



Financial Market & Economy Update

Domestic Update:

- The Nikkei India Services PMI increased to 52.2 in October of 2018 from a four-month low of 50.9 in the preceding month.
- World Bank has signed an agreement with the government of India and government of Andhra Pradesh to extend a loan of \$172.2 million (Rs 1,257 crore) to help turn farming in Andhra a financially viable activity.
- The government Friday said it is not seeking Rs 3.6 lakh crore capital from the Reserve Bank but is only in discussion for fixing appropriate economic capital framework of the central bank.
- The finance ministry said that GST refund of Rs 82,775 crore to exporters has been cleared as on October 31, which is 93.8 per cent of the total such claims with the tax authorities.
- Mutual funds received around Rs 7,900 crore of assets through systematic investment plans (SIP) in October, 42 per cent higher than last year.

Global Update:

- The Caixin China General Services PMI fell to 50.8 in October 2018 from 53.1 in September and the Caixin China General Composite PMI dropped to 50.5 in October 2018 from 52.1 in September.
- The Nikkei Japan Services PMI rose to 52.4 in October 2018 from 50.2 in September.
- The IHS Markit Eurozone Services PMI came in at 53.7 in October 2018, higher than the earlier flash estimate of 53.3 but down from September's 54.7.
- China's consumer price inflation stood at 2.5 percent year-on-year in October of 2018, the same as in the previous month and matching market estimates.



Equity Market Update

- Indian equity benchmarks clocked consecutive weekly gains for the first time in two months as Brent crude entered a bear market while the earnings of Nifty 50 companies mostly beat or matched analyst estimates.
- The S&P BSE Sensex rose 0.42 percent to 35,158.55 and the NSE Nifty 50 Index advanced 0.31 percent to 10,585.20 in a truncated week.
- The markets were shut on Thursday on the occasion of 'Laxmi Pujan'. On Diwali the previous day, the BSE and the NSE conducted a special 'Muhurat' trading between 5.30 p.m. and 6.30 p.m. The Sensex settled 245.77 points higher, while the Nifty gained 68.40 points after the 'Muhurat' trading.
- **Sector Update:** Nine of the 11 sectoral gauges compiled by the National Stock Exchange of India Ltd. ended higher led by the Nifty Realty Index's 2.15 percent gain. On the other hand, the Nifty FMCG Index was the top loser, down 0.2 percent.
- **Broader Markets:** The BSE Mid-Cap index rose 55.47 points or 0.37 pc to settle at 14,944.20. The BSE Small-Cap index rose 207.17 points or 1.43 pc to settle at 14,671.85.
- **FII:** Provisional data from the stock exchanges showed that foreign institutional investors bought stocks worth Rs 157.8 crore between November 5-9, while domestic institutional investors purchased stocks worth Rs 813.42 crore.



Debt Market Update

- Indian government bonds gained in a holiday-truncated week, with the benchmark yield falling for a fifth consecutive week, as crude oil prices continued their downward move, easing inflation concerns.
- The benchmark 7.17% bond maturing in 2028 ended at 96.14 rupees, its highest since Aug. 10, yielding 7.76%. The benchmark bond yield fell two basis points this week, after falling by an aggregate 24 basis points over the last four weeks. Indian financial markets were shut on Nov. 7 and Nov. 8 for local holidays.
- Bonds had fallen last week amid media reports that Reserve Bank of India Governor Urjit Patel may resign amid differences with the federal government. However, bonds recovered after there was no major development on the same.



Commodity Market Update

Oil Update:

Domestic Markets



Index	09-Nov-2018	02-Nov-2018	% Change
BSE Sensex	35158.55	35011.65	0.42
S&P CNX Nifty	10585.2	10553	0.31
CNX Midcap	17605.5	17430.95	1
CNX 500	8946.35	8899.4	0.53
BSE Smallcap	14671.85	14464.68	1.43

Global Markets



Index	09-Nov-2018	02-Nov-2018	% Change
Dow Jones	25989.3	25270.83	2.84
Nasdaq	7406.9	7356.99	0.68
S&P 500	2781.01	2723.06	2.13
FTSE 100	7105.3	7094.1	0.16
Shanghai Composite	2598.87	2676.48	-2.9
Hang Sang	25601.92	26486.35	-3.34

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	31462	31247	215
MF Flows*	9223	8758	465

FII data from 31st October to 6th November 2018

MF data from 1st November to 7th November 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
02-Nov-2018	3613.08	717.08
05-Nov-2018	1708.84	-475.08
06-Nov-2018	3535.95	-823.35
07-Nov-2018	164.74	11.6

Policy Rates



Key Rates (%)	09-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



- On Friday, oil prices finished lower.
- December West Texas Intermediate crude, the U.S. benchmark, fell 48 cents, or roughly 0.8%, to settle at \$60.19 a barrel by close of trade on the New York Mercantile Exchange, having earlier touched its lowest since Feb. 14 at \$59.26.
- For the week, WTI lost roughly 4.7%, tallying their fifth straight weekly drop.
- The front-month WTI contract has posted declines for 10 sessions straight, the longest losing streak for U.S. crude since mid-1984.
- It fell into a bear market on Thursday, tumbling more than 20% from a nearly four-year high last month at \$76.90.
- Meanwhile, the global benchmark, Brent crude for January delivery on the ICE (NYSE:ICE) Futures Europe exchange, declined 47 cents to end at \$70.18 a barrel, after hitting a session low of \$69.13, a level last seen on April 10.
- It lost about 3.6% for the week.
- Brent, which has fallen in nine of the last 10 sessions, is down about 19% from its recent October peak.

Gold Update:

- **Domestic:** Gold prices continued decline for the fourth straight day, falling by Rs 180 to Rs 32,070 per 10 grams at the bullion market Saturday on easing demand from local jewellers amid a weakening trend overseas.
- Silver too lost Rs 400 at Rs 38,000 per kg on reduced offtake by industrial units and coin makers.
- Traders said gold prices took a hit owing to considerable fall in demand from local jewellers coupled with a weak trend overseas as the firmer dollar eroded appeal of the precious metal as a safe haven investment.
- In the national capital gold of 99.9 per cent 99.5 per cent purity plunged by Rs 180 each to Rs 32,070 and Rs 31,920 per 10 grams, respectively. The precious metal had lost Rs 440 in the previous three days.
- Sovereign, however, remained unaltered at Rs 24,700 per piece of 8 gram in limited deals.
- In sync with gold, silver ready fell by Rs 400 to Rs 38,000 per kg and weekly-based delivery dropped by Rs 690 to Rs 36,880 per kg. Silver coins, however, maintained at Rs 75,000 for buying and Rs 76,000 for selling of 100 pieces.
- **International:** In the international market, gold ended lower at USD 1,210.40 an ounce and silver at USD 14.25 an ounce in New York on Friday.



Currency Market Update

- The rupee on Friday closed at 72.49 per dollar after logging a single-day gain of 51 paise. It had closed at 72.44 the previous week.
- Revaluation of gold reserves and a stronger rupee lifted India's foreign exchange (forex) reserves by over \$1 billion in the week ended November 2.
- Consequently, India's forex reserves increased by \$1.05 billion during the week ended November 2.
- The dollar rose against a basket of the other major currencies on Friday, a day after the Fed signaled that it intends to stick to plans to tighten monetary policy, with the U.S. economy looking strong on almost every front.
- The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.2% to 96.74 in late trade, not far from the 16-month highs of 96.98 reached on October 31.

Key Rates (%)	09-Nov-2018	02-Nov-2018	% Change
Mibor Overnight	6.55	6.55	0
CALL (O/N)	6.47	6.41	0.94
CBLO	6.5	5.97	8.88
T Bills Index (12M)	7.38	7.42	-0.54
10 Year GSEC	7.76	7.78	-0.26

Commodity Market



Commodity (INR)	09-Nov-2018	Gain+/Loss-	% Change
Gold (10 gm)	31773	208	0.66
Silver (1 kg)	38205	-94	-0.25
Crude Oil (\$/barrel)	69.72	-3.28	-4.49

Currency Market



Currency	09-Nov-2018	Gain+/Loss-	% Change
USD/INR	72.73	-0.15	-0.21
EURO/INR	82.52	-0.71	-0.85
GBP/INR	94.87	0.12	0.13
JPY/INR	63.84	-0.63	-0.98

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Caixin Services PMI OCT (China)	50.8	53.1
ISM Non-Manufacturing PMI OCT (US)	60.3	61.6
Nikkei Services PMI OCT (India)	52.2	50.9
Balance of Trade OCT (China)	\$34.01B	\$31.7B
Exports YoY OCT (China)	15.6	14.5
Imports YoY OCT (China)	21.4	14.3
Fed Interest Rate Decision (US)	2.25	2.25

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