

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- India's industrial production grew at its fastest pace in seven months in February, rising 4.5% as compared to a 2.1% increase in January. The growth was led by mining, manufacturing activity and power generation, data released by the Ministry of Statistics and Programme Implementation showed on Thursday.
- Manufacturing output rose 3.2% in February compared to 1.5% in January.
- Mining output rose 10% as against 4.4% last month.
- Electricity generation rose 8.1% compared to 3.1% in January.
- The global COVID-19 pandemic has cut short the good times in India's services sector, which contracted in March because of fall in overseas demand and exports, received a hard knock, according to a monthly survey released recently. The Nikkei India Services Purchasing Managers Index (PMI) dropped steeply from February's more than a seven-year high of 57.5 to 49.3 in March. In PMI parlance, the 50-mark threshold separates expansion from contraction.
- Ministry of Textiles has given dilution to the maximum permissible limit i.e. 1.80 lakh bales on 26th March, 2020 and further for 0.82 lakh bales on 6th April, 2020, for HDPE/PP bags to tide over the emergent crisis of packaging of foodgrains due to closure of jute mills during lock down and with a view to protect the produce of wheat farmers by providing them alternate packaging bags
- Bank credit growth decelerated to an over five-decade low of 6.14% in the fiscal ended March 31, 2020, amid a faltering economy, lower demand and risk aversion among banks, RBI data showed.
- The weekly tracker survey of the Centre for Monitoring Indian Economy (CMIE) shows that the unemployment rate shot up from 6.7% mid-March to 23% in the week ending April 5.

Global Update:

- New Zealand retail sales declined the most on record in March, data from Statistics New Zealand showed on Thursday. Retail sales decreased a seasonally adjusted 3.9% month-on-month in March, after a 0.5% rise in February
- Australia's financial system faces increased risks due to the spread of the coronavirus, or COVID-19, pandemic but it is well placed to manage them, Reserve Bank of Australia said in its Financial Stability Review on Thursday.
- The UK economy shrank in February even before the government resorted to measures linked to lockdown to contain the spread of coronavirus, data from the Office for National Statistics showed Thursday. Due to a sharp fall in construction, gross domestic product fell 0.1% month-on-month in February. In three months to February, GDP grew 0.1%, following no growth in three months to January
- Japan's current account surplus widened to JPY 3.17 trillion in February 2020 from JPY 2.61 trillion in the same month the previous year and compared to market expectations of JPY 2.06 trillion.
- Core machinery orders in Japan, which exclude those of ships and electrical equipment, increased 5% month-over-month in February 2020, soundly beating market consensus of a 2.7% fall and following a 2.9% rise.



Equity Market Update

- The market was on a strong footing in the truncated week that ended on April 9 as the bulls, after a sharp correction and consolidation, were back with a vengeance. Investors turned wealthier by Rs 12 lakh crore during the week.
- The BSE Sensex and Nifty50 climbed nearly 13%, the biggest weekly gain since May 2009, amid hopes of a stimulus, renewed FII buying interest and positive global cues on reports that new daily infections from the novel coronavirus may be receding in the United States and Europe.
- The 30-share BSE Sensex advanced 3,568 points or 12.93% to 31,159 for the week ended April 9. Likewise, the 50-share NSE Nifty index gained 1,028 points or 12.71% to 9,111.90 during the same period.
- Sector Update:** All the sectoral indices on BSE ended the week in the green. The BSE Auto index climbed 23% to 12,637 on April 9 from 10,269 on April 3. BSE Healthcare, Bankex, Metal, Consumer Durables and Oil & Gas indices also gained between 10-17% during the same period.
- Broader Markets:** The BSE Small-cap index gained over 9% in last week. BSE Mid-cap Index added 11.3% during the week.



Debt Market Update

- The 10-year benchmark 6.45%, 2029 bond closed at 99.72 rupees or 6.49% yield.
- The Reserve Bank of India on Thursday said it has received Rs 1.13 lakh crore worth of bids in the targeted long term repo operation (TLTRO) conducted for an amount of Rs 25,000 crore with a three-year tenor. The RBI received 18 bids in the auction.



Commodity Market Update

Domestic Markets



Index	09-Apr-2020	03-Apr-2020	% Change
BSE Sensex	31159.62	27590.95	12.93
S&P CNX Nifty	9111.9	8083.8	12.72
CNX Midcap	12553.5	11316.75	10.93
CNX 500	7441.65	6638.45	12.1
BSE Smallcap	10293.75	9409.04	9.4

Global Markets



Index	09-Apr-2020	03-Apr-2020	% Change
Dow Jones	23719.37	21052.53	12.67
Nasdaq	8153.58	7373.08	10.59
S&P 500	2789.82	2488.65	12.1
FTSE 100	5842.7	5415.5	7.89
Shanghai Composite	2796.63	2763.99	1.18
Hang Sang	24300.33	23236.11	4.58

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	26598	25747	851
MF Flows*	10222	8184	2038

*FII Data from 1st April to 8th April 2020

*MF Data from 31st March to 7th April 2020

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
03-Apr-2020	730.74	-285.71
07-Apr-2020	1526.27	552.8
08-Apr-2020	-898.6	-1152.52

Policy Rates



Key Rates (%)	09-Apr-2020	1 Week Ago	1 Month Ago
Reverse Repo	4	4	4.9
Repo	4.4	4.4	5.15
CRR	3	3	4
SLR	18	18	18.5

Key Rates



Oil Update:

- Oil prices remained largely volatile last week amid hope of production cuts by OPEC and its allies, with international benchmark Brent crude futures closing at \$31.48 a barrel, down against \$34.11 a barrel in previous week.
- The oil prices fell for the week as Mexico was the only country to refuse production cut in the meeting on April 9, though OPEC and its allies agreed to cut production by 10 million barrels per day in May and June.
- Hence, it raised doubts over their efforts to lift oil prices that went to near two-decade low due to demand-hit by the novel coronavirus pandemic and Saudi-Russia's price war. Therefore, key things to watch out for would be the decision of Mexico with respect to production cuts and its impact on oil prices in coming days.

Gold Update:

- As per the IBIA or India Bullion & Jewellers Association, gold prices on the last trading day of the last week i.e. on April 9 quoted at its highest price of Rs. 45,020. This is similar to the price seen at the time of demonetisation in November 2016 when metals were being sold at a premium of more than 50%.
- In 2009, gold was priced at Rs. 30,000 per 10 gm but because of the scrapping of the high value notes was being sold at very high rates of anyway between Rs. 40,000- Rs. 45000 per 10 gm.
- In the international markets also gold again scaled to 7-years high as jobless claims increased exponentially over a period of 3 weeks to 17 millions and there was a stimulus aid announced by the US government which has seen a worse situation due to Covid 19.



Currency Market Update

- Meanwhile, the Indian Rupee recovered from record lows to close at 76.28 against the US dollar on April 9, but depreciated by 15 paise for the week.
- The country's foreign exchange reserves declined by \$902 million to \$ 474.66 billion in the week to April 3 due to a fall in foreign currency assets.

Key Rates (%)	09-Apr-2020	03-Apr-2020	% Change
Mibor Overnight	4.63	4.61	0.43
CALL (O/N)	4.34	4.25	2.12
CBLO	2.89	2.37	21.94
T Bills Index (12M)	4.53	4.49	0.89
10 Year GSEC	6.49	6.31	2.85

Commodity Market



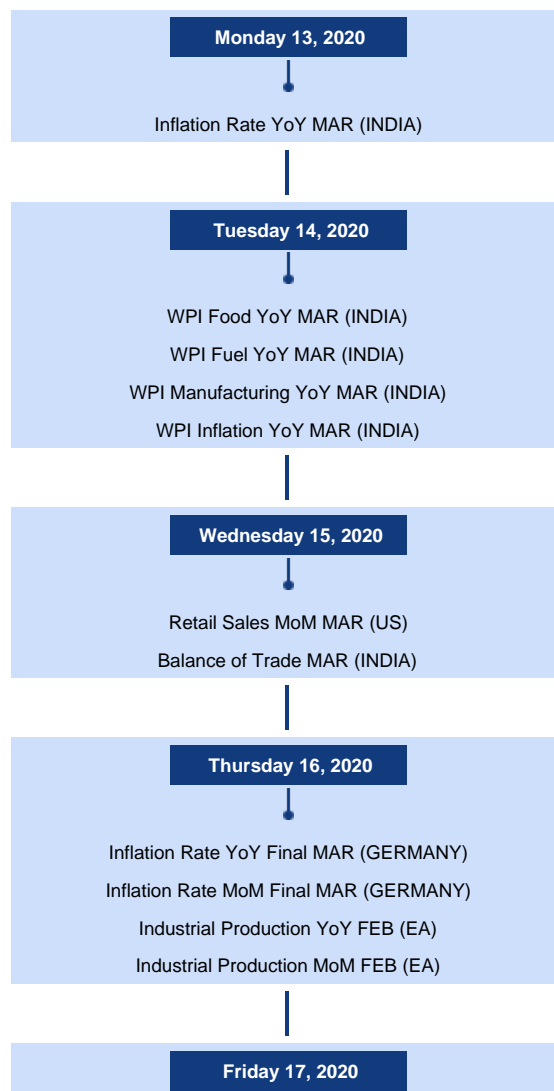
Commodity (INR)	09-Apr-2020	Gain+/Loss-	% Change
Gold (10 gm)	45294	1341	3.05
Silver (1 kg)	43502	2279	5.53
Crude Oil (\$/barrel)	31.48	-2.63	-7.71

Currency Market



Currency	09-Apr-2020	Gain+/Loss-	% Change
USD/INR	76.46	-0.63	-0.83
EURO/INR	82.92	-0.7	-0.85
GBP/INR	94.54	-0.66	-0.7
JPY/INR	70.18	0.09	0.13

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Market Services PMI MAR (INDIA)	49.3	57.5
Industrial Production MoM FEB (GERMANY)	0.3	3.2
API Crude Oil Stock Change 03/APR (US)	11.938M	10.485M
Machinery Orders MoM FEB (JAPAN)	2.3	2.9
Machinery Orders YoY FEB (JAPAN)	-2.4	-0.3
Consumer Confidence MAR (JAPAN)	30.9	38.4
Balance of Trade FEB (GERMANY)	€20.8B	€13.8B
Balance of Trade FEB (GREAT BRITAIN)	£-2.8B	£2.4B
Inflation Rate YoY MAR (CHINA)	4.3	5.2
Deposit Growth YoY MAR/27 (INDIA)	7.9	9.1
Foreign Exchange Reserves APR/03 (INDIA)	\$474.66B	\$475.6B
Bank Loan Growth YoY MAR/27 (INDIA)	6.1	6.1
Core Inflation Rate YoY MAR (US)	2.1	2.4
Inflation Rate YoY MAR (US)	1.5	2.3

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