

Weekly Market Update



Financial Market & Economy Update

- The Wholesale Price Index (WPI) for the month of January was recorded 2.84% easing further on lower food prices as compared to 3.58% in the previous month.
- CPI inflation for January eased to 5.07 %, compared to a 17-month high of 5.21 % in December.
- Factory output continued to record strong growth for a second straight month at 7.1 % in December.
- Merchandise exports increased 9.1 % to \$24.38 billion in January compared to a year ago, while imports surged 26 % to \$40.68 billion. Trade deficit jumped 64.6 % to \$16.30 billion in January.
- India will soon come out with a policy to scrap vehicles that are more than 15 years old, Union Minister Nitin Gadkari said.
- Rajasthan chief minister Vasundhara Raje presented her last full budget in the state assembly months ahead of the Assembly elections.
- The GST will not be charged on the cost of food served to patients by hospitals as advised by doctors, the government has said.
- Japan's economy posted its longest continuous expansion since the 1980s boom as fourth quarter growth was boosted by consumer spending at a 0.5 % annualised rate in October-December, Cabinet Office data showed on Wednesday.
- Strong exports drove robust growth in Germany at the end of last year while inflation stayed subdued in January, growth was 0.6 % on the quarter between October and December, according to Wednesday's Federal Statistics Office data.
- France's unemployment rate fell below 9 % for the first time since 2009. Unemployment fell to 8.9% in the 4th quarter of last yr from 9.6% in the previous quarter.
- Japan's core machinery orders tumbled in December at the fastest pace in more than 3yrs.



Equity Market Update

- Markets spirited attempt reclaim its stature after two weeks of slump were frustrated by a big PSU bank fraud shocker as both the BSE Sensex and Nifty managed to close the week flat at 34,010.76, up 5 points, and 10,452.30 marginally down 2.65 points respectively.
- The truncated trading week saw the market resuming on robust note on incessant value buying amid firm global cues and comforting sentiment over the stabilizing economic datas of strong IIP growth and ease in both CPI, WPI inflation.
- The Sensex started the week higher at 34,203.34 and hovered between 34,535.08 and 33,957.33, it closed the week at 34,010.76, showing a marginal gain of 5.00 or 0.01 %.
- The Nifty also resumed the week up at 10,518.20 and traded between 10,618.10 and 10,434.05 before ending the week at 10,452.30, showing a marginal loss of 2.65 points, or 0.03 %.
- Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth Rs 2,678.87 crore during the week, as per Sebi's record including the provisional figure of February 16, 2018.
- The broader midcap and smallcap company shares also corrected substantially. Among secondary indices, the S&P BSE Mid-Cap index dropped 0.19 % and the S&P BSE Small-Cap index declined 0.75 %. Both these indices underperformed the Sensex.
- Among sectoral and industry indices, bankex dipped by 1.68 % followed by consumer durables 1.21 %, auto 1.08 %, teck 0.56 %, healthcare 0.56 %, IPO 0.50 %, realty 0.39 %, capital goods 0.21 %, IT 0.15 %, and power 0.13 %, while metal rose by 0.16 %, FMCG 0.10 % and oil and gas 0.03 %.
- Overseas, most Asian markets were closed. China markets will remain shut till February 21 and Hong Kong markets will be closed till February 19 February for the Lunar New Year holidays.



Debt Market Update

- Indian government bonds fell this week tracking a spike in U.S. Treasury yields and as investors slowed purchases ahead of an extended weekend.
- The benchmark yield rose nine basis points this week.
- U.S. Treasury yields rose this week as investors now expect a faster pace of rate hikes by the Federal Reserve after a pick-up in inflation. The 10-year Treasury yield was last trading at 2.89%, against a 2.94% high hit on thursday, which is also its highest in four years.
- The U.S. Federal Reserve is set to next meet on Mar. 20-Mar. 21.
- Indian benchmark bond yield has increased by 26 basis points this quarter, as state-run banks - the largest buyers of government debt - have net sold bonds worth 164 billion rupee so far this quarter, CCIL data showed.
- India's Monetary Policy Committee, which kept interest rates steady last week, has projected inflation in a 5.1%-5.6% band in the first half of the next financial year. The law mandates the authority to keep inflation at 4% with a band of two % points on either side.

Domestic Markets



Index	16-Feb-2018	09-Feb-2018	% Change
BSE Sensex	34010.76	34005.76	0.01
S&P CNX Nifty	10452.3	10454.95	-0.03
CNX Midcap	19701.3	19872.25	-0.86
CNX 500	9235.6	9251.1	-0.17
BSE Smallcap	18035.75	18172.98	-0.76

Global Markets



Index	16-Feb-2018	09-Feb-2018	% Change
Dow Jones	25219.38	24190.9	4.25
Nasdaq	7239.47	6874.49	5.31
S&P 500	2732.22	2619.55	4.3
FTSE 100	7294.7	7092.4	2.85
Shanghai Composite	3199.16	3129.85	2.21
Hang Sang	31115.43	29507.42	5.45

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	18882	21888	-3006
MF Flows*	12400	8470	3930

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
12-Feb-2018	-2240.63	41.12
14-Feb-2018	2772.53	155.65
15-Feb-2018	3791.87	681.01
16-Feb-2018	902.78	-296.32
31-Dec-1899	0	0

Policy Rates



Key Rates (%)	16-Feb-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





Commodity Market Update

Oil Update:

- Oil prices finished higher for a third straight session on Friday to score a weekly gain, as investors weighed OPEC's ongoing efforts to rid the market of excess supplies against indications of rising U.S. production.
- Strength in global stocks, which enjoyed their biggest weekly gain in six years, as well as weakness in the dollar also contributed to oil's strong performance.
- U.S. West Texas Intermediate (WTI) crude futures for April delivery tacked on 38 cents, or around 0.6%, to close at \$61.55 a barrel, its highest level in a week.
- Meanwhile, April Brent crude futures, the benchmark for oil prices outside the U.S., advanced 51 cents, or roughly 0.8%, to settle at \$64.84 a barrel.
- For the week, WTI crude rose roughly 4.2%, while Brent added about 3.3%, clawing back some of the ground lost since late January. The gains for both benchmarks come after back-to-back weekly declines.

Gold Update:

- Gold regained the key Rs 30,000-mark at the bullion market during the week following smart offtake from stockists and investors amid increased buying by local jewellers tracking a firm global trend.
- The yellow-metal rose 2.62 % in its first weekly gain, or Rs 785 per kg.
- Elsewhere, silver too maintained its surge to regain its 38K level up by another Rs 790 per kg or 2.08 % to end the week at Rs 38,710 due to sustained speculative buying coupled with higher industrial offtake.
- In worldwide trade, gold futures settled slightly higher, registering its sharpest weekly gain in more than a year, as the dollar extended a month-long slump.
- April gold added 90 cents, or less than 0.1 %, to USD 1,356.30 an ounce, marking its highest level in nearly three weeks. Gold booked a gain of 3 % for the week, representing its biggest weekly rise since April 29, 2016.
- On the domestic front, standard gold (99.5 purity) resumed higher at Rs 30,110 per 10 grams from last Friday's closing level of Rs 29,980, it rose to Rs 30,645 before settling at Rs 30,765, revealing a gain of Rs 785, or 2.62 %.
- Pure gold (99.9 purity) also commenced higher at Rs 30,260 per 10 grams compared to preceding weekend level of Rs 30,130, it regained to Rs 30,795 before closing at Rs 30,915, showing a rise of Rs 785, or 2.61 %.
- Silver ready (.999 fineness) opened positive at Rs 38,030 per kilogram from last Friday's closing level of Rs 37,920, and rose further to Rs 38,705 before finishing at Rs 38,710, registering a rise of Rs 790 per kilo, or 2.08 %.



Currency Market Update

- The rupee managed to gain modestly against the dollar on the money market during the week, ended on February 17, 2018. In the open market, the rupee picked up 20 paise in relation to the dollar for buying and selling Rs 111.30 and Rs 111.60. The rupee, however, fell sharply against the euro for buying and selling at Rs 137.30 and Rs 138.80.
- In the inter-bank market, the rupee moved slightly in relation to the dollar for buying and selling at Rs 110.55 and Rs 110.56. Slight improvement was witnessed in the supply of dollars, helped the rupee to recover modestly, currency experts said.
- However, over the course of this week, the Indian rupee had advanced 18 paise vs the US currency with the major rise coming in last two day's when rupee gained 41 paise.

Key Rates (%)	16-Feb-2018	09-Feb-2018	% Change
Mibor Overnight	6.05	6	0.83
CALL (O/N)	5.96	5.89	1.19
CBLO	4.94	5.91	-16.41
T Bills Index (12M)	6.57	6.56	0.15
10 Year GSEC	7.58	7.5	1.07

Commodity Market



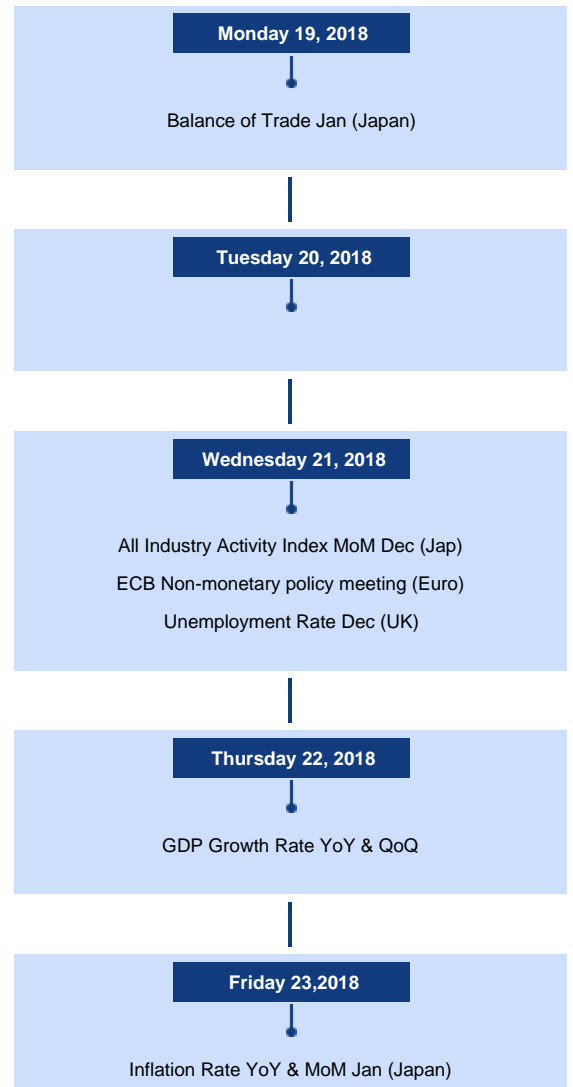
Commodity (INR)	16-Feb-2018	Gain+/Loss-	% Change
Gold (10 gm)	30542	661	2.21
Silver (1 kg)	38709	917	2.43
Crude Oil (\$/barrel)	64.44	1.65	2.63

Currency Market



Currency	16-Feb-2018	Gain+/Loss-	% Change
USD/INR	63.91	-0.46	-0.72
EURO/INR	80.17	1.28	1.62
GBP/INR	90.31	0.6	0.67
JPY/INR	60.46	1.4	2.37

Upcoming Events



Saturday 24,2018

China house price index YoY Ja

Week Gone By



Events	Actual %	Previous %	1 Year ago %
Industrial Production YoY (Ind) Dec	7.1	8.8	-
Inflation Rate YoY(Ind) Jan	5.07	5.21	-
Manufacturing Production YoY (Ind) Dec	8.4	10.7	-
PPI MoM & YoY (Jap) Jan	0.3	0.1	-
(Ind) WPI Food YoY Jan	3.0	4.72	-
(Ind) WPI Fuel YoY Jan	4.08	9.16	-
(Ind) WPI Manufacturing YoY Jan	2.78	2.61	-
(Ind) WPI Inflation YoY Jan	2.84	3.58	-
Foreign Exchange Reserves (India) 26/Feb	\$417.79B	\$414.78B	-

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