

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- India's exports have increased 13% during the first week of September, while railway freight loading is around 10% higher, indicating signs of a pickup that augurs well for manufacturing activity. Merchandise exports were estimated at \$6.1 billion between September 1 and 7, but the increase was of the order of 23%, excluding petroleum and gems & jewellery — two segments hit hard by the coronavirus pandemic.
- Domestic tractor sales jumped 27.80% to 67,406 units in August 2020 over 52,744 units in August 2019.
- Commercial vehicle (CV) registrations tanked 57.39% on Y-o-Y basis. Passenger vehicle registration declined 7.12% to 1.78 lakh units on year-on-year (YoY) basis.
- Federation of Automobile Dealers Associations (FADA), said that total domestic vehicle registrations fell 26.81% to 11.88 lakh units in August 2020 as against 16.23 lakh units in August 2019. Sequentially, total vehicle registration rose 3.97% in August 2020 compared with 11.42 lakh units in July 2019.
- The Indian aviation industry witnessed a recovery in domestic passenger traffic in August 2020, with a sequential growth (over July 2020) of about 25% to add up to 26 lakh passengers, said ICRA, an independent credit rating agency.

International Update:

- Car sales in China increased 11.6 percent year-on-year to 2.19 million in August 2020, the fifth straight month of increase, as the vehicle market comes off lows hit during the coronavirus lockdown.
- Machinery orders in Japan excluding volatile orders climbed 6.3 percent in July on a seasonally-adjusted basis after dropping 7.6 percent in June.
- The number of Americans filing for unemployment benefits was unchanged at 884K in the week ended September 5th, the same as an upwardly revised 884K in the previous week and above market forecasts of 846 thousand.
- Japan's machine tool orders decreased 23.3% year-on-year following a 31.1% slump in July.
- Unemployment rate in world's biggest economies eased in July but remains higher than levels before the Covid-19 pandemic, according to the Organisation for Economic Co-operation and Development (OECD). The unemployment rate in the group's 37 member countries fell to 7.7% in July from 8% in June, the Paris-based organisation said in a report on Wednesday.
- UK house prices increased at the fastest pace since late 2016 driven by the pent-up demand and stamp duty reduction, data from the Lloyds Bank subsidiary Halifax and IHS Markit showed Monday. House prices increased 5.2% on a yearly basis in three months to August, which was the strongest since late 2016. Prices had advanced 3.8% in three months to July.
- China's exports rose in August mainly on continued base effects, while imports dropped from last year, data from the General Administration of Customs showed Monday. Chinese exports jumped 9.5% on a yearly basis in August while imports were down 2.1%, extending the slide of 1.4% in July. As a result, the trade surplus totaled \$58.9 billion compared to July's \$62.3 billion.
- The US Labor Department said its keenly eyed non-farm payroll employment surged up by 1.371 million jobs in August after spiking by a downwardly revised 1.734 million jobs in July and soaring by 4.781 million jobs in June. The strong job growth in August was partly due to the hiring of 238,000 temporary 2020 Census workers.
- UK gross domestic product expanded 6.6% in July from June, when it gained 8.7%, data published by the Office for National Statistics showed Friday. In three months to July, GDP fell 7.6% from the previous three months. Data showed that the growth in services output eased to 6.1% in July from 7.7% in June.



Equity Market Update

- Indian equity markets bounced back this week with both Nifty50 and Sensex up 1.2% and 1.3% to close at 11,464 and 38,855, respectively.
- The broader market, however, remained weak with Nifty Midcap100 and Nifty Smallcap100 down 0.9% and 0.5%, respectively.
- Energy and IT were the biggest gainers, up more than 3% while Metals, Bank and Financials witnessed selling pressure.
- The global cues were weak following a sharp fall in US technology stocks, doubts over additional monetary stimulus, and adverse news-flows of Covid-19 vaccine trials.



Debt Market Update

- Yields for 5.79% GS 2030 closed at 5.99%.
- The International Monetary Fund or IMF has highlighted that there is a need for

Domestic Markets



Index	11-Sep-2020	04-Sep-2020	% Change
BSE Sensex	38854.55	38357.18	1.3
S&P CNX Nifty	11464.45	11333.85	1.15
CNX Midcap	16765.8	16926.2	-0.95
CNX 500	9446.4	9377.95	0.73
BSE Smallcap	14558.27	14602.97	-0.31

Global Markets



Index	11-Sep-2020	04-Sep-2020	% Change
Dow Jones	27665.64	28133.31	-1.66
Nasdaq	10853.55	11313.13	-4.06
S&P 500	3340.97	3426.96	-2.51
FTSE 100	6032.09	5850.9	3.1
Shanghai Composite	3260.35	3384.98	-3.68
Hang Sang	24503.31	25007.6	-2.02

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	22293	26167	-3874
MF Flows*	10502	13175	-2673

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
04-Sep-2020	-631.08	-625.62
07-Sep-2020	320.26	-96.02
08-Sep-2020	652.38	339.18
09-Sep-2020	688.1	168.16
10-Sep-2020	5899.56	510.12

Policy Rates



Key Rates (%)	11-Sep-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

Key Rates



another stimulus in India, especially expenditures on health, food and income support for vulnerable households, and support for businesses in view of the COVID-19 pandemic, Gerry Rice, Director of Communications Department IMF, stated in a virtual news conference.

- IMF supports monetary easing and liquidity and regulatory measures for the financial sector and borrowers that have taken place and that further fiscal stimulus is warranted, especially expenditures on health, food and income support for vulnerable households, and support for businesses.

Key Rates (%)	11-Sep-2020	04-Sep-2020	% Change
Mibor Overnight	3.77	3.71	1.62
CALL (O/N)	3.41	3.43	-0.58
CBLO	3.2	3.02	5.96
T Bills Index (12M)	3.59	3.52	1.99
10 Year GSEC	6.04	5.93	1.85



Commodity Market Update

Oil Update:

- Oil prices were little changed on Friday, but posted their second straight weekly loss as stockpiles rise around the world and fuel demand struggles to rebound to pre-coronavirus levels.
- Both Brent and U.S. crude lost about 6% on the week after a series of signals that showed markets still have an abundance of supply. Saudi Arabia and Kuwait cut official selling prices to Asia, U.S. stockpiles rose and traders are booking vessels for storage.
- Brent ended the session down 23 cents, or 0.6%, at \$39.83 a barrel while U.S. crude settled up 3 cents at \$37.33 a barrel.

Gold Update:

- Gold prices fell sharply in India on Friday tracking a decline in global markets. On MCX, gold futures fell 1% or about ₹500 to ₹51,280 per 10 gram. Silver futures slumped ₹1,056 to ₹67,926 to per kg. Both gold and silver have fallen sharply after hitting record highs of ₹56,200 and about ₹80,000 last month. On a week-on-week basis, gold prices are however up about ₹700 per gram.
- In global markets, gold futures on Friday dropped about 0.7% to \$1,950.20 an ounce.
- Gold prices dipped on Friday after the European Central Bank stopped short of offering any concrete signals on further stimulus. Also, the US Senate blocked a Republican bill that would have provided around \$300 billion in new coronavirus aid. Gold is perceived as a hedge against inflation and currency debasement.



Currency Market Update

- The USD/INR pair was marginally up by 0.19 percent on a week-on-week basis.
- The country's foreign exchange reserves rose by \$582 million to reach a lifetime high of \$542.013 billion in the week ended September 4, RBI data showed on Friday.

Commodity Market



Commodity (INR)	11-Sep-2020	Gain+/Loss-	% Change
Gold (10 gm)	51319	641	1.26
Silver (1 kg)	67928	3265	5.05
Crude Oil (\$/barrel)	39.83	-2.83	-6.63

Currency Market



Currency	11-Sep-2020	Gain+/Loss-	% Change
USD/INR	73.47	-0.13	-0.18
EURO/INR	86.97	-0.12	-0.14
GBP/INR	94.17	3.18	3.26
JPY/INR	69.19	-0.12	-0.17

Upcoming Events



Monday 14, 2020

WPI Fuel YoY AUG (INDIA)
WPI Manufacturing YoY AUG (INDIA)
WPI Food YoY AUG (INDIA)
WPI Inflation YoY AUG (INDIA)
Inflation Rate YoY AUG (INDIA)

Tuesday 15, 2020

Claimant Count Change AUG (GREAT BRITAIN)
ZEW Economic Sentiment Index SEP (GERMANY)
Balance of Trade AUG (INDIA)

Wednesday 16, 2020

Balance of Trade AUG (JAPAN)
Inflation Rate YoY AUG (GREAT BRITAIN)
Retail Sales MoM AUG (US)
Fed Interest Rate Decision (US)

Thursday 17, 2020

BoE Interest Rate Decision (GREAT BRITAIN)

Friday 18, 2020

Week Gone By



Events	Actual %	Previous %	1 Year ago %
GDP Growth Rate QoQ Final Q2 (JAPAN)	-7.9	-0.6	
Balance of Trade JUL (GERMANY)	€19.2B	€15.6B	
GDP Growth Rate QoQ 3rd Est Q2 (EA)	-11.8	-3.7	
GDP Growth Rate YoY 3rd Est Q2 (EA)	-14.7	-3.2	
Inflation Rate YoY AUG (CHINA)	2.4	2.7	
Balance of Trade JUL (GREAT BRITAIN)	£1.1B	£3.9B	
Deposit Growth YoY AUG/28 (INDIA)	11.0	11.0	
Foreign Exchange Reserves SEP/04 (INDIA)	\$542B	\$541.43B	
Bank Loan Growth YoY AUG/28 (INDIA)	5.5	5.5	
Industrial Production YoY JUL (INDIA)	-10.4	-15.8	
Manufacturing Production YoY JUL (INDIA)	-11.1	-16.0	
Core Inflation Rate YoY AUG (US)	1.7	1.6	
Inflation Rate YoY AUG (US)	1.3	1.0	

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