



## Financial Market & Economy Update

### Domestic Update:

- Reserve Bank Of India (RBI) cut its Reverse repo rate cut by 25 basis points and also announced various other measures like LTRO to boost liquidity in the system. RBI is aiming to maintain liquidity in the system, to facilitate and incentivise bank credit flows, to ease financial stress and to enable formal working of markets. RBI noted that economic activities have come to a standstill during lockdown. A Rs 50,000 crore special finance facility is to be provided to financial institutions such as Nabard, Sidbi and NHB. RBI would conduct TLTRO 2.0 operations of Rs 50,000 crore. The LCR requirement of scheduled commercial banks being brought down from 100% to 80% with immediate effect.
- The Reserve Bank of India (RBI) has decided that in respect of all accounts for which lending institutions decide to grant moratorium or deferment, and which were standard as on March 1, 2020, the 90-day NPA norms shall exclude the moratorium period, i.e., there would be an asset classification standstill for all such accounts from March 1, 2020 to May 31, 2020.
- All India financial institutions (AIFIs) such as the National Bank for Agriculture and Rural Development (NABARD), the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) play an important role in meeting the long-term funding requirements of agriculture and the rural sector, small industries, housing finance companies, NBFCs and MFIs. These All India Financial Institutions raise resources from the market through specified instruments allowed by the Reserve Bank, in addition to relying on their internal sources.
- India is expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 7.4% in 2021-22, noted the RBI Governor Shaktikanta Das.
- The income tax department has issued over 10 lakh refunds worth Rs 4,250 crore in the last one week after the government's April 8 decision to issue all refunds up to Rs 5 lakh.
- India's merchandise exports shrank by more than one-third from a year ago, hit by a fall in global demand and shipments due to the new coronavirus, and analysts warned of a grim outlook for exports in 2020 as global economic activity collapses. Merchandise exports fell 34.6% to \$21.41 billion in March from a year earlier, while imports were down 28.7% to \$31.16 billion during the same period, a trade ministry statement said on Wednesday.
- The India Meteorological Department (IMD) announced that it expects monsoon rainfall to be normal this year, media reports noted. Southwest monsoon seasonal (June to September) rainfall over the country as a whole is likely to be normal (96-104%), the IMD said in its first stage Long Range Forecast (LRF). The monsoon seasonal (June to September) rainfall is likely to be 100% of the Long Period Average (LPA) with a model error of 5%. The LPA of the season rainfall over the country as a whole for the period 1961-2010 is 88 cm.
- The official Wholesale Price Index for ~All Commodities~ (Base: 2011-12=100) for the month of March, 2020 declined by 0.90% to 121.1 (provisional) from 122.2 (provisional) for the previous month. The annual rate of inflation, based on monthly WPI, stood at 1.00% (provisional) for the month of March, 2020 (over March, 2019) as compared to 2.26% (provisional) for the previous month and 3.10% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 1.00% compared to a build-up rate of 3.10% in the corresponding period of the previous year.
- WPI Food Index based on WPI Food Index decreased from 7.31% in February, 2020 to 5.49% in March, 2020. For the month of January, 2020 the final Wholesale Price Index for ~All Commodities~ (Base: 2011-12=100) stood at 123.4as compared to 122.9 (provisional) and annual rate of inflation based on final index stood at 3.52% as compared to 3.10% (provisional) respectively as reported on 14.02.2020.
- International Monetary Fund (IMF) cut Indian economic growth to 1.9% this year, a sharp slowing from the 4.2% expansion logged last year and from 5.8% projected in January. The coronavirus pandemic came at a time when India's economy was already slowing, due to persistent financial sector weaknesses. The severe disruption of economic activities caused by covid-19, both through demand and supply shocks, has overtaken the incipient recovery in the Indian economy leading to massive job losses.
- The domestic automobile industry produced a total 1,447,345 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in March 2020, as against 2,180,203 in March 2019 with a degrowth of (-) 33.61%. Passenger Vehicles sales was 143,014 units in March 2020, compared to 291,861 units in March 2019 marking a decrease by (-) 51%.
- Retail inflation eased to 5.91 per cent in March over the previous month, mainly due to easing food prices, government data showed on Monday. The retail inflation based on Consumer Price Index (CPI) was 6.58 per cent in February 2020 and 2.86 per cent in March 2019.

### Global Update:

- China's economy contracted for the first time on record in the first quarter as the coronavirus shut down factories and shopping malls and put millions out of work. Gross domestic product (GDP) fell 6.8% in January-March year-on-year, official data showed on Friday, a slightly larger decline than the 6.5% forecast by analysts and reversing a 6% expansion in the fourth quarter of 2019.
- China's daily crude oil throughput in March sank to a 15-month low with state refiners maintaining deep output cuts as the coronavirus pandemic erodes demand, but there are some signs of recovery as the country begins to ease virus-related curbs. Crude runs over the period came in at 149.28 million tonnes, or about 11.98 million barrels per day (bpd), down 4.6% from a year earlier, National Bureau of Statistics data shows.
- U.S. retail sales suffered a record drop in March and output at factories declined by the most since 1946, buttressing analysts' views that the economy contracted in the first quarter at its sharpest pace in decades as extraordinary measures to control the spread of the novel coronavirus shut down the country. Retail sales plunged 8.7% last month, the biggest decline since the government started tracking the series in 1992, the Commerce Department said. Data for February was revised slightly up to show retail sales slipping 0.4% instead of falling 0.5% as previously reported.
- China's annual inflation rate fell to 4.3% in March 2020 from 5.2% in February and compared with market consensus of 4.8%.
- US core consumer prices, excluding volatile items such as food and energy, increased 2.1 percent from a year earlier in March 2020, the lowest since June

## Domestic Markets



Index	17-Apr-2020	09-Apr-2020	% Change
BSE Sensex	31588.72	31159.62	1.38
S&P CNX Nifty	9266.75	9111.9	1.7
CNX Midcap	13046.8	12553.5	3.93
CNX 500	7614.4	7441.65	2.32
BSE Smallcap	10800.91	10293.75	4.93

## Global Markets



Index	17-Apr-2020	09-Apr-2020	% Change
Dow Jones	24242.49	23719.37	2.21
Nasdaq	8650.14	8153.58	6.09
S&P 500	2874.56	2789.82	3.04
FTSE 100	5787	5842.7	-0.95
Shanghai Composite	2838.5	2796.63	1.5
Hang Sang	24380	24300.33	0.33

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	31982	32839	-857
MF Flows*	6965	11224	-4259

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



Date	Index	Stocks
09-Apr-2020	1517.61	489.15
13-Apr-2020	-169.39	435.37
15-Apr-2020	1376.63	-247.02
16-Apr-2020	1197.29	613.18
31-Dec-1899	0	0

## Policy Rates



Key Rates (%)	17-Apr-2020	1 Week Ago	1 Month Ago
Reverse Repo	3.75	4	4.9
Repo	4.4	4.4	5.15
CRR	3	3	4
SLR	18	18	18.5

## Key Rates



- 2019 and below market consensus of a 2.3 percent advance.
- Annual inflation rate in the US fell to 1.5% in March of 2020 from 2.3% in February and slightly lower than market expectations of 1.6%.



## Equity Market Update

- The market registered gains for the second consecutive week that ended on April 17, following positive global cues on expectations that infections may be peaking out in Europe and that US may be easing the lockdown.
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- While the Nifty50 climbed 1.7 percent to 9,266.75, the BSE Sensex rose 1.38 percent to 31,588.72 during the volatile week, taking total recovered gains to 22 percent from lows touched on March 23.
- Broader Markets:** S&P BSE Smallcap index and the S&P BSE Midcap index was up 3.96 percent
- Sector Update:** On the sectoral front, Nifty Metal has outperformed other indices with gain of 6.5 percent followed by Nifty Private Bank Index (up 4.8 percent) and Nifty Infra (up 4 percent).



## Debt Market Update

- The Reserve Bank of India has bought government bonds and treasury bills from the secondary market for the first time this year to push the yields down amid rising worries about a blow out of fiscal deficit as the government spends to cushion the loss of economic activity due to the lockdown.
- 10yr G SEC ended the week at 6.35%.



## Commodity Market Update

### Oil Update:

- U.S. West Texas Intermediate and International-benchmark Brent crude oil futures finished lower last week as the hopes created by a massive production cut fizzled nearly before the ink dried on the OPEC+ deal. Meanwhile, the coronavirus continued to destroy demand, putting the existence of a few U.S. energy companies at risk.
- Last week, June WTI crude oil settled at \$25.03, down \$4.23 or -14.46% and June Brent crude oil finished at \$28.08, down \$3.66 or -13.03%.

### Gold Update:

- It has been a volatile week for gold in India. After futures gold rates on MCX hit a new intra-day high of ₹47,327 per 10 gram on Thursday, the next day, prices fell 3.3% or ₹1,573 per gram to end at ₹45,685.
- A similar trend was seen in global markets. On Friday, gold fell as much as 2% to below \$1,700 an ounce in global markets as investors globally drew comfort from US President Donald Trump's plans to gradually re-open the U.S. economy in a three-stage approach.
- Silver rates on MCX ended the week at ₹42,667 per kg, down 3.59% from the previous day's price.



## Currency Market Update

- The Indian Rupee weakened for third consecutive week against the US dollar and continued to close above the 76 mark amid concerns around the coronavirus pandemic and consequent economic distress along with FII outflow and strength in dollar index.
- The currency depreciated by 11 paise during the passing week, though it strengthened by 48 paise to close on April 17 at 76.40 a dollar after RBI announced more liquidity measures to support the economy. It touched a record low of 76.86 during the week.
- The US dollar ticked lower on Friday as investors, cautiously optimistic about the results of a drug trial and US President Donald Trump's plan to reopen the US economy, regained some appetite for risk.
- The overnight moves toppled the US dollar, which has closely tracked risk sentiment through the COVID-19 pandemic, from a week high, with the US dollar index falling 0.3 percent to 99.72, up 0.2 percent for the week.

Key Rates (%)	17-Apr-2020	09-Apr-2020	% Change
Mibor Overnight	4.58	4.63	-1.08
CALL (O/N)	4.24	4.34	-2.3
CBLO	2.4	2.89	-16.96
T Bills Index (12M)	4	4.53	-11.7
10 Year GSEC	6.35	6.49	-2.16

## Commodity Market



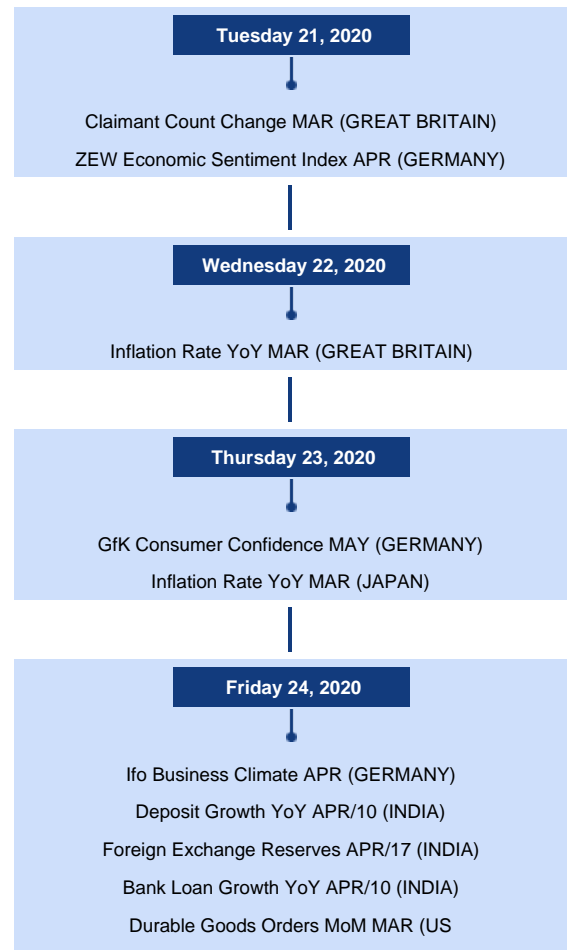
Commodity (INR)	17-Apr-2020	Gain+/Loss-	% Change
Gold (10 gm)	45735	441	0.97
Silver (1 kg)	42806	-696	-1.6
Crude Oil (\$/barrel)	28.08	-3.4	-10.8

## Currency Market



Currency	17-Apr-2020	Gain+/Loss-	% Change
USD/INR	76.54	-0.08	-0.11
EURO/INR	83.05	-0.13	-0.16
GBP/INR	95.47	-0.93	-0.98
JPY/INR	71.04	-0.86	-1.23

## Upcoming Events



## Week Gone By



Events	Actual %	Previous %	1 Year ago %
Inflation Rate YoY MAR (INDIA)	5.91	6.58	
WPI Food YoY MAR (INDIA)	4.91	7.79	
WPI Fuel YoY MAR (INDIA)	-1.76	3.38	
WPI Manufacturing YoY MAR (INDIA)	0.34	0.42	
WPI Inflation YoY MAR (INDIA)	1.0	2.26	
Retail Sales MoM MAR (US)	-8.7	-0.4	
Balance of Trade MAR (INDIA)	\$-9.76B	\$-9.85B	
Inflation Rate YoY Final MAR (GERMANY)	1.4	1.7	
Inflation Rate MoM Final MAR (GERMANY)	0.1	0.4	
Industrial Production YoY FEB (EA)	-1.9	-1.7	
Industrial Production MoM FEB (EA)	-0.1	2.3	
GDP Growth Rate YoY Q1 (CHINA)	-6.8	6.0	
Foreign Exchange Reserves APR/10 (INDIA)	\$476.47B	\$474.66B	

### ***Disclaimer***

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### ***Risk Factors***

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