



Financial Market & Economy Update

- Finance minister Arun Jaitley on Monday said that banking sector must invest in long-term assets to improve the capital formation in agriculture sector.
- GST: E-way to be rolled out from April 1.
- Prime Minister Narendra Modi on Tuesday invited foreign investment into the country by hailing India as one of the most "open economies" in the world. The Prime Minister said this while speaking at the India-Korea Business Summit.
- The Reserve Bank of India has raised the exposure limit under exchange traded currency derivatives (ETCD) trading for residents and foreign portfolio investors (FPIs) to \$100 million across all currency pairs involving the Indian rupee.
- India's manufacturing sector growth eased slightly in February to 52.1 as factory output and new business orders rose at a slower pace.
- India's infrastructure output grew 6.7 % in January, government data showed on Wednesday.
- India reported on Wednesday a fiscal deficit of Rs 6.77 trillion (\$103.72 billion) for April-January or 113.7 % of the target originally set for the fiscal year that ends in March.
- India's GDP for the third quarter of 2017-18 grew at 7.2%, official data showed on Wednesday.
- State-run oil marketing companies have slashed the prices of LPG (liquefied petroleum gas), or domestic cooking gas by as much as up to Rs 47 per cylinder. Prices of both subsidised and non-subsidised LPG cylinders have been cut in the four metros — Delhi, Mumbai, Kolkata and Chennai.
- Government shuts down 35 overseas branches of PSU banks; 69 more offices under review for closure.
- India replaced Germany to reclaim the third spot on the Hurun Global Rich List 2018 with 131 billionaires. India added 31 new billionaires over the last year while the combined wealth of the Indian billionaires increased by 49% to \$454 billion.
- China reported that its official manufacturing Purchasing Managers' Index hit a 19-month low of 50.3 in Feb with the Lunar New Year holidays contributing to slowing business activities and its trade deficit in services widened to \$21.8 billion in January from \$20.6 billion in December, the foreign exchange regulator said on Wednesday.
- Euro zone sentiment slips in Feb as only services mood improves. European Commission survey data showed economic sentiment in the euro zone eased in Feb to 114.1 points from a revised 114.9 in Jan, having hit a 17-year high of 115.3 in Dec.
- The Bank of Korea left its key interest rate unchanged on Tuesday, as expected. The Monetary Policy Board voted on Tuesday to keep the seven-day repurchase rate at 1.50%.
- Singapore's industrial production grew at 17.9 % from a year earlier, more than expected in January helped by a jump in electronics output, data showed on Monday.
- IHS Markit's final manufacturing Purchasing Managers' Index (PMI) for the euro zone fell to 58.6 in February from 59.6.
- Despite a marked upturn in orders, Britain's factory PMI inched down to 55.2 in February, its second-lowest reading since June 2016's
- UK house prices dip for first time in six months – Nationwide. House prices fell 0.3% month-on-month after a 0.8% rise in Jan, Nationwide said.



Equity Market Update

- Equities struggled on uncertainty in a largely lacklustre volatile trading week. The truncated week saw the selling pressure loomed the key indices despite robust quarterly GDP data, which was duly sidelined.
- The Sensex started the week higher at 34,225.72 and hovered between 34,610.79 and 34,015.79, it closed the week at 34,046.94, showing a modest loss of 95.21 or 0.28 %.
- The Nifty also resumed the week up at 10,526.55 and traded between 10,631.65 and 10,447.15 before ending the week at 10,458.35, showing a loss of 32.70 points, or 0.31 %.
- The S&P BSE Mid-Cap index rose 0.56 points at 16,562.59. The S&P BSE Small-Cap index gained 131.71 points or 0.73 pc to settle at 18,127.93. Both these indices outperformed the Sensex.
- Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth Rs 3,466.77 crore during the week, as per Sebi's record including the provisional figure of March 01, 2018.
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- European stocks ended the week lower amid subdued trading volumes, lacklustre economic news, and fears about a brewing trade war following President Donald Trump's announcement of tariffs on steel and aluminum.



Debt Market Update

Domestic Markets



Index	01-Mar-2018	23-Feb-2018	% Change
BSE Sensex	34046.94	34142.15	-0.28
S&P CNX Nifty	10458.35	10491.05	-0.31
CNX Midcap	19512.3	19708.4	-1
CNX 500	9225.35	9251.35	-0.28
BSE Smallcap	18084.94	17996.22	0.49

Global Markets



Index	02-Mar-2018	23-Feb-2018	% Change
Dow Jones	24538.06	25309.99	-3.05
Nasdaq	7257.87	7337.39	-1.08
S&P 500	2691.25	2747.3	-2.04
FTSE 100	7069.9	7244.4	-2.41
Shanghai Composite	3273.76	3289.02	-0.46
Hang Sang	31044.25	31267.17	-0.71

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	24440	27297	-2857
MF Flows*	15863	10737	5126

FII data from 23rd Feb to 28th Feb 2018

MF data from 22nd Feb to 27th Feb 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
26-Feb-2018	2453.69	374.09
27-Feb-2018	1799.47	557.83
28-Feb-2018	837	426.7
01-Mar-2018	283.5	-262.08

Policy Rates



Key Rates (%)	02-Mar-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



- Indian government bonds fell for a third consecutive week, with the benchmark bond yield rising the most in four weeks, as increasing fiscal deficit and inflationary concerns kept traders on the sidelines in a holiday-truncated week.
- Fears of the country's rate-setting panel tightening policy going ahead also hurt sentiment.
- The benchmark bond yield rose seven basis points this week, its largest weekly gain since week ended Feb. 2. The bond yield has risen by 41 basis points so far in this quarter, after surging 67 basis points in October-December.
- India's fiscal deficit in the first ten months of this financial year totalled 6.77 trillion rupees or 113.7% of the government's estimate, widening from 5.64 trillion rupees or 105.6% of budget aim in the same period last year.
- Indian government bond market sentiment has turned further bearish after minutes from the rate-setting Monetary Policy Committee showed members were concerned for rising inflation with one of them suggesting a series of rate hikes.



Commodity Market Update

Brent Crude Oil Update:

- Oil prices finished higher on Friday, but still suffered their first losing week in three as investors weighed indications of rising U.S. production against OPEC's ongoing efforts to rid the market of excess supplies.
- U.S. West Texas Intermediate (WTI) crude futures for April delivery tacked on 26 cents, or around 0.4%, to close at \$61.25 a barrel. The U.S. benchmark spent most of the session lower, falling to an intraday low of \$60.13, a level not seen since Feb. 15.
- Meanwhile, May Brent crude futures, the benchmark for oil prices outside the U.S., advanced 54 cents, or roughly 0.8%, to settle at \$64.37 a barrel. It hit a two-week low of \$63.19 on Thursday.
- Oil saw weakness in early action, attributed in part to President Donald Trump's announcement Thursday that he would impose tariffs on steel and aluminum imports, stoking fears of a global trade war. But a weak dollar and a mild recovery in U.S. equities on Wall Street saw the commodity move into positive territory later in the session.
- Despite Friday's bounce, WTI crude declined 3.6% for the week, while Brent lost 4%, as investors continued to fret over soaring U.S. output levels.

Gold Update:

- Gold prices recovered by Rs 140 to Rs 31,500 per 10 grams at the bullion market on Saturday, largely driven by a firm trend overseas amid pick-up in buying by local jewellers at the domestic spot market.
- Silver also rebounded by Rs 320 to Rs 39,530 per kg on increased offtake by industrial units and coin makers. Bullion traders attributed the recovery in gold prices to a firm trend overseas as the weakness in dollar boosted demand for the precious metal as a safe-haven.
- Globally, gold rose by 0.43% to \$1,322.60 an ounce and silver by 0.27% to \$16.51 an ounce in New York on Friday. In addition, increased buying by local jewellers to meet wedding season demand fuelled the uptrend, they said.
- In the national capital, gold of 99.9% and 99.5% purity went up by Rs 140 each to Rs 31,500 and Rs 31,350 per 10 grams, respectively. It had lost Rs 490 in the previous two sessions. Sovereign, however, held steady at Rs 24,800 per piece of eight grams.
- Following gold, silver ready rose by Rs 320 to Rs 39,530 per kg and weekly-based delivery by Rs 290 to Rs 38,335 per kg.



Currency Market Update

- On the currency front, the rupee weakened by 96 paise to close at 65.17 against the US dollar for the week ended March 1. The Rupee has remained largely stable at Rs 65.17 against the U.S. dollar on Thursday, despite better macroeconomic data, amid growing concerns of faster Fed rate hikes this year. The weekly change was much starker though with the Indian currency depreciating by 44 paise against the greenback. It has weakened by 160 paise last month.
- The country's foreign exchange reserves fell \$1.13 billion to \$420.6 billion in the week to Feb. 23, according to data released by the RBI. The reserves had touched a life-time high of \$421.9 billion on Feb. 9.
- On the global front, the dollar fell against most currencies on Friday, dropping to its lowest in more than two years against the Japanese Yen. The U.S. President Donald Trump's proposal to impose higher import duty on steel and aluminium imports raised prospects of a trade war.

Key Rates (%)	01-Mar-2018	23-Feb-2018	% Change
Mibor Overnight	6.03	6.05	-0.33
CALL (O/N)	5.91	5.9	0.17
CBLO	4.84	5.89	-17.83
T Bills Index (12M)	6.63	6.62	0.15
10 Year GSEC	7.74	7.67	0.91

Commodity Market



Commodity (INR)	1-Mar 2018	Gain+/Loss-	% Change
Gold (10 gm)	30398	8	0.03
Silver (1 kg)	38010	-333	-0.87
Crude Oil (\$/barrel)	64.12	-3.19	-4.74

Currency Market



Currency	1-Mar 2018	Gain+/Loss-	% Change
USD/INR	65.23	0.41	0.63
EURO/INR	79.5	-0.26	-0.33
GBP/INR	89.71	-0.69	-0.76
JPY/INR	61.07	0.48	0.79

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Nikkei Manufacturing PMI Feb Q4 (IND)	52.1	52.4
GDP growth rate Q4 (IND)	7.2	6.5
Industrial Production YoY Jan (Jap)	2.7	4.4
NBS Manufacturing PMI FEB (China)	50.3	51.3
GDP Growth Rate QoQ 2nd Est Q4(US)	2.5	3.2
Unemployment Rate Jan (Euro)	8.6	8.6
Caixin Manufacturing PMI (China) Feb	51.6	51.5
Markit Manufacturing PMI Final FEB (Euro)	58.6	59.6
(Jap) Unemployment Rate Jan	2.4	2.8
Construction PMI Feb (UK)	51.4	50.2

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