

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- Retail inflation for farm and rural workers eased to 6.58 per cent and 6.53 per cent, respectively in July this year on account of lower prices of certain food items, the labour ministry said.
- Agricultural exports rose 23% to Rs 25,553 crore in March-June this year despite the disruption caused by the pandemic.
- The Centre on Wednesday decided to increase the minimum price sugar mills pay to sugarcane growers by Rs 10 to Rs 285 per quintal for the next marketing year starting October 2020.
- The trade deficit for July was \$4.83 billion as against a surplus of \$790 million in June and a deficit of \$13.43 billion in the year ago period.
- The Central Board of the Reserve Bank of India (RBI), under the Chairmanship of Shaktikanta Das, Governor, approved the transfer of Rs 57128 crore as surplus to the Central Government for the accounting year 2019-20, while deciding to maintain the Contingency Risk Buffer at 5.5%.

International Update:

- The IHS Markit Germany Manufacturing PMI rose to 53 in August of 2020 from 51 in July, beating market forecasts of 52.5.
- The IHS Markit Eurozone Manufacturing PMI came in at 51.7 in August 2020, little-changed from the previous month's 51.8 and below market expectations of 52.9, a preliminary estimate showed.
- The Japanese economy shrank 7.8 percent on quarter in the three months to June 2020, compared with market forecasts of a 7.6 percent decline, and after a 0.6 percent fall in the previous period, a preliminary estimate showed.
- Industrial production in Japan rose by 1.9 percent month-over-month in June 2020, compared with a preliminary figure of a 2.7 percent gain and after an 8.9 percent fall in May.



Equity Market Update

- Market ended on August 21 with a gain of over a percent in the week of consolidation on the back of positive global cues, and helped by renewed hopes of success of a coronavirus vaccine.
- Last week, BSE Sensex gained 557.38 points, or 1.47 percent, to close at 38,434.72, while Nifty50 rose 193.2 points, or 1.72 percent, to end at 11,371.6 levels.
- Broader Market Update:** BSE Small-cap index surged 5.5 percent.
- BSE Mid-cap Index jumped 3.6 percent.
- Sector Update:** On the sectoral front, Nifty Media Index outperformed other indices with a gain of more than 12 percent followed by Nifty Realty and Nifty Metal.



Debt Market Update

- Yields for benchmark long term Government securities hit near three month high as a break above 6% extended.
- Yields for 5.79% GS 2030 jumped 4 basis points to close at two and half month of 6%.



Commodity Market Update

Oil Update:

- Crude oil prices closed the last trading day of the week on a bearish note. The prices dropped by more than 1% on Friday as the global economy continues to falter due to renewed COVID-19 restrictions in some vital economic hubs around the world.
- Brent crude futures settled at \$44.35 a barrel, down 55 cents or 1.2%. Also, America's West Texas Intermediate futures settled at \$42.34 a barrel, falling by 1.1%.
- Brent fell about 1% for the week, while WTI saw a weekly rise of nearly 1%.
- Crude prices declined on weak US job numbers, tepid growth in economic activity globally, renewed fear of coronavirus lockdowns and supply worries over the OPEC

Domestic Markets



Index	21-Aug-2020	14-Aug-2020	% Change
BSE Sensex	38434.72	37877.34	1.47
S&P CNX Nifty	11371.6	11178.4	1.73
CNX Midcap	16982.2	16383.25	3.66
CNX 500	9423.55	9214.4	2.27
BSE Smallcap	14625.2	13855.18	5.56

Global Markets



Index	21-Aug-2020	14-Aug-2020	% Change
Dow Jones	27930.33	27931.02	-0
Nasdaq	11311.8	11019.3	2.65
S&P 500	3397.16	3372.85	0.72
FTSE 100	6001.89	6090.04	-1.45
Shanghai Composite	3380.68	3360.1	0.61
Hang Sang	25113.84	25183.01	-0.27

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	31504	17228	14276
MF Flows*	6647	8526	-1879

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
14-Aug-2020	632.99	-368.11
17-Aug-2020	2019.65	-21.42
18-Aug-2020	881.34	51.91
19-Aug-2020	-475.73	-757.82
20-Aug-2020	614.7	-979.42

Policy Rates



Key Rates (%)	21-Aug-2020	1 Week Ago	1 Month Ago
Reverse Repo	3.35	3.35	3.35
Repo	4	4	4
CRR	3	3	3
SLR	18	18	18

Key Rates



meeting. The rebound in the US dollar also put additional pressure on oil prices.

- The number of rigs drilling crude oil in the US jumped by 11 to 183 rigs this week from 172 rigs last week, said Baker Hughes in a weekly report. The rig count has risen for the first time since January.

Gold Update:

- Gold and silver prices in Indian markets ended this week on a weak note, tracking softer global rates. On MCX, October gold futures fell 0.3% to ₹52,001 per 10 gram on Friday while September silver futures declined 1% to ₹66,954 per kg. On a week-on-week comparison, gold and silver prices were mostly flat. But from August 7th highs of about ₹56,200, gold is down more than ₹4,000 per 10 gram.
- In global markets, a strong rebound in the dollar and a recovery in US business activity somewhat dented gold's appeal this week though many analysts think longer-term uptrend in gold prices is still intact. Spot gold dropped to \$1,942 an ounce in US markets on Friday. Prices have retreated sharply from above \$2,000 hit earlier this week amid delayed stimulus package agreement, a bounce in the U.S. dollar and real rates.



Currency Market Update

- In the past week, the Indian rupee ended marginally higher against the US dollar.
- It closed at 74.85 per dollar on August 21, against its August 14 closing of 74.90 per dollar.

Key Rates (%)	21-Aug-2020	14-Aug-2020	% Change
Mibor Overnight	3.77	3.8	-0.79
CALL (O/N)	3.43	3.45	-0.58
CBLO	3.01	3.18	-5.35
T Bills Index (12M)	3.51	3.53	-0.57
10 Year GSEC	6.08	5.95	2.18

Commodity Market



Commodity (INR)	21-Aug-2020	Gain+/Loss-	% Change
Gold (10 gm)	52151	-76	-0.15
Silver (1 kg)	67067	-104	-0.15
Crude Oil (\$/barrel)	44.35	-0.45	-1

Currency Market



Currency	21-Aug-2020	Gain+/Loss-	% Change
USD/INR	74.88	-0.11	-0.15
EURO/INR	88.86	-0.47	-0.53
GBP/INR	99.12	-1.39	-1.42
JPY/INR	70.9	-0.91	-1.3

Upcoming Events



Week Gone By



Events	Actual %	Previous %	1 Year ago %
GDP Growth Rate QoQ Prel Q2 (JAPAN)	-7.8		-0.6
Balance of Trade JUL (JAPAN)	¥11.6B	¥-269.3B	
Inflation Rate YoY JUL (GREAT BRITAIN)	1.0		0.6
Gfk Consumer Confidence AUG (GREAT BRITAIN)	-27.0		-27.0
Inflation Rate YoY JUL (JAPAN)	0.3		0.1
Foreign Exchange Reserves AUG/14 (INDIA)	\$535.25B	\$538.2B	

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