



Financial Market & Economy Update

Domestic Update:

- The fiscal deficit of the Central government has widened in the first half of 2018-19 to 95.3 % of the Budget Estimate (BE), mainly on account of slow growth in revenue collections, as per an official data released on Thursday.
- India net direct tax collection grew by 15.7 % on year-on-year basis to reach Rs 4.89 lakh crore in the current fiscal till third week of October.
- Within a month of its launch, Narendra Modi government's flagship scheme Ayushman Bharat-Pradhan Mantri Jan Aarogya Yojna (AB-PMJAY) has crossed one-lakh beneficiary mark.
- India exported organic products worth \$ 515 million in financial year 2017-18, from \$ 370 million in 2016-17, say officials from Agricultural and Processed Food Products Export Development Authority (APEDA). Registering an increase of 39%, the total volume of export during 2017-18 was 4.58 lakh tonne, they added.
- India relaxed some restrictions on imports of petcoke for use as feedstock in some industries, the Directorate General of Foreign Trade (DGFT) said on Wednesday. India allowed imports of 500,000 tonnes of petcoke per year by aluminium companies and 1.4 million tonnes of petcoke by calcined petcoke makers.
- India has awarded an additional USD 777 million deal to a leading Israeli defence firm for supplying Barak 8 LR-SAM Air and Missile Defence Systems to seven ships of the Indian Navy, the company announced Wednesday.
- Union Minister for Commerce and Industry Suresh Prabhu on Friday said that China has agreed to increase its imports from the country.

Global Update:

- Saudi Arabia has agreed to give Pakistan \$3 billion in foreign currency support for a year and a further loan worth up to \$3 billion in deferred payments for oil imports to help stave off a current account crisis.
- The U.S. economy grew at a 3.5% annualized rate, the Commerce Department said, beating expectations of 3.3% but underperforming the previous quarter's 4.2% growth.
- North Korea imported at least \$640 million worth of luxury goods from China last year, in defiance of U.N. sanctions outlawing such trade over North Korea's nuclear and missile programmes, a South Korean lawmaker said on Monday.
- The Confederation for British Industry's monthly industrial orders balance fell to a two-year low -6 in October from -1 in the previous month.
- German private-sector growth slowed to its lowest level in more than three years. Markit's flash composite Purchasing Managers' Index (PMI), which tracks the manufacturing and services sectors that together account for more than two-thirds of the economy, fell to 52.7 from 55.0 in the previous month.
- China has signed a free trade agreement memorandum of understanding (MOU) with Palestine, China's commerce ministry said on Wednesday.



Equity Market Update

- Sensex and Nifty posted their second consecutive weekly loss, falling nearly 2.8% during the week to their lowest levels in over seven months. Both the benchmark domestic market indices have fallen over 8% in October, wiping off nearly all gains of 2018. On the last trading day of the week, the market entered the November derivatives series on a weak note, with the Sensex plunging over 400 points from its Friday's high while the Nifty managed to hold on to the 10,000 mark.
- A sharp sell-off across global equity markets, coupled with fresh weakness in the rupee against the dollar and a mixed bag of quarterly corporate earnings, contributed to the decline in the headline indices. Unabated capital outflows and derivatives expiry, too, kept investor sentiment on tenterhooks.
- The Sensex slumped 966 points or 2.81% to close the week at 33,349.31 points. The Nifty 50 of the National Stock Exchange fell 274 points or 2.7% to end at 10,030 points week-on-week.
- FII:** Provisional data from the stock exchanges showed that foreign institutional investors sold stocks worth Rs 5,751.17 crore during the week ended October 26. Domestic institutional investors, on the other hand, purchased stocks worth Rs 4,508.62 crore.
- Sector Update:** The BSE IT index tanked 5.73 % for the week gone by. It was followed by BSE Technology (down 5 %), Healthcare (down 4.63 %), Bankex (down 3.15 %) and FMCG (down 2.47 %). On the other hand, the BSE Realty (up 0.75 %) stood out as the only gainer.
- Broader Market:** The BSE Mid-Cap index fell 188.15 points or 1.34 pc to settle at 13,870.15. The BSE Small-Cap index fell 485.28 points or 3.45 pc to settle at 13597.64.
- Global Update:** Global financial markets have been hit hard by a range of worries, including the US-China trade war, a rout in emerging market currencies, rising borrowing costs and bond yields.

Domestic Markets



Index	26-Oct-2018	19-Oct-2018	% Change
BSE Sensex	33349.31	34315.63	-2.82
S&P CNX Nifty	10030	10303.55	-2.65
CNX Midcap	16256.6	16514.95	-1.56
CNX 500	8417.25	8640.65	-2.59
BSE Smallcap	13597.64	14082.92	-3.45

Global Markets



Index	26-Oct-2018	19-Oct-2018	% Change
Dow Jones	24688.31	25444.34	-2.97
Nasdaq	7167.21	7449.03	-3.78
S&P 500	2658.69	2767.78	-3.94
FTSE 100	6939.6	7049.8	-1.56
Shanghai Composite	2598.85	2550.47	1.9
Hang Sang	24717.63	25561.4	-3.3

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	28316	32691	-4375
MF Flows*	23867	19689	4178

FII data from 19th Oct 2018 to 25th Oct 2018

MF data from 17th Oct 2018 to 25th Oct 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
22-Oct-2018	1466.97	504.66
23-Oct-2018	-35.55	-236.87
24-Oct-2018	1434.12	745.05
25-Oct-2018	-1495.97	33.3
26-Oct-2018	617.45	630.23

Policy Rates



Key Rates (%)	26-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





Debt Market Update

- Indian government bonds rose for a third week, as a plunge in the crude oil prices eased concerns about faster inflation rate, while the central bank's open market purchase of notes helped sentiment.
- The benchmark 7.17% bond maturing in 2028 ended at 95.42 rupees, yielding 7.88%, in Mumbai.
- The benchmark yield fell four basis points this week, after falling by 10 basis points over the last two weeks.
- India's federal government on Friday sold 110 billion rupees of bonds, which included 30 billion rupees of 7.95% 2032 note.
- The central bank purchased bonds worth 120 billion rupees under open market purchase this week. It had bought 240 billion rupees of bonds in last two weeks, after buying bonds worth 500 billion rupees in April-September.



Commodity Market Update

Oil Update:

- Crude oil futures posted their third consecutive weekly loss on Friday as the bulls that pushed oil prices to nearly four-year highs head into retreat.
- U.S. West Texas Intermediate crude ended this week down 2.2 % and has now tumbled about 12 % from its recent high of \$86.74 on Oct. 3. Brent crude, the international benchmark for oil prices, fell 2.7 % this week and is down 10.5 % from its Oct. 3 high of \$86.74.
- Crude futures have gotten swept up in a wider stock market rout this month, with most of the losses for oil coinciding with a sell-off in equities. But the narrative driving oil prices has also flipped in recent weeks, and traders are closing out bullish bets on the commodity.
- Saudi Arabia says it hiked output to 10.7 million barrels per day in October and will increase production to 11 million bpd next month. Meanwhile, Russia says it pumped at a post-Soviet-era peak of 11.36 million bpd in September. The 15-nation OPEC group also managed to increase its collective output last month, despite supply declines in Iran and Venezuela.

Gold Update:

- Domestic Gold:** Continuing its upward march for yet another week, gold prices zoomed to hit over six-year high of Rs 32,625, and finally settled at Rs 32,550 per 10 grams on Saturday, supported by pick up in festive and wedding season demand by local jewellers.
- Silver, on the other hand, after moving in a narrow range on scattered buying and selling, finally ended flat at Rs 39,600 per kg.
- In the national market, gold of 99.9 % and 99.5 % purity commenced the week on a somewhat subdued note at Rs 32,220 and Rs 32,070 per ten grams on low demand from jewellers.
- Later, it regained sheen on the back of pick up in demand from local jewellers and retailers in view of festive and wedding season to trade at over six-year high of Rs 32,625 and Rs 32,475 per 10 grams on Thursday.
- Finally, it shed some grounds as demand from jewellers as well as retailers at higher levels faded and finally ended the week at Rs 32,550 and Rs 32,400 per 10 grams, still showing a rise of Rs 280 over previous week's closing of Rs 32,270 and Rs 32,120.
- Sovereign gold, however, traded in a tight range on scattered support and ended the week flat at RS 24,700 per piece of 8 grams.
- Domestic Silver:** Silver after moving between Rs 39,500 and Rs 39,750 per kg, ended the week flat at Rs 39,600 per kg but silver weekly based delivery finished lower by Rs 85 to Rs 38,710 per kg.
- Silver coins were maintained a steady trend at Rs 75,000 for buying and Rs 76,000 for selling of 100 pieces.
- Global:** Gold ended the week at \$1,233.80 an ounce as compared to previous week's \$1,227.50. Silver also advanced to \$14.76 an ounce from \$14.68.



Currency Market Update

- The Indian rupee closed at Rs 73.46 to a US dollar on Friday, weakening by 14 paise from its previous week's close of 73.32.
- India's foreign exchange reserves fell \$942 million to \$393.523 billion in the week to Oct.19 owing to a fall in foreign currency assets, according to data from the Reserve Bank of India.
- The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, ended 0.3% lower at 96.16. It rose to 96.62 earlier, a level not seen since Aug. 16.
- For the week, the index enjoyed a 0.7% gain, its best in four weeks.

Key Rates (%)	26-Oct-2018	19-Oct-2018	% Change
Mibor Overnight	6.55	6.6	-0.76
CALL (O/N)	6.48	6.55	-1.07
CBLO	5.13	6.41	-19.97
T Bills Index (12M)	7.41	7.46	-0.67
10 Year GSEC	7.88	7.92	-0.51

Commodity Market



Commodity (INR)	26-Oct-2018	Gain+/Loss-	% Change
Gold (10 gm)	31736	14	0.04
Silver (1 kg)	38358	110	0.29
Crude Oil (\$/barrel)	77.62	-2.16	-2.71

Currency Market



Currency	26-Oct-2018	Gain+/Loss-	% Change
USD/INR	73.37	-0.07	-0.1
EURO/INR	83.41	-0.76	-0.9
GBP/INR	94.05	-1.6	-1.67
JPY/INR	65.41	0.14	0.21

Upcoming Events



Week Gone By



Events	Actual %	Previous %

Consumer Confidence Flash OCT (Euro Area)	-2.7	-2.9
Nikkei Manufacturing PMI Flash OCT (Japan)	53.1	52.5
ECB Interest Rate Decision (Euro Area)	0.0	0.0
GDP Growth Rate QoQ Adv Q3 (US)	3.5	4.2
Markit Manufacturing PMI Flash OCT (US)	55.9	55.6
Durable Goods Orders MoM SEP (US)	0.8	4.6

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