 7.73%. During the session, bond yields traded in the range of 7.70% and 7.83%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 7,257 crore (gross) on May 14 compared with Rs. 7,231 crore on May 11. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 33,950 crore on May 11.
- Banks borrowed Rs. 803 crore under the central bank's Marginal Standing Facility on May 11 as against no borrowing on May 10.
- RBI conducted the auction of 7-day variable rate reverse repo auction for a notified amount of Rs. 20,000 crore for which Rs. 4,625 crore was accepted at a cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities increased across maturities by up to 12 bps. Highest rise was seen on 7-year paper and the least increase on 1- and 2-year papers.
- Corporate bond yields rose in the range of 3 to 9 bps. Highest rise was seen on 9-year paper and the lowest increase on 1-year paper.
- Spread between AAA corporate bond and gilt contracted in the range of 2 to 8 bps, barring 1-, 3- and 10-year papers that expanded 2 or 5 bps. Spread on 6-year paper was steady. Highest fall was on 7-year paper.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: May 7-11	12,000	12,000	100.00%
Month: May 2018	48,000	12,000	25.00%
H1: Apr'18-Sep'18	288,000	60,000	20.83%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled Q1'19	Completed Q1'19
5 to 9 Yrs	33.33%	18.75%
10 to 14 Yrs	29.17%	22.62%
Long Dated (above 14 Yrs)	37.50%	26.85%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
Treasury Bill	91 Days	7,000
Treasury Bill	182 Days	4,000
Treasury Bill	364 Days	4,000

Corporate Bond Spread Matrix (in bps)*

Period	AAA	AA+	AA
1 Yr	77.30	71.30	90.30
3 Yr	45.30	78.30	96.30
5 Yr	31.20	47.20	70.20
10 Yr	27.90	49.90	68.90

Key Indicators	Current	Previous
WPI (Apr'18)	3.18%	2.47%
CPI (Apr'18)	4.58%	4.28%
IIP (Mar'18)	4.40%	7.00%
Trade Deficit(In \$ billion-Mar18)	-13.69	-12.00

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Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1312	-0.40	-2.42	1358	1213
Silver (\$/oz)	17	-0.72	-0.71	18	16
NYMEX Crude(\$/bbl)	71	0.45	5.44	71	42
Brent Crude(\$/bbl)	79	1.02	7.53	79	43
Baltic Dry Index	1476	0.27	45.56	1743	818
RJ/CRB Index	204	0.13	2.07	205	167

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	31,427	0.15	1.79	31,427	27,719
Silver (1 kg)	39,956	0.68	3.82	41,097	35,660
Crude Oil (1 bbl)	4,752	-1.16	8.42	4,808	2,748
Natural Gas (1 mmbtu)	189	-0.53	7.46	223	164
Aluminium (1 kg)	154	0.69	1.45	171	120
Copper (1 kg)	461	-0.18	4.47	468	134
Nickel (1 kg)	964	3.07	5.51	1,033	178
Lead (1 kg)	160	2.23	5.50	172	131
Zinc (1 kg)	203	-1.76	-0.12	232	157
Mentha Oil (1 kg)	1,432	-4.14	-6.56	2,158	993
Cotton (1 bales)	20,040	-0.35	0.50	20,730	18,060

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	0.05	1.33	2.71	9.97	9.63	14.62
Small/Mid Cap	-1.50	-0.74	2.60	12.05	15.88	25.81
Diversified	-0.25	0.65	2.62	11.20	11.01	16.66
Balanced	-0.19	0.49	2.10	9.42	10.09	15.45
Banking	0.61	2.65	2.02	11.07	14.04	16.22
FMCG	-0.47	1.79	9.84	23.82	16.69	16.23
Pharma	-2.77	-1.90	-1.30	-3.12	-2.12	12.34
Technology	0.40	3.89	24.53	35.33	11.84	20.61
Infrastructure	-0.85	-0.86	-1.25	9.09	11.92	17.89
Gold Funds	0.98	1.47	6.08	9.67	3.20	1.96
Nifty 50	0.85	3.11	6.09	14.87	9.52	12.50
S&P BSE Sensex	0.99	3.99	7.94	17.68	9.32	12.50
S&P BSE 500	-0.25	1.35	3.87	13.41	11.37	14.75
S&P BSE Midcap	-2.72	-2.86	-1.79	9.01	15.44	20.17
CRISIL Hybrid 35+65 - Aggressive	-0.23	0.72	3.09	11.00	10.84	13.04

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	6.24	6.29	6.55	6.53	7.31
Ultrashort Bond	0.31	1.81	5.48	6.26	7.58
Short-T Bond	-8.46	-4.66	3.05	5.13	7.72
Long-T Bond	-15.01	-7.79	1.65	4.25	7.85
Long T Govt Sec	-37.51	-16.98	-2.48	1.30	7.84
Crisil Liquid	6.31	6.32	6.88	6.86	6.80
Crisil ST Bond	-8.06	-4.36	3.56	5.35	7.17
Crisil Composite	-30.70	-15.92	-0.59	3.32	6.88
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 higher as dollar weakened against the euro. Lower than expected U.S. consumer inflation data for Apr 2018 raised apprehension regarding U.S. Federal Reserve rate hike by four times in 2018. Gold prices traded at \$1320.78 per ounce, compared with the previous close of \$1317.68 per ounce.
- Brent Crude prices traded higher after OPEC stated that excess supply has been virtually eliminated, partly due to the ongoing supply cuts by OPEC and accelerating global demand. Oil prices traded at \$78.41 per barrel, compared with the previous close of \$78.36 per barrel.

International Market Update

- According to monthly survey by the Bank of France, the country's gross domestic product is expected to stay steady at 0.3% in the second quarter of 2018. The projection came as country's manufacturing sentiment index, confidence index among service providers and business sentiment index in construction weakened in Apr 2018.
- According to the Bank of Japan, producer prices rose 0.1% MoM in Apr 2018 as against 0.1% decline in Mar 2018. On YoY basis, Japan's producer prices rose 2% in Apr following 2.1% increase in Mar.

Mutual Fund & Insurance Update

- According to media reports, Mr. Dhairyasheel Patil has been elected as the new President of the Pune Independent Financial Advisor Association (PIFAA). Mr. Patil succeeds Rajendra Satalkar. Patil holds an engineering degree from Walchand College, Sangli. He launched the financial distribution business in 1997 and currently has 600 clients. He was the vice president of PIFAA in the preceding fiscal year.
- According to the MD and CEO of BSE, the stock exchange is planning to penetrate insurance distribution segment and would apply to the insurance regulator IRDAI for necessary approvals. The stock exchange had entered into a joint venture agreement with Nasdaq-listed Ebix Inc for setting up a subsidiary company for the distribution of insurance products of life, non-life and health insurance companies.

Dividend Update

- ICICI Prudential Mutual Fund has announced May 15 as the record date for declaration of dividend under the dividend option of ICICI Prudential Multiple Yield Fund - Series 6 - 1825 Days Plan D. The rate of dividend is Re. 0.0500 per unit.

NFO Update

- SBI Mutual Fund has announced New Fund Offer (NFO) of SBI Dual Advantage Fund – Series XXVIII, a close-ended fund having tenure of 1100 days. The NFO will be open for subscription from May 14 and will close on May 28. The primary objective of the scheme is to generate income by investing in a portfolio of fixed income securities maturing on or before the maturity of the scheme. The secondary objective is to generate capital appreciation by investing a portion of the corpus in equity and equity related instruments.

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Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	67.51	4.83	3.54	67.62	63.24
EUR/INR	80.55	0.15	0.13	81.66	69.94
YEN(100)/INR	61.59	0.05	1.34	62.23	55.87
SGD/INR	50.56	0.32	1.71	50.72	45.60
EUR/USD	1.19	-0.14	-3.28	1.26	1.09
GBP/USD	1.36	0.10	-4.81	1.44	1.26
JPY/USD	0.01	-0.25	-2.12	0.01	0.01
SGD/USD	0.75	0.01	-1.81	0.71	0.77

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	67.65	0.33	92,303	2.18
EUR/INR	81.17	0.70	608	-2.09
GBP/INR	92.02	0.45	769	0.92
JPY/INR	61.62	-0.23	44	-2.22

RBI Reference rate

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	67.32	67.22	0.14
GBP	91.25	90.88	0.41
EURO	80.51	80.09	0.53
100 Yen	61.54	61.43	0.18

Currency Update

- The Indian rupee weakened for the fourth consecutive session and touched more than 15 month low against the U.S. dollar due to greenback demand from oil importers and foreign banks amid a rebound in global crude oil prices. The rupee fell 0.27% to close at 67.51 per dollar from the previous close of 67.33.
- Euro rose for the third consecutive session against the U.S. dollar as risk appetite returned and market participants thought that the recent rally of greenback may have ran out of steam. Euro was trading at \$1.1988 compared with the previous close of \$1.1942.

Global Economy

- According to a report from the Labor Department, U.S. import prices rose less than expected by 0.3% in Apr 2018 as compared with revised 0.2% fall in Mar 2018. However, export prices of the country rose more than expected by 0.6% in Apr from 0.3% in Mar.
- According to data from the Hellenic Statistical Authority, import prices in Greece rose 5.3% YoY in Mar 2018 as compared with 3% rise in Feb 2018. Import prices rose 1% in Mar following 1.6% fall in Feb.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Apr 18)	02-May-18	Wholesale Price Index (Apr 18)	14-May-18
Nikkei India Services PMI (Apr 18)	04-May-18	Forex Reserves	18-May-18
Index of Industrial Production (Mar 18)	11-May-18	Quarterly GDP estimate (Q4 of FY18)	31-May-18
Consumer Price Index (Apr 18)	14-May-18	Index of Eight Core Industries (Apr 18)	31-May-18

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