

# Weekly Market Update



## Financial Market & Economy Update

### Domestic Update:

- India's coal import increased by 8.8 % to 233.56 million tonnes in 2018-19
- Job creation dropped by 1.73 % in February to 15.03 lakh compared to 15.30 lakh in the same month last year, according to the latest payroll data of the Employees State Insurance Corporation (ESIC).
- The value of India's copper products exports declined 70 % in the year ended in March 2019. Exports of copper and copper products, including cathodes, were \$1.07 billion in the period from April 2018 to March 2019, down from \$3.48 billion in the 2017/18 fiscal year, according to data from the India's Engineering Export Promotion Council
- The Centre has purchased 55.17 lakh tonnes of wheat from farmers in the ongoing 2019-20 marketing year so far, a senior Food Ministry official said on Wednesday.
- The government extended the ban on import of milk and its products, including chocolates, from China till laboratories at ports for testing presence of toxic chemical melamine are upgraded.

### Global Update:

- Sales of previously owned houses in the US surged 11.8 % from the previous month to a seasonally adjusted annual rate of 5.51 million in February of 2019. It is the highest reading in eleven months and the biggest monthly rise since December of 2015.
- Euro Area recorded a Government Budget deficit equal to 0.50 % of the country's Gross Domestic Product in 2018.
- The consumer confidence indicator in the Euro Area was confirmed at -7.2 in March 2019, slightly above the previous month's -7.4, due to households' more positive assessments of their past financial situation and their expectations about the general economic situation, which were partly offset by a slight decrease in their intentions to make major purchases.
- Sales of new single-family houses in the United States rose 4.9 % from the previous month to a seasonally adjusted annual rate of 667 thousand in February of 2019, following an upwardly revised 636 thousand in January and beating market expectations of 620 thousand.
- The Bank of Japan left its key short-term interest rate unchanged at -0.1 % at its April meeting and kept the target for the 10-year government bond yield at around zero %.
- New orders for US manufactured durable goods slumped 1.6 % from a month earlier in February 2019, following a downwardly revised 0.1 % gain in January and compared to market expectations of a 1.8 % fall.
- The Finance Ministry has approved 8.65 % rate of interest on Employees' Provident Fund (EPF) for 2018-19 as decided by retirement fund body EPFO, benefitting more than 6 crore formal sector workers.
- Smartphone shipment in the country grew four % year-on-year to 31 million units in the January-March 2019 quarter, according to a report by Counterpoint Research.
- New orders for U.S.-made capital goods increased by the most in eight months in March, hitting their highest level on record and brightening the outlook for manufacturing and the economy. The Commerce Department said orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, surged 1.3 % to an all-time high of \$70.0 billion, powered by a jump in demand for computers and electronic products. The increase in these so-called core capital goods orders was the biggest since last July and followed a 0.1 % gain in February.
- Japan's industrial output fell in January-March at the fastest pace in almost five years. Industrial output in January-March tumbled 2.6 %, the biggest decline since April-June 2014, data from the Ministry of Economy, Trade and Industry (METI) showed on Friday. That followed a 1.4 % expansion in the previous quarter.



## Equity Market Update

- Election-related jitters, crude oil prices, heightened VIX, rupee movement and April F&O expiry swayed sentiment in the domestic market last week.
- In the last week, the market ended on a flat note after it witnessed a surge in the final hours of trade on April 26 that pushed the S&P BSE Sensex above 39,000. Nifty also managed to reclaim 11,750.
- On a weekly basis, the S&P BSE Sensex closed 0.19 % lower while the Nifty closed flat with a positive bias for the week ended April 26. The final tally – the S&P BSE Sensex rose 336 points to 39,067 while Nifty climbed above 11,700 to close at 11,754, up 112 points.
- Sector Update:** A subdued rupee helped the BSE IT index log gains during the week. The index jumped 3.12 % to 16,044 on April 26 from 15,559 on April 18. The BSE Teck and Oil & Gas indices rallied over 1 % each. On the other hand, subdued quarterly number from auto majors made the BSE Auto index to plummet 5.13 % to 19,164 from 20,201 during the same period. Telecom, Metal and Realty indices lost over 2 % each for the week.
- Broader Markets:** Midcap and smallcap stocks continued to underperform largecaps during the week. The BSE Midcap and Smallcap indices slipped up to 2.07 % during the week.

## Domestic Markets



Index	26-Apr-2019	18-Apr-2019	% Change
BSE Sensex	39067.33	39140.28	-0.19
S&P CNX Nifty	11754.65	11752.8	0.02
CNX Midcap	17727.95	18077.85	-1.94
CNX 500	9689.7	9738.7	-0.5
BSE Smallcap	14813.38	15021.2	-1.38

## Global Markets



Index	26-Apr-2019	18-Apr-2019	% Change
Dow Jones	26543.33	26559.54	-0.06
Nasdaq	8146.4	7998.06	1.85
S&P 500	2939.88	2905.03	1.2
FTSE 100	7428.2	7459.88	-0.42
Shanghai Composite	3086.4	3250.2	-5.04
Hang Sang	29605.01	29963.26	-1.2

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	29381	23661	5720
MF Flows*	11502	16339	-4837

FII and MF data from 18th April to 25th April 2019.

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



Date	Index	Stocks
18-Apr-2019	3324.9	-226.94
22-Apr-2019	3705.76	-542.64
23-Apr-2019	2077.97	346.96
24-Apr-2019	316.59	442.68
25-Apr-2019	-356.43	946.36

## Policy Rates



Key Rates (%)	26-Apr-2019	1 Week Ago	1 Month Ago
Reverse Repo	5.75	5.75	5.75
Repo	6	6	6
CRR	4	4	4
SLR	19.25	19.25	19.25

## Key Rates





## Debt Market Update

- Indian government bonds ended steady for a second straight week, as the central bank's surprise note purchase plan offset losses stemming from surge in crude oil prices to multi-month highs.
- The nation's benchmark 7.26% bond maturing in 2029 settled at 98.97 rupees, yielding 7.41%. The yield fell by one basis point this week, following a one-basis-point rise last week.
- Earlier this week, the central bank announced it will buy bonds under open market operation worth 250 billion rupees in May. The first auction is on May 2. Traders had expected these operations to commence in June.
- The note purchase would be the first such operation this fiscal year that started Apr. 1. The RBI had bought bonds worth 2.99 trillion rupees via OMOs in the last financial year.
- The RBI also conducted its second \$5 billion 3-year dollar-rupee swap auction this week to boost domestic liquidity. The RBI received bids of \$18.7 billion at the swap, more than three times the notified amount of \$5 billion.
- India's federal government sold bonds worth 170 billion rupees on Friday and Treasury Bills worth 200 billion rupees earlier this week. Indian states sold bonds worth 35.03 billion rupees this week.



## Commodity Market Update

### Oil Update:

- U.S. West Texas Intermediate and international-benchmark Brent crude oil futures went on a roller-coaster ride last week before finishing lower. Mixed fundamentals and heavy speculation helped drive the price action in both direction.
- When it was all said and done, crude oil reached six-months highs, but only a few days later was struggling to hold on to its weekly gains. WTI had been on track of its eighth successive weekly gain, the longest weekly run since the first talk of 2015. Brent finished the week only slightly better, eking out a fifth weekly price gain, its longest winning streak in a year.
- For the week, June WTI crude oil settled at \$63.30, down \$0.77 or -1.20% and June Brent crude oil finished the week at \$72.15, up \$0.18 or +0.25%.

### Gold Update:

- Extending its upward trend for second day, the price of gold on Friday surged by Rs 150 to Rs 33,020 per 10 gram in the national capital on a pick-up in buying from jewellers amid firm trend overseas.
- Silver also rose Rs 230 to Rs 38,750 per kg on increased offtake by industrial units and coin makers.
- Silver ready rose by Rs 230 to Rs 38,750 per kg, while weekly-based delivery advanced by Rs 179 to Rs 37,560 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.
- Spot gold gained 0.8 % to \$1,287.62 per ounce, after hitting its highest since April 16 at \$1,288.
- The metal, which reached its lowest since late December on Tuesday at \$1,265.90, is up 1 % so far this week, and set to post its best weekly gain since Feb 1.
- U.S. gold futures rose \$9.10 higher at \$1,288.80.



## Currency Market Update

- The rupee on a weekly basis weakened to 70.01-02 per greenback.
- The rupee rebounded by 23 paise to close at 70.02 against the US dollar on Friday, supported by a drop in crude oil prices and the greenback's weakness against key rivals overseas.
- After rising for the past many weeks, the country's foreign exchange reserves declined by USD 739.2 million to USD 414.147 billion in the week to April 19.
- The dollar index, which measures the greenback against six other major currencies, was 0.2% lower at 98.009. The index, which hit a 23-month high earlier in the session, is up 0.7% for the week.

Key Rates (%)	26-Apr-2019	18-Apr-2019	% Change
Mibor Overnight	6.22	6.1	1.97
CALL (O/N)	6.12	6.07	0.82
CBLO	6.01	5.98	0.5
T Bills Index (12M)	6.47	6.45	0.31
10 Year GSEC	7.41	7.42	-0.13

## Commodity Market



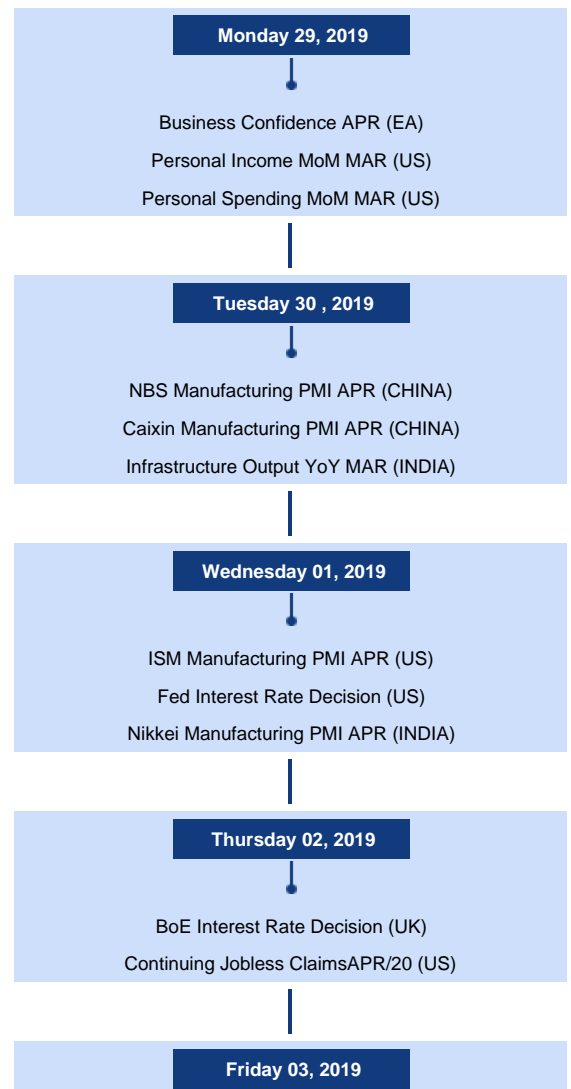
Commodity (INR)	26-Apr-2019	Gain+/Loss-	% Change
Gold (10 gm)	31764	370	1.18
Silver (1 kg)	37532	341	0.92
Crude Oil (\$/barrel)	72.15	0.18	0.25

## Currency Market



Currency	26-Apr-2019	Gain+/Loss-	% Change
USD/INR	70.14	0.72	1.04
EURO/INR	78.13	-0.3	-0.38
GBP/INR	90.53	-0.02	-0.02
JPY/INR	62.8	0.76	1.23

## Upcoming Events



Non Farm Payrolls APR (US)  
 Unemployment Rate APR (US)  
 Markit Services PMI Final APR (US)  
 Markit Composite PMI FinalAPR (US)  
 ISM Non-Manufacturing PMIAPR (US)

## Week Gone By



Events	Actual %	Previous %
Existing Home Sales MoM MAR (US)	5.21M	5.48M
New Home Sales MAR (US)	0.692M	0.662M
Government Budget to GDP2018 (EA)	-0.5	-1.0
Government Debt to GDP 2018 (EA)	85.1	87.1
Consumer Confidence FlashAPR (EA)	-7.9	7.2
API Crude Oil Stock ChangeAPR/19 (US)	6.9M	-3.096M
All Industry Activity Index MoMFEB (JAPAN)	0.2	0.0
Initial Jobless Claims APR/20 (US)	230K	193K
Durable Goods Orders MoMMAR (US)	2.7	-1.1
BoJ Interest Rate Decision (JAPAN)	-0.1	-0.1
Jobs/applications ratio MAR (JAPAN)	1.63	1.63
Unemployment Rate MAR (JAPAN)	2.5	2.3
Retail Sales YoY MAR (JAPAN)	1.0	0.6
GDP Price Index QoQ Adv Q1 (US)	0.6	1.9

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