



Financial Market & Economy Update

Domestic Update:

- India's economy grew at 7.1 % for the second quarter of the current fiscal losing the momentum sequentially from the first quarter when it grew at a nine-quarter high of 8.2 % on the back of increase in investment and consumption demand in the economy.
- Growth of eight infrastructure sectors improved sequentially to 4.8% in October on the back of strong cement, coal and crude oil output.
- India's April-October fiscal deficit stood at 6.49 trillion rupees (\$93.23 billion), or 103.9 % of the budgeted target for current fiscal year, government data showed on Friday
- The country's milk production has risen by 28 % in the past four years to 176.35 million tonne, while farmers are getting an average Rs 7 per litre higher price for their milk, Agriculture Minister Radha Mohan Singh said Monday.
- India registered a marginal growth in its crude steel output at 8.77 million tonne (MT) during October 2018, according to World Steel Association (worldsteel). The country had produced 8.73 MT crude steel during the same month a year ago, the global industry body said in its latest report.
- The Reserve Bank of India has further eased overseas borrowing rules at a time when the local credit market is in the process of normalisation from tight liquidity condition. The central bank reduced the mandatory hedge coverage to 70% % from 100% for external commercial borrowings (ECB) raised by Indian companies.
- Indian solar imports spiked considerably in the third quarter (Q3) of calendar year (CY) 2018. Solar modules and cells worth \$602 million (~₹42.96 billion) were imported by India in the third quarter of 2018. This figure is approximately 38 % more than the \$436.63 million (~₹31.21 billion) of solar cells and modules imported by India in the previous quarter of 2018.
- India Inc's foreign borrowings dipped nearly 66 % to USD 1.41 billion in October this year, Reserve Bank data showed Wednesday.
- Workers in India got the highest average real wage growth (adjusted for inflation) in the last decade in southern Asia, according to the Global Wage Report 2018/19 published by International Labour Organisation (ILO). During 2008-17, real wage growth in India stood at 5.5 %, highest among all the countries in southern Asia, the report said.
- The government's goods and services tax collections dropped below Rs 1 lakh crore in October, suggesting that collections have still not risen to the desired level. GST collections in October were at Rs 97,637 crore, finance ministry said in a statement.

Global Update:

- US economy slowed in the third quarter as previously reported. Gross domestic product increased at a 3.5% annualized rate.
- Qatar is withdrawing from the Organization of the Petroleum Exporting Countries (OPEC) as of January 2019, Saad al-Kaabi, the country's energy minister said.
- German business morale fell by more than expected in November. Munich-based Ifo said on Monday the index fell for the third month in a row to 102.0.
- Global wage grew by 1.8 % in 2017, down from 2.4 % in 2016 and the slowest rate since the global financial crisis in 2008, the International Labour Organization said in its two-yearly Global Wage Report on Monday.
- Russia shipped record volumes of crude oil to China in October as independent refiners continued to fill import quotas, while Iranian oil shipments fell on uncertainty over Washington's imposition of sanctions on Tehran, data showed on Monday. China's imports from top supplier Russia jumped 58 % from a year earlier to 7.347 million tonnes
- Profit growth at China's industrial firms cooled for a sixth straight month in October. Industrial profits rose 3.6 % in October from a year earlier to 548 billion yuan (\$78.92 billion), a 7-month low and a slowing from September's 4.1 % gain, the National Bureau of Statistics (NBS) said on Tuesday.
- Euro zone inflation slowed as expected in November as food and energy price hikes eased, while core inflation readings were below market expectations. Consumer prices in the 19 countries sharing the euro rose by 2.0 % year-on-year in November after a six-year high of 2.2 % in October, EU statistics agency Eurostat said on Friday.
- Growth in China's vast manufacturing sector stalled for the first time in over two years in November. The official Purchasing Managers' Index (PMI), released by the National Bureau of Statistics (NBS), fell to 50 in November.



Equity Market Update

- Indian equity benchmarks resumed their weekly rally after a blip last week as cooling crude oil prices and a strengthening rupee buoyed investor sentiment. The S&P BSE Sensex Index rose 3.47 % this week to end at 36,194, its highest level in nearly two months. The NSE Nifty 50 Index closed at 10,876 after advancing 3.32 % this week.
- Sector Update:** Eight out of 11 sectoral gauges compiled by the National Stock Exchange advanced this week, led by the NSE Nifty IT Index's 5.8 % gain. On the flip side, the NSE Nifty Metal Index fell the most at 1.6 %.
- Broader Markets:** The S&P BSE Largecap index rallied 2.91 %, while S&P BSE

Domestic Markets



Index	30-Nov-2018	22-Nov-2018	% Change
BSE Sensex	36194.3	34981.02	3.47
S&P CNX Nifty	10876.75	10526.75	3.32
CNX Midcap	17503.6	17347.2	0.9
CNX 500	9109.15	8879	2.59
BSE Smallcap	14427.16	14350.83	0.53

Global Markets



Index	30-Nov-2018	23-Nov-2018	% Change
Dow Jones	25538.46	24285.95	5.16
Nasdaq	7330.54	6938.98	5.64
S&P 500	2760.16	2632.56	4.85
FTSE 100	6980.2	6952.9	0.39
Shanghai Composite	2588.19	2579.48	0.34
Hang Sang	26506.75	25927.68	2.23

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	31590	25599	5991
MF Flows*	15924	13474	2450

FII data from 22nd Nov 2018 to 29th Nov 2018

MF data from 20th Nov 2018 to 28th Nov 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
22-Nov-2018	3205.1	-378.84
26-Nov-2018	1654.14	348.92
27-Nov-2018	-1371.32	-177.09
28-Nov-2018	971.09	-465.25
29-Nov-2018	5565.85	857.65

Policy Rates



Key Rates (%)	30-Nov-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



Midcap and S&P BSE Smallcap Index rose 1.07 % and 0.53 %, respectively.

- **FI:** The provisional figures from the stock exchanges showed that foreign institutional investors bought scrips worth Rs 2,326.37 crore in the week ended November 30. The domestic institutional investors bought Rs 2,515.66 crore worth of stocks in the past week.



Debt Market Update

- Indian government bonds rose for a second month in November, with the benchmark paper posting its biggest monthly gain this fiscal year, driven by a slump in crude oil prices, rupee moving above 70 per dollar level and the central bank's note purchases.
- The benchmark 7.17% bond maturing in 2028 ended at 97.16 rupees, its highest since May 8, yielding 7.61%. The benchmark yield fell 24 basis points in November, its biggest monthly fall since March, and this follows a 17-basis-point fall in October.
- Foreign investors net bought government bonds worth 74 billion rupees till November 29, investing most in the benchmark paper.
- The central bank conducted OMO purchases worth 500 billion rupees in November, highest for any month in this financial year, and took the total quantum to 1.36 trillion rupees for the fiscal year so far. The RBI will further purchase notes worth 400 billion rupees in December via OMO. Nomura has predicted similar purchases worth 900 billion rupees in January-March.



Commodity Market Update

Oil Update:

- Oil settled lower on Friday, with prices suffering their worst month for more than 10 years in November, as swelling inventories depressed sentiment.
- West Texas Intermediate crude fell 52 cents, or 1%, to close at \$50.93 a barrel by close of trade on the New York Mercantile Exchange. It fell to a 14-month low of \$49.41 on Thursday. For the week, WTI rose about 1%.
- Meanwhile, the global benchmark, Brent crude for February delivery on the ICE Futures Europe exchange, dropped 45 cents, or 0.75%, to end at \$59.46 a barrel. It lost about 0.2% for the week.
- Both WTI and Brent suffered their biggest monthly % declines in about a decade, losing approximately 22% in November, with surging supply and the specter of faltering demand scaring off investors.
- The Energy Information Administration reported last week that domestic crude supplies rose by 3.6 million barrels, up for a 10th straight week, while U.S. production remained at a record 11.7 million bpd.
- Offering a hint on U.S. production activity, Baker Hughes on Friday reported that the number of active domestic rigs drilling for oil rose by 2 to 887.

Gold Update:

- **Domestic:** Amid weak cues from the global market and fall in demand from local jewellers, gold prices fell Rs 390 to Rs 31,460 per 10 grams on the bullion market during the week.
- Silver also lost Rs 890 to reach Rs 36,560 per kg due to poor offtake by industrial units and coin makers.
- In the national capital, gold of 99.9 and 99.5 % purity started the week with a gain of Rs 100 each, but succumbed to profit-booking and tepid demand to close at Rs 31,460 and Rs 31,310 per 10 grams respectively, showing a fall of Rs 390 each.
- Sovereign, after remaining steady at Rs 24,800 per piece of 8 grams on Monday and Tuesday on some support, came under pressure and ended with a fall of Rs 100 at Rs 24,700.
- Silver ready, barring Monday and Thursday, traded in the negative zone through the week and ended lower by Rs 890 at Rs 36,560 per kg while weekly-based delivery dropped by Rs 1,162 to Rs 35,147 per kg.
- Silver coins, on the other hand, remained unchanged at Rs 73,000 for buying and Rs 74,000 for selling of 100 pieces.
- **International:** Globally, gold ended the week at \$1,221.88 per ounce and silver at \$14.17 an ounce in New York.



Currency Market Update

- The Indian rupee strengthened for the fourth straight week against the dollar, its longest weekly rally since January. The local currency ended at 69.58 against the greenback, its highest in over three months.
- On a weekly basis, the rupee gained 1.5 % (Rs 1.08) against the dollar as it ended at 69.58 on November 30 against November 22, closing of 70.67 against the dollar.
- The rally in the home currency was led by falling crude oil prices, return of foreign investments and the dovish commentary from the U.S. Federal Reserve. The rupee was also the third-best performing emerging market currency.
- India's foreign exchange reserves dropped by \$795 million to \$392.785 billion in the week to Nov. 23 due to a decline in foreign currency assets.
- The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, inched up 0.12% to 96.80.

Key Rates (%)	30-Nov-2018	22-Nov-2018	% Change
Mibor Overnight	6.55	6.6	-0.76
CALL (O/N)	6.41	6.48	-1.08
CBLO	6.29	6.48	-2.93
T Bills Index (12M)	7.17	7.2	-0.42
10 Year GSEC	7.61	7.71	-1.3

Commodity Market



Commodity (INR)	30-Nov-2018	Gain+/Loss-	% Change
Gold (10 gm)	30360	-543	-1.76
Silver (1 kg)	35519	-1279	-3.48
Crude Oil (\$/barrel)	58.71	-3.89	-6.21

Currency Market



Currency	30-Nov-2018	Gain+/Loss-	% Change
USD/INR	69.66	-1.52	-2.14
EURO/INR	79.36	-1.83	-2.25
GBP/INR	89.08	-1.96	-2.15
JPY/INR	61.43	-1.54	-2.45

Upcoming Events



Monday 03, 2018

Caixin Manufacturing PMI NOV (China)
Nikkei Manufacturing PMI NOV (India)
Markit Manufacturing PMI Final NOV (EA)
Markit Manufacturing PMI Final NOV (US)
ISM Manufacturing PMI NOV (US)

Tuesday 04, 2018

Total Vehicle Sales NOV (US)

Wednesday 05, 2018

Nikkei Services PMI NOV (Japan)
Caixin Composite PMI NOV (China)
Caixin Services PMI NOV (China)
Nikkei Services PMI NOV (India)
RBI Interest Rate Decision (India)
Markit Composite PMI Final NOV (US)
Markit Services PMI Final NOV (US)
ISM Non-Manufacturing PMI NOV (US)

Thursday 06, 2018

Exports OCT & Imports OCT (US)
Balance of Trade OCT (US)
Factory Orders MoM OCT (US)

Friday 07, 2018

Unemployment Rate NOV (US)
Non Farm Payrolls NOV (US)

Week Gone By



Events	Actual %	Previous %
Nikkei Manufacturing PMI Flash NOV (Japan)	51.8	52.9
New Home Sales MoM OCT (US)	8.9	1.0
Retail Sales YoY OCT (Japan)	3.5	2.2
Business Confidence NOV (EA)	1.09	1.01
Unemployment Rate OCT (Japan)	2.4	2.3
GDP Growth Rate YoY Q3 (India)	7.1	8.2

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