



## Financial Market & Economy Update

### Domestic Update:

- Heightened volatility in capital markets in reaction to COVID-19 has imposed liquidity strains on mutual funds (MFs), which have intensified in the wake of redemption pressures related to closure of some debt MFs and potential contagion effects therefrom. The stress is, however, confined to the high-risk debt MF segment at this stage; the larger industry remains liquid. The RBI has stated that it remains vigilant and will take whatever steps are necessary to mitigate the economic impact of COVID-19 and preserve financial stability. With a view to easing liquidity pressures on MFs, it has been decided to open a special liquidity facility for mutual funds of Rs 50,000 crore. Under the SLF-MF, the RBI shall conduct repo operations of 90 days tenor at the fixed repo rate.
- Continuing the healthy pace of dispatch of food grains from surplus to consuming regions, Food Corporation of India (FCI) crossed the 2000 number in terms of train loads dispatched during lockdown period. Till 27.04.20, a total number of 2087 of train loads carrying about 58.44 Lakh MT were dispatched to meet the requirements of food grains under various schemes of government of India.
- Amid the nationwide lock down, the wheat procurement is fast picking up. The procurement exercise, which kicked off on April 15 in majority of states, is being aggressively driven in Punjab, which is the largest contributor so far with 48.27 lakh tonnes out of 88.61 lakh tonnes. Haryana with 19.07 lakh tonnes has also contributed substantially to the central pool.
- Retirement fund body the Employees' Provident Fund Organization (EPFO), on Tuesday said it has settled Rs 7.40 lakhs COVID-19 claims under Pradhan Mantri Garib Kalyan Yojana (PMGKY) package entailing an outgo of Rs 2367.65 crore. According to EPFO, as on April 27, Rs 875.52 crores have been disbursed to 79,743 provident fund members enrolled with exempted establishments or PF trusts as advance for COVID-19 under this scheme.
- The Asian Development Bank on Tuesday said it has approved USD 1.5 billion (about Rs 11,400 crore) loan to India to help fund its fight against coronavirus pandemic. The loan has been sanctioned with a view to support immediate priorities such as disease containment and prevention, as well as social protection for the poor and economically vulnerable sections.
- Amid National level covid -19 lockdown, Department of Fertilizers, Ministry of Chemicals and Fertilizers has had a record sale of Fertilizers to farmer community. During 1 - 22 April 2020 POS sale of fertilizers to farmers was 10.63 lakh MT which is 32 percent higher than the last year sale of 8.02 lakh MT during the same period. During 1-22 April dealers purchased 15.77 lakh MT fertilizers which is 46 percent higher than last year sale of 10.79 lakh MT during the same period.
- Moody's Investors Service on Tuesday slashed India growth forecast for calendar year 2020 to 0.2%, from 2.5% projected earlier. For 2021, Moody's expects India's growth to rebound to 6.2%. Moody's said the economic costs of coronavirus crisis amid the near shutdown of the global economy are accumulating rapidly.

### Global Update:

- The Bank of Japan expanded its monetary stimulus for the second straight month to support economic and financial activities amid covid-19. The policy board, on Monday, unanimously decided to increase the maximum amount of additional purchases of commercial papers and corporate bonds and raised the upper limit of outstanding holdings to about JPY 20 trillion. The board voted 8-1 to retain the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank. Also, the board maintained its yield target for 10-year Japanese government bonds at around zero percent.
- China's industrial profit dropped sharply in March but at a slightly slower pace than seen in the first two months of 2020 following coronavirus outbreak, data from the National Bureau of Statistics showed Monday. Industrial profits declined 34.9% year-on-year in March following a 38.3% fall in January to February period. Profits totaled CNY 370.6 billion in March. In the first quarter, industrial profits saw a sharp drop of 36.7% from the same period last year.
- A report released by the Commerce Department showed new orders for US manufactured durable goods plunged 14.4% in March of 2020, after rising by a downwardly revised 1.1% in February.
- The US consumer sentiment fell for a third straight month on the coronavirus pandemic, data released Friday by the University of Michigan showed. The consumer sentiment index tanked to 71.8 in April from 89.1 in March.
- UK retailers reported the sharpest fall in sales since 2008 in April amid coronavirus, or covid-19, lockdown, survey data from the Confederation of British Industry showed Tuesday. The retail sales balance tumbled to -55% in April from -3% in March.
- Singapore's recovery prospects were dampened by the coronavirus, or COVID-19, pandemic as it has undermined spending as well as production, the central bank said Tuesday. GDP growth forecast range was downgraded and widened, to -4.0 to -1.0 percent from -0.5 to 1.5%, the Monetary Authority of Singapore said in its biannual Macroeconomic Review.
- Australia overall consumer prices were up 0.3% on quarter in the first quarter of 2020, the Australian Bureau of Statistics said on Wednesday, down from 0.7% in the three months prior. On a yearly basis, inflation climbed 2.2%, up from 1.8% in Q4.
- Eurozone monetary aggregate and private sector credit grew at faster rates in March, the European Central Bank reported Wednesday. The monetary aggregate M3 rose at a pace of 7.5% annually in March, following a 5.5% rise in February.
- US consumer confidence index deteriorated to 86.9 in April after tumbling to a downwardly revised 118.8 in March, according to a report released by the Conference Board on Tuesday. The drop by the headline index came as the present situation index showed a record nosedive to 76.4 in April from 166.7 in March. Consumers saying current business conditions are good slumped to 20.8% from 39.2%, while those climbing conditions are bad spiked to 45.2% from 11.7%.
- Eurozone economic confidence index fell to 67.0 in April from 94.2 in March amid coronavirus, or covid-19, pandemic and reached near the lowest levels seen during the Great Recession in March 2009, survey results from the European Commission showed Wednesday. This was the strongest monthly decline since 1985. The industrial sentiment index plunged to -30.4 from -11.2 a month ago. This steepest monthly fall on record resulted first and foremost from managers' crashing production expectations, the survey showed.

## Domestic Markets



Index	30-Apr-2020	24-Apr-2020	% Change
BSE Sensex	33717.62	31327.22	7.63
S&P CNX Nifty	9859.9	9154.4	7.71
CNX Midcap	13502	12695.7	6.35
CNX 500	8012.9	7493.45	6.93
BSE Smallcap	11101.84	10633.54	4.4

## Global Markets



Index	01-May-2020	24-Apr-2020	% Change
Dow Jones	23723.69	24242.49	-2.14
Nasdaq	8604.95	8650.14	-0.52
S&P 500	2830.71	2874.56	-1.53
FTSE 100	5763.1	5787	-0.41
Shanghai Composite	2860.08	2838.5	0.76
Hang Sang	24643.59	24380	1.08

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	20253	20315	-62
MF Flows*	14458	14135	323

\*FII data from 24th April to 29th April 2020

\*MF data from 22nd April 28th April 2020

## F&O FII Trends (Rs. Crs)



Date	Index	Stocks
27-Apr-2020	2051.9	-224.48
28-Apr-2020	947.49	389.17
29-Apr-2020	357.13	521.83

## Policy Rates



Key Rates (%)	30-Apr-2020	1 Week Ago	1 Month Ago
Reverse Repo	3.75	3.75	4.9
Repo	4.4	4.4	5.15
CRR	3	3	4
SLR	18	18	18.5

## Key Rates





## Equity Market Update

- Domestic stock markets climbed up nearly 8 per cent in the four-session holiday-truncated week - the best week in four, led by sharp gains in financial, metal and IT sectors. The S&P BSE Sensex index registered a weekly gain of 7.63 per cent, adding 2,390.40 points between Monday and Thursday, while the broader NSE Nifty 50 benchmark rose 705.50 points - or 7.71 per cent. Both the indices ended at their strongest levels recorded since March 13.
- **Sector Update:** Most sectors moved higher for the week, led by metal, financial and IT stocks. The Nifty Bank and Nifty Financial Services indices climbed up 9.94 per cent and 12.08 per cent respectively. The Nifty Pharma - down 2.01 per cent for the week - was the only index among 11 sectoral barometres on the NSE to move lower.
- **Broader Markets:** BSE Mid-Cap index advanced 549.25 or 4.79 per cent to settle at 12,013.45. The BSE Small-Cap index spurted 468.30 points or 4.40 pc to settle at 11,101.84.



## Debt Market Update

- The benchmark 10 year G sec, 6.45% bond yield ended flat at 6.11%.
- Yields have eased in last few days as Reserve bank of India decided to bring back its bond swapping programme. The yields fell to one month low last week.



## Commodity Market Update

### Oil Update:

- Meanwhile, oil prices recovered sharply by more than \$6 a barrel during the week gone by to close at \$26.44 a barrel on the Brent crude futures.
- WTI crude also jumped to \$19.69 after falling below zero level in previous week.

### Gold Update:

- Gold prices in India made a big upward move on Friday after falling for four days in a row but closed the week lower.
- On MCX, June gold futures jumped 1.5% or ₹650 to ₹45,556 per 10 gram on Friday but ended the week about ₹1,000 per 10 gram lower, tracking a similar trend in overseas markets.
- Silver futures on MCX also rose 0.77% higher to ₹41,709 per 10 gram higher. MCX had opened for trading for the evening session on Friday as the morning session was closed for a holiday.
- In global markets, gold prices jumped about 1% to \$1,700 an ounce on Friday, shaking off initial losses, as risk sentiment soured on US President Donald Trump's threat to impose new tariffs on China.



## Currency Market Update

- The Indian Rupee appreciated by 173 paise in last seven consecutive sessions from 76.83 to 75.10 levels on April 30, largely due to a rally in the equity markets, progress in the COVID-19 vaccine, reduced FII selling and easing of lockdown restrictions.
- The Rupee ended higher 57 paise to close high at 75.12.
- The US Dollar Index on Friday extended the current weekly declines to a new 5-week low of about 98.68 after the latest round of US manufacturing data. The USDIX has been trading within a descending channel since the start of the week amid a flurry of disappointing US economic numbers.

Key Rates (%)	30-Apr-2020	24-Apr-2020	% Change
Mibor Overnight	4.41	4.48	-1.56
CALL (O/N)	4.19	4.04	3.71
CBLO	3.5	2.12	65.09
T Bills Index (12M)	3.67	3.79	-3.17
10 Year GSEC	6.11	6.17	-0.97

## Commodity Market



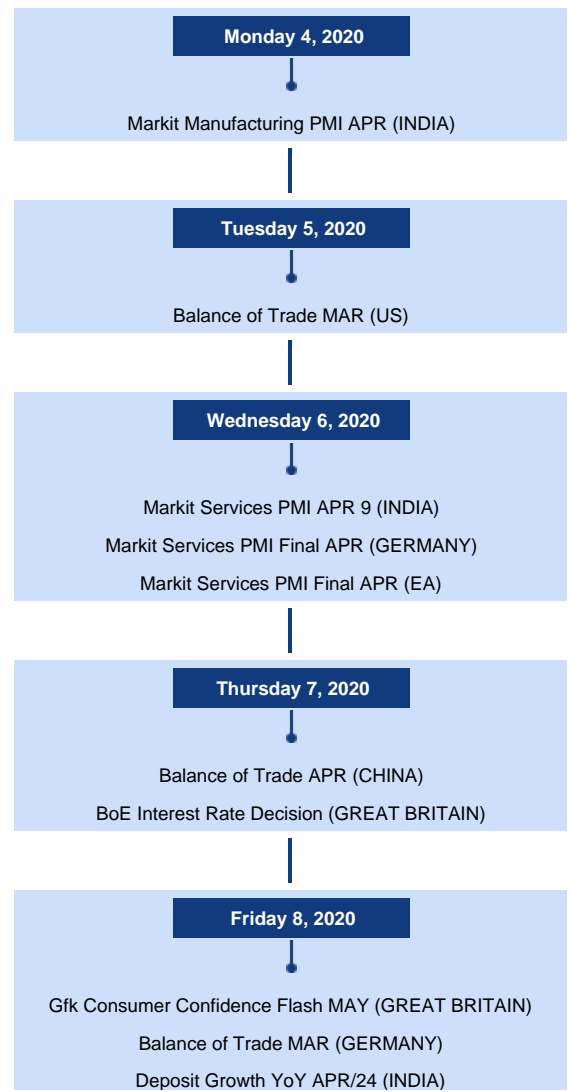
Commodity (INR)	30-Apr-2020	Gain+/Loss-	% Change
Gold (10 gm)	44906	-829	-1.81
Silver (1 kg)	40989	-1817	-4.24
Crude Oil (\$/barrel)	26.44	-1.64	-5.84

## Currency Market



Currency	30-Apr-2020	Gain+/Loss-	% Change
USD/INR	75.11	1.43	1.87
EURO/INR	81.62	1.43	1.72
GBP/INR	93.59	1.88	1.97
JPY/INR	70.48	0.56	0.79

## Upcoming Events



## Week Gone By



Events	Actual %	Previous %
Business Confidence APR (EA)	-1.81	-0.28
GDP Growth Rate QoQ Adv Q1 (US)	-4.8	2.1
Fed Interest Rate Decision (US)	0.25	0.25
NBS Manufacturing PMI APR (CHINA)	50.8	52.0
Consumer Confidence APR (JAPAN)	21.6	30.9
GDP Growth Rate QoQ Flash Q1 (EA)	-3.8	0.1
GDP Growth Rate YoY Flash Q1 (EA)	-3.3	1.0
Infrastructure Output YoY MAR (INDIA)	-6.5	7.1
Personal Income MoM MAR (US)	-2.0	0.6
Personal Spending MoM MAR (US)	-7.5	0.2
Foreign Exchange Reserves APR/24 (INDIA)	\$479.46B	\$479.57B

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### **Risk Factors**

Mutual fund investments are subject to market risks, read all scheme related documents carefully.