



## Financial Market & Economy Update

### Domestic Update:

- The growth of eight core sectors slowed down to 2.1 % in February due to fall in output of crude oil and refinery products, official data showed Monday. Eight infrastructure sectors -- coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity -- had expanded by 5.4 % in February 2018. Production of crude oil and refinery products contracted by 6.1 %, and 0.8 %, respectively, in February.
- Revenue collection from Goods and Services Tax (GST) for the month of March was ₹1.06 lakh crore, highest ever in 2018-19, the finance ministry said on Monday.
- Indian equities attracted the biggest foreign money in seven years in March and grabbed a major chunk of inflows into Asia on optimism about the upcoming general election. Overseas investors bought \$4.96 billion worth of Asian shares in March. Indian stock markets received \$4.89 billion, the biggest since February 2012.
- Global rating agency Fitch maintained India's sovereign rating at 'BBB-', the lowest investment grade, with stable outlook.
- The RBI Thursday lowered the GDP growth forecast for the current fiscal to 7.2 % from the earlier estimate of 7.4 % amid probability of El Nino effects on monsoon rains and uncertain global economic outlook.
- The Reserve Bank Thursday cut the retail inflation forecast to 2.9-3 % for the first half of current fiscal, mainly due to lower food and fuel prices as well as expectation of a normal rainy season.
- The Reserve Bank of India (RBI), in its first bi-monthly Monetary Policy Committee (MPC) meeting for FY19-20, decided to cut the policy repo rate by 25 bps from 6.25% to 6%. The RBI has maintained the policy stance at "neutral".
- India's growth is set to pick up and is expected to grow at 7.2 % in the current fiscal on strengthening consumption, Asian Development Bank said in its flagship report released Wednesday.
- Monsoon rains in India are expected to be below normal this year, the country's only private weather forecasting agency said on Wednesday, dampening prospects of higher farm and economic growth in the \$2.6 trillion economy.
- The Nikkei India Manufacturing Purchasing Managers' Index (PMI) declined to 52.6 in March from 54.3 in February, a report said Tuesday.
- India and the Arab World are working towards ensuring long term energy security as well as food security for each other. This was underlined when Minister of Commerce and Industry and Civil Aviation Suresh Prabhu recently met Delhi-based Ambassadors of the Arab countries.
- South Korea's annual inflation rate fell to 0.4 % in March of 2019 from 0.5 % in the previous month.
- World trade shrank by 0.3 % in the fourth quarter of 2018 and is likely to grow by 2.6 % this year, slower than 3.0 % growth in 2018 and below a previous forecast of 3.7 %, the World Trade Organization said on Tuesday.

### Global Update:

- China's foreign exchange reserves rose for a fifth straight month in March, with the increase exceeding expectations, as growing optimism about the prospects for a U.S.-China trade deal offset concerns over slowing economic growth. Chinese reserves, the U.S.'s largest, rose by nearly \$9 billion in March to \$3.099 trillion, its highest since August last year, central bank data showed on Sunday.
- Prime Minister Theresa May Friday wrote to European Council President Donald Tusk seeking a further extension to the UK's Brexit deadline until June 30 to try and find a solution in Parliament to the current impasse over the terms of Britain's exit from the 28-member economic bloc.
- German industrial output rose by 0.7 % in February as mild weather helped a surge in construction activity but manufacturing production dipped.
- The U.S. labor market bounced back strongly in March after a lackluster showing in February. U.S. employers added 196,000 jobs last month, the Labor Department reported Friday. That's a big improvement from February, when revised figures show just 33,000 jobs were added. But it's a slowdown from the last three months of 2018, when monthly job growth averaged 233,000.
- China has unveiled tens of billions of dollars worth of tax and fee cuts as part of a drive to kickstart the stuttering economy, extending pledges worth USD 300 billion announced last month.
- Russia's consumer confidence index declined to -17 in the fourth quarter of 2018 from -14 in the previous three-month period.
- The IHS Markit Germany Construction PMI rose to 55.6 in March 2019 from 54.7 the previous month, signalling the strongest growth in total construction activity since January 2018.
- South Korea's current account surplus narrowed to USD 3.60 billion in February 2019 from USD 3.90 billion in the same month the previous year.
- IHS Markit's Euro Zone Composite Final Purchasing Managers' Index (PMI), considered a good measure of overall economic health, dipped to 51.6 in March from February's 51.9. That was higher than an earlier flash reading of 51.3 but closer to the 50 mark separating growth from contraction.
- The Markit/Nikkei Japan Services Purchasing Managers' Index (PMI) fell to a seasonally adjusted 52.0 in March from 52.3 in February.
- The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) came in at 50.8 for March. A reading below 50 signals contraction, while a reading above that level indicates expansion.
- Euro zone inflation unexpectedly slowed in March, adding to the pressure on the European Central Bank (ECB) as it battles an economic slowdown which threatens to undo years of stimulus. Headline inflation in the 19 countries sharing the euro slowed to 1.4 % in March from 1.5 % a month earlier, short of market expectations for a steady rate and also well below the ECB's target of almost 2 %.

## Domestic Markets



Index	05-Apr-2019	29-Mar-2019	% Change
BSE Sensex	38862.23	38672.91	0.49
S&P CNX Nifty	11665.95	11623.9	0.36
CNX Midcap	18246.35	18258.5	-0.07
CNX 500	9684.95	9663.7	0.22
BSE Smallcap	15045.87	15027.36	0.12

## Global Markets



Index	05-Apr-2019	29-Mar-2019	% Change
Dow Jones	26424.99	25928.68	1.91
Nasdaq	7938.69	7729.32	2.71
S&P 500	2892.74	2834.4	2.06
FTSE 100	7446.87	7279.2	2.3
Shanghai Composite	3246.57	3090.76	5.04
Hang Sang	29936.32	29051.36	3.05

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	37722	28732	8990
MF Flows*	12921	12927	-6

FII & MF data from 29th March to 4th April 2019

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



Date	Index	Stocks
29-Mar-2019	-29.05	542.14
01-Apr-2019	1900.19	359.25
02-Apr-2019	-113.7	648.62
03-Apr-2019	968.72	1386.95
04-Apr-2019	1169.96	-215.38

## Policy Rates



Key Rates (%)	05-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 final Markit/Nikkei Japan Manufacturing Purchasing Managers' Index (PMI) was a seasonally adjusted 49.2, up a tad from February's final 48.9, which was also the flash reading for March.



## Equity Market Update

- Domestic equity market settled in positive territory last week, with the BSE benchmark Sensex index edging up 0.5 % to 38,862.23 and Nifty adding 0.36 % to 11,665.95. This was the seventh consecutive weekly gain for Sensex and eighth for Nifty. The Reserve Bank of India's rate cut, rupee, crude oil and macroeconomic numbers such as PMI prints were the key factors that influenced market last week.
- **Sector Update:** Six of the 11 sectoral gauges advanced during the week, led by a 2.9 % gain in the NSE Nifty Metal Index. On the other hand, the NSE Nifty Media Index was the top loser, down 2.2 %. The Nifty Bank index underperformed the benchmark indices last week and slumped 342 points or 1.1 %.
- **Broader Markets:** BSE Midcap was up 0.19 % while BSE Smallcap was up 0.12 %.
- **Global:** The Dow Jones Industrial Average breached a key resistance at 26,000 by advancing 496 points or 1.9 % to close at 26,424.9. The index now faces next resistance at 26,500.



## Debt Market Update

- Indian government bonds ended largely unchanged in the first week of this financial year despite a rate cut, as the rate-setting panel maintained a neutral stance and traders awaited clarity on future monetary easing.
- The benchmark 7.26% bond maturing in 2029 ended the week at 99.34 rupees, lowest since Mar. 20, yielding 7.35%. The yield ended unchanged from the previous week.
- India's federal government on Friday sold 170 billion rupees of bonds in the maiden auction of this fiscal year. New Delhi is due to gross borrow a total of 4.42 trillion rupees via bonds in April- September, almost 63% of the annual borrowing target of 7.10 trillion rupees, according to the interim budget.



## Commodity Market Update

### Oil Update:

- U.S. West Texas Intermediate and international-benchmark Brent crude oil futures closed higher last week and in a position to do more upside damage this week. Both contracts hit new five-month highs in the process. Furthermore, the markets are seeing increased buying from the hedge and commodity funds now that they have crossed to the strong side of the 200-Day Moving Average.
- Last week, May WTI crude oil futures settled at \$63.08, up \$2.94 or +4.89% and June Brent crude oil futures finished at \$70.34, up \$2.76 or +3.92%.
- The bullish theme continued last week with prices primarily underpinned by the highly successful OPEC-led production cuts that have trimmed the global supply glut while stabilizing prices. Additional support is being provided by the U.S. sanctions against Iran and Venezuela.
- The news over the sanctions against Iran intensified last week when the U.S. said it was reducing the number of waivers, while increasing economic pressure on the rogue nation.
- U.S. economic news was mixed last week but the stronger-than-expected U.S. ISM Manufacturing PMI report may have been enough to dampen worries over a U.S. economic slowdown pressuring demand. Friday's mixed jobs report also reduced those concerns, driving prices higher.
- U.S. energy firms last week increased the number of oil rigs operating for the first time in seven weeks. Companies added 15 oil rigs in the week to April 5, the biggest increase since May 2018, bringing the total count to 831, General Electric's Baker Hughes energy services firm said in its closely followed report on Friday.

### Gold Update:

- In the domestic market, precious metals reflected a similar price trend at the Multi Commodity Exchange of India (MCX). The price of gold futures fell by 3.8% in March to end the month at ₹31,734 per 10 gm. Silver futures at MCX lost 3.5% to settle at ₹37,761 per kg.
- A couple of key factors influenced the price movement of gold in March. The U.S. Federal Reserve's decision to pause interest rate hikes helped gold price seek higher levels. But, the sustained recovery in stock markets globally, along with the firm trend in [U.S.] dollar checked the advance in precious metals in March.
- Over the past few days, the prices of gold and silver have edged lower. Comex gold touched its lowest level since January 25 to \$1,280.59 an ounce, on April 4, 2019. At MCX, gold price is currently trading well below the ₹32,000 /10-gram level.
- Comex gold ended the week at \$1,295.90 an ounce and silver at \$15.09 an ounce. At MCX, gold price firmed up marginally to ₹31,542 per 10-gm while silver closed at ₹37,519 per kg.

Key Rates (%)	05-Apr-2019	29-Mar-2019	% Change
Mibor Overnight	6.04	8.8	-31.36
CALL (O/N)	5.99	6.12	-2.12
CBLO	5.77	6.65	-13.23
T Bills Index (12M)	6.3	6.37	-1.1
10 Year GSEC	7.35	7.35	0

## Commodity Market



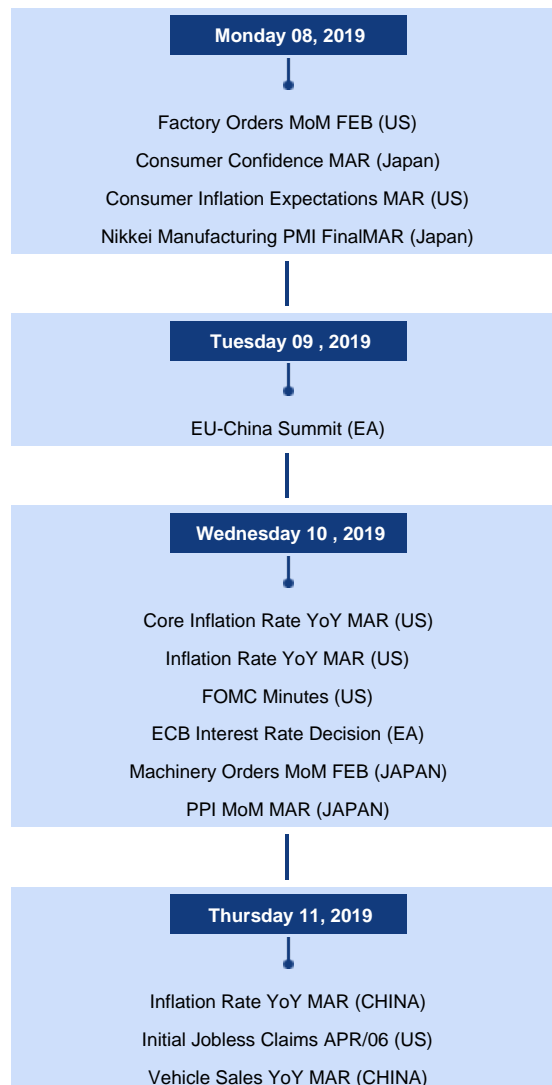
Commodity (INR)	05-Apr-2019	Gain+/Loss-	% Change
Gold (10 gm)	31615	14	0.04
Silver (1 kg)	37561	291	0.78
Crude Oil (\$/barrel)	70.34	1.95	2.85

## Currency Market



Currency	05-Apr-2019	Gain+/Loss-	% Change
USD/INR	69.2	0.03	0.04
EURO/INR	77.73	0.03	0.04
GBP/INR	90.64	0.16	0.18
JPY/INR	61.96	-0.56	-0.9

## Upcoming Events





## Currency Market Update

- The rupee ended lower for the second straight week. The local currency weakened 0.12 % to close at 69.23 against the U.S. dollar.
- The rupee was volatile this week and swayed between 68.37 to 69.30 and closed at 69.22.
- The country's foreign exchange reserves rose to a ten-month high of \$411.91 billion as on March 29, as against \$406.67 billion a week earlier, according to latest data released by the Reserve Bank of India (RBI). Record foreign portfolio investment (FPI) inflows and a \$5 billion rupee-dollar swap window by the central bank added to the forex kitty.
- The Dollar Spot Index ended the week up 0.11% to \$97.395.

Friday 12, 2019

Balance of Trade MAR (CHINA)  
 Exports YoY MAR & Imports YoY MAR (CHINA)  
 Industrial Production MoM FEB (EA)  
 Industrial Production YoY FEB (INDIA)  
 Manufacturing Production YoY FEB (INDIA)  
 Inflation Rate YoY MAR (INDIA)

## Week Gone By



Events	Actual %	Previous %
ISM Manufacturing PMI MAR (US)	55.3	54.2
Retail Sales MoM FEB (US)	-0.2	0.7
Markit Manufacturing PMI FinalMAR (EA)	47.5	49.3
Inflation Rate YoY Flash MAR (EA)	1.4	1.5
Infrastructure Output YoY FEB (India)	2.1	1.5
Caixin Manufacturing PMI MAR (China)	50.8	49.9
Nikkei Manufacturing PMI FinalMAR (Japan)	49.2	48.9
Nikkei Manufacturing PMI MAR (India)	52.6	54.3
Durable Goods Orders MoM FEB (US)	-1.6	0.1
Unemployment Rate FEB (EA)	7.8	7.8
MBA Mortgage Applications29/MAR (US)	18.6	8.9
ISM Non-Manufacturing PMI MAR (US)	57.4	64.7
Markit Composite & Service PMI Final MAR(EA)	51.6&53.3	51.9&52.8
Retail Sales MoM FEB (EA)	0.4	0.9
Caixin Composite & Service PMI MAR (China)	52.9 & 54.4	50.7 & 51.1
Nikkei Services PMI MAR (Japan)	52.0	52.3
Nikkei Services PMI MAR (India)	52.0	52.5
RBI Interest Rate Decision (India)	6.0	6.25
Initial Jobless Claims MAR/30 (US)	202K	212K @
Unemployment Rate MAR (US)	3.8	3.8
Non Farm Payrolls MAR (US)	196K	33K @

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### Risk Factors

