

Weekly Market Update



Financial Market & Economy Update

Details of Rs 20 lakh crore relief package:

- The five part stimulus package announced beginning May 13 comprised Rs 5.94 lakh crore in the first tranche that provided credit line to small businesses and support to shadow banks and electricity distribution companies
- The second tranche included free foodgrain to stranded migrant workers for two months and credit to farmers, totalling Rs 3.10 lakh crore
- Spending on agri infrastructure and other measures for agriculture and allied sectors in the third tranche totalled to Rs 1.5 lakh crore
- The fourth and fifth tranches that dealt mostly with structural reforms totalled to Rs 48,100 crores.

Domestic Update:

- India's trade deficit narrowed to USD 6.76 billion in April 2020 from USD 9.76 billion in the previous month and below market expectations of a USD 7.5 billion shortfall.
- India's exports contracted by a record 60.28 % to USD 10.36 billion in April amid the coronavirus lockdown, official data showed on Friday. Imports too tumbled by 58.65 % to USD 17.12 billion in April from USD 41.4 billion in the same month last year, according to the data by the commerce and industry ministry.
- The UN cut India's economic growth projection for the current fiscal year to 1.2% as compared to 6.6% estimated in January. World Economic Situation and Prospects (WESP) update expects India's rate of gross domestic growth to increase to 5.5% in the next fiscal year.
- WPI Food Index consisting of 'Food Articles' from Primary Articles group and 'Food Products' from Manufactured Products group have provisionally increased from 146.1 in March, 2020 to 146.6 in April, 2020. The rate of inflation based on WPI Food Index decreased from 5.49% in March, 2020 to 3.60% in April, 2020.

Global Update:

- China's industrial production rose by 3.9 % year-on-year in April 2020, reversing from a 1.1 % fall in the previous month and compared with market expectations of a 1.5 % gain.
- Germany's economy shrank 2.2 % on quarter in the three months to March 2020, following a 0.1 % fall in the previous period.
- The Eurozone quarterly economic contraction was confirmed at 3.8 % in the first quarter of 2020.
- Australia jobless rate came in at a seasonally adjusted 6.2% in April, the Australian Bureau of Statistics said on Thursday. That was up from 5.2% in March. The Australian economy lost 594,300 jobs last month to 12,418,700 following the increase of 5,900 jobs in the previous month.
- The UK trade deficit rose to GBP 6.68 billion in March of 2020 from a downwardly revised GBP 1.54 billion in the previous month.
- Britain's gross domestic product decreased by 1.6 % year-on-year in the first quarter of 2020, the biggest fall since the fourth quarter of 2009 and compared with market expectations of a 2.1 % slump.
- China's monthly auto sales rose for the first time in almost two years as the country eased virus-related curbs and reopened for business, but the annual number will likely be slashed by up to 25% if the pandemic continues, an industry body cautioned. In April, China's auto sales reached 2.07 million units, up 4.4% from a year earlier, even as sales of new energy vehicles (NEVs) fell for a tenth month to 72,000 units.
- Saudi Arabia on Monday said that from July 1 VAT would increase to 15% from 5%, with the kingdom seeking to contain the financial hit caused by low oil prices.



Equity Market Update

- Indian benchmark witnessed rangebound trade and ended lower for the week ended on May 15 amid stimulus package from the government, mixed global cues, earning from Indian Inc and concern over rising COVID-19 cases in the country.
- Last week, BSE Sensex shed 544.97 points (1.7 %) to close at 31,097.73. The Nifty50 was down 144.65 points (1.4 %) to end at 9,136.85 levels.
- **Broader Markets:** The BSE Small-cap index was up 0.47 % last week. BSE Mid-cap Index rose 0.7 %.
- **Sector Update:** On the sectoral front, Nifty Auto outperformed other indices with a gain of 5.5 % followed by Nifty Metal Index (up 4 %) and Nifty Media Index (up 3 %). On the other hand, Nifty Bank and Pharma Index shed 2.6 % each.



Debt Market Update

- Government of India announces the conversion/switch of its 8.27 GS 2020 paper through auction for an aggregate amount of Rs 30,000 crore (face value). The security-wise details show that while Rs 13000 crore have been converted into 6.18% GS 2024 and 5.79% GS 2030, Rs 4000 crore have been converted into 7.19% GS 2060.
- The benchmark 10 year G sec, 5.79% bond yield closed at 5.76%, up 4 basis points from last weeks close.

Domestic Markets



Index	15-May-2020	08-May-2020	% Change
BSE Sensex	31097.73	31642.7	-1.72
S&P CNX Nifty	9136.85	9251.5	-1.24
CNX Midcap	12992.05	12788.95	1.59
CNX 500	7504.05	7552	-0.63
BSE Smallcap	10688.86	10638.7	0.47

Global Markets



Index	15-May-2020	08-May-2020	% Change
Dow Jones	23685.42	24331.32	-2.65
Nasdaq	9014.56	9121.32	-1.17
S&P 500	2863.7	2929.8	-2.26
FTSE 100	5799.8	5936	-2.29
Shanghai Composite	2868.46	2895.34	-0.93
Hang Sang	23797.47	24230.17	-1.79

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	50427	32209	18218
MF Flows*	17103	16426	677

*FII data from 6th May to 13th May 2020

*MF data from 6th May to 12th May 2020

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
08-May-2020	897.45	-1513.17
11-May-2020	933.86	-842.13
12-May-2020	-690.85	-146.44
13-May-2020	-2301.85	471.22
14-May-2020	173.85	-790.48

Policy Rates



Key Rates (%)	15-May-2020	1 Week Ago	1 Month Ago
Reverse Repo	3.75	4	4
Repo	4.4	4.4	4.4
CRR	3	3	3
SLR	18	18	18

Key Rates





Commodity Market Update

Oil Update:

- President Donald Trump might very be disappointed with China these days, but it was Chinese data on Friday that helped accelerate U.S. crude oil's run toward \$30 per barrel.
- West Texas Intermediate, the New York-traded benchmark for U.S. crude, settled up \$1.87, or 6.8%, at \$29.43 per barrel after data showed China's industrial production rose 3.9% in April from a year ago, improving from a 1.1% fall in March.
- Brent, the London-traded global benchmark for oil, rose \$1.37, or 4.4%, to settle at \$32.50.
- WTI has been on a tear since hitting a bottom of \$12.34 on April 28, rallying almost 140% in just over two weeks. The U.S. crude benchmark remains down 50% on the year. But Friday's two-month high of \$29.91 in WTI brought its discount versus Brent, typically at \$5 per barrel, to under \$3 at one point, powerfully altering the dynamics between the two benchmarks.
- For the week, WTI gained 19%, extending last week's 25% jump and the previous week's 17% rise.
- Brent saw a relatively modest climb of 5% on the week. Its gains over the past two weeks were virtually a reverse of WTI's - 17% last week and 23% the previous week.

Gold Update:

- Gold prices in India surged to a record high in India on Friday, tracking strong gains in global markets. On MCX, gold futures surged as much as 1.6% to fresh high of ₹47,462 per 10 gram, overtaking previous high of ₹47,327, hit last month. Silver prices also surged ₹2586 or about 6% to ₹46,721 per kg. Gold prices in India includes 12.5% import duty and 3% GST.
- Gold prices have surged about 50% in past one year in India amid rupee's depreciation against US dollar, US-China tensions and worries about deeper global recession amid the coronavirus crisis.
- On Friday, gold prices crossed the \$1,750 mark per ounce in global markets, posting around 2% gain for the week.



Currency Market Update

- Indian rupee ended flat at 75.57 on May 15 against May 8 closing of 75.55.
- The country's foreign exchange reserves surged by \$4.235 billion to \$485.313 billion in the week to May 8 on account of rise in the foreign currency assets, according to the Reserve Bank of India.

Key Rates (%)	15-May-2020	08-May-2020	% Change
Mibor Overnight	4.46	4.43	0.68
CALL (O/N)	3.97	3.98	-0.25
CBLO	3	3.39	-11.5
T Bills Index (12M)	3.71	3.55	4.51
10 Year GSEC	5.76	5.72	0.7

Commodity Market



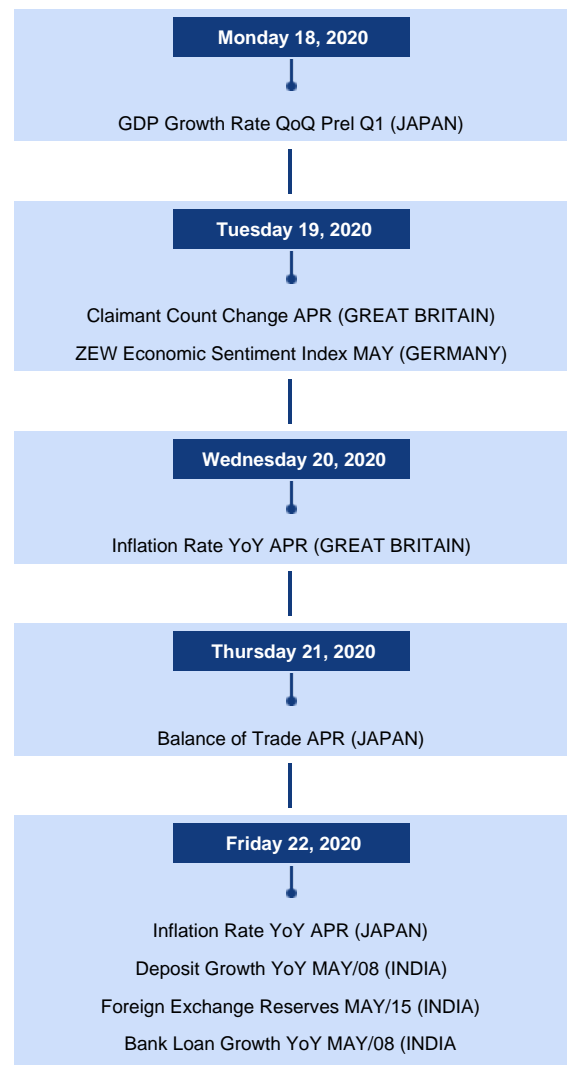
Commodity (INR)	08-May-2020	Gain+/Loss-	% Change
Gold (10 gm)	47381	1569	3.42
Silver (1 kg)	46718	3425	7.91
Crude Oil (\$/barrel)	32.5	1.53	4.94

Currency Market



Currency	15-May-2020	Gain+/Loss-	% Change
USD/INR	75.56	-0.12	-0.16
EURO/INR	81.65	0.15	0.18
GBP/INR	92.26	1.24	1.33
JPY/INR	70.48	0.45	0.63

Upcoming Events





Events	Actual %	Previous %
Inflation Rate YoY APR (CHINA)	3.3	4.3
Industrial Production YoY MAR (INDIA)	-16.7	4.6
Manufacturing Production YoY MAR (INDIA)	-20.6	3.1
Core Inflation Rate YoY APR (US)	1.4	2.1
Inflation Rate YoY APR (US)	0.3	1.5
Balance of Trade MAR (GREAT BRITAIN)	£-6.7B	£-1.5B
GDP Growth Rate QoQ Prel Q1 (GREAT BRITAIN)	-2.0	0.0
GDP Growth Rate YoY Prel Q1 (GREAT BRITAIN)	-1.6	1.1
WPI Food YoY APR (INDIA)	2.55	4.91
WPI Fuel YoY APR (INDIA)	-10.12	-1.76
GDP Growth Rate QoQ Flash Q1 (GERMANY)	-2.2	-0.1
GDP Growth Rate YoY Flash Q1 (GERMANY)	-2.3	0.4
GDP Growth Rate QoQ 2nd Est Q1 (EA)	-3.8	0.1
GDP Growth Rate YoY 2nd Est Q1 (EA)	-3.2	1.0
Balance of Trade APR (INDIA)	\$-6.76B	\$-9.76B
Retail Sales MoM APR (US)	-16.4	-8.3

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