



Financial Market & Economy Update

Domestic Update:

- Mutual funds have added a whopping Rs 3 lakh crore to their asset base in 2018. The asset under management (AUM) of the industry rose by 13 % to Rs 24 lakh crore in 2018 by November-end itself, up from Rs 21.26 lakh crore at the end of December 2017, data available with the Association of Mutual Funds in India (Amfi) showed.
- Maharashtra government has implemented the 7th Pay Commission's recommendations for all government employees from January 1.
- India's April-November fiscal deficit stood at 7.17 lakh crore (\$101.93 billion), or 114.8 % of the budgeted target for the current fiscal year, government data showed on Thursday.
- On Friday, the Cabinet okayed Gaganyaan, India's human spaceflight programme, which will see a 3-member crew spend a minimum of 7 days in space at an overall cost of Rs 10,000 crore.
- In 2018, India saw more than \$38 billion of inbound deals compared with China's \$32 billion, buoyed by stable fundamentals, a bankruptcy code and fresh opportunities in sunrise sectors.

Global Update:

- Business confidence among entrepreneurs in China worsened in the fourth quarter compared with the previous one, and was at the lowest since the second quarter of 2017. The entrepreneurs' confidence index dropped to 67.8 % in the fourth quarter, 3.4 % points lower than in the third quarter, the central bank survey showed.
- Singapore's manufacturing output in November rose 7.6 % from a year earlier, data from the Singapore Economic Development Board showed.
- Earnings at China's industrial firms in November dropped for the first time in nearly three years. Industrial profits fell 1.8 % in November from a year earlier to 594.8 billion yuan (\$86.33 billion).
- The unemployment rate in Japan edged up to 2.5 % in November of 2018, higher the 2.4 % for the previous month.
- Industrial production in Japan dropped by 1.1 % month-on-month in November 2018, after a 2.9 % rise in October.
- British banks approved 39,403 mortgages for new house purchase in November 2018, up 0.2 % from last year.



Equity Market Update

- After a weak start for a truncated week, the Indian indices recovered from the lows and ended with a % gain.
- Global relief rally following the resolution of a standoff between US President Donald Trump and Federal Reserve Chairman Jerome Powell gave a lift to the Indian equity markets.
- The Sensex rose 0.93 % this week, or 334.65 points, to ending at 36,076.72, while Nifty was up 0.98 %, or 105.9 points, to close at 10,859.9.
- Sector Update:** The Nifty Media index has outperformed other sectoral indices with a gain of 3.65 % during the week. While Nifty PSU bank index rose by 1.5% during the week. Whereas, Nifty Realty and Nifty Metal was down by -2.22% & -1.58% respectively.
- Broader Markets:** The S&P BSE Largecap and Midcap index gained 0.94 % and 0.70 %, while S&P BSE Smallcap Index was ended down 0.19 %.
- FII:** As per the provisional BSE data, FIIs bought a total of Rs 1,249.6 crore worth of shares during the week ended on Friday. On the other hand, domestic institutional investors ended the week with marginal buying of just Rs 96.36-crore shares.
- Global:** It was an extremely volatile week for the global stock market with wild swings and historic records. All three of the major indices closed the week higher. The S&P 500 (^GSPC) climbed 2.86%, and the Dow (^DJ1) jumped 617.03 points, or 2.75%, while the Nasdaq (^XIC) gained 3.97% to close out the week. It was the best weekly performance in a month for all three of the major indices.



Debt Market Update

- Indian government bonds fell for the first time in six weeks as investors booked profits ahead of the quarter-end, even as underlying sentiment remained upbeat.
- The benchmark 7.17% bond maturing in 2028 ended at 98.56 rupees, yielding 7.39%. The benchmark bond yield also posted its biggest single session rise since Dec. 10.
- The benchmark yield rose 11 basis points this week, its largest rise since week ended Aug. 16. The yield had fallen by 54 basis points in the previous five weeks.

Domestic Markets



Index	28-Dec-2018	21-Dec-2018	% Change
BSE Sensex	36076.72	35742.07	0.94
S&P CNX Nifty	10859.9	10754	0.98
CNX Midcap	17792.85	17704.8	0.5
CNX 500	9152.55	9082.55	0.77
BSE Smallcap	14605.69	14633.62	-0.19

Global Markets



Index	28-Dec-2018	21-Dec-2018	% Change
Dow Jones	23062.4	22445.37	2.75
Nasdaq	6584.52	6333	3.97
S&P 500	2485.74	2416.58	2.86
FTSE 100	6734	6721.2	0.19
Shanghai Composite	2493.9	2516.25	-0.89
Hang Sang	25504.2	25753.42	-0.97

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	19716	19778	-62
MF Flows*	12849	13353	-504

FII & MF data from 20th Dec to 27th Dec 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
21-Dec-2018	1312.46	-1325.44
24-Dec-2018	1893.68	-831.74
26-Dec-2018	-839.51	-280.39
27-Dec-2018	-771.93	963.11
31-Dec-1899	0	0

Policy Rates



Key Rates (%)	28-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





Commodity Market Update

Oil Update:

- Oil prices went down slightly during the week ending Dec. 28, with the price of West Texas Intermediate (WTI) for February delivery decreasing 0.57 % and Brent crude for February delivery down 3.01 %.
- In the previous week ending Dec. 21, oil prices decreased sharply. WTI decreased 11.0 %, and Brent crude decreased 10.7 %. At the end of the week, WTI settled at 45.59 U.S. dollars a barrel, while Brent crude closed at 53.82 dollars a barrel.
- The global oil market is still grappling with rising stockpiles, despite a daily 1.2 million-barrel output cut deal between OPEC and its allies, which is set to come into force since January next year.
- Currently, the United States pumps 11.6 million barrels per day, surpassing Saudi Arabia and Russia to be the world's largest oil producer.
- Meanwhile, the number of active drilling rigs in the United States increased by three to 1,083 for the week ending Dec. 28.

Gold Update:

- Domestic:** Gold prices Saturday strengthened by Rs 20 to Rs 32,640 per 10 gram at the bullion market in the national capital amid firm trend overseas.
- In Delhi, gold of 99.9 % and 99.5 % purity rose by Rs 20 each to Rs 32,640 and Rs 32,490 per 10 gram, respectively.
- Traders attributed the marginal gains in prices of the yellow metal to overseas firm trend.
- Sovereign gold held steady at Rs 25,200 per piece of eight gram.
- Domestic Silver:** Silver, however, lost Rs 25 to Rs 39,225 per kg on low demand from industrial units and coin makers.
- Silver ready fell by Rs 25 to Rs 39,225 per kg, and weekly-based delivery surged by Rs 55 to Rs 38,706 per kg.
- Silver coins, however, held steady at Rs 76,000 for buying and Rs 77,000 for selling of 100 pieces.
- Globally,** gold edged higher to USD 1280.68 an ounce and silver stood at USD 15.34 an ounce in New York.



Currency Market Update

- On a weekly basis, the rupee appreciated 1.70 % (Rs 1.21) against the dollar as it ended at 69.94 on December 29 against December 21, closing of 71.15 against the dollar.
- The country's foreign exchange reserves increased by \$167.2 million to \$393.287 billion in the week to December 21, mainly due to a rise in foreign currency assets, according to RBI data.
- The U.S. dollar weakened on Friday as investors' risk appetite shrank following a week of volatile trading on U.S. stocks market. The dollar index, which measures the greenback against six major peers, fell 0.07 % at 96.3965 in late trading.

Key Rates (%)	28-Dec-2018	21-Dec-2018	% Change
Mibor Overnight	6.68	6.59	1.37
CALL (O/N)	6.57	6.45	1.86
CBLO	6.52	6.5	0.31
T Bills Index (12M)	6.9	6.95	-0.72
10 Year GSEC	7.39	7.28	1.51

Commodity Market



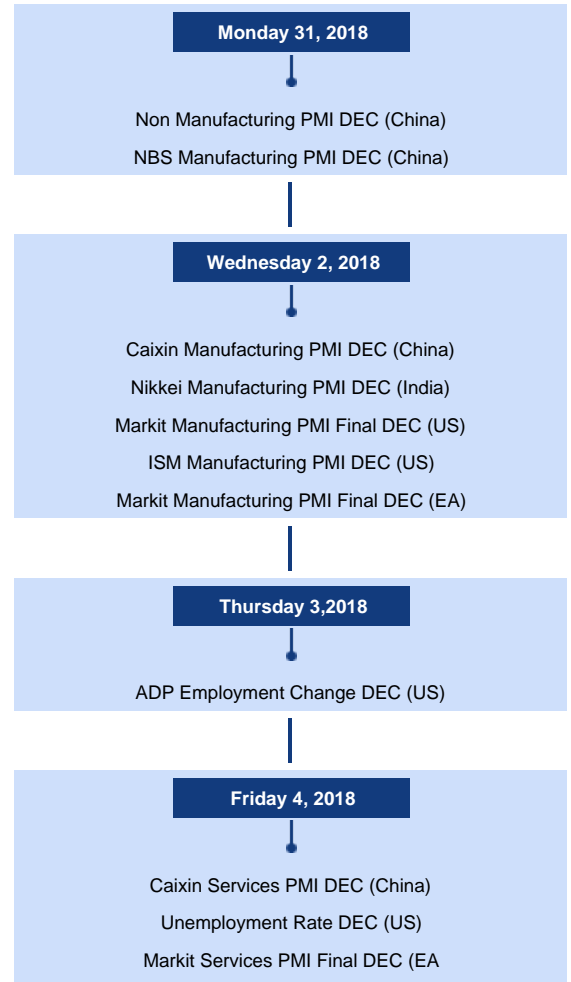
Commodity (INR)	28-Dec-2018	Gain+/Loss-	% Change
Gold (10 gm)	31547	507	1.63
Silver (1 kg)	38153	1518	4.14
Crude Oil (\$/barrel)	52.2	-1.62	-3.01

Currency Market



Currency	28-Dec-2018	Gain+/Loss-	% Change
USD/INR	69.98	-0.06	-0.09
EURO/INR	80.18	-0.03	-0.04
GBP/INR	88.66	-0.04	-0.05
JPY/INR	63.28	0.41	0.65

Upcoming Events





Events	Actual %	Previous %
Leading Economic Index Final OCT (Japan)	99.6	99.6
CB Consumer Confidence DEC (US)	128.1	136.4 ®
Unemployment Rate NOV (Japan)	2.5	2.4
Industrial Production YoY Prel NOV (Japan)	1.4	4.2

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