



## Financial Market & Economy Update

### Domestic Update:

- India's exports entered negative zone after five months, declining 2.15 % in September on a yearly basis, showed government data Monday. Imports, however, went up by 10.45 % in September.
- WPI inflation surged to 5.13 % against 4.53 % in the previous month of FY19, government data showed.
- The government has increased the rate of interest for General Provident Fund (GPF) and other related schemes by 0.4 % points to 8 % for the October-December quarter.
- India, the world's sixth largest economy, has jumped five ranks to secure 58th rank on 2018 edition of annual Global Competitiveness Index by the World Economic Forum (WEF) due to high-level of research and innovation.
- The Reserve Bank on Friday announced more measures to increase liquidity flows to the non-banking financial companies. The RBI permitted banks to use government securities equal to their incremental outstanding credit to NBFCs, over and above their outstanding credit to them as on October 19, to be used to meet liquidity coverage ratio requirements.
- India has imposed anti-dumping duties of up to USD 185.51 per tonne for five years on certain varieties of Chinese steel to guard domestic players from cheap imports.
- India ranked as the 9th most valuable nation brand in the world, according to Brand Finance's annual Nation Brands 2018 report.

### Global Update:

- The Finance Ministry Sunday extended the deadline for filing summary sales return GSTR-3B for the month of September by five days to October 25.
- China on Monday announced it will impose anti-dumping tariffs of 123.4 % and 41.1 % on the import of hydroiodic acid from the US and Japan for the next five years.
- The US government budget surplus increased to USD 119 billion in September 2018 from USD 8 billion in the same month of the previous year.
- China's consumer price inflation rose to a seven-month high of 2.5 % year-on-year in September of 2018 from 2.3 % in August.
- The trade surplus in the Euro Area decreased to EUR 11.7 billion in August of 2018 from EUR 15.24 billion a year earlier.
- British inflation fell more than expected in September to a three-month low, offering some relief to consumers who have been squeezed financially since the Brexit vote. Consumer prices rose at an annual rate of 2.4 %, more than reversing August's jump to a six-month high of 2.7 %.
- U.S. industrial production increased for a fourth straight month in September, boosted by gains in manufacturing and mining output, but momentum slowed sharply in the third quarter. The Federal Reserve said industrial production rose 0.3 % last month after increasing 0.4 % in August.
- Japan's annual inflation rate edged down to 1.2 % in September 2018 from 1.3 % in the previous month.
- China's economy grew at its slowest pace in nine years in the third quarter. The world's second largest economy expanded by 6.5 % in the July-to-September period year-on-year.
- China's industrial production rose 5.8 % year-on-year in September of 2018, after a 6.1 % gain in the previous month.



## Equity Market Update

- Mixed corporate earnings, along with heightened chances of a US interest rate hike and fears of a slowdown in global economic growth, dragged the key indices of Indian stock market in the red during the just concluded weekly trade session.
- The stock market indices entered into a downward trajectory during the last two trade sessions after opening the week on a positive note. The Sensex lost close to 600 points in just the two final sessions of the week. Consequently, on a weekly basis, the S&P BSE Sensex closed at 34,315.63 points, down by 417.95 points or 1.20 % from its previous close.
- Similarly, the wider Nifty50 of the National Stock Exchange edged-lower. It closed at 10,303.55 points, down 168.95 points or 1.61 % from the previous week's close.
- Broader Markets:** The BSE Mid-Cap index fell 227.92 points or 1.6 % to settle at 14,058.30. The BSE Small-Cap index fell 76.51 points or 0.54 % to settle at 14,082.92.
- Sector Update:** The market breadth was negative in two out of the four trading sessions of the week. Among sectors, FMCG and healthcare were gainers while auto, consumer durables, realty and metals were the losers.
- FII:** The provisional figures from the stock exchanges showed that foreign institutional investors sold scrip worth Rs 1,576.01 crore, whereas the domestic institutional investors bought Rs 1,008.97 crore in the just concluded weekly trade.

## Debt Market Update

## Domestic Markets



Index	19-Oct-2018	12-Oct-2018	% Change
BSE Sensex	34315.63	34733.58	-1.2
S&P CNX Nifty	10303.55	10472.5	-1.61
CNX Midcap	16514.95	16746	-1.38
CNX 500	8640.65	8767.1	-1.44
BSE Smallcap	14082.92	14159.43	-0.54

## Global Markets



Index	19-Oct-2018	12-Oct-2018	% Change
Dow Jones	25444.34	25339.99	0.41
Nasdaq	7449.03	7496.89	-0.64
S&P 500	2767.78	2767.13	0.02
FTSE 100	7049.8	6995.9	0.77
Shanghai Composite	2550.47	2606.91	-2.17
Hang Sang	25561.4	25801.49	-0.93

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	17603	19479	-1876
MF Flows*	7787	5761	2026

FII data from 12th Oct to 17th Oct 2018

MF data from 12th Oct to 16th Oct 2018

## F&O FII Trends (Rs. Crs)



Date	Index	Stocks
12-Oct-2018	1789.41	305.64
15-Oct-2018	325.49	379.26
16-Oct-2018	1664.21	485.01
17-Oct-2018	1112.3	-59.99
19-Oct-2018	-3022.33	-1378.25

## Policy Rates



Key Rates (%)	19-Oct-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





- Indian government bonds rose for a second consecutive week, with the 10-year yield falling the most in three months, as crude oil prices eased and retail inflation stayed below the central bank's target, further easing fears of a rate hike in 2018.
- The benchmark 7.17% bond maturing in 2028 ended at 95.14 rupees, yielding 7.92%
- The benchmark yield fell by six basis points this week, biggest weekly fall since week ended Jul. 13.
- The minutes of the U.S. Federal Reserve's September meeting showed policy makers broadly agreed on the need to raise interest rates further.
- The benchmark 10-year Treasury yield rose to 3.2170% overnight but eased to 3.1883%. Recent robust economic data is expected to keep Federal Reserve on course to increase rates again in December.



## Commodity Market Update

### Oil Update:

- Oil prices declined this past week, with Brent crude 0.3% lower and West Texas Intermediate crude down by nearly 3%.
- The decline came amid more questions and outrage regarding the death of journalist Jamal Khashoggi. Saudi Arabia announced late Friday that the dissident Saudi journalist was dead and that 18 Saudis have been arrested.
- President Trump acknowledged on Thursday that Khashoggi had been killed. Turkish officials have said that Khashoggi was assassinated.
- Crude oil prices have remained close to \$80 per barrel since Khashoggi was first reported missing after entering the Saudi Consulate in Istanbul on Oct.
- U.S. oil inventories climbed 6.5 million barrels last week, almost triple the amount analysts had forecast, the U.S. Energy Information Administration said on Wednesday. It was the fourth straight weekly climb that has seen domestic supplies swell by a total of 22 million barrels over that period.
- Oil prices ended slightly higher on Friday, but remained at an inflection point after a rough week.
- December West Texas Intermediate crude, the U.S. benchmark, rose 57 cents, or roughly 0.8%, on Friday to settle at \$69.28 a barrel by close of trade on the New York Mercantile Exchange.
- Despite Friday's gain, it suffered a weekly loss about 3.1%.
- Meanwhile, the global benchmark, Brent crude for December delivery on the ICE Futures Europe exchange, added 49 cents, or around 0.6%, to end at \$79.78 a barrel.
- It posted a weekly decline of 0.8%.

### Gold Update:

- Domestic:** Gold prices rose by Rs 220 to Rs 32,270 per 10 grams as upward trend continued unabated for the fourth straight week, backed by persistent buying by local jewellers to meet festive season demand coupled with positive global cues.
- Silver after moving both ways on alternate bouts of buying and selling, managed to end higher by Rs 200 to Rs 39,600 per kg.
- In the national capital, gold of 99.9 % and 99.5 % purity commenced the week higher at Rs 32,250 and Rs 32,020 per ten gram, respectively, but slipped to a low of Rs 32,180 and Rs 32,020 for want of support.
- Later, the precious metal bounced back on day-to-day buying and closed at Rs 32,270 and Rs 32,120 per ten grams, respectively, showing a notable rise of Rs 220 each.
- Silver ready after moving between Rs 39,750 and Rs 39,480 per kg, finally ended the week higher by Rs 200 to Rs 39,600 per kg but silver weekly-based delivery fell by Rs 120 to Rs 38,795 per kg.
- Silver coins were well maintained at Rs 75,000 for buying and Rs 76,000 for selling.
- International:** Globally, gold ended the week higher at \$1,227.50 an ounce and silver at \$14.70 an ounce in New York against the previous week's of \$1,218.80 and \$14.68, respectively.



## Currency Market Update

- The Indian rupee, which had slid to record lows earlier this month, posted its second weekly gain as the nation's trade deficit narrowed to five-month low in September.
- The currency ended at 73.32 to dollar on Friday, highest since Oct. 1, rising 0.3% this week. The rupee had fallen to record low of 74.4850 to dollar on Oct. 11 as local shares fell amid rising global interest rates.
- Figures released by the RBI showed that Foreign Exchange Reserves fell \$5.14 billion to \$394.46 billion in the week ended October 12.
- The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, decreased 0.01% to 95.71, but remained near a one-and-a-half week high.

Key Rates (%)	19-Oct-2018	12-Oct-2018	% Change
Mibor Overnight	6.6	6.49	1.69
CALL (O/N)	6.55	6.42	2.02
CBLO	6.41	4.86	31.89
T Bills Index (12M)	7.46	7.5	-0.53
10 Year GSEC	7.92	7.98	-0.79

## Commodity Market



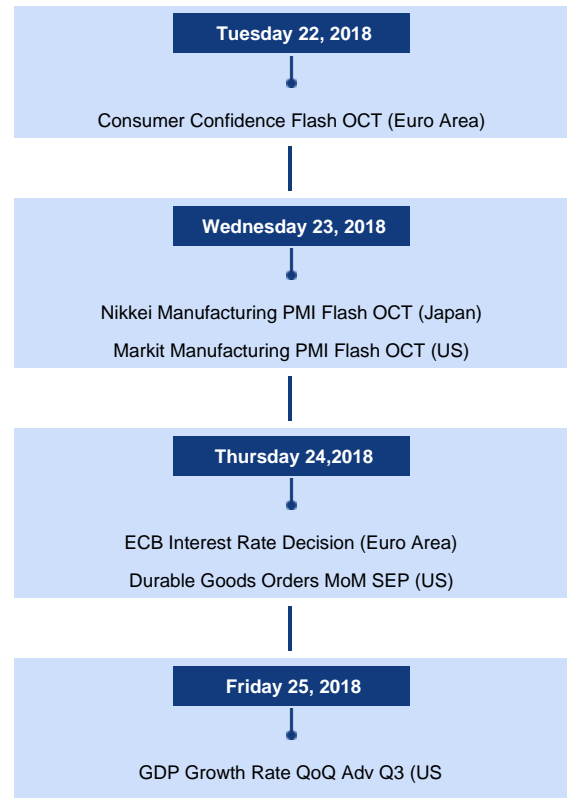
Commodity (INR)	19-Oct-2018	Gain+/Loss-	% Change
Gold (10 gm)	31722	412	1.32
Silver (1 kg)	38248	-19	-0.05
Crude Oil (\$/barrel)	79.78	-0.65	-0.81

## Currency Market



Currency	19-Oct-2018	Gain+/Loss-	% Change
USD/INR	73.44	-0.36	-0.49
EURO/INR	84.17	-1.38	-1.61
GBP/INR	95.65	-2	-2.05
JPY/INR	65.27	-0.4	-0.61

## Upcoming Events



## Week Gone By



Events	Actual %	Previous %
WPI Inflation YoY SEP	5.13	4.53

(India)		
Inflation Rate YoY SEP (China)	2.5	2.3
Balance of Trade SEP (Japan)	¥140B	¥-438B @
Inflation Rate YoY SEP (Japan)	1.2	1.3
Balance of Trade SEP (India)	\$-13.98B	\$-17.39B
GDP Growth Rate QoQ Q3 (China)	1.6	1.8
Retail Sales YoY SEP (China)	9.2	9.0
Industrial Production YoY SEP (China)	5.8	6.1

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### ***Risk Factors***

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