



Financial Market & Economy Update

Domestic Market Update:

- India-s Gross Domestic Product or GDP growth contracted by 7.5% in Q2 after record slump of 23.9% in previous quarter (Q1).
- Ministry of Consumer Affairs, Food & Public Distribution stated today that Paddy procurement for Kharif 2020-21 is continuing smoothly in the procuring States & UTs of Punjab, Haryana, Uttar Pradesh, Telangana, Uttarakhand, Tamil Nadu, Chandigarh, Jammu & Kashmir, Kerala, Gujarat, Andhra Pradesh, Odisha and Maharashtra with purchase of 298.74LMTs of paddy up to 22.11.2020 against the last year corresponding purchase of 253.85 LMT showing an increase of 17.68 % over last year. Out of the total purchase of 298.74 LMT, Punjab alone has contributed 201.99 LMT which is 67.61 % of total procurement. About 26.30 Lac farmers have already been benefitted from the ongoing KMS procurement Operations with MSP value of Rs. 56402.42 Crore.
- The latest reports from Agricultural Ministry suggest that rabi acreage stood at 265 lakh hectares (lh) as on 20th November 2020, up 10% compared to the corresponding week last year. The area under primary rabi crop wheat was marginally higher at 97 lh. The acreage in total pulses surged by around 28% to nearly 82.59 lh. Of this, area under Chana or gram rose by 30% to 57.44 lh.
- Oilseeds planting rose by nearly 6.6% to 55.5 lh. Area under Mustard stood at 52.25 lh, up 8.83% on year. Acreage of coarse cereals surged to 22.78 lh, soaring nearly 7%. However, rabi Maize area slipped by around 3% to 3.39 lh.
- According to the latest edition of State Bank Of India's Ecowrap, surplus domestic liquidity as given by outstanding Net LAF stands at Rs 5276 billion as on 22 Nov, with average surplus being Rs 4150 billion so far in the current fiscal. One factor which is increasing market liquidity is RBI's dollar purchases to prevent further appreciation of Rupee.
- The core sector fell into the red again in the month of October declining 2.5% in October raising concerns over the sustainability of recovery.

International Market Update:

- The US initial jobless claims rose to 778,000, an increase of 30,000 from the previous week-s revised level of 748,000.
- The Commerce Department released a report on Wednesday showing a decrease in US personal income in the month of October. The report said personal income fell by 0.7% in October after climbing by a downwardly revised 0.7% in September.
- The US consumer sentiment index for November was downwardly revised to 76.9 from a preliminary reading of 77.0.
- The US Commerce Department said durable goods orders jumped by 1.3% in October after spiking by 2.1% in September.
- German consumer sentiment dampens due to the partial lockdown, survey results from the market research group GfK showed Thursday. The forward-looking consumer sentiment index fell to -6.7 in December from revised -3.2 in October. All sub-components of the confidence index weakened in November. The economic expectation indicator fell by 7.3 points to -0.2 in November. This was the lowest figure since May. The income expectations index declined 5.2 to 4.6 in November.
- UK car production recorded a double-digit slide in October, the Society of Motor Manufacturers & Traders said Thursday. Car production plummeted 18.2% on year in October to 110,179 units in October. Due to the impact of coronavirus and fresh lockdowns at home and abroad, production for domestic market decreased 13.6% from the last year and that for foreign market dropped by 19.1%. During January to October period, output fell by -33.8% with 379,308 fewer cars made than same period in 2019.
- A survey from the US Conference Board showed that the consumer confidence index dropped to a reading of 96.1 this month from 101.4 in October. The survey's present situation measure, based on consumers' assessment of current business and labor market conditions, slipped to a reading of 105.9 from 106.2 in October.
- US business activity accelerated in November to a more than five-year high despite the surge in coronavirus infections and tightening restrictions, preliminary data from IHS Markit showed Monday. The flash reading for the US Composite Output Index was 57.9 in November, up from the 56.3 registered in October. The reading signals that growth momentum picked up further at the fastest rate since March 2015, IHS Markit said. The indicator is based on data from the firm-s PMI surveys for manufacturing and services sectors. An index reading above 50 indicates expansion, while below 50 it signals contraction.
- The euro area private sector contracted sharply in November as member countries reintroduced more restrictions to counter the spread of Covid-19 infection, flash survey data from IHS Markit showed Monday. The composite output index plunged to a six-month low of 45.1 from the neutral 50.0 in October.
- The UK private sector contracted the most in six months in November due to the fastest reduction in service sector output since May. The IHS Markit/Chartered Institute of Procurement & Supply composite output index dropped to 47.4 in November from 52.1 in October. The services PMI slid sharply to 45.8 from 51.4 in the previous month while manufacturing PMI rose to 55.2 in November from 53.7 a month ago.

Domestic Markets



Index	27-Nov-2020	20-Nov-2020	% Change
BSE Sensex	44149.72	43882.25	0.61
S&P CNX Nifty	12968.95	12859.05	0.85
CNX Midcap	19715.1	18962.55	3.97
CNX 500	10719.05	10560.55	1.5
BSE Smallcap	16875.15	16182.55	4.28

Global Markets



Index	27-Nov-2020	20-Nov-2020	% Change
Dow Jones	29910.37	29263.48	2.21
Nasdaq	12205.85	11854.97	2.96
S&P 500	3638.35	3557.54	2.27
FTSE 100	6367.58	6351.45	0.25
Shanghai Composite	3408.31	3377.73	0.91
Hang Sang	26894.68	26451.54	1.68

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	63096	44928	18168
MF Flows*	6832	12190	-5358

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
20-Nov-2020	910.36	-321.02
23-Nov-2020	-688.31	-731.58
24-Nov-2020	2514.83	-1220.07
25-Nov-2020	-1770.83	1157.6
26-Nov-2020	2216.14	3011.69

Policy Rates



Key Rates (%)	27-Nov-2020	1 Week Ago	1 Month Ago
Reverse Repo	3.35	3.35	3.35
Repo	4	4	4
CRR	3	3	3
SLR	18	18	18





- Positive momentum sustained throughout November as bulls retained the upper hand. There was some volatility and rangebound trade in the last week, although the market hit a fresh intraday record high and closed 0.85 percent higher on the Nifty50.
- The consistent FII inflow and positive developments on the vaccine front supported the bullish sentiment, helping benchmark indices log double-digit gains during the month. The news on vaccine also raised hopes for global economic recovery, though the COVID-19 subject is expected to remain for coming months.
- The BSE Sensex gained 0.7 percent to close at 44,179.72 and the Nifty50 rose 0.85 percent to 12,969 during the week, underperforming broader markets as the Nifty Midcap index was up 4 percent and Smallcap rallied 6.3 percent, which are expected to remain in action in the near-term.



Debt Market Update

- Government bonds ended sharply lower as traders were disappointed that the Reserve Bank of India did not announce a special open market operation or an outright OMO on Thursday, dealers said. Despite the coupon on the new 10-year bond on expected lines, participants were jittery ahead of the release of Jul-Sep GDP print data due later today and the extended weekend.
- The 5.77%, 2030, bond closed at 98.96 rupees or 5.91% yield.
- While the new 10-year 5.85%, 2030 bond closed at 100.13 or 5.83% yield.
- Over the last two months, the central bank had been announcing outright open market operations or special open market operations every Thursday. The lack of such notice on Thursday led participants to believe that the frequency of such operations may slow down, dealers said.
- Since Oct 1, the central bank has conducted outright open market operations aggregating to 663 bln rupees and special open market operations totalling 300 bln rupees.



Commodity Market Update

Oil Update:

- Oil prices recorded their fourth successive weekly gain on positive vaccine news and hopes for a sooner-than-expected recovery in demand.
- Brent crude rose to \$48.18 per barrel, the highest level in eight months.
- Despite the rally, market fundamentals remain unchanged. Instead, improving sentiment tethered to hopes of an effective vaccine is moving the market.
- At the end of October, the price of Brent crude was \$37.40 per barrel, while November is about to end with the price of Brent crude at \$48.18 per barrel.
- Meanwhile, there are indications of strong consumption emerging from refineries in Asia, but Europe and the US remain sluggish.

Gold Update:

- The drop in gold and silver prices continued this week too in the Indian markets. Developments in Covid-19 vaccine have reignited the interest of investors in risk assets slashing the prices of precious metals. Gold prices have plummeted about Rs 4,000 per 10 gram while silver settled at Rs 6,000 per kg in about three weeks.
- On Friday, hopes around quick vaccine-fuelled economic recovery and a smooth White House transition slumped global gold prices as much as 2% to \$1,773, breaking below the key \$1,800 support level, to a near five-month trough. While the global stock index pierced through record highs for the third session this week.
- Gold has lost around 4.7 per cent this week which is the most since March 13.



Currency Market Update

- The United States Dollar/Indian Rupee (USD/INR) witnessed mild profit booking after hitting the stiff resistance zone of 74.50- 74.60 per US dollar and closed with the mild loss of approximately 10 paise on a week on week basis at 74 per US dollar. The currency pair failed to breakout and fall back in the previous trading range of 73.10 to 74.60 per US dollar.
- India's foreign exchange reserves rose by USD 2.51 billion during the week ended November 20. According to the Reserve Bank of India's weekly statistical supplement, the reserves increased to USD 575.290 billion from USD 572.771 billion reported for the week ended November 13.

Key Rates (%)	27-Nov-2020	20-Nov-2020	% Change
Mibor Overnight	3.4	3.36	1.19
CALL (O/N)	3.13	3.16	-0.95
CBLO	2.68	2.73	-1.83
T Bills Index (12M)	3.32	3.38	-1.78
10 Year GSEC	5.91	5.88	0.51

Commodity Market



Commodity (INR)	27-Nov-2020	Gain+/Loss-	% Change
Gold (10 gm)	48125	-2087	-4.16
Silver (1 kg)	58984	-3174	-5.11
Crude Oil (\$/barrel)	48.18	3.22	7.16

Currency Market



Currency	27-Nov-2020	Gain+/Loss-	% Change
USD/INR	73.98	0.39	0.52
EURO/INR	87.99	0.29	0.33
GBP/INR	98.69	-0.09	-0.09
JPY/INR	70.77	0.72	1.01

Upcoming Events



Cash Reserve Ratio (India)
Deposit Growth YoY NOV/20 (India)
Foreign Exchange Reserves NOV/27 (India)
Bank Loan Growth YoY NOV/20 (India)
Balance of Trade OCT (US)
Non Farm Payrolls NOV (US)

Week Gone By



Events	Actual %	Previous %
Ifo Business Climate NOV (Germany)	90.7	92.5
Durable Goods Orders MoM OCT (US)	1.3	2.1
Personal Spending MoM OCT (US)	0.5	1.2
Personal Income MoM OCT (US)	-0.7	0.7
GfK Consumer Confidence DEC (Germany)	-6.7	-3.2
Foreign Exchange Reserves NOV/20 (India)	\$575.29B	\$572.77B

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