

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- Prime Minister Narendra Modi on Monday announced a \$1.4 billion aid for the Maldives following his meeting with President Ibrahim Mohamed Solih to bail out the island country from an economic crisis. The two countries also inked four pacts, including one on visa facilitation.
- The revenue department has imposed anti-dumping duty for five years on a Chinese chemical used in making detergents to guard domestic players from cheap imports from the neighbouring country.
- India's ascent on the global stage has claimed another victory after its stock market overtook Germany to become the seventh largest in the world.
- Government to infuse Rs 83,000 crore in PSBs in next few months.
- Indian public sector banks recovered Rs 60,730 crore (\$8.69 billion) of outstanding bad loans in the April-September period.
- India endeavours to take the Rs 11,000 crore methanol economy to about Rs 2 lakh crore in five years in a bid to promote cleaner fuel and cut down on the huge crude oil import bills, Union Minister Nitin Gadkari said Friday.

Global Update:

- Qatar's private sector grew by almost 6% in 2018 despite volatile oil prices.
- The European Union's statistics office said consumer prices in the 19 countries sharing the euro eased 0.2% month-on-month in November for a 1.9% year-on-year increase, revised down from the previously reported 2.0%.
- Singapore's exports fell for the first time in eight months on a year-on-year basis in November. Singapore's non-oil domestic exports fell 2.6% in November year-on-year.
- Japan's government revised down its forecasts for economic growth at 0.9% and consumer prices for the current and next fiscal years as natural disasters and weakening export demand weighed on the economy, the Cabinet Office said on Tuesday.
- The Federal Reserve raised the target range for the federal funds rate by 25bps to 2.25-2.5% during its December meeting and lowered forecasts for interest rate hikes in 2019 amid recent volatility in financial markets and slowing global growth.
- The Bank of Japan left its key short-term interest rate unchanged at -0.1% at its December meeting, even after the Federal Reserve raised rates for the fourth time this year.
- The current account surplus in the Euro Area narrowed to EUR 26.6 billion in October 2018 from EUR 37.4 billion in the same month of the previous year.
- Japan's consumer price inflation eased to a 5-month low of 0.8% year-on-year in November 2018 from 1.4% in the previous month.
- Britain's quarterly economic growth was confirmed at 0.6% in the three months to September 2018.



Equity Market Update

- Global cues such as US interest rate hike, along with concerns over slowdown in global growth and threat of a partial US government shutdown, dragged the key domestic equity indices into the red during the just concluded week.
- The massive selling on Friday was triggered by a downturn in global markets and profit booking in the financials, IT and auto stocks. It came a day after major domestic indices snapped its seven-consecutive sessions' winning streak.
- The equity market had begun the week on a positive note led by a strong rupee backed by narrowing trade deficit and inflow of foreign funds.
- Consequently, the S&P BSE Sensex lost 220.86 points, or 0.61%, to close at 35,742.07, whereas the 50-share Nifty of the NSE declined 51.45 points, or 0.47%, to settle at 10,754.
- **Sector Update:** Among sectors, power, PSU, oil and gas and metals were major gainers while IT and consumer durables were large losers. The Nifty Bank fell 405 points or 1.5% on Friday, giving away its initial gains. The index closed the week with a marginal gain of 43 points or 0.16%.
- **Broader Markets:** The BSE midcap and smallcap ended up by 0.40% and 0.91%, respectively.
- **FII:** In terms of investments, foreign institutional investors (FIIs) were net buyers during the week under review as they bought a total of Rs 1,040.72 crore worth of shares, whereas domestic institutional investors (DIIs) off-loaded scrip worth Rs 1,141.49 crore, provisional data from the BSE showed.
- **Global:** Extending the downtrend, the Dow Jones Industrial Average plummeted 1,655 points or 6.8% in the previous week, breaking below the key support level at 24,000. The index closed at 22,445.3.



Debt Market Update

Domestic Markets



Index	21-Dec-2018	14-Dec-2018	% Change
BSE Sensex	35742.07	35962.93	-0.61
S&P CNX Nifty	10754	10805.45	-0.48
CNX Midcap	17704.8	17591.6	0.64
CNX 500	9082.55	9091.3	-0.1
BSE Smallcap	14633.62	14501.76	0.91

Global Markets



Index	21-Dec-2018	14-Dec-2018	% Change
Dow Jones	22445.37	24100.51	-6.87
Nasdaq	6333	6910.67	-8.36
S&P 500	2416.58	2599.95	-7.05
FTSE 100	6721.2	6845.2	-1.81
Shanghai Composite	2516.25	2593.74	-2.99
Hang Sang	25753.42	26094.79	-1.31

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	22362	20714	1648
MF Flows*	19967	18399	1568

FII data from 13th Dec to 19th Dec 2018

MF data from 10th Dec to 19th Dec 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
14-Dec-2018	782.72	500.24
17-Dec-2018	-298.09	51.65
18-Dec-2018	-10.11	-256.15
19-Dec-2018	145.02	-395.51
20-Dec-2018	2739.97	-433.72

Policy Rates



Key Rates (%)	21-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



- Indian government bonds jumped for a fifth consecutive week, with the benchmark paper posting its best week in over eight months, helped by lower crude oil prices and rupee strength, while the central bank increased the quantum of open market purchase of notes.
- The benchmark 7.17% bond maturing in 2028 ended at 99.30 rupees, yielding 7.28%. The benchmark yield fell 16 basis points this week, its largest fall since week ended Apr. 6, and has fallen by an aggregate 54 basis points in last five weeks

Key Rates (%)	21-Dec-2018	14-Dec-2018	% Change
Mibor Overnight	6.59	6.55	0.61
CALL (O/N)	6.45	6.41	0.62
CBLO	6.5	6.25	4
T Bills Index (12M)	6.95	7	-0.71
10 Year GSEC	7.28	7.44	-2.15



Commodity Market Update

Oil Update:

- A surprise climb in the U.S. rig count on Friday and a slump on Wall Street were all that were needed to seal a fourth day of losses of out five in crude.
- West Texas Intermediate crude declined 29 cents, or roughly 0.6%, on Friday to settle at \$45.59 a barrel by close of trade on the New York Mercantile Exchange. WTI earlier fell to \$45.13, its lowest intraday price since mid-July 2017. For the week, the U.S. benchmark lost about 11%, its steepest weekly drop since January 2016.
- Meanwhile, the global benchmark, Brent crude for February delivery on the ICE (NYSE:ICE) Futures Europe exchange, shed 53 cents, or around 1%, to end at \$53.82 a barrel. Brent reached a 15½-month low at \$52.79 earlier in the session. It tumbled about 10.7% for the week.
- Crude oil has lost over a third of its value since October in what has become one of the biggest declines since a price collapse in 2014, with surging supply and the specter of faltering demand scaring off investors.
- With just about one week to the end of 2018, WTI remains down about 25% this year, while Brent is down about 20% on the year.

Gold Update:

- Domestic:** Gold prices drifted lower by Rs 90 to close at Rs 32,100 per 10 gm at the bullion market in the national capital during the week on subdued cues from the global market and fall in demand from local jewellers.
- In the national capital, gold of 99.9 % and 99.5 % purity started the week on subdued note, and finished at Rs 32,100 and Rs 31,950 per 10 gm, respectively, down by Rs 90. Sovereign gold remained unchanged at Rs 25,000 per piece of 8 grams throughout the week.
- Domestic Silver:** Silver plunged by Rs 600 to Rs 37,800 per kg for the week ended Saturday on poor offtake by industrial units and coin makers.
- In line with the overall trend, silver ready traded in the red zone and ended the week at Rs 37,800 per kg, showing a drop of Rs 600. Weekly-based delivery also tumbled by Rs 798 to close at Rs 37,256 during the week. Silver coins stood steady at Rs 74,000 for buying and Rs 75,000 for selling of 100 pieces.
- International:** Globally, gold traded lower by 0.33 % at \$1,256.20 an ounce and silver was down by 1.02 % at \$14.69 an ounce in New York.



Currency Market Update

- The rupee ended the trading week lower versus the American greenback, but was still up 1.75 % on a weekly basis after being boosted by falling oil prices and the Federal Reserve
- The local currency followed a similar trajectory in the past week, nonetheless, it strengthened by 1.75 to 70.15 against the US dollar from its previous week's close of 71.90.
- India's foreign exchange reserves declined by \$613.9 million to \$393.12 billion in the week to December 14, on account of a fall in foreign currency assets.
- The dollar index, which measures its value against six major peers, held steady at 97.01, trading near its highest level since Nov. 15.

Commodity Market



Commodity (INR)	21-Dec-2018	Gain+/Loss-	% Change
Gold (10 gm)	31040	-334	-1.06
Silver (1 kg)	36635	-740	-1.98
Crude Oil (\$/barrel)	53.82	-7.14	-11.71

Currency Market



Currency	21-Dec-2018	Gain+/Loss-	% Change
USD/INR	70.04	-1.7	-2.36
EURO/INR	80.21	-1.25	-1.54
GBP/INR	88.7	-1.88	-2.08
JPY/INR	62.87	-0.33	-0.52

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Core Inflation Rate YoY Final NOV (EA)	1.0	1.1

Balance of Trade OCT (EA)	€14B	€12.8B ®
Balance of Trade NOV (Japan)	¥-737B	¥-450B ®
Exports YoY NOV (Japan)	0.1	8.2
Fed Interest Rate Decision (US)	2.5	2.25
BoJ Interest Rate Decision (Japan)	-0.1	-0.1
Inflation Rate YoY NOV (Japan)	0.8	1.4
GDP Growth Rate QoQ Final Q3 (US)	3.4	4.2

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