



## Financial Market & Economy Update

### Domestic Update:

- The Indian economy advanced 5.8 % year-on-year in the first quarter of 2019, slowing from a 6.6 % expansion in the previous period and missing market expectations of 6.3 %.
- The eight core sector industries witnessed a slowdown in April, with growth rate slipping to 2.6 %. There was, however, some relief on the government finances front, as the fiscal deficit for 2018-19 remained within the revised Budget target of 3.4 % of the GDP.
- Construction output in India increased 2.60 % in April of 2019 over the same month in the previous year.
- Kerala will levy a 1% cess on most goods and services in the state from 1 June to raise funds to rebuild the state from the devastation wreaked by last year's floods.
- India has moved up one place to rank as the world's 43rd most competitive economy on the back of its robust economic growth, a large labour force and its huge market size, while Singapore has topped the US to grab the top position, a global study showed.
- India's crude steel output remained almost flat at 8.662 million tonne (MT) during April 2019. The domestic crude steel production stood at 8.653 MT during April 2018.

### Global Update:

- The Official NBS Manufacturing PMI in China fell to 49.4 in May 2019 from 50.1 in the previous month and worse than market expectations of 49.9.
- The GfK consumer confidence index in the UK climbed to -10 in May 2019, after remained unchanged for three months at -13.
- The official Non-Manufacturing PMI in China stood at 54.3 in May 2019, unchanged from the previous month and matching market consensus.
- The Consumer Confidence Index in Japan fell unexpectedly to 39.4 in May 2019 from 40.4 in the previous month, against market expectations of 40.6.
- U.S. economic growth accelerated in the first quarter, the government confirmed on Thursday. Gross domestic product increased at a 3.1% annualized rate, the government said in its second reading of first-quarter GDP. That was slightly down from the 3.2% pace estimated last month.
- The GfK consumer sentiment indicator for Germany dropped unexpectedly to 10.1 heading into June 2019 from a downwardly revised 10.2 in the previous month and missing market estimates of 10.4.
- Loans to households in the Euro Area increased 3.4 % from a year earlier to EUR 6.08 trillion in April 2019, after an upwardly revised 3.3 % rise in the previous month and beating market expectations of a 3.3 % gain.
- The Business Climate Indicator (BCI) for the Euro Area declined to 0.3 in May 2019 from 0.42 in the previous month and below market expectations of 0.4.
- German unemployment unexpectedly rose for the first time in nearly two years in May, data showed on Wednesday. The number of people out of work rose by 60,000 to 2.279 million in seasonally adjusted terms, according to the Federal Labour Office.
- Profits for China's industrial firms shrank in April as slowing manufacturing activity halted the previous month's surge. Industrial profits dropped 3.7% year-on-year to 515.4 billion yuan (\$74.80 billion) in April, partly due to a high base of comparison in the previous year.
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## Equity Market Update

- Indian stock markets ended highly volatile week with marginal gains, with Sensex and Nifty managed to continue their gaining momentum for the third consecutive week that ended May 31.
- The Indian benchmarks, Sensex and Nifty, were range-bound during the week and settled with 0.7 % gain, helped by buying across technology, private banks and energy space. The Sensex ended 279.48 points higher at 39,714.2, while Nifty ended at 11,922.8, up 78.7 points in the last week.
- The equity benchmark indices ended a highly volatile week on a positive note with the BSE Sensex and Nifty closing higher by 0.7 % each. However, uncertain global cues induced volatility and restricted further upside.
- Broader Markets:** The broader market indices outperformed the benchmark, with BSE Midcap & Smallcap registering healthy gains of 1 % and 1.1 % respectively.
- Sector Update:** Among Sectoral Index Nifty Auto & Nifty PSU Bank fell by 3.37% and 2.38% respectively, whereas Nifty Energy and Nifty IT index rose by 1.8% and 3.79% during the week.

## Domestic Markets



Index	31-May-2019	24-May-2019	% Change
BSE Sensex	39714.2	39434.72	0.71
S&P CNX Nifty	11922.8	11844.1	0.66
CNX Midcap	17959.05	17699.8	1.46
CNX 500	9805.05	9722.05	0.85
BSE Smallcap	14867.04	14699.56	1.14

## Global Markets



Index	31-May-2019	24-May-2019	% Change
Dow Jones	24815.04	25585.69	-3.01
Nasdaq	7453.15	7637.01	-2.41
S&P 500	2752.06	2826.06	-2.62
FTSE 100	7161.71	7277.73	-1.59
Shanghai Composite	2898.7	2853	1.6
Hang Sang	26901.09	27353.93	-1.66

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	56528	45121	11407
MF Flows*	21564	22934	-1370

FII data from 23rd To 30th May 2019

MF data from 22nd to 30th May 2019

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



Date	Index	Stocks
23-May-2019	5008.59	-238.6
24-May-2019	3003.46	-323.97
27-May-2019	822.44	-361.93
28-May-2019	-1300.67	141.16
29-May-2019	1758.83	-807.69
30-May-2019	4246.62	1262.37

## Policy Rates



Key Rates (%)	31-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





## Debt Market Update

- Indian government bonds jumped this month, with the 10-year yield posting its biggest monthly fall in 30 months, as a second term for Prime Minister Narendra Modi-led alliance spurred foreign purchases, while lower oil prices improved inflation outlook.
- The benchmark 7.26% bond maturing in 2029 ended at 101.56 rupees, its highest since issuance on Jan. 11, yielding 7.03%, in Mumbai. The yield ended at its lowest since Dec. 6, 2017, and posted its biggest single session fall in over five months.
- The yield fell 19 basis points this week, its biggest weekly fall since April 2018, while it posted a monthly fall of 38 basis points, the biggest since November 2016.



## Commodity Market Update

### Oil Update:

- Oil prices lost ground for the week ending May 31, with the price of West Texas Intermediate (WTI) for July delivery down 8.75 % and Brent crude oil for July delivery down 6.11 %, as investors were concerned about trade tensions between the United States and other countries.
- WTI closed the week at 53.5 U.S. dollars a barrel on the New York Mercantile Exchange, while Brent crude finished the week at 64.49 dollars a barrel on the London ICE Futures Exchange. WTI and Brent have increased 17.82 % and 19.68 %, respectively, so far this year.
- During the week, WTI and Brent moved in the same direction. The decrease of oil prices showed that oil traders were more concerned about the escalation of U.S.-Mexico trade tensions, which could result in global economic slowdown and weakening demand for energy.

### Gold Update:

- In the domestic market, the precious metals reflected a similar price trend at the Multi Commodity Exchange (MCX), India.
- The price of gold futures at the Multi Commodity Exchange (MCX), closed on a firm note at ₹32,237 per 10 gram. Silver futures at MCX settled at ₹36,430 per kg. After a brief rally early in May, the price of gold and silver eased during the middle of the month. The escalation in the U.S.-China trade dispute weighed on stock markets globally boosting demand for precious metals during the early in part of May 2019. This, in turn, boosted the demand for precious metals. The trend in precious metals weakened in during the middle of the month only to recover sharply in the last week of May.
- Gold price at the Comex closed at a seven-week peak of \$1,311.1 an ounce at the end of May. The price of silver, however, did not reflect the same buoyancy and it closed at \$14.57 an ounce by the end of May 2019. This represents a month-on-month fall of about 2.2% while gold gained almost 2% in May.



## Currency Market Update

- On the currency front, the rupee last week weakened by 15 paise to close at 69.68 against the US dollar from its previous week's close of 69.53 per greenback.
- Foreign Exchange Reserves in India increased to 419990 USD Million in May 24 from 418000 USD Million in the previous week.
- The US Dollar Index (DXY) pulled down on Friday to trade at around 97.70. The US Dollar currency index measures the performance of the greenback against a basket of six major currencies and a move downwards indicates that it has weakened against its rivals.

Key Rates (%)	31-May-2019	24-May-2019	% Change
Mibor Overnight	6	6	0
CALL (O/N)	5.92	5.88	0.68
CBLO	5.94	5.92	0.34
T Bills Index (12M)	6.22	6.37	-2.35
10 Year GSEC	7.03	7.23	-2.77

## Commodity Market



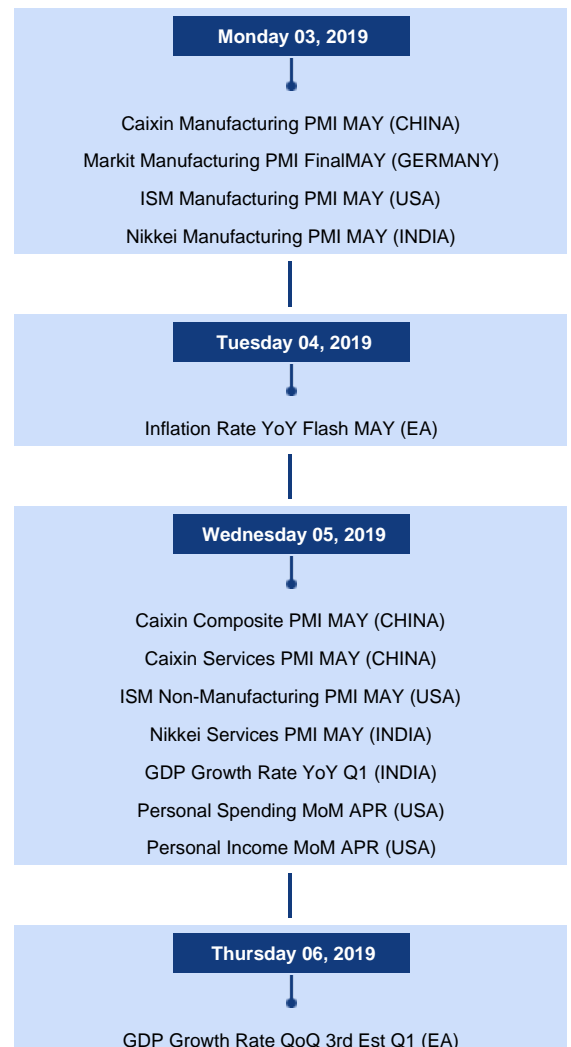
Commodity (INR)	31-May-2019	Gain+/Loss-	% Change
Gold (10 gm)	32056	465	1.47
Silver (1 kg)	36357	14	0.04
Crude Oil (\$/barrel)	64.49	-4.2	-6.11

## Currency Market



Currency	31-May-2019	Gain+/Loss-	% Change
USD/INR	69.81	0.2	0.29
EURO/INR	77.73	-0.24	-0.31
GBP/INR	88.01	-0.29	-0.33
JPY/INR	64.08	0.53	0.83

## Upcoming Events



Balance of Trade APR (USA)

Cash Reserve Ratio (INDIA)

Friday 07, 2019

Balance of Trade APR (GERMANY)

Non Farm Payrolls MAY (USA)

Foreign Exchange ReservesMAY/31 (INDIA)

Deposit Growth YoY MAY/24 (INDIA)

Bank Loan Growth YoY MAY/24 (INDIA)

## Week Gone By



Events	Actual %	Previous %
GfK Consumer Confidence JUN (GERMANY)	10.1	10.2
Business Confidence MAY (EA)	0.3	0.42
GDP Growth Rate QoQ Final Q1 (FRANCE)	0.3	0.4
GDP Growth Rate QoQ 2nd Est Q1 (USA)	3.1	2.2
Gfk Consumer Confidence MAY (GREAT BRITAIN)	-10.0	-13
NBS Manufacturing PMI MAY (CHINA)	49.4	50.1
Consumer Confidence MAY (JAPAN)	39.4	40.4
Foreign Exchange ReservesMAY/24 (INDIA)	\$419.99B	\$418B
Infrastructure Output YoY APR (INDIA)	2.6	4.9
GDP Growth Rate YoY Q1 (INDIA)	5.8	6.6
Personal Spending MoM APR (USA)	0.3	1.1
Personal Income MoM APR (USA)	0.5	0.1

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