



Financial Market & Economy Update

Domestic Update:

- The rate of inflation based on WPI Food Index consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products group decreased from 11.05% in December, 2019 to 10.12% in January, 2020.
- Fuel and power wholesale price index rose by 1.4% to 102.7 (provisional) from 101.3 (provisional) for the previous month.
- The country registered record food grain production in 2018-19 clocking 285.17 million tonnes, which is slightly higher than foodgrain output of 285.01 million tonnes in 2017-18. As per the final estimate for 2018-19 released by agriculture ministry, the country achieved record production of rice and wheat at 116.48 million tonnes and 103.60 million tonnes respectively. The production of coarse grains and pulses, however, are slightly down from 2017-18 at 43.06 million tonnes and 22.04 million tonnes.
- Industrial Production in India decreased 0.30 % in December of 2019 over the same month in the previous year.
- Consumer price inflation in India increased to 7.59% in January of 2020 from 7.35% in December, above market expectations of 7.4%. The inflation accelerated for the sixth straight month to the highest since May of 2014.
- Manufacturing Production in India decreased 1.20 % in December of 2019 over the same month in the previous year.
- India's electricity demand rose 3.52 % in January, government data showed on Tuesday, marking the first increase after five straight months of decline. January demand for electricity rose to 105.29 billion units from 101.71 billion units a year earlier, data from the Central Electricity Authority showed.
- Defence exports in the country have grown seven-fold in the last two years from Rs 1,521.91 crore in 2016-17 to Rs 10,745.77 crore in 2018-19, the government told the Rajya Sabha.
- Domestic commercial Vehicles sales were 645,991 units in April-January 2020 compared to 810,853 units in April-January 2019. Three-wheeler sales were 567,659 units in April-January 2020 compared to 574,856 units in April-January 2019. Two-wheeler sales were 15,255,979 units in April-January 2020, compared to 18,124,313 units in April-January 2019.
- Domestic Passenger Vehicles sales were 262,714 units in January 2020, compared to 280,091 units in January 2019, down 6.20%. Commercial Vehicles sales were 75,289 units in January 2020 compared to 87,591 units in January 2019, also recording a sharp drop of 14%. Three-wheeler sales was 60,903 units in January 2020 compared to 54,043 units in January 2019 while Two-wheeler sales was 1,341,005 units in January 2020, compared to 1,597,528 units in January 2019.
- India's coal imports in November rose 8.6% from a year earlier to 21.83 million tonnes, government data showed, following three straight months of decline. Imports of thermal coal - used mainly for electricity generation - rose 12.3% from a year ago to 17.65 million tonnes, whereas coking coal shipments to India fell 5% from a year earlier to 4.18 million tonnes, data from the Ministry of Coal showed.

Global Update:

- Euro zone economic growth slowed as expected in the last three months of 2019 as gross domestic product shrank in France and Italy against the previous quarter, but employment growth picked up more than expected, official estimates showed on Friday. The European Union's statistics office Eurostat said GDP in the 19 countries sharing the euro expanded 0.1% quarter-on-quarter in the October-December period, as announced on Jan 31, for a 0.9% year-on-year gain - a downward revision from the previously estimated 1.0% growth.
- Germany's consumer price inflation was confirmed at 1.7 % year-on-year in January 2020 the highest level since July last year and matching market expectations. Goods inflation accelerated to 2.0 % from 1.2 % in December on the back of both energy (3.4 % vs -0.1 %) and food (2.3 % vs 2.1 %). Services inflation eased to 1.5 % from 1.8 %, with rent prices increasing 1.4 %.
- Industrial production in the Euro Area plunged 4.1 % from a year earlier in December 2019, following a revised 1.7 % contraction in the previous month and compared to market forecasts of a 2.3 % decline.
- Industrial production in the United Kingdom fell 1.8 % year-on-year in December of 2019, following an upwardly revised 2.5 % drop in November and worse than market expectations of a 0.8 % decrease.
- Manufacturing production in the United Kingdom fell 2.5 % year-on-year in December of 2019, following an upwardly revised 3.3 % drop in November which was the worst decline since February of 2013.
- China's fiscal spending climbed 8.1% in 2019 from the previous year, the finance ministry said on Monday, outpacing economic growth as policymakers sought to ward off a sharper slowdown. Fiscal revenues increased an annual 3.8% last year, dragged by a 1.0% rise in tax receipts due to huge tax cuts, the finance ministry said a statement.



Equity Market Update

- Benchmark indices ended flat in the week ended February 14 amid domestic data, the final round of corporate earnings and mixed global markets due to ongoing issue of coronavirus (COVID-19) in China. The World Health Organisation (WHO)

Domestic Markets



Index	14-Feb-2020	07-Feb-2020	% Change
BSE Sensex	41257.74	41141.85	0.28
S&P CNX Nifty	12113.45	12098.35	0.12
CNX Midcap	17978.8	18367.5	-2.12
CNX 500	9961.05	10000.75	-0.4
BSE Smallcap	14682.65	14840.33	-1.06

Global Markets



Index	14-Feb-2020	07-Feb-2020	% Change
Dow Jones	29423.31	29102.51	1.1
Nasdaq	9711.97	9520.51	2.01
S&P 500	3380.16	3327.71	1.58
FTSE 100	7451.96	7466.7	-0.2
Shanghai Composite	2917.01	2875.96	1.43
Hang Sang	27815.6	27404.27	1.5

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	37215	25617	11598
MF Flows*	14236	14109	127

*FII data from 7th Feb to 13th Feb 2020.

*MF data from 6th Feb to 12th Feb 2020.

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
07-Feb-2020	596.83	272.83
10-Feb-2020	1030.45	394.12
11-Feb-2020	2305.43	622.67
12-Feb-2020	1660.2	479.22
13-Feb-2020	-163.2	576.15

Policy Rates



Key Rates (%)	14-Feb-2020	1 Week Ago	1 Month Ago
Reverse Repo	4.9	4.9	4.9
Repo	5.15	5.15	5.15
CRR	4	4	4
SLR	18.25	18.5	18.5

Key Rates



on February 11 officially named the disease caused by the novel coronavirus as COVID-19.

- In the past week, the Sensex rose 33.08 points to end at 40,356.69, while the Nifty was down 12.65 points ended at 11,895.5.
- **Broader Markets:** The BSE mid-cap index was up 0.28 %, while the small-cap index fell 1.10 % and the BSE large-cap index was down 0.22 % in the past week.
- **Sector Update:** Only two of the eleven sectoral gauges on the National Stock Exchange (NSE) moved higher, led by the Nifty IT index which rose 1.05 %.

Key Rates (%)	14-Feb-2020	07-Feb-2020	% Change
Mibor Overnight	5.15	5.2	-0.96
CALL (O/N)	5.03	5.03	0
CBLO	4.95	4.92	0.61
T Bills Index (12M)	5.2	5.25	-0.95
10 Year GSEC	6.37	6.44	-1.09



Debt Market Update

- India's federal government bonds gained for the second week, with benchmark note ending at a record high, as sentiment remained bullish amid hopes that the central bank may take further measures to support bonds.
- The benchmark 6.45% bond maturing in 2029 ended at 100.55 rupees, highest since issuance on Oct. 4, yielding 6.37%.
- The benchmark bond yield eased seven basis points this week, after falling 16 basis points last week. The 10-year yield ended at its lowest since Aug. 7.
- Underlying sentiment was positive amid hopes that the central bank will support bonds, which will cap any major upside in yields with more steps, including special open market operations. The RBI has conducted four such auctions since December wherein it buys longer-tenor bonds, while issuing short-term notes.



Commodity Market Update

Oil Update:

- Oil prices rose on Friday, on track for their first weekly gain since early January as investors bet the economic impact of the coronavirus would be short-lived and hoped for further Chinese central bank stimulus to tackle any slowdown.
- Brent crude was up 89 cents or 1.6% at \$57.23 per barrel. It has risen 4.4% since last Friday, its first weekly increase in six weeks.
- U.S. West Texas Intermediate gained 63 cents or 1.2% to settle at \$52.05 per barrel, up 3.3% for the week.

Gold Update:

- Gold prices remained firm at Rs 40,780 per 10 gram in the Mumbai bullion market on rupee depreciation.
- The rate of 10 grams 22-carat gold in Mumbai was Rs 37,354 plus 3 % GST while 24-carat 10 gram was Rs 40,780 plus GST. The 18-carat gold quoted at Rs 30,585 plus GST in the retail market.
- Silver prices gained Rs 110 to Rs 46,000 per kg from its closing on February 13. The precious metal has gained Rs 114, or 0.28 % for the week, while silver declined Rs 230 or 0.50 % in the same period.
- Spot gold rose 0.5% to \$1,583.18 per ounce. After touching \$1,583.76, its highest price since Feb. 3. For the week, bullion has so far gained about 0.8%. U.S. gold futures settled up 0.5% at \$1,586.40.



Currency Market Update

- For the week, the Rupee ended marginally higher at 71.36 on February 14 against February 7 closing of 71.40.
- India's foreign exchange reserves continue to move from one record high to the next, as inflows through portfolio flows and external borrowings remain robust. For the week ended Feb. 7, total forex reserves rose to \$473 billion from \$471.3 billion the week before.
- The Dollar Spot Index ended the week up by 0.45% to 99.124.

Commodity Market



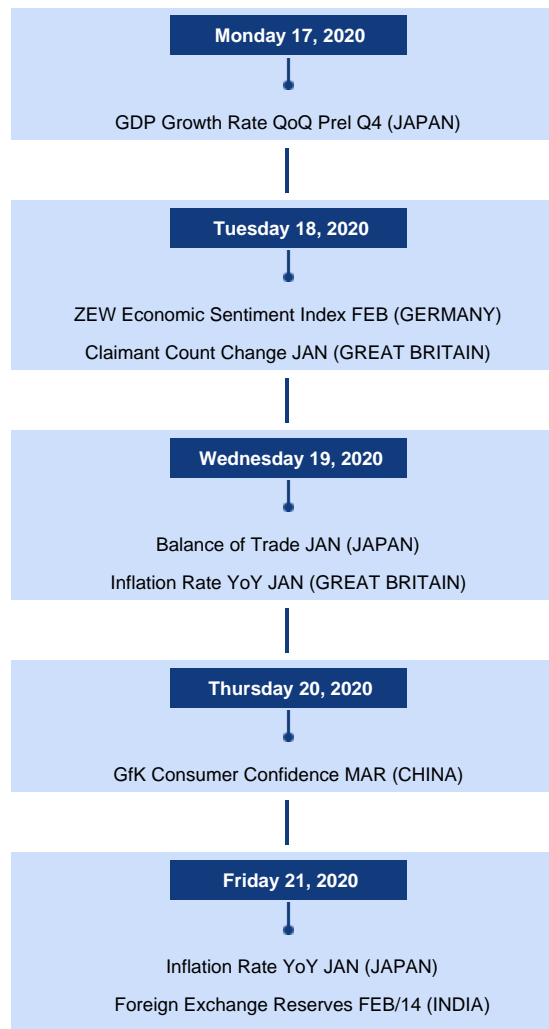
Commodity (INR)	14-Feb-2020	Gain+/Loss-	% Change
Gold (10 gm)	40676	120	0.3
Silver (1 kg)	46205	277	0.6
Crude Oil (\$/barrel)	57.32	2.85	5.23

Currency Market



Currency	14-Feb-2020	Gain+/Loss-	% Change
USD/INR	71.39	0.14	0.19
EURO/INR	77.35	-0.88	-1.12
GBP/INR	93.13	0.91	0.99
JPY/INR	65.03	0.24	0.37

Upcoming Events





Events	Actual %	Previous %
Inflation Rate YoY JAN (CHINA)	5.4	4.5
Balance of Trade DEC (GREAT BRITAIN)	£7.715B	£1.821B
GDP Growth Rate QoQ Prel Q4 (GREAT BRITAIN)	0.0	0.5
GDP Growth Rate YoY Prel Q4 (GREAT BRITAIN)	1.1	1.2
Industrial Production YoY DEC (INDIA)	-0.3	1.8
Inflation Rate YoY JAN (INDIA)	7.59	7.35
Manufacturing Production YoY DEC (INDIA)	-1.2	2.7
Inflation Rate YoY Final JAN (GERMANY)	1.7	1.5
Core Inflation Rate YoY JAN (US)	2.3	2.3
Inflation Rate YoY JAN (US)	2.5	2.3
WPI Fuel YoY JAN (INDIA)	3.42	-1.46
WPI Food YoY JAN (INDIA)	11.51	13.24
WPI Manufacturing YoY JAN (INDIA)	0.34	-0.25
WPI Inflation YoY JAN (INDIA)	3.1	2.59
GDP Growth Rate QoQ Flash Q4 (GERMANY)	0.0	0.2
GDP Growth Rate YoY Flash Q4 (GERMANY)	0.4	0.6
GDP Growth Rate QoQ 2nd Est Q4 (EA)	0.1	0.3
GDP Growth Rate YoY 2nd Est Q4 (EA)	0.9	1.2
Deposit Growth YoY JAN/31 (INDIA)	9.9	9.5
Foreign Exchange Reserves FEB/07 (INDIA)	\$473B	\$471.3B
Bank Loan Growth YoY JAN/31 (INDIA)	7.1	7.2
Balance of Trade JAN (INDIA)	\$-15.17B	\$-11.25B
Retail Sales MoM JAN (US)	0.3	0.2

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