

May 17, 2019

Equity Market Update

Indian Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Sensex	37393	0.75	-4.79	39487	33292	27.54
Nifty 50	11257	0.90	-4.50	11856	10005	28.07
S&P BSE Midcap	14155	0.27	-8.80	17017	13539	28.20
S&P BSE 100	11349	0.82	-5.19	12096	10233	25.61
S&P BSE 200	4695	0.72	-5.58	5072	4255	25.87
Nifty Midcap 100	16673	0.30	-8.63	20088	15803	29.83
Nifty 500	9222	0.67	-5.72	10050	8371	29.58

Sector Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
S&P BSE Auto	17793	0.45	-12.08	25161	17638	159.06
S&P BSE Metal	10479	1.33	-10.83	14349	9926	7.96
S&P BSE Oil	14579	1.53	-2.13	15445	12040	11.20
S&P BSE Healthcare	13334	-0.13	-8.18	16497	12606	33.30
S&P BSE IT	15539	1.25	-0.33	16301	13125	20.86
S&P BSE CD	23546	0.70	-0.34	24180	17739	42.68
S&P BSE PSU	7158	1.28	-5.38	7963	6332	19.52
S&P BSE FMCG	11339	-0.02	-5.28	12850	10498	44.09
S&P BSE CG	17496	0.70	-5.75	19446	16113	23.37
Nifty Bank	28855	0.83	-5.49	30670	24240	59.71
S&P BSE Realty	1956	1.34	-8.94	2346	1535	25.61

Global Indices	Px Last	Change in %		52 Week		PE
		1 Day	1 Month	High	Low	
Dow Jones	25863	0.84	-2.23	26952	21713	17.35
S&P 500	2876	0.89	-1.06	2954	2347	19.65
Nasdaq	7898	0.97	-1.28	8176	6190	22.77
FTSE 100	7354	0.78	-1.56	7904	6537	14.20
CAC 40	5448	1.37	-1.46	5657	4556	17.28
DAX	12310	1.74	1.73	13204	10279	15.63
Nikkei	21063	-0.59	-5.21	24448	18949	15.05
Hang Seng	28275	0.02	-6.16	31521	24541	11.00
Shanghai Comp.	2956	0.58	-9.16	3288	2441	12.30

F&O Trends	Px Last	Previous	Change %
Near Futures	11,285.30	11,177.50	0.96
Near Basis	28.15	20.45	37.65
Mid Futures	11,317.10	11,218.30	0.88
Mid Basis	60.00	61.25	-2.04
Near Open Interest (Cr.)	1.55	1.57	-1.55
Mid Open Interest (Cr.)	0.20	0.16	23.76
Rollover (%)	12.03	9.91	21.36

Volatility	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
CBOE VIX	15.29	-7.00	25.53	36.20	10.17
Nifty VIX	28.37	-1.01	30.80	29.33	9.43

Fund Flow	Amount in Rs. Crore				
	Nature	Gross Pur.	Gross Sale	Net	YTD
Fis					
Equity	4208.89	5256.49	-1047.60	64269.44	
Debt	3897.41	1339.33	2558.08	-1801.80	
MF¹					
Equity	2097.64	1795.65	301.99	3900.63	
Debt	11680.27	11018.66	661.61	202502.71	

¹ As on 15th May 2019

Indian Equity Market

- Indian equity markets managed to gain in a day of volatile trade. Though global clues were weak, investors found solace in a strong rupee and rate-cut hopes. Globally, markets were affected by U.S. President declaring national emergency over threats against American technology.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.75% and 0.90%, respectively, to close at 37,393.48 and 11,257.10, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.27% and 0.25%, respectively.
- The overall market breadth on BSE was weak with 1124 scrips advancing and 1360 scrips declining. A total of 141 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Oil & Gas was the major gainer, up 1.53%, followed by S&P BSE Basic Materials and S&P BSE Realty, up 1.52% and 1.34%, respectively. S&P BSE Metal and S&P BSE Power gained 1.33% each.

Indian Economy

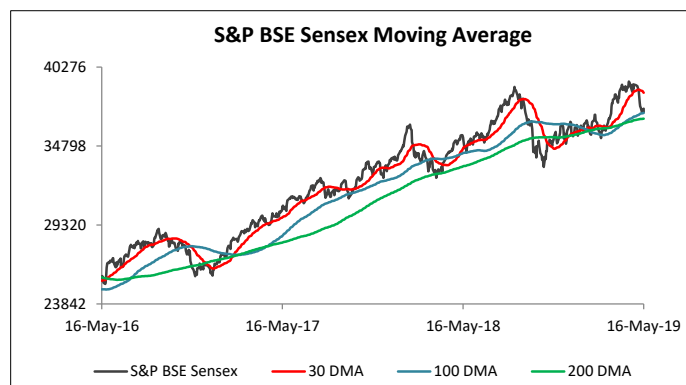
- The Reserve Bank of India (RBI) has laid out a list of 12 objectives, including four-fold increase in digital payments, reduction in paper-based transactions, improved pricing, better customer grievance redressal mechanisms and establishment of new payment system operators (PSO), in Payment and Settlement System in India Vision 2019-21. RBI aims to achieve these in the next three years. The document published by the central bank has put forward a comprehensive roadmap of initiatives to be undertaken by all stakeholders and governing bodies to ensure the successful completion of these objectives in this time.
- According to RBI data, India's services imports in Mar 2019 grew 10.55% to \$11.37 billion. The trade balance in services for the month under review is estimated at \$6.58 billion.

Global Equity Market

- As per the last close, European markets closed higher following ease in trade tensions after U.S. President plans to delay the implementation of auto tariffs on European car imports.
- As per the last close, U.S markets closed higher following strong corporate earnings from many big corporates.
- Asian equity markets ended mixed on trade war worries. On the one hand there are fears of a full-fledged trade war between the U.S. and China, on the other there were reports stating U.S. President plans to delay imposing tariffs on auto imports by up to six months so that negotiations can continue. Today (as of May 17), Asian markets opened higher following gains in U.S. Wall Street.

Indian Derivative Market

- Nifty May 2019 Futures were at 11,285.25, a premium of 28.15 points, above the spot closing of 11,257.10. The turnover on NSE's Futures and Options segment rose to Rs. 19,86,219.46 crore on May 16, 2019, compared with Rs. 12,53,354.99 crore on May 15, 2019.
- The Put-Call ratio stood at 0.72 compared with the previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.35 compared with the previous session's close of 1.14.
- Open interest on Nifty Futures stood at 17.57 million as against the previous session's close at 17.42 million.



May 17, 2019

Debt Market Update

Policy Rates (%)	16-May-19	Wk Ago	Mth Ago	Yr Ago
Reverse Repo	5.75	5.75	5.75	5.75
Repo	6.00	6.00	6.00	6.00
CRR	4.00	4.00	4.00	4.00
SLR	19.00	19.00	19.00	19.50
Bank Rate	6.25	6.25	6.25	6.25

Daily Rates (%)	16-May-19	Wk Ago	Mth Ago	Yr Ago
FBIL MIBOR*	6.05	6.05	6.10	6.05
CALL	5.96	5.98	6.04	5.89
T-Repo	5.91	5.97	5.96	NA
OIS- 1 Yr	5.93	5.99	6.04	6.77
OIS- 5 Yr	6.14	6.16	6.23	7.21

*As on previous trading day

Liquidity Indicators (in Rs. Cr.)	16-May-19	Wk Ago	Mth Ago	Yr Ago
Govt Securities	27,744	27,633	25,688	17,636
Call Money	20,098	22,975	19,733	13,734
T-Repo	133,414	132,327	130,779	NA
LAF	6,136	4,014	-358	-2,074
Treasury Bills	1,966	2,177	6,103	3,254

Top 5 Traded G-Sec	Maturity	Yield %		Change %
		Closing	Previous	
07.26 GS 2029	14-Jan-29	7.38	7.38	-0.04
07.17 GS 2028	08-Jan-28	7.47	7.48	-0.05
07.32 GS 2024	28-Jan-24	7.13	7.15	-0.30
07.37 GS 2023	16-Apr-23	6.96	7.01	-0.70
07.95 GS 2032	28-Aug-32	7.60	7.60	-0.02

Certificate of Deposit (%)	16-May-19	Wk Ago	Mth Ago	Yr Ago
3-Month	7.08	7.27	6.85	7.33
6-Month	7.31	7.21	7.10	7.74
9-Month	7.42	7.49	7.30	8.05
12-Month	7.52	7.53	7.50	8.07

Commercial Paper (%)	16-May-19	Wk Ago	Mth Ago	Yr Ago
3-Month	7.45	7.70	7.00	8.00
6-Month	7.70	7.95	7.50	8.25
12-Month	8.10	8.20	8.00	8.50

Govt. Borrowing Program	Scheduled (Amt in Rs. Cr.)	Completed	Cut-off YTM
91-Days T-Bills	9,000	9,000	6.40%
182-Days T-Bills	7,000	7,000	6.46%
364-Days T-Bills	4,000	4,000	6.47%

Key Indicators	
GDP (Q3 FY'19)	6.60%
Manufacturing PMI Apr'19	51.80
Current Account Deficit (Q3 of FY19, in \$ Billion)	16.90
Fiscal Deficit (FY 2018, as a % of GDP)	3.53%
Credit Growth (Apr 26,2019)	13.00%
Deposit Growth (Apr 26,2019)	9.70%

Indian Debt Market

- Bond yields remained unchanged amid the country's ongoing general elections. Market participants have reduced activities and are awaiting the poll's results, which is due on May 23, 2019.
- Yield on the 10-year benchmark paper (7.26% GS 2029) closed unchanged at 7.38% after trading in a range of 7.37% to 7.41%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 6,136 crore (gross) on May 16, 2019, compared with Rs. 11,491 crore (gross) as on May 15, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 12,701 crore on May 15, 2019.
- Banks borrowed Rs. 182 crore under the central bank's Marginal Standing Facility on May 15, 2019 compared with no borrowings on May 14, 2019.
- RBI announced to conduct auction of 7.00% GS 2021, 7.27% GS 2026, New GS 2033, 7.62% GS 2039 and 7.63% GS 2059 for notified amount of Rs. 17,000 crore. The underwriting auction for sale of government securities will be conducted through multiple price-based method on May 17, 2019.
- RBI conducted auction of overnight variable rate reverse repo for notified amount of Rs. 30,000 crore, of which Rs. 30,006 crore was accepted at cut-off rate of 5.99%.

Spread Analysis

- Yields on gilt securities witnessed a mixed trend. It increased the most on 6-year paper by 5 bps and fell the most on 4-year paper by 5 bps.
- Corporate bond yields increased on 1 and 15-year paper by 2 bps each and fell across the remaining maturities in the range of 2 bps to 14 bps.
- Difference in spread between AAA corporate bond and gilt expanded on 1 and 15-year paper by 3 bps and 2 bps respectively and contracted across the remaining maturities in the range of 2 bps to 13 bps.

Govt. Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
	(Amt in Rs. Cr.)		
Week: May 13 - 17	17,000	0	0.00%
Month: May 2019	85,000	34,000	40.00%
H1: Apr'19-Sep'19	442,000	102,000	23.08%

Maturity Bucket Wise Govt. Borrowing

Description	Scheduled H1'20	Completed H1'20
1 to 9 Yrs	32.35%	23.08%
10 to 14 Yrs	32.35%	19.58%
Long Dated (above 14 Yrs)	35.29%	26.28%

Upcoming Issuances

Name	Tenure	Amt in Rs. Cr.
7.00% GS 2021	02 Yrs	3,000
7.27% GS 2026	07 Yrs	3,000
New GS 2059	14 Yrs	5,000
7.62% GS 2039	20 Yrs	2,000
7.63% GS 2059	40 Yrs	4,000

Corporate Bond Spread Matrix (in bps)

Period	AAA	AA	A
1 Yr	169.27	218.70	253.28
3 Yr	120.81	159.90	232.58
5 Yr	114.98	188.95	229.72
10 Yr	109.15	193.61	217.07

Key Indicators	Current	Previous
WPI (Apr'19)	3.07%	3.18%
CPI (Apr'19)	2.92%	2.86%
IIP (Mar'19)	-0.10%	0.10%
Trade Deficit (In \$ billion-Apr19)	15.33	10.89

May 17, 2019

Commodity Market Update

International Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (\$/oz)	1286	-0.77	0.80	1341	1174
Silver (\$/oz)	15	-1.62	-2.77	17	14
NYMEX Crude(\$/bbl)	63	1.45	-1.69	76	44
Brent Crude(\$/bbl)	76	2.17	6.04	86	51
Baltic Dry Index	1032	0.00	37.78	1774	595
RJ/CRB Index	182	0.92	-2.65	206	168

Indian Commodities	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
Gold (10 gm)	32,051	-0.60	1.30	33,730	29,302
Silver (1 kg)	37,070	-0.56	-0.30	41,364	31,739
Crude Oil (1 bbl)	4,354	0.07	-0.80	5,580	2,985
Natural Gas (1 mmbtu)	183	-2.46	1.84	349	171
Aluminium (1 kg)	147	0.44	-1.81	165	126
Copper (1 kg)	425	0.35	-5.22	491	151
Nickel (1 kg)	858	2.47	-4.91	1,055	727
Lead (1 kg)	128	2.64	-5.11	905	124
Zinc (1 kg)	217	0.16	-5.16	905	164
Mentha Oil (1 kg)	1,535	0.95	-4.01	2,078	898
Cotton (1 bales)	21,310	-0.98	-5.12	23,440	20,110

MF Schemes Category-wise Performance (%)

Category-Equity	1 Week	1 Month	6 Month	1 Year	3 Year	5 Year
Large Cap	-0.45	-4.36	3.39	0.53	10.45	10.16
Small/Mid Cap	-1.19	-6.48	-0.44	-10.97	9.94	15.82
Diversified	-0.64	-4.83	2.45	-1.51	10.93	11.55
Balanced	-0.57	-3.97	1.99	-0.66	9.47	10.73
Banking	0.32	-4.02	9.30	4.84	17.29	13.79
FMCG	-1.70	-6.54	0.15	-4.44	13.30	13.54
Pharma	-3.01	-5.85	-4.72	0.35	-2.50	8.11
Technology	-0.49	-1.74	4.99	8.18	12.44	13.78
Infrastructure	-1.01	-6.32	0.75	-10.31	9.55	10.05
Gold Funds	1.37	1.76	3.76	2.87	0.66	2.09
Nifty 50	-0.40	-4.50	5.38	4.80	12.72	9.34
S&P BSE Sensex	-0.44	-4.79	5.46	5.67	13.38	9.16
S&P BSE 500	-0.82	-5.84	2.43	-1.39	11.79	10.22
S&P BSE Midcap	-1.40	-8.80	-5.62	-11.67	8.15	12.75

CRISIL Hybrid 35+65 - Aggressive Index

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	7.19	6.49	7.24	6.94	7.12
Ultrashort Bond	2.85	4.46	7.47	7.28	7.58
Short-T Bond	6.39	3.57	8.06	7.27	7.84
Long-T Bond	1.48	0.11	7.72	6.95	7.74
Long T Govt Sec	16.85	11.26	10.73	9.41	7.87
Crisil Liquid	8.31	7.15	7.49	7.71	6.86
Crisil ST Bond	9.07	5.61	9.49	8.55	7.23
Crisil Composite	13.06	9.86	10.79	9.20	6.99
NSE G-Sec Comp	--	--	--	--	--

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

Commodity Market

- Gold prices were marginally down amid rally in the stock market and the U.S. dollar following the U.S.-China trade development. Gold prices were last seen trading at \$1,294.03 per ounce, compared with the previous close of \$1,296.42 per ounce.
- Brent crude prices moved up on escalating geopolitical tension in the Middle East over the attack on Saudi Arabian oil tankers and pipelines. However, the upside was capped by Energy Information Administration's report stating an increase of 5.4 million barrels in U.S. crude stockpiles in the prior week, against expectations of a fall of 0.8 million barrels. Oil prices were last seen trading at \$74.27 per barrel, compared with the previous close of \$74.08 per barrel.

International Market Update

- According to a report released by the National Association of Home Builders, homebuilder confidence improved by much more than expected in May 2019. The report said the NAHB/Wells Fargo Housing Market Index climbed to 66 in May from 63 in Apr 2019. Following declines in late 2018 due to higher interest rates and concerns over slower growth, the index has reached its highest level since Oct 2018.
- Eurostat data showed euro area trade surplus declined in Mar 2019 on higher imports. The trade surplus fell to a seasonally adjusted EUR 17.9 billion from EUR 20.6 billion in Feb 2019. Exports grew 0.9% in Mar, while imports logged a bigger growth of 2.5%.
- National Bureau of Statistics showed house prices in majority of the Chinese cities increased in Apr 2019. House prices logged a monthly growth in 67 out of 70 cities surveyed by the government. Prices fell in two cities and remained flat in one in Apr.

Mutual Fund & Insurance Update

- Mutual funds bought equity worth Rs. 2,097.64 crore as against sale of Rs. 1,795.65 crore as on May 15, 2019. This led to a net purchase of Rs. 301.99 crore compared with a net purchase of Rs. 1,901.68 crore on May 14, 2019.
- In the debt space, mutual funds bought to the tune of Rs. 11,680.27 crore as against sale of Rs. 11,018.66 crore as on May 15, 2019. This meant a net purchase of Rs. 661.61 crore compared with a net purchase of Rs. 1,606.89 crore on May 14, 2019.
- As per media reports, the Insurance Regulatory and Development Authority of India (IRDAI) is planning to urge before the government for allowing Aadhaar card to be used in processing Know Your Customer (KYC) online. This will make the process less cumbersome and prompt. Presently, Supreme Court has ordered all privately held firms, including insurers, from seeking an individual's Aadhaar number to complete the e-KYC process.

Dividend Update

- LIC Mutual Fund has announced May 20 as the record date for declaration of dividend under the dividend option of LIC MF Dual Advantage Fixed Term Plan Series 3.

NFO Update

- ICICI Prudential Mutual Fund announced the extension of New Fund Offer (NFO) period of ICICI Prudential Fixed Maturity Plan – Series 86 – 95 Days Plan E till May 27, 2019.

May 17, 2019

Currency Market Update

Currency Spot

Currency	Px Last	Change in %		52 Week	
		1 Day	1 Month	High	Low
USD/INR	70.03	8.74	0.61	74.49	66.84
EUR/INR	78.34	-0.41	-0.10	86.17	75.28
YEN(100)/INR	63.82	-0.39	2.84	66.65	57.02
SGD/INR	51.08	-0.45	-0.47	53.91	47.50
EUR/USD	1.12	-0.25	-0.96	1.19	1.11
GBP/USD	1.28	-0.41	-1.94	1.36	1.24
JPY/USD	0.01	-0.24	1.96	0.01	0.01
SGD/USD	0.73	-0.31	-1.32	0.72	0.75

Currency Futures (MCX-SX)

Currency	Closing	Chg % 1 Day	Open Interest	Chg % 1 Day
USD/INR	70.15	-0.42	33,163	-0.05
EUR/INR	79.45	0.58	882	0.00
GBP/INR	90.10	-0.83	339	79.37
JPY/INR	64.73	0.62	9	0.00

RBI Reference rate	Current	Previous	Chg % 1 Day
USD	70.21	70.42	-0.30
GBP	90.63	91.21	-0.64
EURO	78.69	79.15	-0.59
100 Yen	64.01	64.25	-0.37

Currency Update

- The Indian rupee surged following greenback sales by foreign banks possibly on behalf of their corporate clients. This led to inflows in the local equity market, which lifted the domestic currency. Investors are, however, glued to the poll results due on May 23, 2019 for further cues. The rupee closed at 70.03 a dollar, up 0.44% compared with the previous close of 70.34.
- The euro was marginally up after the U.S. officials said to expect a delay in U.S. tariffs on European autos. However, the single currency's upside was almost nullified by the anxiety over the upcoming European parliamentary elections. The euro was last seen trading at 1.1203, up 0.03% compared with the previous session's close of 1.1200.

Global Economy

- A Commerce Department report showed an unexpected drop in U.S. retail sales in Apr 2019. Retail sales edged down 0.2% in Apr after increasing 1.7% in Mar 2019. The unexpected pullback in retail sales came as sales by motor vehicle and parts dealers slumped by 1.1% in Apr after soaring 3.2% in Mar.
- Federal Reserve Bank of New York report said New York manufacturing activity picked up significantly in May 2019. The New York Fed said its general business conditions index jumped to 17.8 in May from 10.1 in Apr 2019, with a positive reading indicating growth in regional manufacturing activity. Expectations were for a drop. With the unexpected increase, the New York Fed's general business conditions index reached its highest level since Nov 2018.
- According to a report by the Federal Reserve, industrial production in the U.S. unexpectedly showed a notable decrease in Apr 2019. The Fed said industrial production fell 0.5% in Apr following 0.2% uptick in Mar 2019. The unexpected drop in production partly reflected a sharp pullback in utilities output, which plunged by 3.5% in Apr after jumping 2.2% in Mar.

Events Calendar

Event	Date	Event	Date
Nikkei India Manufacturing PMI (Apr 19)	02-May-19	Wholesale Price Index (Apr 19)	14-May-19
Nikkei India Services PMI (Apr 19)	06-May-19	Forex Reserves	17-May-19
Index of Industrial Production (Mar 19)	10-May-19	Index of Eight Core Industries (Apr 19)	31-May-19
Consumer Price Index (Apr 19)	13-May-19	GDP Estimate (Q4FY19)	31-May-19

Contact Details

L&T Financial Services

7th Floor, Brindavan, Plot No. 177,
 CST Road, Kalina,
 Santacruz (East). Mumbai – 400 098, INDIA
 Board: +91 22 6621 7310
 Email : LNTPWM@lfs.com

Disclaimer: This presentation is strictly meant for private circulation and not for public distribution and is being furnished by L&T Capital Markets Limited ("LTCML") strictly on confidential basis. This presentation and communication is for the personal information of the Authorised Recipient and LTCML will not treat recipients as clients by virtue of their receiving this presentation. It shall not be photocopied, reproduced or distributed to other person(s) at any time in any form without prior written consent of LTCML. This presentation or communication does not solicit any action based on the material contained herein. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation / circumstances and the particular needs of any specific person who may receive this presentation. The product / strategy / data discussed in the presentation may not be suitable for all the investors. Further this information also does not constitute any investment, legal or tax advice to the recipient. Information and statistical data herein have been extracted from publicly available information sources and also obtained from sources LTCML believes to be reliable but in no way are warranted by LTCML, its affiliates, directors and officers as to its accuracy or completeness. The information is compiled by L&T Capital Markets Ltd and while LTCML endeavours to keep the information up to date and correct, it makes no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the report for any purpose. Any reliance the recipient may place on such information is therefore strictly at his / her / their own risk. LTCML, its affiliates, directors and officers accept no responsibility for any direct, indirect, incidental or consequential losses and / or damages resulting from the use, operation or transmission of the data / information / views represented in this presentation or inability to use this presentation and information contained herein. The recipient of this material alone shall be fully responsible / liable for any decision taken on the basis of this material. Person(s) who may receive this presentation should consider and independently evaluate whether it is suitable for his / her / their particular circumstances and, if necessary, seek professional, financial, legal and/or tax advice before investing. This Presentation does not constitute, nor should it be regarded as, an offer, invitation, inducement, solicitation or advertisement with respect to any other investment or development or implementation of an investment strategy. The views should not be construed as investment advice. All opinions and estimates included here constitute our view as of this time and are subject to change without notice. **Statements made herein regarding future prospects may not be realized.** Any performance information shown refers to the past should not be seen as an indication or assurance of any future returns.