



Financial Market & Economy Update

Domestic Update:

- India has raised its import duty on wheat to 40 % from 30 %, the government said, as the world's No. 2 producer of the grain tries to support local farmers.
- The growth of eight core sectors improved marginally to 4.7 % in March 2019 against 4.5 % in the same month last year. For the full 2018-19 fiscal, the expansion rate of eight infrastructure sectors -- coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity -- remained flat at 4.3 %, official data released Tuesday showed.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) declined from 52.6 in March to 51.8 in April.
- Revenue from goods and services tax (GST) witnessed 10% growth from the year-ago period at ₹1.13 trillion in April, the highest ever since the implementation of the indirect tax system on 1 July 2017. The revenue in April 2018 was Rs 1,03,459 crore.
- India is ready to deal with the impact of U.S. sanctions against Iran and will get extra supplies from other oil producing countries to compensate for loss of Iranian oil, foreign ministry spokesman Raveesh Kumar told a news conference on Thursday.
- Indian real estate sector attracted investment of Rs 17,682 crore in the January-March period, highest quarterly funding since 2008, on strong inflows from foreign investors in commercial assets.

Global Update:

- Factory activity in China expanded for a second straight month in April but at a much slower pace than expected, an official survey showed on Tuesday, suggesting the economy is still struggling for traction despite a flurry of support measures. The official Purchasing Managers' Index (PMI) for manufacturing fell to 50.1 in April from March's reading of 50.5, which was the first expansion in four months, data from the statistics bureau showed.
- Consumer Confidence in the UK remained unchanged at -13 in April. The general economic situation of the country during the last 12 months increased by three points and expectations for the general economic situation over the next 12 months have two points to -34.
- The Official NBS Manufacturing PMI in China fell unexpectedly to 50.1 in April 2019 from a five-month high of 50.5 in the previous month and missing market expectations of 50.5. Both output (52.1 vs 52.7 in March) and new orders (51.4 vs 51.6) rose at softer paces, while buying levels was little-changed from the previous month (51.1 vs 51.2).
- The Bank of England lifted its growth forecasts on Thursday but warned Brexit continued to cloud the outlook for Britain's economy and said there was little immediate risk from waiting for a clearer view before raising interest rates. The BoE upgraded its forecast for growth in the world's fifth-largest economy to 1.5 %, up from the decade-low 1.2 % it predicted in February, largely reflecting better global economic prospects.
- Euro zone factory activity contracted for a third month in April, hurt by weak global demand, rising trade protectionism and concerns over Britain's upcoming departure from the European Union, a survey showed on Thursday. IHS Markit's April final manufacturing Purchasing Managers' Index registered 47.9, beating March's six-year low of 47.5 and just above a flash estimate of 47.8. But that was its third month below the 50-mark separating growth from contraction.
- U.S. manufacturing activity slowed to a 2-1/2-year low in April amid a sharp drop in new orders while construction spending unexpectedly fell in March, suggesting economic growth was moderating after surging in the first quarter. The ISM said its index of national factory activity fell to 52.8 in April, the lowest reading since October 2016, from 55.3 in March. A reading above 50 indicates expansion in the manufacturing sector, which accounts for about 12 % of the U.S. economy.
- Federal Reserve officials left their main interest rate unchanged and continued to pledge patience as they grappled with conflicting currents in the US economy.
- The IHS Markit/CIPS UK Services PMI rose to 50.4 in April 2019 from 48.9 in the previous month, slightly below market expectations of 50.5. The latest reading pointed to an expansion in the services sector, after its first contraction since July 2016 in March.
- Core consumer prices in the Euro Area increased 1.20 % in April of 2019 over the same month in the previous year.
- The IHS Markit US Composite PMI fell to 52.8 in April 2019 from 54.6 in the previous month, a flash estimate showed.



Equity Market Update

- The market remained in consolidation mode throughout the week and ended flat for the week ended May 3.
- For the week gone by, BSE Sensex fell 104.07 points, or 0.27 %, to 38,963, while NSE's Nifty50 fell 42.40 points, or 0.6 %, to 11,712.
- Broader Markets:** The broader markets underperformed as BSE Midcap index shed 1.86 %, Smallcap Index fell 1.79 % and Largecap Index was down 0.41 % in the week gone by.
- Sector Update:** Among sectors, FMCG, IT, pharma lost more than 2 %, while metal

Domestic Markets



Index	03-May-2019	26-Apr-2019	% Change
BSE Sensex	38963.26	39067.33	-0.27
S&P CNX Nifty	11712.25	11754.65	-0.36
CNX Midcap	17465	17727.95	-1.48
CNX 500	9624.55	9689.7	-0.67
BSE Smallcap	14548.15	14813.38	-1.79

Global Markets



Index	03-May-2019	26-Apr-2019	% Change
Dow Jones	26504.95	26543.33	-0.14
Nasdaq	8164	8146.4	0.22
S&P 500	2945.64	2939.88	0.2
FTSE 100	7380.6	7428.2	-0.64
Shanghai Composite	3078.34	3086.4	-0.26
Hang Sang	30081.55	29605.01	1.61

*Shanghai Composite data as on 30th April 2019

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	18609	18815	-206
MF Flows*	7550	6739	811

*FII and MF data from 26th April to 2nd May 2019

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
26-Apr-2019	1906.03	1155.12
30-Apr-2019	-427.3	95.23
02-May-2019	-239.14	368
31-Dec-1899	0	0
31-Dec-1899	0	0

Policy Rates



Key Rates (%)	03-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



- and energy index seen some buying.
- Stock markets from around the world rose on Friday as a better than expected United States payroll report boosted sentiment.
- Global Markets:** The pan-European STOXX 600 index rose 0.39 % and MSCI's gauge of stocks across the globe gained 0.75 %.
- On Wall Street, the Dow Jones Industrial Average rose 209.15 points, or 0.8%, to 26,516.94, the S&P 500 gained 27.94 points, or 0.96%, to 2,945.46, and the Nasdaq Composite added 117.69 points, or 1.46%, to 8,154.46.

Key Rates (%)	03-May-2019	26-Apr-2019	% Change
Mibor Overnight	6.18	6.22	-0.64
CALL (O/N)	6.03	6.12	-1.47
CBLO	5.83	6.01	-3
T Bills Index (12M)	6.5	6.47	0.46
10 Year GSEC	7.39	7.41	-0.27



Debt Market Update

- Indian government bonds settled higher for the week, as crude oil prices fell for the first time in six weeks, while the central bank's open market purchase of notes also aided.
- The benchmark 7.26% bond maturing in 2029 ended at 99.08 rupees, yielding 7.39% in Mumbai. The benchmark yield fell two basis points this week after falling one basis point last week.
- The Reserve Bank of India purchased bonds worth 125 billion rupees thursday, the first such auction for this fiscal year that started Apr. 1. It will purchase notes worth similar quantum again this month.



Commodity Market Update

Oil Update:

- Rising U.S. stockpiles and an easing of supply concerns were two factors that drove U.S. West Texas Intermediate and international-benchmark Brent crude oil futures lower last week.
- Continuing to underpin prices were the OPEC-led supply cuts and the U.S. sanctions against Venezuela and Iran, but another jump in U.S. production combined with speculation that Saudi Arabia and its allies would increase output to make up any shortfalls from the expanded sanctions against Iran and worries that Russia would end its participation in the plan to trim global supplies, outweighed any potentially bullish news
- Last week, June WTI crude oil settled at \$61.94, down \$1.36 or -2.15% and July Brent crude oil finished at \$70.85, down \$0.78 or -1.10%

Gold Update:

- Gold demand was robust in India and Singapore this week as a correction in prices ahead of a key gold-buying festival boosted purchases even as major centres like China and Japan were closed for most of the week due to holidays. Local gold futures MAUc1 fell to 31,250 rupees per 10 grams on Thursday, the lowest since December 21.
- In India, dealers were charging a premium of up to \$2 an ounce over official domestic prices this week, unchanged from last week. The domestic price includes a 10 % import tax and a 3 % sales tax.
- Meanwhile, comparatively lower prices this week supported demand in other Asian centres as well, with premiums in Singapore staying around \$1 an ounce, unchanged from last week.
- Spot gold XAU= is down about 1.1 % so far this week.



Currency Market Update

- In the last week the rupee climbed 80 paise to close at 69.22 per dollar. The Indian currency has recorded a second consecutive week of gains.
- Foreign exchange (forex) reserves of the country increased by \$4.368 billion during the week ended April 26, official data showed on Friday.
- The dollar index, which measures the greenback against six major peers, decreased 0.31 % at 97.5208 in late trading.

Commodity Market



Commodity (INR)	03-May-2019	Gain+/Loss-	% Change
Gold (10 gm)	31220	-174	-0.55
Silver (1 kg)	36354	-837	-2.25
Crude Oil (\$/barrel)	70.85	-1.12	-1.56

Currency Market



Currency	03-May-2019	Gain+/Loss-	% Change
USD/INR	69.27	-0.87	-1.24
EURO/INR	77.34	-0.79	-1.01
GBP/INR	90.24	-0.29	-0.32
JPY/INR	62.13	-0.67	-1.07

Upcoming Events



Monday 06, 2019

Caixin Composite PMI APR (CHINA)
 Caixin Services PMI APR (CHINA)
 Nikkei Services PMI APR (INDIA)
 Markit Composite PMI Final APR (EA)
 Markit Services PMI Final APR (EA)
 Markit Services PMI Final APR (EA)

Tuesday 07, 2019

Nikkei Manufacturing PMI Final APR (JAPAN)

Wednesday 08, 2019

Nikkei Services PMI APR (JAPAN)
 Balance of Trade APR (CHINA)
 Exports & Import YoY APR (CHINA)

Thursday 09, 2019

Inflation Rate YoY APR (CHINA)
 Consumer Confidence APR (JAPAN)
 Exports & Import March (US)
 Balance of Trade MAR (US)

Friday 10, 2019

Balance of Trade MAR (GERMANY)
 Exports & Imports MoM s.a MAR (GERMANY)
 Industrial Production MoM MAR (GREAT BRITAIN)
 Industrial Production YoY MAR (GREAT BRITAIN)
 Manufacturing Production MoM MAR (GREAT BRITAIN)
 Manufacturing Production YoY MAR(GREAT BRITAIN)
 Balance of Trade MAR (GREAT BRITAIN)
 GDP MoM MAR (GREAT BRITAIN)
 GDP YoY MAR (GREAT BRITAIN)
 Industrial Production YoY MAR (INDIA)
 Manufacturing Production YoY MAR (INDIA)
 Inflation Rate YoY APR (US)

Week Gone By



Events	Actual %	Previous %
Business Confidence APR (EA)	0.42	0.54
Personal Income MoM MAR (US)	0.1	0.2
Personal Spending MoM MAR (US)	0.9	0.1
NBS Manufacturing PMI APR (CHINA)	50.1	50.5
Caixin Manufacturing PMI APR (CHINA)	50.2	50.8
Infrastructure Output YoY MAR (INDIA)	4.7	2.2
ISM Manufacturing PMI APR (US)	52.8	55.3
Fed Interest Rate Decision (US)	2.5	2.5
Nikkei Manufacturing PMI APR (INDIA)	51.8	52.6
BoE Interest Rate Decision (UK)	0.75	0.75
Continuing Jobless Claims APR/20 (US)	1671K	1654K
Non Farm Payrolls APR (US)	263K	189K
Unemployment Rate APR (US)	3.6	3.8
Markit Services PMI Final APR (US)	53.0	55.3
Markit Composite PMI Final APR (US)	53.0	54.6
ISM Non-Manufacturing PMI APR (US)	55.5	56.1

Disclaimer

The information contained in this material are extracted from different public sources and does not represent views/opinions of Kotak Mahindra Asset Management Company Limited or its associated companies. Kotak Mahindra Asset Management Co Ltd does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. All reasonable care has been taken to ensure that the information contained herein is not misleading or untrue at the time of publication. This is not a sales literature and all the information is for the information of the person to whom it is provided without any liability whatsoever on the part of Kotak Mahindra Asset Management Co Ltd or any associated companies or any employee thereof.

Risk Factors

Mutual fund investments are subject to market risks, read all scheme related documents carefully.