

# Weekly Market Update



## Financial Market & Economy Update

### Domestic Update:

- Wholesale prices in India rose by 3.18 % year-on-year in March 2019, accelerating from a 2.93 % rise in the prior month while markets had expected 3.2 %. On a monthly basis, wholesale prices increased by 0.4 % in March, following a 0.25 % gain in February.
- India trade gap narrowed to USD 9.6 billion in February of 2019 from USD 12.3 billion a year earlier and below market expectations of USD 14.3 billion.
- India's steel export to the US in 2018 declined by 49 % to USD 372 million, while that of aluminium increased by 58 % to USD 221 million, the independent Congressional Research Service (CRS) said in its latest report.
- India's exports rose to a five-month high of 11 % in March on account of higher growth mainly in pharma, chemicals and engineering sectors, marking the outbound shipments at \$331 billion for FY 2018-19, official data showed.

### Global Update:

- The New York Empire State Manufacturing Index in the United States fell 5.1 points from the previous month to 3.7 in March 2019, missing market expectations of 10. It is the weakest reading since May 2017, as the new orders index declined 4.5 points to 3 and the shipments index dropped 2.7 to 7.7.
- Foreign Bond Investment in the United States decreased to 19900 USD Million in February from 23000 USD Million in January of 2019.
- Foreign direct investment into China rose 3 % year-on-year to USD 21.69 billion in January-February 2019, or 5.5 % to CNY 147.11 billion. In yuan terms, investment in the manufacturing sector rose 12 %, with investment in high-tech manufacturing growing 9.3 %. There was more capital coming from South Korea (35.6 %), Singapore (8.4 %), the US (44.3 %), the Netherlands (174.8 %), Germany (39.9 %) and France (113.3 %).
- The ZEW Indicator of Economic Sentiment for Germany rose by 9.8 points from the previous month to -3.6 in March 2019, easily beating market expectations of -11.
- The U.S. trade deficit fell to an eight-month low in February as imports from China plunged, temporarily providing a boost to President Donald Trump's "America First" agenda and economic growth in the first quarter. The trade deficit tumbled 3.4 % to \$49.4 billion in February, the lowest level since June 2018.
- The Nikkei Japan Manufacturing PMI came in at 49.5 in April 2019, slightly above 49.2 in the previous month.
- Producer Prices in Germany decreased to 104.90 Index Points in March from 105 Index Points in February of 2019.
- Foreign direct investment into China rose 4.9 % year-on-year to USD 36.19 billion in January-March 2019, or 6.5 % to CNY 242.28 billion.



## Equity Market Update

- Indian equity indices resumed their weekly gains after a blip amid the ongoing polls in the world's largest democracy and a slowdown in global growth.
- The S&P BSE Sensex gained 0.96 % to end the week at 39,140.28 and the NSE Nifty 50 Index rose 0.94 % to close at 11,752.80. The benchmarks also clocked fresh intra-day highs during the period.
- Sector Update:** Nifty Auto was the outperforming sector for the week, up 2.2 % while on the other hand Nifty PSU Bank was the top loser, down 2.7 %.
- Broader Markets:** The BSE Mid-Cap fell 43.88 points or 0.28pc to settle at 15,382.57. The BSE Small-Cap fell 0.98 points or 0.01 pc to settle at 15,021.20.



## Debt Market Update

- Indian government bonds ended little changed in a holiday-truncated week, as investors deferred purchases before the release of the minutes of the latest policy meeting, which is expected to provide cues on rate trajectory.
- The nation's benchmark 7.26% bond maturing in 2029 settled at 98.89 rupees, lowest since Feb. 27, yielding 7.41%. The yield rose one basis point this week following a six-basis-point rise last week.
- Bonds stayed in a narrow range this week as investors eyed the minutes of the Monetary Policy Committee's latest meeting for guidance on whether another rate cut is likely in June. The six-member MPC has cut rates by 50 basis points since February as inflation stayed below its 4% target for eight straight months.
- Moreover, the forecast of a near-normal monsoon rainfall this year boosted expectations that inflation may remain under control, opening up space for at least one more rate cut. However, heavy supply of bonds through primary auctions curbed secondary market purchases.
- New Delhi sold bonds worth 170 billion rupees on Thursday and Treasury Bills worth 200 billion rupees earlier this week. Indian states sold 100 billion rupees of bonds this week.

## Domestic Markets



Index	18-Apr-2019	12-Apr-2019	% Change
BSE Sensex	39140.28	38767.11	0.96
S&P CNX Nifty	11752.8	11643.45	0.94
CNX Midcap	18077.85	18167.9	-0.5
CNX 500	9738.7	9674.6	0.66
BSE Smallcap	15021.2	15022.18	-0.01

## Global Markets



Index	18-Apr-2019	12-Apr-2019	% Change
Dow Jones	26559.54	26412.3	0.56
Nasdaq	7998.06	7984.16	0.17
S&P 500	2905.03	2907.41	-0.08
FTSE 100	7459.88	7437.1	0.31
Shanghai Composite	3250.2	3188.63	1.93
Hang Sang	29963.26	29909.76	0.18

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	13338	11335	2003
MF Flows*	10262	9852	410

FII data from 12th April to 16th April 2019

MF data from 11th April to 16th April 2019

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



Date	Index	Stocks
12-Apr-2019	623.56	-615.99
15-Apr-2019	1069.91	-440.37
16-Apr-2019	2277.75	-145.14

## Policy Rates



Key Rates (%)	18-Apr-2019	1 Week Ago	1 Month Ago
Reverse Repo	5.75	6	6
Repo	6	6.25	6.25
CRR	4	4	4
SLR	19.25	19.25	19.25

## Key Rates



- The federal government will switch 20 billion rupees of the 7.28% 2019 bond for the benchmark note on Apr. 22. This is the first switch operation of this fiscal year that started Apr. 1.



## Commodity Market Update

### Oil Update:

- U.S. West Texas Intermediate crude oil and international-benchmark Brent crude oil futures looked tired all week, which could be the first signs of a top-heavy market. Although it reached a new 5-month high last week, WTI crude oil struggled with the \$64.70 are for a third time in a week. However, it did continue to find support at \$63.48. Brent crude oil continued to bump up against a key technical area at \$71.77.
- Last week, June WTI crude oil settled at \$64.07, up \$0.05 or +0.08% and June Brent crude oil finished at \$71.97, up \$0.42 or +0.58%.
- Prices continued to be underpinned by the OPEC-led production cuts and U.S. sanctions against Iran and Venezuela, but also received support from news of lower exports from Saudi Arabia and an unexpected drawdown in U.S. inventories.

### Gold Update:

- Gold prices on Friday surged by Rs 305 to Rs 32,690 per 10 gram in the national capital on account of increased buying by local jewellers.
- Silver also rose by Rs 204 to Rs 38,450 per kg on more offtake by industrial units and coin makers.
- In the national capital, gold of 99.9 % and 99.5 % purities gained by Rs 305 each to Rs 32,690 and Rs 32,530 per 10 gram, respectively.
- The international bullion market was closed on account of 'Good Friday'.
- Similarly, sovereign gold advanced by Rs 100 to Rs 26,400 per eight gram.
- Silver ready surged by Rs 204 to Rs 38,450 per kg, while weekly-based delivery rose Rs 95 to Rs 37,230 per kg.
- On the other hand, silver coins held flat at Rs 80,000 for buying and Rs 81,000 for selling of 100 pieces.



## Currency Market Update

- On the currency front, the rupee largely remained range-bound between 69-69.6 during the week, to finally close with marginal gains. The domestic unit declined by 18 paise on a weekly basis.
- India's foreign exchange reserves continued its northward push, increasing by USD 1.105 billion to touch USD 414.886 billion in the week to April 12.
- The dollar index, which measures the greenback against a basket of six other major currencies, rose to as high as 97.290, its highest level since March 11.
- Demand for the greenback continued to be underpinned after data on Thursday showing that U.S. retail sales grew at their strongest pace in one-and-a-half years in March.

Key Rates (%)	18-Apr-2019	12-Apr-2019	% Change
Mibor Overnight	6.1	6.12	-0.33
CALL (O/N)	6.07	6.05	0.33
CBLO	5.98	6	-0.33
T Bills Index (12M)	6.45	6.34	1.74
10 Year GSEC	7.42	7.41	0.11

## Commodity Market



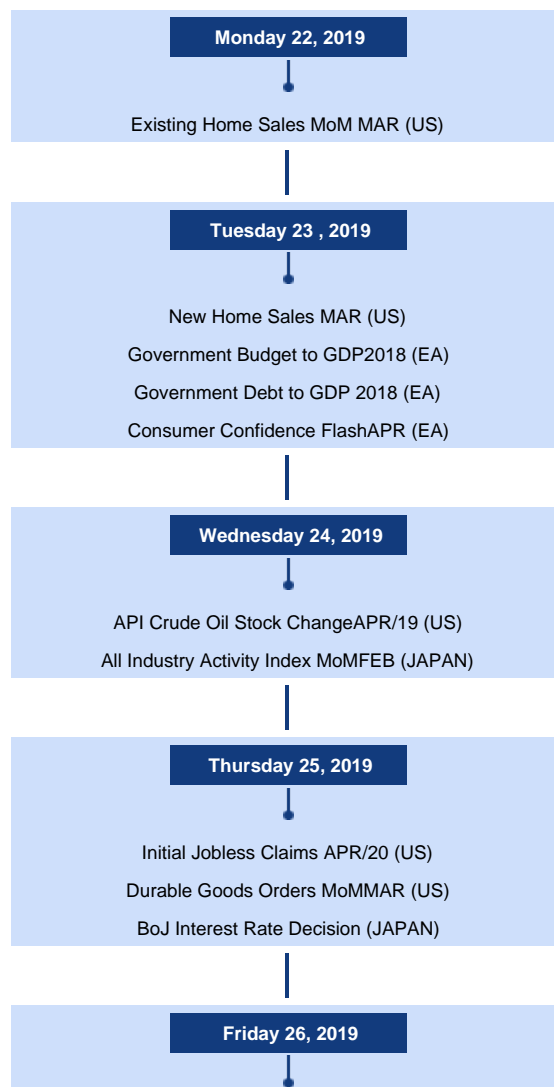
Commodity (INR)	18-Apr-2019	Gain+/Loss-	% Change
Gold (10 gm)	31394	-279	-0.88
Silver (1 kg)	37191	-44	-0.12
Crude Oil (\$/barrel)	71.97	0.42	0.59

## Currency Market



Currency	18-Apr-2019	Gain+/Loss-	% Change
USD/INR	69.42	0.1	0.14
EURO/INR	78.43	0.2	0.26
GBP/INR	90.55	-0.01	-0.01
JPY/INR	62.04	0.05	0.08

## Upcoming Events



## Week Gone By



Events	Actual %	Previous %
WPI Food YoY MAR (India)	5.68	4.28
WPI Fuel YoY MAR (India)	5.41	2.23
WPI Inflation YoY MAR (India)	3.18	2.93
Balance of Trade MAR (India)	\$-10.9B	\$-9.60B
Manufacturing Production YoY MAR (US)	1.0	1.1
Industrial Production YoY MAR (US)	2.8	3.5
Imports & Exports YoY MAR (Japan)	1.1 & -2.4	-6.6 & -1.2
Balance of Trade MAR (Japan)	¥529B	¥335B @
Industrial Production YoY MAR (China)	8.5	5.3
Retail Sales YoY MAR (China)	8.7	8.2
GDP Growth Rate YoY Q1 (China)	6.4	6.4
Industrial Production YoY Final FEB (Japan)	-1.1	0.7
Core Inflation Rate YoY Final MAR (EA)	0.8	1.0
Inflation Rate MoM MAR (EA)	1.0	0.3
Inflation Rate YoY Final MAR (EA)	1.4	1.5
Balance of Trade FEB (EA)	€17.9B	€1.8B @
Balance of Trade FEB (US)	\$-49.4B	\$-51.1B
Nikkei Manufacturing PMI FlashAPR (Japan)	49.5	49.2
Markit Manufacturing PMI Flash APR (EA)	47.8	47.5
Markit Services PMI Flash APR (EA)	52.5	53.3
Retail Sales MoM MAR (US)	1.6	-0.2
Initial Jobless Claims APR/13 (US)	192K	197K @
Markit Manufacturing PMI FlashAPR (US)	52.4	52.4
Markit Composite PMI Flash APR (US)	52.8	54.6
Markit Services PMI Flash APR (US)	52.9	55.3
Inflation Rate YoY MAR (Japan)	0.5	0.2
Housing Starts MoM MAR (US)	1.139M	1.142M @

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