



Financial Market & Economy Update

Domestic Update:

- Rating agency Fitch on Friday kept India's sovereign rating unchanged at BBB-, the lowest investment grade for the 12th year with stable outlook even as it praised the implementation of the Goods and Services Tax (GST).
- Prime Minister Narendra Modi and Chinese President Xi Jinping on Friday discussed ways to cement their bilateral relationship as they opened a two-day informal "one of its kind" summit in the central Chinese city of Wuhan.
- India has signed a USD 210 million loan agreement with the World Bank to improve rural connectivity in Madhya Pradesh, the finance ministry said on Tuesday.
- The union government, on Monday, said it is not in favour of cutting the excise duty on fuel. Petrol and diesel prices were hiked by 10 paise per litre on Monday and now retail at Rs. 82.35 per litre and at Rs. 70.01 per litre respectively in Mumbai, renewing calls for a cut in the excise duty in a bid to ease the burden on consumers.
- India has inked a loan agreement of USD 125 million with World Bank's investment arm to fund 'Innovate in India for Inclusiveness' project.
- The government on Wednesday approved a restructured National Bamboo Mission (NBM) with an outlay of Rs 1,290 crore for two years, a move aimed at benefiting one lakh farmers.
- The government on Wednesday increased the minimum support price (MSP) of raw jute by Rs 200 per quintal to Rs 3,700 per quintal for the 2018-19 crop season.
- India added around 34.6 lakh people to the formal workforce between September 2017 and February 2018, according to payroll data released by Employees' Provident Fund Organisation (EPFO) and National Pension System (NPS) for the first time.
- After hitting historic high of USD 84.44 billion last year, China's trade with India saw a robust growth in the first quarter this year, with bilateral trade netting USD 22.1 billion, up 15.4 % year-on-year, a top Chinese official said on Thursday.

Global Update:

- North Korean leader Kim Jong Un and South Korean President Moon Jae-in agreed Friday to finally end a seven-decade war this year, and pursue the "complete denuclearization" of the Korean Peninsula.
- Business activity across the euro zone was still growing as the second quarter began, but at a more modest rate than around the turn of the year, a survey showed on Monday. IHS Markit's composite flash Purchasing Managers' Index (PMI) for the euro zone, seen as a good guide to overall economic health, held steady in Apr at Mar 14-month low of 55.2, defying a Reuters poll forecast for a fall to 54.9.
- Japan manufacturing picks up in April. The flash Markit/Nikkei Japan Manufacturing Purchasing Managers Index (PMI) rose to a seasonally adjusted 53.3% in April from a final 53.1% in the previous month.
- The UK government posted a total net borrowing surplus of GBP 0.262 billion in March 2018, compared with a GBP 0.523 billion deficit a year earlier.
- German business confidence deteriorated for a fifth consecutive month in April 102.1 from 103.3 in March, a survey indicated on Tuesday, in a further sign that Europe's biggest economy is losing some of its momentum.
- U.S. consumer confidence rebounded in Apr. The Conference Board said its consumer confidence index increased to a reading of 128.7 this month from a downwardly revised 127.0 in March.
- U.S. home sales increased, more than expected in Mar. Commerce Dept said new home sales increased 4% to seasonally adjusted annual rate of 694k units last month as sales in the West surged to their highest level in more than 11 months. Britain's economy grew at its weakest pace since the end of 2012, expanding by just 0.1 % in the first quarter of 2018.
- China's Mar industrial profit growth slows sharply to over 1-year low. Profits last month were up 3.1% year-on-year to 589.75bn yuan (\$93.10bn), well below the 23.8% in the same period last year and the slowest growth since Dec 2016.



Equity Market Update

- The benchmark Sensex accumulated gains for fifth straight week in row by a strong 554.12 points to conclude at 34,969.70, while the broader Nifty ended near the psychological 10,700-level at 10,692.30.
- Bulls dominated despite the intense volatile week on visible concerns arising out of tumbling global stocks after 10-year US Treasury yield rose to four-year high of 3 % sapped the appetite as well as provided competition for stocks.
- The domestic market further squeezed by April F&O expiry, volatile rupee dropping fresh 13-month lows along with surging global crude oil as well as sliding metal prices.
- The BSE Sensex started the week higher at 33,493.69 and hovered between high of 35,065.81 and low of 34,259.27 before closing the week at 34,969.70, showing a gain of 554.12 or 1.61 %.
- The Nifty also resumed the week higher at 10,592.80 and traded between 10,719.80 and 10,514.95, the index finally closed at 10,692.30, up 128.25 points, or 1.21 %.
- Broader Market:** In the broader market traded mixed with midcap shares gaining, while smallcap ending with losses. The BSE Mid-Cap index rose 118.24 points or

Domestic Markets



Index	27-Apr-2018	20-Apr-2018	% Change
BSE Sensex	34969.7	34415.58	1.61
S&P CNX Nifty	10692.3	10564.05	1.21
CNX Midcap	20120.8	19905.75	1.08
CNX 500	9443.65	9347.65	1.03
BSE Smallcap	18239.96	18178.03	0.34

Global Markets



Index	27-Apr-2018	20-Apr-2018	% Change
Dow Jones	24311.19	24462.94	-0.62
Nasdaq	7119.8	7146.13	-0.37
S&P 500	2669.91	2670.14	-0.01
FTSE 100	7502.2	7368.2	1.82
Shanghai Composite	3082.23	3071.54	0.35
Hang Sang	30280.67	30418.33	-0.45

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	25894	27265	-1371
MF Flows*	12728	9440	3288

FII data as on 20th April to 26th April 2018
MF data as on 17th April to 23rd April 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
23-Apr-2018	255.99	-293.44
24-Apr-2018	2692	-63.27
25-Apr-2018	400.17	381.75
26-Apr-2018	2658.89	1911.64
27-Apr-2018	525.1	1024.82

Policy Rates



Key Rates (%)	27-Apr-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



0.70 % to settle at 16,917.18. The BSE Small-Cap index rose 61.93 points or 0.34 % to settle at 18,239.96.

- **FII:** Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth Rs 2,006.21 crore during the week, as per Sebi's record including the provisional figure of April 27, 2018.
- **Sector Update:** Among sectoral and industry indices, Bankex rose by 2.42 %, Oil & Gas 1.76 %, Realty 1.73 %, Healthcare 1.54 %, Auto 1.17 %, IPO 1.11 %, FMCG 0.78 %, Capital Goods 0.35 % and IT 0.30 %. However, Metal fell by 3.40 %, Consumer Durables 0.71 %, Power 0.56 %, PSU 0.10 % and Teck 0.07 %.



Debt Market Update

- The bond market also witnessed subdued trade with the benchmark 10-year yield curve rising further to 7.77 % from 7.72 % last weekend.
- Global stock markets gained during the week as the earnings season was largely better than expectations. The US 10-year bond yield surpassing 3 % remains a concern as it signals higher interest rates in the world biggest bond market.



Commodity Market Update

Oil Update:

- Crude oil futures finished mixed last week with U.S. West Texas Intermediate crude oil closing lower and international-benchmark Brent ending higher.
- New York-traded West Texas Intermediate crude futures dipped 9 cents, or 0.1%, on Friday to end at \$68.10 a barrel by close of trade, leaving it down 0.4% for the week.
- Meanwhile, London-traded Brent crude futures, the benchmark for oil prices outside the U.S., shed 10 cents to settle at \$74.64 a barrel.
- The global benchmark breached the symbolic \$75-a-barrel threshold for the first time since late 2014 earlier in the week.
- It logged a third week of gains, up by 0.5%, bolstered by geopolitical tension in the Middle East and concerns about supply disruptions in key oil-producing nations, such as Venezuela.

Gold Update:

- **Domestic:** Both the precious metals lost the sheen during the week at bullion market following subdued investors offtake and slackened demand from jewellers and retailers at higher levels, also driven by weak global trend.
- Silver too extended losses and cracked below the Rs 40,000-mark by plunging Rs 890 to end at Rs 39,270 per kg on reduced offtake by industrial units and coin makers.
- On the domestic front, standard gold (99.5 purity) resumed lower at Rs 31,260 per 10 grams from last Friday's closing level of Rs 31,315 and hovered in a range of Rs 31,325 and Rs 31,125 before settling at Rs 31,180, revealing a loss of Rs 135, or 0.43 %
- **Global:** On the global front, gold prices took back some ground after a two-session skid as financial markets assessed the merits of Korea peace efforts and the first reading of first-quarter GDP, which came in slightly better than expected.
- Elsewhere in the metals complex, May silver lost 8.5 cents, or 0.5%, to settle at USD 16.406 an ounce. July silver which is now the most-active contract, shed 7 cents, or 0.4%, at USD 16.497.
- For the week, the May contract for silver declined by 4.6%, while the July contract fell by 4.2%.
In the New York Comex trade, gold for June delivery fell to settle at USD 1,323.40 an ounce compared to last weekend's close of USD 1,338.30, while May silver contract moved down to end at USD 16.406 an ounce from USD 17.163 earlier.



Currency Market Update

- The rupee suffered yet another nasty blow as uneasiness roared back once again in mysterious ways driven by a crisis of confidence in the midst of deteriorating macro environment and concerns over capital outflows.
- Overall, the forex market sentiment turned into dismay following panic-driven dollar buying from corporates and importers, sending the rupee tumbling down to hit multi-month lows.
- It was a bad week for the Indian currency – piercing through all critical support level to hit a fresh 14-month low of 66.91, before a dead-cat bounce.
- After suffering the worst weekly loss this year, the rupee opened lower at 66.20 from last weekend level of 66.12 at the inter-bank foreign exchange (forex) market driven by intense dollar pressure.
- Later it cracked all the way down to hit a fresh 14-month low of 66.91 – just below the psychological 67-mark – the level not seen since February 22, 2017.
- The local unit, however managed to pull back some lost ground during the fag-end session of the week to end at 66.66, still showing a loss of 0.54 paise, or 0.82% below where it was a week ago.
- On the global front, fag-end profit taking prevented the US dollar from extending its gains Friday despite stronger-than-expected first-quarter US GDP growth also supported by a combination of rising treasury yields and growing expectations for a faster pace of rate hikes.
- The dollar index, which measures the greenback's value against a basket of six major currencies shot-up to three week high of 91.31 as against 90.08 previously.
- In the meantime, after scaling life-time high, the country's foreign exchange reserves fell by a whopping USD 2.499 billion to USD 423.582 billion in the week to April 20.

Key Rates (%)	27-Apr-2018	20-Apr-2018	% Change
Mibor Overnight	6	6.01	-0.17
CALL (O/N)	6.02	5.9	2.03
CBLO	5.53	5.96	-7.21
T Bills Index (12M)	6.46	6.48	-0.31
10 Year GSEC	7.77	7.66	1.44

Commodity Market



Commodity (INR)	27-Apr-2018	Gain+/Loss-	% Change
Gold (10 gm)	31289	-16	-0.05
Silver (1 kg)	39236	-870	-2.17
Crude Oil (\$/barrel)	74.65	0.59	0.8

Currency Market



Currency	27-Apr-2018	Gain+/Loss-	% Change
USD/INR	66.78	0.76	1.16
EURO/INR	80.74	-0.72	-0.88
GBP/INR	92.89	0.16	0.18
JPY/INR	61.08	-0.32	-0.52

Upcoming Events



Monday 30, 2018

Government Budget Value MAR (India)
NBS Manufacturing PMI APR (CHI)
Non Manufacturing PMI APR (CHI)
Personal Spending MoM MAR (US)
Personal Income MoM MAR (US)

Tuesday 1, 2018

Nikkei Manufacturing PMI Final APR (Japan)
ISM Manufacturing PMI APR (US)

Wednesday 2, 2018

Nikkei Manufacturing PMI APR (India)
Caixin Manufacturing PMI APR CHINA
Consumer Confidence APR (Jap)
Markit Manufacturing PMI Final APR (Euro)
GDP Growth Rate YoY Flash Q1 (Euro)
GDP Growth Rate QoQ Flash Q1 (Euro)
Fed Interest Rate Decision

Thursday 3, 2018

Core Inflation Rate YoY Flash APR (Euro)

Balance of Trade MAR (US)

ISM Non-Manufacturing PMI APR (US)

Friday 4, 2018

Nikkei Services PMI APR (India)

Caixin Services PMI APR (China)

Unemployment Rate APR (US)

Non Farm Payrolls APR (US)

Retail Sales YoY MAR (EA)

Week Gone By



Events	Actual %	Previous %
Nikkei Manufacturing PMI Flash APR (JAP)	53.3	53.1
Markit Manufacturing PMI Flash APR (EU)	56.0	56.6
Markit Services PMI Flash APR (EU)	55.0	54.9
Existing Home Sales MAR (US)	5.6M	5.54M
New Home Sales MAR (US)	0.694M	0.667M
ECB Interest Rate Decision (EU)	0.0	0.0
BoJ Interest Rate Decision (Jap)	-0.1	-0.1
Business Confidence APR (EU)	1.35	1.44
GDP Growth Rate QoQ Adv Q1 (US)	2.3	2.9
Unemployment Rate MAR (JAP)	2.5	2.5
Industrial Production YoY Prel MAR(JAP)	2.2	1.6

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