

Weekly Market Update



Financial Market & Economy Update

- India's fiscal deficit for the April-February period ballooned to Rs 7.16 lakh crore, which is 120% of the revised target for FY 18.
- Exports from special economic zones (SEZs) grew 18 % in February to Rs 22,364 crore as compared to the year-ago month, EPCES said on Friday.
- China has agreed to take concrete steps such as giving more market access to Indian products and services, and setting up industrial parks here to narrow the widening trade deficit, Commerce and Industry Minister Suresh Prabhu said.
- Asian Development Bank okays \$80 million loan for job oriented project in Himachal Pradesh.
- The government on Monday unveiled a Rs 2.88 lakh crore market borrowing roadmap for the first half of FY19, which would be 22.6 per cent lesser than Rs 3.72 lakh crore raised during the same period last financial year.
- Commerce and Industry Minister Suresh Prabhu on Monday indicated resumption of negotiations of the long-stalled free trade pact between India and European Union.
- GST collections slid for the second straight month to Rs 85,174 crore in February as only 69% of the assesses filed returns.
- To make funds available to the Indian Railways, the ministry of finance has approved government guarantee of Rs 5,000 crore for bonds to be issued by Indian Railway Finance Corporation (IRFC) before the end of this fiscal.
- At \$43 billion, the EU —including the UK — made up for 17.6% of India's goods exports in the first 10 months of the current fiscal, while imports from the bloc stood at over \$39 billion. Garments were India's biggest exports segment, followed by engineering goods and gems & jewellery.
- Global crude steel production rose 3.5 percent to 132 million tonnes in February from the same month a year ago, figures from the World Steel Association showed on Monday.
- Profits at China's industrial firms picked up pace in the first two months of the year from December but still lagged growth for the whole of 2017. Industrial profits rose 16.1% year-on-year to 968.9 billion yuan (\$154.57 billion) in the first two months of the year, the National Bureau of Statistics (NBS) said on Tuesday.
- Japan's parliament approved a record \$926 billion state budget on Wednesday for the next fiscal year, starting on April 1.
- The US economy expanded an annualized 2.9% on quarter in the last three months of 2017, higher than 2.5% in the second estimate.
- Russia has allocated about 3.04 billion rubles (\$53 million) to develop its digital economy, according to an order by Russian Prime Minister Dmitry Medvedev published on Saturday.



Equity Market Update

- The Sensex rebounded in a truncated week up by 372.14 points or 1.14 per cent to close below the psychological 33,000 mark at 32,968.68, while the broader Nifty garnered 123.25 points or 1.23 per cent managed to hold above 10,000 mark to settle at 10,121.30.
- The successive holiday shortened week saw the market maintaining its consolidation mode in the backdrop of global cues as trade war fears eased after reports of possible trade negotiations between the US and China.
- For the financial year 2017-18, the Sensex rallied 11.3 percent and the Nifty surged 10 percent while the Nifty Realty was the biggest gainer with nearly 38 percent upside.
- In the global market, reports suggested that China and the US have quietly started negotiating to improve US access to Chinese markets, after a week filled with harsh words from both sides over Washington's threat to use tariffs to address trade imbalances.
- Back home, after opening at 32,536.44 points, the BSE Indices benchmark hovered between 33,371.04 and 32,515.17 before finishing the week at 32,968.68, showing a gain of 372.14 or 1.14 per cent.
- The Nifty started the week at 9,989.15 and traded between 10,207.90 and 9,958.55. The index finally closed at 10,121.30, up 123.25 points, or 1.23 per cent.
- Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth Rs 607.08 crore during the week, as per Sebi's record including the provisional figure of March 28.
- The S&P BSE Mid-Cap index rose 268.48 points or 1.71 per cent to settle at 15,962.59. The S&P BSE Small-Cap index rose 193.18 points or 1.15 per cent to settle at 16,994.36. Both these indices outperformed the Sensex.
- Among sectoral and industry indices, IPO rose by 4.05 per cent, consumer durables 2.88 per cent, bankex 2.58 per cent, PSU 2.49 per cent, capital goods 2.39 per cent, metal 1.87 per cent, auto 1.55 per cent, FMCG 1.00 per cent, oil and gas 0.80 per cent, realty 0.42 per cent, power 0.42 per cent and healthcare 0.40 per cent. However, tech fell by 0.68 per cent followed by IT 0.61 per cent.



Debt Market Update

- India's sovereign bonds slumped this financial year amid concerns of fiscal slippage and the interest rate cut cycle coming to an end.
- Trading activity and demand remained tepid as state-run banks, the nation's largest government bond holders, resorted to heavy selling. Foreign inflows into government debt was also subdued due to a cap on such investments.
- The benchmark bond yield rose by 71 basis points in fiscal year 2017-18, the first

Domestic Markets



Index	28-Mar-2018	23-Mar-2018	% Change
BSE Sensex	32968.68	32596.54	1.14
S&P CNX Nifty	10113.7	9998.05	1.16
CNX Midcap	18757	18474	1.53
CNX 500	8912.1	8800.8	1.26
BSE Smallcap	16994.36	16801.18	1.15

Global Markets



Index	29-Mar-2018	23-Mar-2018	% Change
Dow Jones	24103.11	23533.2	2.42
Nasdaq	7063.45	6992.67	1.01
S&P 500	2640.87	2588.26	2.03
FTSE 100	7056.6	6921.9	1.95
Shanghai Composite	3168.9	3152.76	0.51
Hang Sang	30093.38	30309.29	-0.71

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	18889	15675	3214
MF Flows*	8042	6773	1269

FII data from 23rd Mar to 27th Mar 2018
MF data from 23rd Mar to 26th Mar 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
26-Mar-2018	-1270.21	-21.77
27-Mar-2018	599.07	705.8
28-Mar-2018	5980.35	1281.41

Policy Rates



Key Rates (%)	28-Mar-2018	1 Week Ago	1 Month Ago
Reverse Repo	5.75	5.75	5.75
Repo	6	6	6
CRR	4	4	4
SLR	20	20	20

Key Rates



annual gain since 2013-14. India's fiscal year runs Apr. 1 through Mar. 31.

- India's 10-year yield fell 33 basis points in March, the first monthly fall in eight months and the sharpest since November 2016.
- The next trigger for bonds will be India's MPC meeting on Apr. 4 - Apr. 5, where it is widely expected to hold rates and a neutral policy stance.



Commodity Market Update

Oil Update:

- Oil prices ended higher on Thursday, as traders cheered data showing the first fall in U.S. oil rigs in three weeks.
- There was no trading on Friday, as oil markets remained closed due to the Passover and Easter holidays.
- New York-traded West Texas Intermediate (WTI) crude futures tacked on 56 cents, or roughly 0.9%, by close of trade Thursday to end the week at \$64.94 a barrel.
- The U.S. benchmark was down 1.4% for the week, but 5.3% higher for the month. For quarter and year to date, the contract was up roughly 7.5%.
- Meanwhile, London-traded Brent crude futures, the benchmark for oil prices outside the U.S., inched up 58 cents, or nearly 0.8%, to settle at \$69.34 a barrel.
- The global oil benchmark finished about 0.3% lower for the week, but still notched a gain of 6.8% for the month and 5.1% for the quarter.

Gold Update:

- Gold discounts in India narrowed this week on an improvement in demand for weddings and hopes that retail purchases will rise next month on account of a key festival, while demand in the rest of Asia remained subdued due to higher prices. Dealers in India were offering a discount of up to \$3 an ounce over official domestic prices this week, down from \$7 discount last week, the highest in 6-1/2 months. The domestic price includes a 10 percent import tax.
- In the local market, gold futures closed at 30,521 rupees (\$468) per 10 grams on Wednesday, not far from a 16-month high of 30,950 rupees hit last week.
- India's gold imports in February dropped a quarter from a year earlier to 63 tonnes as higher prices curtailed demand in the world's second-biggest consumer of bullion.
- Spot gold hit \$1,356.66 per ounce on Tuesday, its highest since Feb. 16, but slipped more than 2 percent in the next couple of days as the dollar drew strength from U.S. economic growth data and easing trade war fears.



Currency Market Update

- The Indian rupee lost further ground against the US currency, breaching the key psychological 65-mark as deteriorating fiscal outlook and global trade-war fears kept forex market sentiment jittery.
- Extending its fall for the second-straight week, the home currency depreciated by 17 paise to end at 65.18 against the dollar.
- Though, trading was light on the heels of long market holiday weekend.
- A handful of cautious bias largely kept trading mood at extreme level despite a better start.
- Trading mood turned shaky after the government data showed that India's fiscal deficit soared to Rs 7.15 lakh crore at the end of February, exceeding the revised target of Rs 5.94 lakh crore for the entire 2017-18 fiscal.
- At the Interbank Foreign Exchange (forex) market, the rupee opened higher at 64.93 from last Friday's close of 65.01 on sustained dollar unwinding by exporters and banks.
- After tumbling to a fresh low of 65.30, the local unit managed to recoupe some losses towards the fag-end trade and settled at 65.18, down 17 paise, or 0.26 per cent.
- The RBI, meanwhile, fixed the reference rate for the dollar at 65.0441 and for the euro at 80.6222.
- In the meantime, country's foreign exchange reserves rose by USD 1.19 billion as on March 23.
- According to the Reserve Bank of India's (RBI) weekly statistical supplement, the overall Forex reserves rose to USD 422.53 billion from USD 421.33 billion reported for the week ended March 16.
- The dollar index, which measures the greenback's value against a basket of six major currencies, was little changed at 90.089.

Key Rates (%)	28-Mar-2018	23-Mar-2018	% Change
Mibor Overnight	9.39	6.05	55.21
CALL (O/N)	7.57	5.93	27.66
CBLO	4.6	5.82	-20.96
T Bills Index (12M)	6.41	6.47	-0.93
10 Year GSEC	7.4	7.56	-2.12

Commodity Market



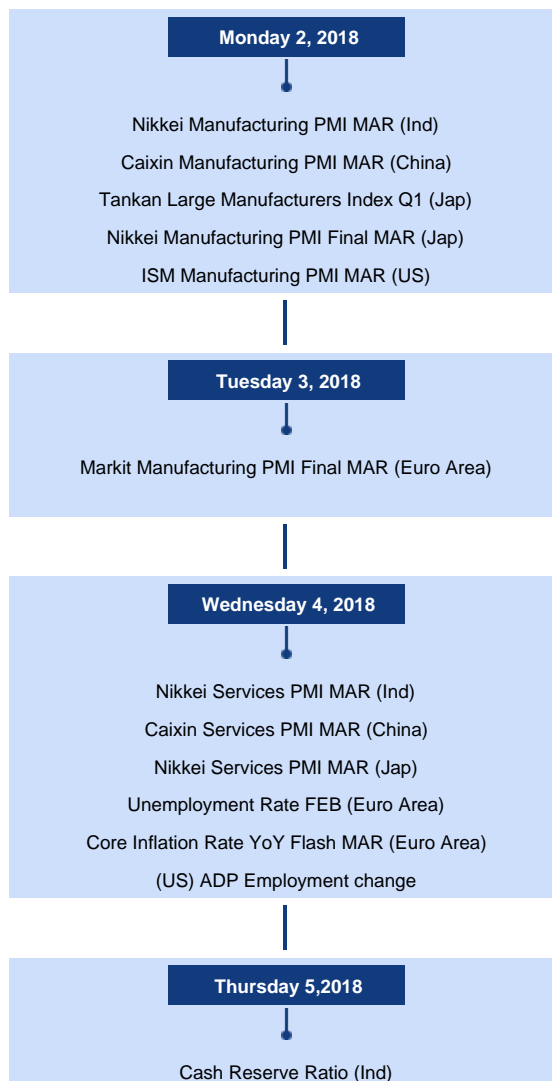
Commodity (INR)	28-Mar-2018	Gain+/Loss-	% Change
Gold (10 gm)	30718	223	0.73
Silver (1 kg)	38325	106	0.28
Crude Oil (\$/barrel)	69.94	0.39	0.56

Currency Market



Currency	28-Mar-2018	Gain+/Loss-	% Change
USD/INR	65.04	-0.09	-0.13
EURO/INR	80.62	0.28	0.35
GBP/INR	92.28	0.32	0.35
JPY/INR	61.54	-0.59	-0.95

Upcoming Events



RBI Interest Rate Decision (Ind)

Friday 6, 2018

Foreign Exchange Reserves 31/MAR (Ind)

Unemployment Rate MAR (US)

Non Farm Payrolls MAR (US)

Week Gone By



Events	Actual %	Previous %
Business Confidence MAR (Euro)	1.34	1.48
Government Budget Value FEB (IND)	INR-7160B	INR-6765.59B
GDP Price Index QoQ Final Q4 (US)	2.3	2.1
GDP Growth Rate QoQ Final Q4 (US)	2.9	3.2
Personal Income MoM FEB (US)	0.4	0.4
Unemployment Rate FEB (Jap)	2.5	2.4
Industrial Production MoM Prel FEB (Jap)	4.1	-6.8
NBS Manufacturing PMI MAR (China)	51.5	50.3

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