

Weekly Market Update



Financial Market & Economy Update

- India's manufacturing sector activity improved marginally in April. The Nikkei India Manufacturing Purchasing Managers Index (PMI), rose from 51.0 in March to 51.6 in April, indicating faster improvement in the health of the country's manufacturing economy than in the prior month.
- India's services sector continued to improve in April, mainly spurred by increased business activities, and job-creation accelerated at the fastest pace in more than seven years. Nikkei India Services Business Activity Index climbed to 51.4 in April from 50.3 in March.
- The government approved a production subsidy of Rs 5.5 per quintal for sugarcane farmers to help cash-starved millers clear cane arrears that have surged to about Rs 20,000 crore due to sharp fall in sugar prices on record production.
- As the goods and services tax (GST) collections for March (collected in April) came in at Rs 1,03,458 crore, compared with a monthly average of around Rs 90,000 crore in July-March, finance minister Arun Jaitley called it (collections exceeding Rs 1 lakh crore) "a landmark achievement and a confirmation of increased economic activity as brought out by other reports".
- The Goods and Services Tax (GST) Council on Friday decided to have a single monthly return for businesses in a bid to simplify the process and increase compliance.
- The government plans to launch its first debt exchange traded fund (ETF) early in the second half of 2018-19. The ETF's basket is expected to contain debt offerings from 12-15 state-owned companies, including banks and central public sector enterprises (CPSE).
- Growth in China's vast manufacturing sector eased only slightly in April to 51.4, from 51.5 in March in a sign of broad economic resilience, though slowing export orders pointed to risks to the outlook amid a simmering Sino-U.S. trade row.
- Personal income in the United States rose by 0.3 % month-over-month in March 2018. Personal Spending in the United States increased 0.40 % in March of 2018.
- Euro zone economy slows as expected in first quarter. Gross domestic product across the 19 countries sharing the euro currency expanded by 0.4 % in the first quarter compared to the last quarter of 2017 and by 2.5 % year on year, EU statistics agency Eurostat said on Wednesday.
- Euro zone manufacturing cools off in April but remains warm. IHS Markit's April final manufacturing Purchasing Managers' Index for the bloc slipped for a fourth month, falling to a 13-month low of 56.2 from March's 56.6, above a preliminary reading of 56.0. Anything over 50 indicates growth.
- U.S. job growth increased less than expected in April and the unemployment rate dropped to near a 17-1/2-year low of 3.9 % as some jobless Americans left the labor force. Nonfarm payrolls increased by 164,000 jobs last month, the Labor Department said on Friday. Data for March was revised up to show payrolls rising by 135,000 jobs instead of the previously reported 103,000.



Equity Market Update

- The benchmark Sensex snapped five weeks of gains to slip 54.32 points close at 34,915.38, while the broader Nifty ended at 10,618.25, losing 74.05 points.
- The resilient domestic market succumbed to the global uncertainty on fears set-off by US-China trade war.
- The truncated week saw the key indices opening on a strong note reclaiming the psychological 35,000-level on slew of positives like Reserve Bank of India (RBI) further liberalizing the external commercial borrowing for more sectors, also buying in stocks specifics on good corporate earnings ruled roost.
- The BSE Sensex started the week higher at 35,021.20 and hovered between high of 35,357.15 and low of 34,847.61 before closing the week at 34,915.38, showing a loss of 54.32 or 0.16 %.
- The Nifty also resumed the week higher at 10,705.75 and traded between 10,784.65 and 10,601.60, the index finally closed at 10,618.25, down 74.05 points, or 0.69 %. The BSE Mid-Cap index fell 356.17 points or 2.11 % to settle at 16,561.01. The BSE Small-Cap index fell 248.51 points or 1.36 % to settle at 17,991.45. Foreign institutional investors (FIIs) sold shares worth Rs 2,890.37 crore during the week, as per Sebi's record including the provisional figure of May 04, 2018.
- Among sectoral and industry indices, metal fell by 3.35 %, IPO 2.73 %, Oil&Gas 2.39 %, Realty 2.30 %, Auto 2.18 %, IT 1.76 %, Teck 1.69 %, Healthcare 1.36 %, PSU 1.36 %, Power 1.22 %, FMCG 0.79 %, Capital Goods 0.73 % and Consumer durables 0.61 %, while only Bankex rose by 0.47 %.



Debt Market Update

- Indian government bonds rose for the first time in four weeks after the central bank allowed foreign investors to purchase bonds with residual maturity of below three years.
- The 10-year yield fell four basis points this week after rising five basis points last week. It had risen by 59 basis points in the previous three weeks.
- The central bank also increased the cap on aggregate foreign investments in any federal government security to 30% of the outstanding stock of that security from 20%

Domestic Markets



Index	04-May-2018	27-Apr-2018	% Change
BSE Sensex	34915.38	34969.7	-0.16
S&P CNX Nifty	10618.25	10692.3	-0.69
CNX Midcap	19720	20120.8	-1.99
CNX 500	9339.75	9443.65	-1.1
BSE Smallcap	17991.45	18239.96	-1.36

Global Markets



Index	04-May-2018	27-Apr-2018	% Change
Dow Jones	24262.51	24311.19	-0.2
Nasdaq	7209.62	7119.8	1.26
S&P 500	2663.42	2669.91	-0.24
FTSE 100	7567.1	7502.2	0.87
Shanghai Composite	3091.03	3082.23	0.29
Hang Sang	29926.5	30280.67	-1.17

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	21200	22552	-1352
MF Flows*	17742	15075	2667

FII data from 30th April to 3rd May 2018

MF data from 24th April to 2nd May 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
30-Apr-2018	2430.86	-41.88
02-May-2018	-417.82	-483.7
03-May-2018	2433.98	281.31
04-May-2018	623.37	-210.42

Policy Rates



Key Rates (%)	04-May-2018	1 Week Ago	1 Month Ago
Reverse Repo	5.75	5.75	5.75
Repo	6	6	6
CRR	4	4	4
SLR	20	20	20

Key Rates



earlier.

- However, FPI investment in securities with residual maturity below one year shall not exceed 20% of total investment by these investors in government notes, the RBI said.



Commodity Market Update

Oil Update:

- Iran, which is a major Middle East oil producer and member of the Organization of the Petroleum Exporting Countries (OPEC), resumed its role as a major oil exporter in January 2016 when international sanctions against Tehran were lifted in return for curbs on Iran's nuclear program.
- President Hassan Rouhani said on Sunday Iran had plans to respond to any move by Trump and the U.S. would regret a decision to exit the accord.
- New York-traded WTI crude futures settled at a three-and-a-half-year high on Friday.
- The U.S. benchmark rallied \$1.35, or about 2%, to end at \$69.72 a barrel by close of trade, leaving it up 2.4% for the week. The contract rose to an intraday high of \$69.97, its best level since Nov. 28, 2014.
- Meanwhile, London-traded Brent crude futures, the benchmark for oil prices outside the U.S., jumped \$1.25, or 1.7%, to settle at \$74.87 a barrel.
- It logged a fourth week of gains, up by 1.5%, bolstered by geopolitical tension in the Middle East and concerns about supply disruptions in key oil-producing nations, such as Venezuela.

Gold Update:

- Taking weak cues from overseas markets and falling demand from local jewellers at domestic spot market, gold extended its slide for yet another week falling by Rs 240 to end lower at Rs 32,080 per 10 grams at the bullion market.
- Silver, however, in volatile movements on alternate bouts of buying or selling, managed to end slightly higher by Rs 50 to Rs 40,500 per kg.
- In the national capital, gold of 99.9 and 99.5 % purity started the week on a subdued note and day-to-day increased selling, triggered by a weak global trend, cracked below the Rs 32,000-mark to hit a low of Rs 31,980 and Rs 31,830 before bouncing back again to settled at Rs 32,080 and Rs 31,930 per ten grams respectively, showing a fall of Rs 240 each.
- Sovereign gold followed suit and shed Rs 100 to Rs 24,700 per piece of eight grams.
- On the other hand, after moving between gains and losses, silver ready ended the week higher by Rs 50 to Rs 40,500 per kg and weekly-based delivery close up by Rs 90 to Rs 39,095 per kg.
- Silver coins, however, ended flat at Rs 75,000 for buying and Rs 76,000 for selling of 100 pieces.
- Globally, gold ended the week lower at USD 1,315 an ounce and silver at USD 16.50 an ounce in New York.



Currency Market Update

- The rupee on Friday registered its first loss in five straight sessions, tumbling by 23 paise to close at 66.87 against the US currency in a highly volatile trade.
- Sluggish local equity markets, steady capital outflows and rise in crude prices predominantly dampened forex market sentiment.
- After crashing to a fresh 14-month low of 66.91 a dollar last Wednesday, the Indian currency started recovering.
- The rupee started with a mild negative bias at 66.65 from Thursday's close of 66.64 at the inter-bank foreign exchange (forex) market.
- For the week, it has depreciated by another 21 paise.
- The RBI, meanwhile, fixed the reference rate for the dollar at 66.7681 and for the euro at 79.9682.
- The dollar index, which measures the greenback's value against a basket of six major currencies, was down at 92.25.
- The country's foreign exchange reserves fell by USD 3.216 billion to USD 420.366 billion in the week to April 27 due to a fall in foreign currency assets.

Key Rates (%)	04-May-2018	27-Apr-2018	% Change
Mibor Overnight	6	6	0
CALL (O/N)	5.92	6.02	-1.66
CBLO	5.24	5.53	-5.24
T Bills Index (12M)	6.58	6.46	1.86
10 Year GSEC	7.73	7.77	-0.51

Commodity Market



Commodity (INR)	04-May-2018	Gain+/Loss-	% Change
Gold (10 gm)	31003	-286	-0.91
Silver (1 kg)	38981	-255	-0.65
Crude Oil (\$/barrel)	73.76	-0.89	-1.19

Currency Market



Currency	04-May-2018	Gain+/Loss-	% Change
USD/INR	66.77	-0.01	-0.02
EURO/INR	79.97	-0.77	-0.96
GBP/INR	90.58	-2.31	-2.48
JPY/INR	61.17	0.09	0.15

Upcoming Events



Friday 11, 2018

Inflation Rate YoY APR (IND)
 Manufacturing Production YoY MAR (IND)
 Industrial Production YoY MAR (IND)

Week Gone By



Events	Actual %	Previous %
NBS Manufacturing PMI APR (CHI)	51.4	51.5
Non Manufacturing PMI APR (CHI)	54.8	54.6
Personal Spending MoM MAR (US)	0.4	0.0
Personal Income MoM MAR (US)	0.3	0.3
Nikkei Manufacturing PMI Final APR (Japan)	53.8	53.1
ISM Manufacturing PMI APR (US)	57.3	59.3
Nikkei Manufacturing PMI APR (India)	51.6	51.0
Caixin Manufacturing PMI APR CHINA	51.1	51.0
Consumer Confidence APR (Jap)	43.6	44.3
Markit Manufacturing PMI Final APR (Euro)	56.2	56.6
GDP Growth Rate YoY Flash Q1 (Euro)	2.5	2.8
GDP Growth Rate QoQ Flash Q1 (Euro)	0.4	0.7
Fed Interest Rate Decision	1.75	1.75
Core Inflation Rate YoY Flash APR (Euro)	0.7	1.0
Balance of Trade MAR (US)	\$-49B	\$-57.7B ®
ISM Non-Manufacturing PMI APR (US)	56.8	58.8
Nikkei Services PMI APR (India)	51.4	50.3
Caixin Services PMI APR (China)	52.9	52.3
Unemployment Rate APR (US)	3.9	4.1
Non Farm Payrolls APR (US)	164K	135K ®
Retail Sales YoY MAR (EA)	0.8	1.8

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