



Financial Market & Economy Update

Domestic Update:

- The country's services sector activity fell to a seven-month low in April owing to softer rise in new business and disruptions arising from the elections, a monthly survey showed Monday. The seasonally adjusted Nikkei India Services Business Activity Index, fell from 52 in March to 51 at the start of the 2019 financial year, pointing to the weakest upturn in output since last September.
- India's steel production fell by about 0.3 % to 27.33 million tonne (MT) during the first quarter of the calendar year 2019, according to data from the World Steel Association.
- India's oil imports from Iran fell about 57 % year-on-year in April, according to tanker arrival data seen by Reuters, the last month when New Delhi was allowed to load Iranian oil ahead of U.S. sanctions stopping purchases of oil from the OPEC member.
- The value of loans in India increased 14.20 % in April of 2019 over the same month in the previous year
- Industrial production in India rose 0.1 % year-on-year in February 2019, following a downwardly revised 1.4 % increase in the previous month and below market expectations of a 2 % gain.
- Manufacturing Production in India decreased 0.30 % in February of 2019 over the same month in the previous year.

Global Update:

- US jobless claims dipped to 2,28,000, a decrease of 2,000 from the previous week's unrevised level of 2,30,000. US trade deficit widened to \$50.0 billion in March from a revised \$49.3 billion in February.
- Japan's consumer confidence weakened to the lowest level in more than three years in April. The consumer confidence index for households with two or more persons fell to a seasonally adjusted 40.4 in April from 40.5 in March.
- China's consumer price index rose 2.5 % year-on-year in April, following a 2.3 % increase in March, in line with economists' expectations. The latest inflation was the highest since last October.
- The euro zone economy limped into the second quarter with lackluster growth as weakness in the manufacturing sector is increasingly affecting the bloc's dominant services industry, a survey showed on Monday. IHS Markit's Euro Zone Composite Final Purchasing Managers' Index (PMI), considered a good measure of overall economic health, dipped to 51.5 in April from March's 51.6.
- Activity in China's services sector further improved in April, with export sales rising at a record pace, a private business survey showed on Monday, although the longer-term outlook for new orders stayed subdued due to global economic uncertainties. The Caixin/Markit services purchasing managers' index (PMI) climbed to 54.5, the highest since January 2018 and slightly up from 54.4 in March. The 50-mark separates growth from contraction. Export orders increased the most since the survey began measuring this in September 2014.
- Japanese manufacturing activity expanded in April for the first time in three months as companies hired more workers and grew more optimistic about the business outlook, a preliminary survey showed on Tuesday. The Markit/Nikkei Japan Flash Manufacturing Purchasing Managers Index (PMI) rose to a seasonally adjusted 50.2 in April from a final 49.2 in the previous month.
- German industrial orders rose less than expected in March following two months of steep declines, data showed on Tuesday, bringing little relief for Europe's largest economy which is facing a sharp slowdown in growth and dwindling tax revenues. Contracts for 'Made in Germany' goods were up 0.6 %, figures from the Federal Statistics Office showed, undershooting a consensus forecast of 1.5 %.
- China's producer price index increased by 0.9 % from a year earlier in April 2019, accelerating from a 0.4 % rise in the previous month and beating market expectations of a 0.6 % gain.
- The US trade deficit widened to USD 50.0 billion in March 2019 from an eight-month low of USD 49.3 billion in the previous month and compared to market expectations of USD 50.2 billion.
- The UK trade deficit shrank to GBP 5.41 billion in March 2019 from an upwardly revised GBP 6.22 billion in the previous month. Exports rose 2.7 % month-over-month to GBP 54.57 billion while imports grew at a slower 1.1 % to GBP 59.97 billion.
- Britain's economy expanded 1.8 % year-on-year in the first quarter of 2019, up from 1.4 % in the previous period and in line with market consensus.
- Industrial production in the United Kingdom rose 1.3 % year-on-year in March of 2019, up from a 0.4 % increase in the previous month and above market expectations of a 0.5 % gain.
- Manufacturing production in the United Kingdom climbed 2.6 % year-on-year in March of 2019, following a 1.2 % rise in the previous month.
- The US annual inflation rate rose to 1.9 % in March 2019 from a two-and-a-half-year low of 1.5 % in the previous month, slightly above market consensus of 1.8 %.



Equity Market Update

- Domestic equity markets witnessed severe selling pressure during the past five trading sessions amid escalating trade tensions between China and the US. As a

Domestic Markets



Index	10-May-2019	03-May-2019	% Change
BSE Sensex	37462.99	38963.26	-3.85
S&P CNX Nifty	11278.9	11712.25	-3.7
CNX Midcap	17029.45	17465	-2.49
CNX 500	9290.2	9624.55	-3.47
BSE Smallcap	14105.73	14548.15	-3.04

Global Markets



Index	10-May-2019	03-May-2019	% Change
Dow Jones	25942.37	26504.95	-2.12
Nasdaq	7916.94	8164	-3.03
S&P 500	2881.4	2945.64	-2.18
FTSE 100	7203.3	7380.6	-2.4
Shanghai Composite	2939.21	3078.34	-4.52
Hang Sang	28550.24	30081.55	-5.09

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	28091	26307	1784
MF Flows*	9429	7161	2268

FII data from 3rd May to 9th May 2019

MF data from 3rd May to 8th May 2019

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
03-May-2019	721.36	614.19
06-May-2019	392.5	-530.95
07-May-2019	-474.67	87.63
08-May-2019	-1866.99	-1076.02
09-May-2019	-21.48	-1111.74
10-May-2019	-1331.95	389.64

Policy Rates



Key Rates (%)	10-May-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



result, BSE Sensex fell 1,500 points, or 3.85 % to 37,463 for the week ended May 10. Likewise, NSE Nifty declined 433 points, or 3.70 % to 11,278.90.

- President Donald Trump earlier in the week shocked global markets by threatening to more than double the tariffs on \$200 billion worth of Chinese exports to 25 % from current 10 %.
- **Broader Markets:** The BSE Mid-Cap fell 393.59 points or 2.66% to settle at 14,389.76. The BSE Small-Cap fell 442.42 points or 3.04% to settle at 14105.73.
- **Sector Update:** Sector-wise, BSE Metal index tumbled the most, down 7 %, for the week ended May 10. It was followed by Power (down 4.89 %), Realty (down 4.78 %), Oil & Gas (down 4.54 %) and Telecom (down 3.57 %). Rest other sectoral indices too ended the week in the red.



Debt Market Update

- Indian government bonds fell for the first time in three weeks, as crude oil prices stayed higher, raising concerns that inflation may accelerate in the months ahead.
- The benchmark 7.26% bond maturing in 2029 ended at 98.94 rupees, yielding 7.41% in Mumbai.
- The yield rose two basis points this week. The Indian rupee posted its biggest weekly fall in four months to end at 69.91 to dollar as trade tensions between U.S. and China heightened.
- New Delhi, which sold 170 billion rupees of bonds at a weekly auction on Friday, is likely to issue a new bond in the 10-year to 14-year maturity segment soon, an official from finance ministry said on Friday.



Commodity Market Update

Oil Update:

- U.S. West Texas Intermediate and international-benchmark Brent crude oil futures finished a little lower last week, but most of the price action was sideways as investors tried to sort out the ever-changing U.S.-China trade story.
- Continuing to underpin prices were the OPEC-led production cuts and the U.S. sanctions against Venezuela and Iran. This news provided steady support throughout the week because these events are helping to keep global supply tight.
- Last week, July WTI crude oil futures settled at \$61.80, down \$0.24 or -0.39% and July Brent crude oil futures finished at \$70.62, down \$0.23 or -0.33%.
- Giving prices a further boost last week was an unexpected drop in U.S. crude inventories. U.S. crude oil stocks fell by 4 million barrels in the week-ended May 3, according to the Energy Information Administration (EIA). Traders were looking for a 1.1 million barrel build.
- The EIA also reported an estimated fall of 600,000 barrels in gasoline inventories after a 900,000-barrel increase two weeks ago. Production in the week to May 3 averaged 10.1 million bpd, versus 9.9 million bpd in the previous week.

Gold Update:

- Amidst expectations of positive outcome of the ongoing trade-negotiations with China and improved employment statistics, gold remained subdued in the global markets during the week ended Saturday.
- Gold ruled at the lower levels and slipped to the psychological low of \$1,278.94. Silver too, declined and closed at \$14.93 per ounce.
- Gold MCX closed at Rs 31,447 (per 10 gms) while Silver MCX at Rs 37,059 (per kg). Platinum and palladium were quoted at Rs 27,050 (per 10 gms) and Rs 30,024 respectively. The stock market scenario remained moderately satisfactory.
- During the week, Standard gold (24 carats) declined by Rs 510 and closed at Rs 31,540 (per 10 gms)



Currency Market Update

- The Indian rupee recorded its worst weekly fall in four months against the dollar, as investors' risk appetite took a hit after the U.S. levied fresh tariffs on Chinese imports even as the world's biggest two economies try to reach agreement on trade issues.
- The rupee, however, ended little changed at 69.91 to a dollar in Mumbai on Friday, against 69.94 at the previous close.
- The rupee fell 1% this week, posting its biggest weekly fall since week ended Jan. 11.
- The dollar index was trading little changed at 97.34, after dropping over one-week low in overnight trade.
- The country's foreign exchange reserves increased by USD 171.9 million to USD 418.687 billion in the week to May 3, mainly on account of a rise in foreign currency assets, RBI data showed Friday.

Key Rates (%)	10-May-2019	03-May-2019	% Change
Mibor Overnight	6.07	6.18	-1.78
CALL (O/N)	5.95	6.03	-1.33
CBLO	5.96	5.83	2.23
T Bills Index (12M)	6.53	6.5	0.46
10 Year GSEC	7.41	7.39	0.27

Commodity Market



Commodity (INR)	10-May-2019	Gain+/Loss-	% Change
Gold (10 gm)	31751	531	1.7
Silver (1 kg)	36983	629	1.73
Crude Oil (\$/barrel)	70.62	-0.23	-0.32

Currency Market



Currency	10-May-2019	Gain+/Loss-	% Change
USD/INR	69.92	0.65	0.94
EURO/INR	78.49	1.15	1.49
GBP/INR	90.93	0.69	0.76
JPY/INR	63.72	1.59	2.56

Upcoming Events



Thursday 16, 2019

Balance of Trade MAR (EA)
Initial Jobless Claims MAY/11 (US)

Friday 17, 2019

Wholesale Prices YoY APR (GERMANY)
Wholesale Prices MoM APR (GERMANY)
Core Inflation Rate YoY Final APR (EA)
Inflation Rate YoY Final APR (EA) Inflation
Rate MoM APR (EA)
Foreign Exchange ReservesMAY/10 (INDIA)

Week Gone By



Events	Actual %	Previous %
Caixin Composite PMI APR (CHINA)	52.7	52.9
Caixin Services PMI APR (CHINA)	54.5	54.4
Nikkei Services PMI APR (INDIA)	51.0	52.0
Markit Composite PMI Final APR (EA)	51.5	51.6
Markit Services PMI Final APR (EA)	52.8	53.3
Nikkei Manufacturing PMI FinalAPR (JAPAN)	50.2	49.2
Nikkei Services PMI APR (JAPAN)	51.8	52.0
Balance of Trade APR (CHINA)	\$13.84B	\$32.67B
Exports & Import YoY APR (CHINA)	-2.7 & 4	14.2 & -7.6
Inflation Rate YoY APR (CHINA)	2.5	2.3
Consumer Confidence APR (JAPAN)	40.4	40.5
Exports & Import March (US)	\$211.97B & \$261.97B	\$209.91B & \$259.19B
Balance of Trade MAR (US)	-\$50B	-\$49.3B
Initial Jobless Claims MAY/04 (US)	228K	230K
Balance of Trade MAR (GERMANY)	€22.7B	€18.0B
Exports & Imports MoM s.a MAR (GERMANY)	1.5 & 0.4	-1.2 & -1.6
Industrial Production MoM MAR (GREAT BRITAIN)	0.7	0.6
Industrial Production YoY MAR (GREAT BRITAIN)	1.3	0.4
Manufacturing Production MoM MAR (GREAT BRITAIN)	0.9	1.0
Manufacturing Production YoY MAR(GREAT BRITAIN)	2.6	1.2
Balance of Trade MAR (GREAT BRITAIN)	£-5.408B	£-6.219B
GDP MoM MAR	-0.1	-0.2

(GREAT BRITAIN)		
GDP YoY MAR (GREAT BRITAIN)	1.9	2.0
Industrial Production YoY MAR (INDIA)	-10.0	0.1
Manufacturing Production YoY MAR (INDIA)	-0.4	-0.4
Inflation Rate YoY APR (US)	1.9	2.1

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