



## Financial Market & Economy Update

### Domestic Market Update:

- The country imported electronic components worth Rs 1.15 lakh crore in 2019-20, out of which, 37 per cent came from China, Minister of State for Communications and Electronics and IT Sanjay Dhotre said on Thursday.
- Exports in August 2020 were USD 22.70 billion, as compared to USD 25.99 billion in August 2019, exhibiting a negative growth of (-) 12.66%. In Rupee terms, exports were Rs. 1,69,513.81 crore in August 2020, as compared to Rs. 1,84,921.23 crore in August 2019, registering a negative growth of (-) 8.33%. Cumulative value of exports for the period April-August 2020-21 was USD 97.66 billion (Rs.7,35,835.87 crore) as against USD 133.14 billion (Rs.9,28,243.85 crore) during the period April-August 2019-20, registering a negative growth of (-)26.65% in Dollar terms (negative growth of (-)20.73% in Rupee terms).
- Imports in August 2020 were USD 29.47 billion (Rs.2,20,083.69 crore), which is a decline of (-) 26.04% lower in Dollar terms and (-) 22.38% in Rupee terms over imports of USD 39.85 billion (Rs 2,83,530.41 crore) in August 2019. Cumulative value of imports for the period April-August 2020-21 was USD 118.38 billion (Rs.8,91,978.43 crore), as against USD 210.39 billion (Rs.14,66,659.90 crore) during the period April-August 2019-20, registering a negative growth of (-) 43.73% in Dollar terms and a negative growth of (-)39.18% in Rupee terms.
- Oil imports in August 2020 were USD 6.42 billion (Rs. 47,948.84 crore), which was 41.62% lower in Dollar terms (38.73 percent lower in Rupee terms), compared to USD 11.00 billion (Rs. 78,255.69 crore) in August 2019. Oil imports in April-August 2020-21 were USD 26.03 billion (Rs. 1,96,183.35 crore) which was 53.61% lower in Dollar terms (49.86% lower in Rupee terms) compared to USD 56.11 billion (Rs. 3,91,293.04 crore), over the same period last year.
- India's wholesale prices increased 0.16 percent from a year earlier in August 2020, after a 0.58 percent fall in the previous month and compared to market expectations of a 0.27 percent drop. It was the first annual increase in prices since March, as the economy recovers from the pandemic shock. Prices increased for manufactured products (1.27 percent vs 0.51 percent in July) and food articles (3.84 percent vs 4.08 percent), while fuel and power cost continued to fall (-9.68 percent vs -9.84 percent).
- Consumer prices in India increased 6.69 percent year-on-year in August of 2020, following a downwardly revised 6.73 percent rise in the previous month and below market forecasts of 6.85 percent.
- India's total Money Supply (M3) stood at Rs 17647874 crores as on 28th August 2020, recording a gain of 12.6% over the same time last year. Currency with the public stood at Rs 2583042, up 24% over the year. Demand deposits with banks were up 12.30% at Rs 1662928 crores. Time deposits with banks were also up 10.6% at Rs 13361941 crores. The bank credit to commercial sector rose 5.7% on year to Rs 10871809 crores

### International Market Update:

- The number of Americans filing for unemployment benefits rose by 860 thousand in the week ended September 12th, compared to 893 thousand in the previous period and above market expectations of 850 thousand.
- US industrial production climbed by 0.4% in August after soaring by an upwardly revised 3.5% in July, the Federal Reserve reported on Tuesday. Production increased for the fourth consecutive month but remains 7.3% below its pre-pandemic February level. Manufacturing output continued to improve in August, surging up by 1%.
- Euro area trade surplus increased for the third straight month in July to reach pre-pandemic levels, data published by Eurostat showed Wednesday. Exports grew by a seasonally adjusted 6.5% and imports advanced 4.2% on a monthly basis in July. As a result, the trade surplus increased to EUR 20.3 billion from EUR 16.0 billion in June.
- Japan posted a merchandise trade surplus of 248.299 billion yen in August, the Ministry of Finance said on Wednesday, following the 11.6 billion yen surplus in July. Exports were down 14.8% on year to 5.232 trillion yen, after sinking 19.2% in the previous month. Imports tumbled an annual 20.8% to 4.984 trillion yen following the 22.3% drop a month earlier.



## Equity Market Update

- Indian equity markets posted gains in the week ended Sept. 19, masking declines amid border tensions with China and no measures from central bankers around the world.
- Foreign investors remained net buyers of Indian stocks while domestic mutual funds were sellers. Information technology stocks gained while bank stocks fell.
- During the last week, the Sensex dropped 8.73 points or 0.02 per cent, while the Nifty advanced 40.50 points or 0.35 per cent.

## Domestic Markets



Index	18-Sep-2020	11-Sep-2020	% Change
BSE Sensex	38845.82	38854.55	-0.02
S&P CNX Nifty	11504.95	11464.45	0.35
CNX Midcap	17399.45	16765.8	3.78
CNX 500	9559.5	9446.4	1.2
BSE Smallcap	15299.98	14558.27	5.09

## Global Markets



Index	18-Sep-2020	11-Sep-2020	% Change
Dow Jones	27657.42	27665.64	-0.03
Nasdaq	10793.28	10853.55	-0.56
S&P 500	3319.47	3340.97	-0.64
FTSE 100	6007.1	6032.09	-0.41
Shanghai Composite	3338.09	3260.35	2.38
Hang Sang	24455.41	24503.31	-0.2

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	30249	23921	6328
MF Flows*	7430	9172	-1742

## F&O FII Trends (Rs. Crs)



Date	Index	Stocks
11-Sep-2020	-116.02	-218.83
14-Sep-2020	-421.02	-36.82
15-Sep-2020	592.12	-290.1
16-Sep-2020	131.48	-962.79
17-Sep-2020	1908.8	-1086.89

## Policy Rates



Key Rates (%)	18-Sep-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





## Debt Market Update

- Yields for 5.79% GS 2030 closed at 6.03%.



## Commodity Market Update

### Oil Update:

- Oil prices were mixed on Friday after a Libyan commander said a blockade on the country's oil exports would be lifted for a month, while a declining U.S. equities market also weighed on futures.
- Still, both the U.S. and Brent crude benchmarks were set for weekly gains after Saudi Arabia pressed allies to stick to production quotas, Hurricane Sally cut U.S. production, and banks including Goldman Sachs predicted a supply deficit.
- Brent fell 55 cents to \$42.75 a barrel, but was set to rise 7.4% for the week, while West Texas Intermediate crude, the U.S. oil benchmark, settled 14 cents, or 0.3%, higher at \$41.11 per barrel.

### Gold Update:

- Gold dealers in India continued to offer discounts for a fifth week even as they hope for an improvement in demand as the festive season approaches. In India, discounts on gold eased to \$23 an ounce over official domestic prices, from last week's \$30, Reuters reported. Gold prices in India include 12.5% import duty and 3% GST.
- In the futures market, gold prices ended the week at \$51,720 per 10 gram, about 400 higher as compared to the previous week's levels. On the other hand, silver ended the week at about \$68,002 per kg.
- Gold prices in India have remained in a narrow range over the past few weeks, after hitting a record high of \$56,200 in the first week of August. After correcting from those levels, gold has remained directionless.



## Currency Market Update

- The Indian rupee ended the week with a marginal gain of 0.1 per cent, amid a high volatility trade due to US Fed and BoE interest rate decisions. Tracking the decline in the Dollar Index, long bets in the domestic unit have surged in line with the other Asian peers.
- After touching a life-time high in the previous week, the country's foreign exchange reserves declined by \$353 million to \$541.660 billion in the week ended September 11, according to the Reserve Bank of India (RBI) data.

Key Rates (%)	18-Sep-2020	11-Sep-2020	% Change
Mibor Overnight	3.74	3.77	-0.8
CALL (O/N)	3.41	3.41	0
CBLO	3.22	3.2	0.63
T Bills Index (12M)	3.62	3.59	0.84
10 Year GSEC	6.03	6.04	-0.22

## Commodity Market



Commodity (INR)	18-Sep-2020	Gain+/Loss-	% Change
Gold (10 gm)	51715	396	0.77
Silver (1 kg)	67877	-51	-0.08
Crude Oil (\$/barrel)	43.15	3.32	8.34

## Currency Market



Currency	18-Sep-2020	Gain+/Loss-	% Change
USD/INR	73.7	-0.23	-0.31
EURO/INR	86.76	0.21	0.24
GBP/INR	95.45	-1.28	-1.36
JPY/INR	70.29	-1.1	-1.59

## Upcoming Events



## Week Gone By



Events	Actual %	Previous %	1 Year ago %
WPI Fuel YoY AUG (INDIA)	-9.68	-9.84	
WPI Manufacturing YoY AUG (INDIA)	1.27	0.51	
WPI Food YoY AUG (INDIA)	3.84	4.08	
WPI Inflation YoY AUG (INDIA)	0.16	-0.58	

Inflation Rate YoY AUG (INDIA)	6.69	6.73
Claimant Count Change AUG (GREAT BRITAIN)	73.7K	69.9K
ZEW Economic Sentiment Index SEP (GERMANY)	77.4	71.5
Balance of Trade AUG (INDIA)	-\$-6.77B	-\$-4.83B
Balance of Trade AUG (JAPAN)	¥248.3B	¥10.9B
Inflation Rate YoY AUG (GREAT BRITAIN)	0.2	1.0
Retail Sales MoM AUG (US)	0.6	0.9
Fed Interest Rate Decision (US)	0.25	0.25
BoE Interest Rate Decision (GREAT BRITAIN)	0.1	0.1
Inflation Rate YoY AUG (JAPAN)	0.2	0.3
Foreign Exchange Reserves SEP/11 (INDIA)	\$541.7B	\$542B

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