



Financial Market & Economy Update

Domestic Update:

- IMF forecasts India GDP at 7.5% in FY20 and 7.7% in FY21. India will further build its lead as the world's fastest-growing major economy as it picks up pace next year while the global economy is forecast to slow.
- The number of flyers on domestic routes increased to 13.89 crore in 2018 from 11.71 crore in 2017, a growth of 18.6 %, according to data released by the Directorate General of Civil Aviation (DGCA) on Tuesday.
- Fund inflow into the Indian capital market through participatory notes (P-notes) climbed to Rs 79,513 crore till the end of December 2018 in the current financial year, amid Sebi relaxing norms for clubbing of investment limits by FPIs.
- Almost 14 crore people flew within the country in 2018 up 18.8% from previous year's 11.7 crore. And, December 2018 saw the highest ever number of domestic air travel in a month, with nearly 1.3 crore people flying within the country in the holiday season.
- In a major breakthrough with regard to recognition of India amid the global space, India has been ranked in Bloomberg's 2019 list of most innovative countries in the world -- 2019 Bloomberg Innovation Index - for the first time ever. India has grabbed 54th spot in the Bloomberg Innovation Index with a score of 47.93 out of 100 in '2019 Bloomberg Innovation Index' of 60 economies
- India and South Africa Friday sealed three year strategic programme to further boost cooperation in number of key areas after talks between Prime Minister Narendra Modi and South African President Cyril Ramaphosa.
- India's exports to China have increased by about 32 % to USD 8.46 billion during the June-November 2018 period, exporters' body FIEO said.
- India's economic growth is expected to remain in the range 7-7.5 % in the next few years, the Economic Advisory Council to the Prime Minister (EAC-PM) said Friday.

Global Update:

- China's economy grew at 6.6 % in 2018, its slowest rate in almost three decades as the world's second biggest economy grappled with the effects of the current trade war with the US, and declining exports. In the three months to December, the economy grew 6.4 % from a year earlier, down from 6.5 % in the previous quarter.
- China's December coal output climbed 2.1 % from the year before. Miners produced 320.38 million tonnes of coal in December
- Pakistan and the United Arab Emirates (UAE) on signed a USD 3 billion bailout package, as part of Abu Dhabi's support to boost the cash-strapped country's dwindling dollar reserves.
- Japan's exports in December fell the most in more than two years. Exports in December fell 3.8 % from a year earlier, Ministry of Finance (MOF) data showed on Wednesday, bigger than a 1.9 % drop expected by economists in a Reuters poll. It was the sharpest year-on-year decline since October 2016.
- U.S. home sales tumbled to their lowest level in three years in December and house price increases slowed sharply, suggesting a further loss of momentum in the housing market. The National Association of Realtors (NAR) said existing home sales declined 6.4 % to a seasonally adjusted annual rate of 4.99 million units last month.
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- Japan's manufacturing growth stalled in January as export orders fell at the fastest pace in 2-1/2 years and companies cut back production, a preliminary business survey showed on Thursday. The Flash Markit/Nikkei Japan Manufacturing Purchasing Managers' Index (PMI) fell to 50.0 in January on a seasonally adjusted basis from a final 52.6 in December.
- Australian employment jumped again in December and the jobless rate surprisingly fell. Figures from the Australian Bureau of Statistics (ABS) on Thursday showed a net 21,600 new jobs were created in December, down from an upwardly revised 39,000 the month before but surpassing market forecasts of a 16,500 increase.
- Core consumer prices in Japan, rose 1.1 % in January from a year earlier, government data showed on Friday.



Equity Market Update

- Benchmark indices ended with 1 % cut in a volatile week ended on January 25 with Nifty breaking its psychological level of 10,800 amid mixed earnings from India Inc and ahead of Interim Budget to be presented on February 1.
- The Sensex was down 0.99 % this week, or 361.07 points, to end at 36,025.54, while Nifty also shed 1.15 %, or 126.45 points, to close at 10,780.5.
- Broader Markets:** The S&P BSE Smallcap Index plunged 3.48 %, while S&P BSE Largecap and Midcap index fell 1.26 % and 2.27 %, respectively.
- Sector Update:** The Nifty Media index has underperformed other sectoral indices with a 17% cut during the week. Nifty Auto was down by -6.61%, Nifty Reality was down by -3.46% at the end of week.
- FII/DII:** Foreign Institutional Investors (FIIs) bought shares worth Rs 689.28 crore

Domestic Markets



Index	25-Jan-2019	18-Jan-2019	% Change
BSE Sensex	36025.54	36386.61	-0.99
S&P CNX Nifty	10780.55	10906.95	-1.16
CNX Midcap	17012.5	17517.2	-2.88
CNX 500	8994.35	9140.1	-1.59
BSE Smallcap	14000.2	14504.6	-3.48

Global Markets



Index	25-Jan-2019	18-Jan-2019	% Change
Dow Jones	24737.2	24706.35	0.12
Nasdaq	7164.86	7157.23	0.11
S&P 500	2664.76	2670.71	-0.22
FTSE 100	6809.2	6968.3	-2.28
Shanghai Composite	2601.72	2596.01	0.22
Hang Sang	27569.19	27090.8	1.77

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	20269	22161	-1892
MF Flows*	10232	8097	2135

FII & MF data from 18th January to 24th January 2019

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
21-Jan-2019	1130.74	226.43
22-Jan-2019	1392.07	587.88
23-Jan-2019	-1110.93	-430.42
24-Jan-2019	413.46	624.53

Policy Rates



Key Rates (%)	25-Jan-2019	1 Week Ago	1 Month Ago
Reverse Repo	6.25	6.25	6.25
Repo	6.5	6.5	6.5
CRR	4	4	4
SLR	19.5	19.5	19.5

Key Rates





Debt Market Update

- The 7.26% 2029 note ended at 99.51 rupees, yielding 7.33%.
- India's federal government sold bonds worth 120 billion on Friday. It exercised green shoe worth 10 billion rupees in the new 2024 note while reducing the same quantum from 2055 bond.
- Last week, around 11 billion rupees of a bond maturing in 2027 was devolved on primary dealers.



Commodity Market Update

Oil Update:

- Oil prices rose on Friday, supported by supply concerns tied to Venezuela.
- U.S. West Texas Intermediate crude ended Friday's session up 56 cents, or around 1%, at \$53.69 a barrel on the New York Mercantile Exchange.
- For the week, however, the U.S. benchmark shed 0.2%, as a hefty weekly rise in domestic crude supplies weighed.
- Meanwhile, the global benchmark, Brent crude for March delivery on the ICE (NYSE:ICE) Futures Europe exchange, tacked on 55 cents, or 0.9%, to settle at \$61.64 a barrel.
- It lost about 1.7% for the week, the first weekly decline in four weeks.
- After ending 2018 in freefall, oil has gained roughly 17% since the start of January. Overall, the recent advance for the energy complex has been powered by evidence of a decline in global output.
- Saudi Arabia-led OPEC and its non-member allies led by Russia agreed to collectively cut production by a total of 1.2 million barrels per day (bpd) during the first six months of 2019 in an effort to stave off a global glut in supplies.

Gold Update:

- **Domestic Gold:** Persistent buying by jewellers and retailers to meet the wedding season demand pushed gold prices higher by Rs 140 to Rs 33,300 per 10 gram at the close of the week. In contrast, silver prices drifted lower due to reduced offtake by coin makers and consuming units.
- Overcoming a mixed sentiment from global markets, gold prices climbed on account of favourable domestic cues like wedding season demand from local jewellers as well as retailers.
- In the national capital, gold of 99.9 % and 99.5 % purity commenced the week higher at Rs 33,200 and Rs 33,050 per 10 gram, respectively. Both varieties of the precious metal advanced to a high of Rs 33,325 and Rs 32,175, respectively, during the mid-week.
- However, lack of necessary buying support at higher levels, gold prices of 99.9 % and 99.5 % purity slipped marginally to end the week at Rs 33,300 and Rs 33,150 per 10 gram, still showing a rise of Rs 140.
- Sovereign, however, moved in a narrow range through the week and pegged at the last level of Rs 25,500 per piece of 8 gram.
- **Domestic Silver:** On the other hand, in restricted activity, silver ready ended Rs 50 lower at Rs 40,050 per kg after shuttling between Rs 40,160 and Rs 39,850. Silver weekly-based in likewise manners ended lower by Rs 162 at Rs 39,036 per kg.
- Silver coins, however, managed to end flat at Rs 77,000 for buying and Rs 78,000 for selling of 100 pieces.
- **Global:** Globally, gold rose by USD 1,284.30 an ounce as against the previous week's USD 1,282.30 an ounce. Silver too advanced to USD 15.46 an ounce from USD 15.41.



Currency Market Update

- On a weekly basis, the rupee remained flat against the dollar as it ended at 71.18 on January 25 against January 18, closing of 71.18.
- Foreign Exchange Reserves in India decreased to 396680 USD Million in January 18 from 397350 USD Million in the previous week.
- Late Friday, the U.S. dollar index was down 0.86% at 95.47, the weakest level since Jan. 15, for a weekly decline of 0.55%. On Thursday, the index hit a three-week high of 96.37.

Key Rates (%)	25-Jan-2019	18-Jan-2019	% Change
Mibor Overnight	6.54	6.48	0.93
CALL (O/N)	6.41	6.45	-0.62
CBLO	6.4	6.44	-0.62
T Bills Index (12M)	6.76	6.8	-0.59
10 Year GSEC	7.33	7.31	0.27

Commodity Market



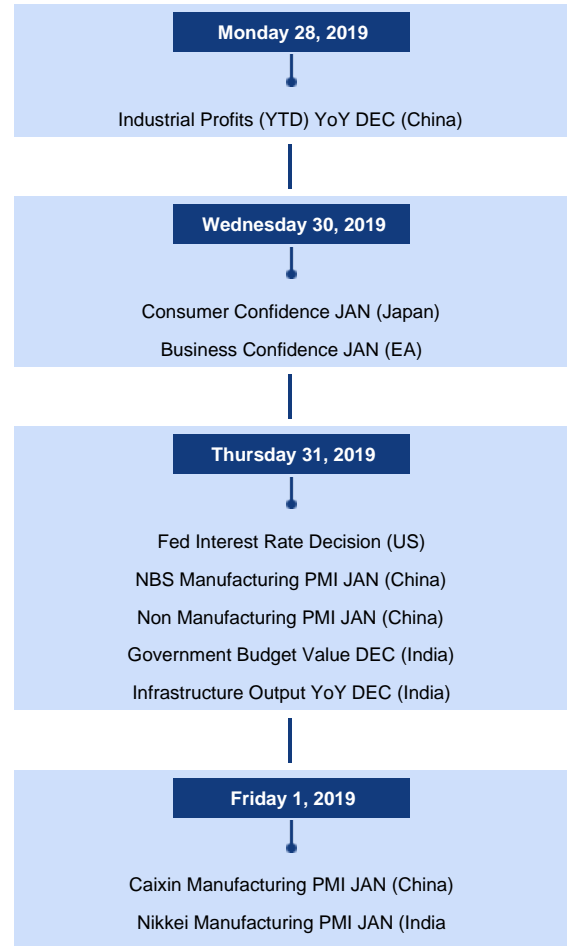
Commodity (INR)	25-Jan-2019	Gain+/Loss-	% Change
Gold (10 gm)	33210	-70	-0.21
Silver (1 kg)	38826	-208	-0.53
Crude Oil (\$/barrel)	61.64	-1.06	-1.69

Currency Market



Currency	25-Jan-2019	Gain+/Loss-	% Change
USD/INR	71.11	-0.03	-0.04
EURO/INR	80.5	-0.57	-0.7
GBP/INR	93.24	0.95	1.03
JPY/INR	64.74	-0.3	-0.46

Upcoming Events



Week Gone By



Events	Actual %	Previous %
GDP Growth Rate QoQ Q4 (China)	1.5	1.6
Industrial Production YoY DEC (China)	5.7	5.4
Balance of Trade DEC (Japan)	¥-55B	¥-738B @
BoJ Interest Rate Decision (Japan)	-0.1	-0.1
ECB Interest Rate Decision (EA)	0.0	0.0
Markit Services PMI Flash JAN (US)	54.2	54.4
Markit Manufacturing PMI Flash JAN (US)	54.9	53.8

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