



Financial Market & Economy Update

Domestic Market Update:

- For the financial year 2020-21, during April to August, total FDI inflow of US\$ 35.73 billion is received, the ministry of commerce stated. It is the highest ever for first 5 months of a financial year and 13% higher as compared to first five months of 2019-20 (US\$ 31.60 billion). FDI equity inflow received during F.Y. 2020-21 (April to August, 2020) is US\$ 27.10 billion. It is also the highest ever for first 5 months of a financial year and 16% more compared to first five months of 2019-20 (US\$ 23.35 billion).
- The Union Cabinet approved productivity linked bonus and non-productivity linked bonus for 2019-2020. A total of 30.67 lakh non-gazettes employees will be benefited by the bonus announcement and total financial implication will be Rs 3,737 crore. Further, the Cabinet approved adoption of the Jammu and Kashmir Panchayati Raj Act, 1989. The move will help establish all the three tiers of grass root level democracy like in other part of the country.
- Foodgrains production is pegged at record 144.52 million tonnes in the 2020-21 kharif season notwithstanding COVID-19 crisis. Despite the COVID-19 pandemic, there has been a record increase in area sown to kharif crops by 4.51% to 1,121.75 lakh hectares this year, the minister noted.

International Market Update:

- The United Kingdom's Gfk Consumer Confidence declined to -31 in October 2020 from -25 in the previous month and compared to consensus of -28, as further lockdowns to contain the second wave of coronavirus cases weighed heavily.
- Japan's consumer prices remained unchanged September year-on-year after increasing 0.2 percent in the previous month, as the pandemic continued to hamper consumption.
- The IHS Markit/CIPS UK Manufacturing PMI fell to 53.3 in October of 2020 from 54.1 in September, compared to forecasts of 53.1, preliminary estimates showed.
- The IHS Markit Eurozone Manufacturing PMI increased to 54.4 in October of 2020 from 53.7 in September, beating market forecasts of 53.1.
- The number of Americans filing for unemployment benefits rose by 787 thousand in the week ended October 17th, the lowest level since the effects of the coronavirus pandemic started to being felt back in March and below market expectations of 860 thousand.
- UK-s public debt rose GBP 259.2 billion in the first six months of the financial year to reach GBP 2,059.7 billion at the end of September 2020, or around 103.5 percent of gross domestic product. This was the highest debt to GDP ratio in nearly seven decades.
- Japan recorded a trade surplus of JPY 674.98 billion in September of 2020, compared with a JPY 129.07 billion deficit a year earlier and market expectations of a JPY 989.8 billion surplus.
- The Chinese economy advanced 4.9% yoy in Q3 2020, faster than a 3.2% expansion in Q2 but below forecasts of a 5.2% growth.



Equity Market Update

- The market regained losses made last week and rose over 1 percent for the week ended October 23 supported by in-line September quarter numbers from the India Inc and likely US stimulus announcement ahead of the US presidential election. However, rising COVID cases remained a concern.
- This week, BSE Sensex rose 702.52 points or 1.75 percent to close at 40,685.50, while the Nifty50 added 167.95 points or 1.42 percent to end at 11,930.4 levels.
- Broader Market Update:** BSE Smallcap index added 2.3 percent. BSE Midcap Index jumped 2.4 percent.
- Sector Update:** On the sectoral front, BSE Realty Index outperformed other indices with a gain of over 9 percent followed by BSE Metal (up 5.3%), BSE Power (up 4.3%), while BSE Energy Index shed 1.6 percent.



Debt Market Update

- Government bond prices surged on Friday because the Reserve Bank of India's announcement that it would conduct purchases of dated securities as part of open market operations fuelled expectations that such operations will be frequent and improve the demand-supply dynamics of the market.
- The RBI will purchase up to 200 bln rupees of government bonds on Oct 29. The central bank purchased the same quantum of securities on Oct 15 and 100 bln rupees of state bonds on Thursday.
- Concerns over large supply of dated securities have eased to some extent due to these recent operations by the RBI, dealers said. Even though the central bank has refrained from announcing a calendar for OMOs, these operations have given market participants confidence that bond yields may not rise in the near term and

Domestic Markets



Index	23-Oct-2020	16-Oct-2020	% Change
BSE Sensex	40685.5	39982.98	1.76
S&P CNX Nifty	11930.35	11762.45	1.43
CNX Midcap	17306.2	16787	3.09
CNX 500	9780.35	9626.25	1.6
BSE Smallcap	15134.59	14786.56	2.35

Global Markets



Index	23-Oct-2020	16-Oct-2020	% Change
Dow Jones	28335.57	28606.31	-0.95
Nasdaq	11548.28	11671.56	-1.06
S&P 500	3465.39	3483.81	-0.53
FTSE 100	5860.28	5919.58	-1
Shanghai Composite	3278	3336.36	-1.75
Hang Sang	24918.78	24386.79	2.18

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	33163	27528	5635
MF Flows*	10736	14983	-4247

*FII data from 15th October to 21st October 2020

*MF data from 13th October to 19th October 2020

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
15-Oct-2020	1217.58	81.06
16-Oct-2020	630.36	192.98
19-Oct-2020	105.98	-686.07
20-Oct-2020	-1351.32	-358.35
21-Oct-2020	974.29	138.71
22-Oct-2020	-1088.14	47.71

Policy Rates



Key Rates (%)	23-Oct-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



there will be frequent OMOs.

- The 10-year benchmark 5.77%, 2030 bond ended at 99.45 rupees or 5.84% yield.



Commodity Market Update

Oil Update:

- Oil fell nearly 2 per cent on Friday, finishing lower for the week, in anticipation of a surge in Libyan crude supply and demand concerns caused by surging coronavirus cases in the United States and Europe.
- Crude prices sank after Libya's National Oil Corp (NOC) said it lifted force majeure on exports from key ports and output would reach 1 million barrels per day in four weeks.
- US crude settled at \$39.85 a barrel, falling 79 cents, or 1.9 per cent. Brent crude settled at \$41.77 a barrel, losing 69 cents, or 1.6 per cent. For the week, US crude futures lost 2.5 per cent and Brent futures shed 2.7 per cent.

Gold Update:

- Gold price premium in India jumped to their highest in nearly three months this week as the festive season gathers pace. In anticipation of a pick-up in demand, jewellers continued to stock up. Gold dealers charged premiums of \$5 an ounce this week over official domestic prices, as compared to \$1 premiums last week, Reuters reported. Gold prices in India include 12.5% import duty and 3% GST.
- On Friday, gold futures traded on MCX settled at ₹50866 per 10 gram while silver at ₹62,425 per kg. In India, gold futures had hit a record high of ₹56,200 per 10 gram in August while silver ₹80,000 before losing momentum. In recent weeks, gold has remained in a narrow range, with support at lower levels.
- Uncertainty over the US stimulus package and some recovery in dollar index weighed on gold. But uncertainty going into the November 3 US elections limited gold's losses.



Currency Market Update

- On Weekly basis, the Indian rupee slipped further by 24 paise against the US dollar. It closed at 73.60 per dollar on October 23, against its October 16 closing of 73.34 per dollar.
- Foreign Exchange Reserves in India increased to 555120 USD Million in October 16 from 545038 USD Million in the previous week.

Key Rates (%)	23-Oct-2020	16-Oct-2020	% Change
Mibor Overnight	3.45	3.66	-5.74
CALL (O/N)	3.22	3.36	-4.17
CBLO	3.08	3.05	0.98
T Bills Index (12M)	3.45	3.49	-1.15
10 Year GSEC	5.84	5.93	-1.55

Commodity Market



Commodity (INR)	23-Oct-2020	Gain+/Loss-	% Change
Gold (10 gm)	51044	497	0.98
Silver (1 kg)	62449	773	1.25
Crude Oil (\$/barrel)	41.77	-1.16	-2.7

Currency Market



Currency	23-Oct-2020	Gain+/Loss-	% Change
USD/INR	73.58	-0.2	-0.27
EURO/INR	86.78	-0.94	-1.09
GBP/INR	96.06	-1.5	-1.58
JPY/INR	70.26	-0.56	-0.8

Upcoming Events





Events	Actual %	Previous %
Balance of Trade SEP (Japan)	¥675B	¥248.6B
Inflation Rate YoY SEP (Great Britain)	0.5	0.2
GfK Consumer Confidence NOV (Germany)	-3.1	-1.7
Gfk Consumer Confidence OCT (Great Britain)	-31.0	-30.0
Inflation Rate YoY SEP (Japan)	0.0	0.2
Deposit Growth YoY OCT/09 (India)	10.5	10.5
Foreign Exchange Reserves OCT/16 (India)	\$555.12B	\$551.5B
Bank Loan Growth YoY OCT/09 (India)	5.7	5.1

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