

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- The Reserve Bank of India held its benchmark repo rate at 4 percent during its October meeting, as widely expected.
- India Cash Reserve Ratio was at 3 percent on Friday October 2.
- The value of loans in India increased 5.10 percent year-on-year in the two weeks to September 25th 2020.
- The seasonally adjusted India Services Business Activity Index rose for the fifth straight month in September to 49.8 from 41.8 in August. A reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.
- The industrial production in July had contracted 10.4 percent, which was better than 15.7 percent in June. Economists expect around 6-8 percent contraction in August while CPI inflation is expected to be elevated at around 6.8-7 percent in September against 6.69 percent in August.

International Update:

- US services PMI inched up to 57.8 in September from 56.9 in August, with a reading above 50 indicating growth in the service sector, according to a report released by the Institute for Supply Management on Monday
- The UK trade surplus shrank to GBP 1.36 billion in August of 2020 from an upwardly revised GBP 1.69 billion in the prior month.
- The Caixin China General Services PMI rose to 54.8 in September 2020 from 54.0 a month earlier.
- Industrial production in the UK edged up 0.3 percent month-over-month in August of 2020, following a 5.2 percent jump in July and well below market forecasts of a 2.5 percent rise.
- Britain's gross domestic product shrank by 9.3 percent year-on-year in August 2020, the sixth consecutive period of contraction and compared to market expectations of a 7.5 percent fall.
- Passenger vehicle retail sales rose 9.81% year-on-year (YoY) to 1,95,665 units in September 2020 from 1,78,189 units in September 2019. Tractor registrations also surged 80.39% to 68,564 units in September 2020 from 38,008 units in September 2019.
- The number of Americans filling for unemployment benefits rose by 840 thousand in the week ended October 3rd, compared to an upwardly revised 849 thousand in the previous period and above market expectations of 820 thousand.



Equity Market Update

- The market retained uptrend for the second consecutive week ending October 9, backed by positive global cues, a strong start to the September quarter earnings season, and dovish commentary by RBI. Stimulus hopes in India and the US also lifted sentiment.
- For the week, the action was limited to benchmark indices as broader markets saw profit booking.
- The S&P BSE Sensex rose 4.6 percent while the Nifty50 was up 4.3 percent for the week ended October 9 compared to a 0.3 percent fall seen in the S&P BSE Midcap index, and a flat closing seen in the S&P BSE Small-cap index for the same period.



Debt Market Update

- Yields for 5.77% GS 2030 closed at 5.94%
- Reserve Bank of India, on a review of the current liquidity and financial conditions, has decided to conduct purchase of Government securities under Open Market Operations (OMOs) for an aggregate amount of Rs 20,000 crores on October 15, 2020.



Commodity Market Update

Oil Update:

- U.S. West Texas Intermediate and international-benchmark Brent crude oil futures finished sharply higher last week with the rally driven by worries over a disruption in

Domestic Markets



Index	09-Oct-2020	01-Oct-2020	% Change
BSE Sensex	40509.49	38697.05	4.68
S&P CNX Nifty	11914.2	11416.95	4.36
CNX Midcap	17093.25	17125	-0.19
CNX 500	9750.15	9461.7	3.05
BSE Smallcap	14966.21	14970.44	-0.03

Global Markets



Index	09-Oct-2020	02-Oct-2020	% Change
Dow Jones	28586.9	27682.81	3.27
Nasdaq	11579.94	11075.02	4.56
S&P 500	3477.13	3348.44	3.84
FTSE 100	6016.65	5902.12	1.94
Shanghai Composite	3272.08	3218.05	1.68
Hang Sang	24119.13	23459.05	2.81

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	22520	18236	4284
MF Flows*	8837	11754	-2917

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
01-Oct-2020	4853.73	97.9
05-Oct-2020	1044.62	-851.1
06-Oct-2020	253.68	-179.99
07-Oct-2020	67.34	-289.7
08-Oct-2020	3110.45	-284.9

Policy Rates



Key Rates (%)	09-Oct-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



supply. The catalysts driving prices higher were a strike in Norway and production shutdowns tied to Hurricane Delta.

- Last week, December U.S. WTI crude oil futures are trading \$40.91, up \$3.57 or +9.56% and December Brent crude oil closed at \$42.85, up \$3.58 or +8.35%.

Gold Update:

- Gold and silver prices rose sharply in India after remaining range-bound for most part of the week. Gold futures on MCX rose ₹650 or 1.3% to ₹50,817 per 10 gram while silver futures surged 4% or ₹2,500 to ₹62,955 per kg on Friday.
- US gold futures jumped over 2% on Friday to \$1,925 an ounce.



Currency Market Update

- The domestic currency had settled 8 paise higher at 73.16 a dollar on Friday after the Reserve Bank kept key interest rates unchanged while retaining an accommodative stance.
- On a weekly basis, however, the domestic currency had lost 3 paise to the US dollar.
- The country's foreign exchange reserves rose by \$3.618 billion to reach a life-time high of \$545.638 billion in the week ended October 2, 2020.

Key Rates (%)	09-Oct-2020	01-Oct-2020	% Change
Mibor Overnight	3.73	3.7	0.81
CALL (O/N)	3.39	3.44	-1.45
CBLO	3.21	3.21	0
T Bills Index (12M)	3.5	3.57	-1.96
10 Year GSEC	5.94	6	-1

Commodity Market



Commodity (INR)	09-Oct-2020	Gain+/Loss-	% Change
Gold (10 gm)	50817	347	0.69
Silver (1 kg)	62884	1739	2.84
Crude Oil (\$/barrel)	42.85	3.58	9.12

Currency Market



Currency	09-Oct-2020	Gain+/Loss-	% Change
USD/INR	73.21	0.17	0.24
EURO/INR	86.21	0.01	0.01
GBP/INR	94.8	0.19	0.2
JPY/INR	69.11	0.44	0.63

Upcoming Events



Monday 12, 2020

Industrial Production YoY AUG (India)
 Manufacturing Production YoY AUG (India)
 Inflation Rate YoY SEP (India)

Tuesday 13, 2020

Claimant Count Change SEP (Great Britain)
 Claimant Count Change SEP (Germany)
 Core Inflation Rate YoY SEP (US)
 Inflation Rate YoY SEP (US)

Wednesday 14, 2020

WPI Fuel YoY SEP (India)
 WPI Manufacturing YoY SEP (India)
 WPI Food YoY SEP (India)
 WPI Inflation YoY SEP (India)

Thursday 15, 2020

Inflation Rate YoY SEP (China)
 Balance of Trade Final SEP (India)
 Imports Final SEP (India)
 Exports Final SEP (India)

Friday 16, 2020

Foreign Exchange Reserves OCT/09 (India)

Retail Sales MoM SEP (US)

Week Gone By



Events	Actual %	Previous %	1 Year ago %
Markit Services PMI SEP (INDIA)	49.8	41.8	
Balance of Trade AUG (US)	\$-67.1B	\$-63.4B	
Balance of Trade AUG (GERMANY)	€12.8B	€19.2B	
Balance of Trade AUG (GREAT BRITAIN)	£1.4B	£1.7B	
Deposit Growth YoY SEP/25 (INDIA)	10.5	12.0	
Foreign Exchange Reserves OCT/02 (INDIA)	\$545.6B	\$542B	
Bank Loan Growth YoY SEP/25 (INDIA)	5.1	5.3	

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