

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- The Union Cabinet on Monday approved a slew of measures to offer more benefits to members of the National Pension Scheme (NPS). Under the new approved changes, the Centre's contribution to NPS has been increased to 14% of from 10% of the basic salary, said Finance Minister Arun Jaitley.
- India's industrial output in October grew a stronger-than-expected 8.1 percent from a year earlier, government data showed on Wednesday.
- The inflation rate in India was recorded at 2.33 percent in November of 2018.
- Manufacturing Production in India increased 7.90 percent in October of 2018 over the same month in the previous year.
- The online recruitment activities in the first nine months of this year have grown by 5 per cent year-on-year, led by a 54 per cent growth in e-hiring by the production and manufacturing sector, a report said Thursday.
- Public sector banks recovered Rs 2.33 lakh crore worth of bad loans during the four years from financial year 2014-15 to fiscal 2017-18, Parliament was informed Friday.
- India's wholesale inflation fell to a three-month low of 4.64 per cent in November, driven down by decline in prices of food articles, especially vegetables, and some easing in rates of petro products.
- The government on Friday said it will set up National Medical Devices Promotion Council (NMDPC) to boost manufacturing, attract investments and promote exports of the fast-growing sector.
- India's November trade deficit narrowed to \$16.67 billion due to a fall in gold imports, the country's trade ministry said in a statement on Friday. In October, the trade deficit was at \$17.13 billion.

Global Update:

- The European Union's executive said on Monday it would not renegotiate its Brexit agreement sealed with British Prime Minister Theresa May.
- Producer prices for final demand in the US edged up 0.1 percent in November 2018, following a 0.6 percent advance in October.
- Eurozone industrial output grew 0.2 percent from a month earlier in October 2018, reversing a 0.6 percent decline in September and matching market expectations.
- Core machinery orders in Japan, which exclude those of ships and electrical equipment, rebounded 7.6 percent in October 2018, after an 18.3 percent decline in the previous month.
- Core consumer prices in the United States increased 2.20 percent in November of 2018 over the same month in the previous year.
- British Prime Minister Theresa May has confirmed that she will step down before the country holds its next scheduled national election in 2022.
- Euro zone businesses ended the year in a gloomy mood, expanding their operations at the slowest pace in over four years. IHS Markit's Flash Composite Purchasing Managers' Index slumped to 51.3, its weakest since November 2014, from a final November reading of 52.7, well below even the most pessimistic forecast in a Reuters poll where the median expectation was for a modest rise to 52.8.



Equity Market Update

- After a subdued start on Monday ahead of election result of five states, the market bounced back from the low point in the week ended December 14 amid strong domestic economic data and mixed global cues.
- Despite BJP losing all three states, strong IIP and better WPI and CPI lent some support to the market.
- The Sensex rose 0.81 percent this week, or 289.68 points, to ending at 35962.93, while Nifty was up 1.04 percent, or 111.75 points, to close at 10805.45.
- Sector Update:** The Nifty PSU Bank index has outperformed other sectoral indices with a gain of 5.5 percent during the week. For the week gains were seen in Nifty Auto 5.49%, Nifty Realty 2.93%, Nifty Media 2.6%.
- Broader Markets:** The S&P BSE Largecap index rallied 1.32 percent, while S&P BSE Midcap and S&P BSE Smallcap Index rose 3.23 percent and 2.82 percent, respectively.
- FII:** The foreign institutional investors (FII) sold equities worth Rs 1,902 crore while the domestic institutional investors (DII) bought shares of Rs 2,877 crore.



Debt Market Update

- Indian government bonds rose for a fourth week, as retail inflation slowing to a near one-and-a-half year low increased bets of monetary policy easing in the coming months.

Domestic Markets



Index	14-Dec-2018	07-Dec-2018	% Change
BSE Sensex	35962.93	35673.25	0.81
S&P CNX Nifty	10805.45	10693.7	1.05
CNX Midcap	17591.6	17054.5	3.15
CNX 500	9091.3	8940.65	1.69
BSE Smallcap	14501.76	14104.65	2.82

Global Markets



Index	14-Dec-2018	07-Dec-2018	% Change
Dow Jones	24100.51	24388.95	-1.18
Nasdaq	6910.67	6969.25	-0.84
S&P 500	2599.95	2633.08	-1.26
FTSE 100	6845.2	6778.1	0.99
Shanghai Composite	2593.74	2605.89	-0.47
Hang Sang	26094.79	26063.76	0.12

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	23054	20884	2170
MF Flows*	14582	11717	2865

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
10-Dec-2018	-944.6	-1001.91
11-Dec-2018	-592.26	666.12
12-Dec-2018	812.28	186.32
13-Dec-2018	5669.27	163.82

Policy Rates



Key Rates (%)	14-Dec-2018	1 Week Ago	1 Month Ago
Reverse Repo	6.25	6.25	6.25
Repo	6.5	6.5	6.5
CRR	4	4	4
SLR	19.5	19.5	19.5

Key Rates



- The benchmark 7.17% bond maturing in 2028 ended at 98.23 rupees, yielding 7.44%. The benchmark bond yield fell two basis points this week, after declining by 36 bps in the last three weeks.
- For the fourth week in a row, bond market saw gains as corporate bond issuances up by more than 12 percent month on month in November, highest in FY19.



Commodity Market Update

Oil Update:

- West Texas Intermediate crude tumbled \$1.38, or roughly 2.6%, on Friday to settle at \$51.20 a barrel by close of trade on the New York Mercantile Exchange. For the week, WTI prices lost about 2.7%
- Meanwhile, the global benchmark, Brent crude for February delivery on the ICE (NYSE:ICE) Futures Europe exchange, sank \$1.17, or 1.9%, to end at \$60.28 a barrel. It fell about 2.2% for the week.
- With just about two weeks to the end of 2018, WTI remains down about 15% on the year and some 32% lower from four-year highs of nearly \$77 per barrel hit in early October. Brent is down about 10% on the year and nearly 32% lower from four-year highs of nearly \$87 per barrel hit two months ago. The Energy Information Administration (EIA) reported last week that domestic crude supplies declined by 1.2 million barrels, while domestic production had fallen from a record high of 11.7 million barrels per day (bpd) to 11.6 million bpd.

Gold Update:

- **Domestic:** Gold prices declined by Rs 30 to Rs 32,190 per 10 gram on Saturday due to weak demand from local jewellers. Similarly, silver rates dropped by Rs 200 to Rs 38,400 per kg on sluggish demand from industrial units and coin makers.
- In the national capital, gold of 99.9 per cent and 99.5 per cent purities dropped by Rs 30 to Rs 32,190 and Rs 32,040 per 10 gram, respectively. Sovereign gold stood steady at Rs 25,000 per 8 gram.
- **Domestic Silver:** In the domestic market, silver ready declined by Rs 200 to Rs 38,400 per kg, while weekly-based delivery fell by Rs 76 to Rs 38,054 per kg.
- Besides, silver coins remained unchanged at Rs 74,000 for buying and Rs 75,000 for selling of 100 pieces.
- **International:** Globally, gold slipped to USD 1,238.12 an ounce in New York, while silver held steady at USD 14.57 an ounce.



Currency Market Update

- On a weekly basis, the rupee depreciated 1.53 percent (Rs 1.09) against the dollar as it ended at 71.89 on December 14 against December 07, closing of 70.80 against the dollar.
- India's foreign exchange (forex) reserves marginally rose by \$16.6 million during the week ended December 7, official data showed on Friday.
- The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, hit its highest level since May 2017, at 97.70, before pulling back to 97.43 in late trade. U.S Dollar index has surpassed the crucial resistance of 97 and has been sustaining above it.
- The dollar rose to a 19-month high against a basket of currencies on Friday, as worrisome political and economic news outside the U.S. drove a strong bid for the safety of the greenback.

Key Rates (%)	14-Dec-2018	07-Dec-2018	% Change
Mibor Overnight	6.55	6.48	1.08
CALL (O/N)	6.41	6.41	0
CBLO	6.25	6.44	-2.95
T Bills Index (12M)	7	7.1	-1.41
10 Year GSEC	7.44	7.46	-0.27

Commodity Market



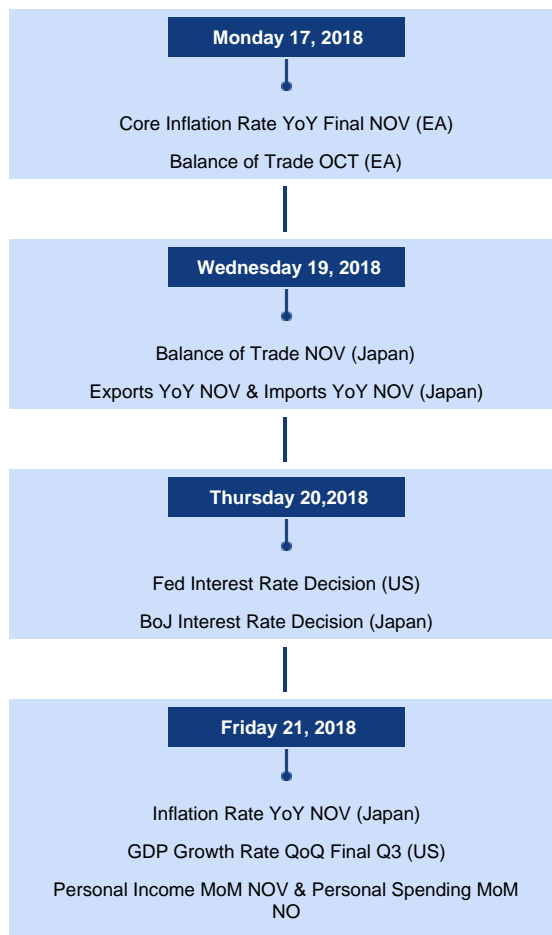
Commodity (INR)	14-Dec-2018	Gain+/Loss-	% Change
Gold (10 gm)	31374	387	1.25
Silver (1 kg)	37375	780	2.13
Crude Oil (\$/barrel)	60.96	-1.05	-1.69

Currency Market



Currency	14-Dec-2018	Gain+/Loss-	% Change
USD/INR	71.74	1.17	1.65
EURO/INR	81.46	1.24	1.55
GBP/INR	90.58	0.46	0.51
JPY/INR	63.2	0.67	1.07

Upcoming Events



Week Gone By



Events	Actual %	Previous %
GDP Growth Rate QoQ Final Q3 (Jap)	0.6	0.7
JOLTs Job Openings OCT (US)	7.079M	6.96M ®
BSI Large Manufacturing QoQ Q4(JAP)	5.5	6.5
Core PPI MoM NOV(US)	0.3	0.5
Industrial Production YoY OCT(India)	8.1	4.5
Manufacturing Production YoY OCT (India)	7.9	4.6
Inflation Rate YoY NOV(India)	2.33	3.38
Inflation Rate YoY NOV(US)	2.2	2.5
ECB Interest Rate Decision (EA)	0.0	0.0
Export Prices MoM NOV(US)	-0.9	0.5
Import Prices MoM NOV (US)	-1.6	0.5
Tankan Large Manufacturers Index Q4 (Jap)	19.0	19.0
Industrial Production YoY NOV(China)	5.4	5.9
Retail Sales YoY NOV(China)	8.1	8.6
WPI Inflation YoY NOV(India)	4.64	5.28
Balance of Trade NOV(India)	\$-16.67B	\$-17.13B
Retail Sales MoM NOV(US)	0.2	1.1

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