



## Financial Market & Economy Update

### Domestic Update:

- The government's fiscal deficit touched 52 % of the budget estimate for the full year in the first two months of 2019-20. In absolute terms, the fiscal deficit or gap between expenditure and revenue, was Rs 3,66,157 crore, as per the data released by the Controller General of Accounts (CGA).
- Over 30.6 lakh persons have been enrolled so far under the Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM) scheme, Parliament was informed on Monday.
- India's crude steel output rose 5.1 % to 9.196 million tonnes (MT) during May 2019, according to a World Steel Association report.
- Unique Identification Authority of India (UIDAI) incurred an expenditure of Rs 30.32 crore in the first two months of 2019-20 financial year, Parliament was informed on Wednesday.
- NBFC credit dropped 31 % to Rs 1.96 lakh crore at the end of March from Rs 2.83 lakh crore in the year earlier, according to data compiled by credit bureau CRIF Highmark and industry body Finance Industry Development Council (FIDC).
- The Reserve Bank Friday set an average base rate of 9.18 % for non-banking financial companies and micro finance institutions to be charged from their customers for the quarter beginning July 1.
- Current account deficit (CAD) increased to USD 57.2 billion or 2.1 % of GDP in FY19 as against 1.8 % in the previous year, the Reserve Bank said Friday. The CAD, which is the net of foreign exchange inflows and outflows, had stood at USD 48.7 billion in FY18.

### Global Update:

- The Trump administration launches its Israeli-Palestinian peace plan on Tuesday with a bid to drum up \$50 billion dollars to fund investment in the region, although the political details remain a secret and Palestinians have already denounced the approach as a sell-out.
- The Federal Reserve Bank of Dallas' general business activity index for manufacturing in Texas fell to -12.1 in June 2019 from -5.3 in May and compared with market forecasts of -1.
- German consumer morale fell heading into July as the slowdown weighing on Europe's largest economy darkened income expectations among shoppers, a survey showed on Wednesday. The GfK consumer sentiment indicator, based on a survey of about 2,000 Germans, fell for the second time in a row to 9.8 from 10.1 a month earlier.
- Singapore's industrial production fell slightly more than expected in May from a year earlier as electronics output continued to drag, data showed on Wednesday. Manufacturing output declined 2.4% last month from a year earlier, data from the Singapore Economic Development Board showed, compared with a 0.1% rise in April.
- The Business Climate Indicator (BCI) for the Euro Area declined to 0.17 in June 2019 from 0.30 in the previous month and below market expectations of 0.23.
- Retail Sales in Japan increased 0.30 % in May of 2019 over the previous month.
- U.S. consumer spending increased moderately in May and prices rose slightly, pointing to slowing economic growth and benign inflation pressures, which could give the Federal Reserve ammunition to cut interest rates next month. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.4% as households boosted purchases of motor vehicles and spent more at restaurants and on hotel accommodation. Data for April was revised up to show consumer spending advancing 0.6% instead of the previously reported 0.3 % gain.
- Britain's current account deficit with the rest of the world ballooned to its highest since late 2016 earlier this year, official figures showed on Friday, though much of the increase was driven by volatile gold trades. The deficit widened by 6.3 billion pounds in the first three months of 2019 to 30.0 billion pounds, or 5.6% of economic output, its biggest since the third quarter of 2016.



## Equity Market Update

- Benchmark indices witnessed a range-bound movement last week as the indices ended marginally higher with no major domestic as well as global data.
- The indices remained choppy in the week amid June F&O expiry, which was ended in the red. This is the first time in the last three months when indices closed the series in the red.
- The Sensex ended 200.15 points higher at 39,394.64, while Nifty ended at 11,788.9, up 64.8 points last week.
- Sector Update:** Among Nifty sectoral indices, Nifty PSU Bank rallied by 3.89%, Nifty Realty was up by 3.88%, and Nifty Pharma and Nifty Infra were up by 1.94% and 1.9% respectively.
- Broader Markets:** The S&P BSE Midcap index rose 1.26 %, Smallcap Index added 1.10 % and S&P BSE Largecap Index was up 0.68 % last week.

## Domestic Markets



Index	28-Jun-2019	21-Jun-2019	% Change
BSE Sensex	39394.64	39194.49	0.51
S&P CNX Nifty	11788.85	11724.1	0.55
CNX Midcap	17654.1	17412.45	1.39
CNX 500	9657.95	9581.6	0.8
BSE Smallcap	14239.33	14084.24	1.1

## Global Markets



Index	28-Jun-2019	21-Jun-2019	% Change
Dow Jones	26599.96	26719.13	-0.45
Nasdaq	8006.24	8031.71	-0.32
S&P 500	2941.76	2950.46	-0.29
FTSE 100	7425.6	7407.5	0.24
Shanghai Composite	2978.88	3001.98	-0.77
Hang Sang	28542.62	28473.71	0.24

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	31634	29913	1721
MF Flows*	15240	12024	3216

\*FII and MF data from 21st June to 27th June 2019

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



Date	Index	Stocks
24-Jun-2019	214.92	-169.32
25-Jun-2019	-1058.92	675.21
26-Jun-2019	-1235.99	1021.17
27-Jun-2019	4471.19	1214.82
28-Jun-2019	-298.8	402.12

## Policy Rates



Key Rates (%)	28-Jun-2019	1 Week Ago	1 Month Ago
Reverse Repo	5.5	5.5	5.75
Repo	5.75	5.75	6
CRR	4	4	4
SLR	19	19.25	19.25

## Key Rates





## Debt Market Update

- Indian government bonds gained for a third straight quarter after the country's rate setting panel cut the policy rate by 50 basis points, while the victory of the incumbent National Democratic Alliance government in federal elections further aided gains.
- The benchmark 7.26% bond maturing in 2029 ended at 102.63 rupees, yielding 6.88% in Mumbai. The yield fell 15 basis points this month and was down 47 basis points in April-June, after falling by an aggregate of 67 basis points over the previous two quarters.



## Commodity Market Update

### Oil Update:

- Oil prices ended mixed for the week ending June 28, with the price of West Texas Intermediate (WTI) for August delivery up 1.81 % and Brent crude oil for September delivery down 0.71 % for the week.
- WTI closed the week at 58.47 U.S. dollars a barrel on the New York Mercantile Exchange, while Brent crude finished the week at 64.74 dollars a barrel on the London ICE Futures Exchange. WTI and Brent have increased 28.76 % and 20.33 %, respectively, so far this year.
- During the week, WTI and Brent moved in different directions on Monday and Tuesday. For the rest of the days, the two benchmarks moved in the same direction. The mixed ending of oil prices showed that the U.S. crude oil inventories and production as well as some geopolitical issues are the major concerns of readers.
- Oil prices have kept gaining momentum since the start of the year due to some geopolitical concerns and OPEC's decision of production cut. The momentum has slowed down recently, mainly because of the concerns over downturn in demand for crude oil.
- The slowing global economy continues to be a major headwind for crude oil.
- Moreover, a rising U.S. dollar in the past months has dragged down the greenback-denominated crude futures, as the U.S. Dollar Index has been keeping uptrend since mid-2018 but began to show weakness in the past weeks. U.S. Dollar Index closed the week at 96.13.

### Gold Update:

- Gold discounts in India widened to the highest in nearly three years this week, with demand subdued in major Asian centres as a rally in bullion prices to multi-year highs curbed purchases.
- Indian dealers were offering a discount of up to \$25 an ounce over official domestic prices, the highest since September 2016. This compares with a discount of \$15 offered last week. The domestic price includes a 10% import tax and 3% sales tax.
- Gold prices in the world's second biggest consumer hit a record high of 35,4960 rupees per 10 grams earlier this week, tracking gains in the world market.
- Spot gold has gained more than 8% so far in June, its best monthly performance in three years, propelled by a weaker dollar, prospects of monetary easing by major central banks and escalating U.S.-Iran tensions.
- In top gold consumer China premiums ranged between \$12 and \$14 per ounce over the global benchmark, down from \$14 to \$20 charged last week.



## Currency Market Update

- On a weekly basis, the rupee gained 54 paise to end at 69.01 on June 28 against the June 21 closing of 69.55.
- On Friday, the rupee closed at the highest level against dollar since April 1. Last week, the Indian Rupee reported biggest gain since week ended May 24.
- India's foreign exchange reserve touched a life-time high of USD 426.42 billion after it surged by USD 4.215 billion in the week to June 21.
- The American currency's weakness against its key rivals also boosted sentiment in the domestic forex market.
- The dollar index, which measures the U.S. currency against six of its peers, was at 96.15, little changed on the week.

Key Rates (%)	28-Jun-2019	21-Jun-2019	% Change
Mibor Overnight	5.97	5.9	1.19
CALL (O/N)	5.94	5.78	2.77
CBLO	5.85	5.66	3.36
T Bills Index (12M)	6.13	6.08	0.82
10 Year GSEC	6.88	6.86	0.29

## Commodity Market



Commodity (INR)	28-Jun-2019	Gain+/Loss-	% Change
Gold (10 gm)	34006	97	0.29
Silver (1 kg)	37425	-435	-1.15
Crude Oil (\$/barrel)	66.55	1.35	2.07

## Currency Market



Currency	28-Jun-2019	Gain+/Loss-	% Change
USD/INR	68.92	-0.71	-1.02
EURO/INR	78.36	-0.23	-0.29
GBP/INR	87.35	-1.01	-1.14
JPY/INR	63.97	-0.93	-1.43

## Upcoming Events



### Monday 01, 2019

- Caixin Manufacturing PMI JUN (CHINA)
- Consumer Confidence JUN (JAPAN)
- Markit Manufacturing PMI Final JUN (GERMANY)
- ISM Manufacturing PMI JUN (US)
- Nikkei Manufacturing PMI JUN (INDIA)
- Infrastructure Output YoY MAY (INDIA)

### Wednesday 03, 2019

- Nikkei Services PMI JUN (JAPAN)
- Caixin Services PMI JUN (CHINA)
- Caixin Composite PMI JUN (CHINA)
- Balance of Trade MAY (US)
- ISM Non-Manufacturing PMI JUN (US)
- Nikkei Services PMI JUN (INDIA)

### Friday 05, 2019

- Factory Orders MoM MAY (GERMANY)
- Foreign Exchange Reserves JUN/28 (INDIA)

## Week Gone By



Events	Actual %	Previous %
New Home Sales MoM MAY (US)	-7.8	-3.7
GfK Consumer Confidence JUL (GERMANY)	9.8	10.1
Durable Goods Orders MoM MAY (US)	-1.3	-2.8
Business Confidence JUN (EA)	0.17	0.30
GDP Growth Rate QoQ Final Q1 (US)	3.1	2.2
Gfk Consumer Confidence JUN (GREAT BRITAIN)	-13.0	-10
GDP Growth Rate QoQ Final Q1 (GREAT BRITAIN)	0.5	0.2
Foreign Exchange Reserves JUN/21 (INDIA)	\$426.42B	\$422.2B
Current Account Q1 (INDIA)	\$-4.6B	\$-17.7B
Personal Income MoM MAY (US)	0.5	0.5
Personal Spending MoM MAY (US)	0.4	0.6

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