



Financial Market & Economy Update

Domestic Update:

- India's trade deficit widened to four month high of USD 14.62 billion in May from USD 13.84 billion in May 2017 as imports surged nearly 15 %.
- India's exports in May rose by 28.18 % to USD 28.86 billion while imports were up 14.85 % to USD 43.48 billion.
- Inflation based on wholesale prices shot up to a 14-month high of 4.43 % in May on increasing prices of fuel(11.22%) as well as food(1.6%). The Wholesale Price Index (WPI) based inflation stood at 3.18 % in April and 2.26 % in May last year.
- India's Q4 deficit was, slightly lower than the previous quarter's \$13.7 billion (2.1%); for FY18 as a whole, the CAD increased considerably to 1.9% from 0.6% in FY17.
- Rating agency Fitch raised its GDP growth forecast for India for both financial year 2018-19 and 2019-20 to 7.4% and 7.5% respectively.
- Industrial production in the 19 countries sharing the euro fell by more than expected in April. Factory output decreased by 0.9 % in the euro zone in April from March.
- Inflation based on consumer price index (CPI), also known as retail inflation, for the month of May spiked to 4.87%, government data showed on Tuesday.
- India Industrial Output grew by 4.9% in April. In March, factory output growth dipped to a five-month low of 4.4%.

Global Update:

- U.S. producer prices increased more than expected in May, leading to the biggest annual gain in nearly 6-1/2 years, but underlying producer inflation remained moderate.
- US Fed raised policy rate by 25 bps; and signaled two more hikes in 2018
- The Bank of Japan left its key short-term interest rate unchanged at -0.1 % at its June 2018 meeting, as widely expected.
- China's industrial production rose by 6.8 % year-on-year in May of 2018, following a 7 % gain in the previous period.
- The ECB held its benchmark refinancing rate at 0 % on June 14th and said the monthly pace of the net asset purchases will be reduced to €15 billion from September to December 2018, and will then end.
- President Donald Trump said the US will stop conducting military drills on the Korean peninsula, after his historic summit here with North Korean leader Kim Jong-un.
- Japan's core machinery orders in April jumped the most since the start of 2016, reversing the prior month's decline and raising some hopes for durable growth in capital expenditure seen as crucial for a recovery in the economy after a contraction in the first quarter. Core orders, a highly volatile data series regarded as an indicator of capital expenditure in the coming six to nine months, rose 10.1 % and handily beat a 2.8 % gain forecast in a Reuters poll of economists.



Equity Market Update

- The benchmark Sensex managed to post gains for the fourth week in row, garnering 178.47 points to close at 35,622.14, while the broader Nifty racked up 74.03 points to end at 10,817.70.
- The BSE Sensex started the week higher at 35,472.59 points and hovered between 35,877.41 and 34,419.68 before finishing the week at 35,622.14, showing a gain of 178.47 or 0.50 %.
- The Nifty opened the week at 10,781.85 and traded between 10,893.25 and 10,755.40. The indices finally closed at 10,817.70, up 50.05 points, or 0.46 %.
- Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth whopping Rs 4,613.63 crore during the week, as per Sebi's record including the provisional figure of June 15.
- In the broader market, the BSE Mid-Cap index fell 21.17 points or 0.13 % to close at 16,001.20, while the BSE Small-Cap index rose 74.03 points or 0.44 % to end at 16,961.16.
- Among sectoral and industry indices, healthcare surged by 6.53 %, followed by IT 2.91 %, Teck 2.20 %, consumer durables 0.51 % and fmcg 0.12 %. However, metal fell by 3.23 %, power 1.76 %, oils&gas 1.71 %, PSU 1.70 %, realty 1.50 %, consumer goods 1.15 % and auto 0.44 %.



Debt Market Update

- Indian government bonds posted the first weekly rise in three weeks, with the benchmark yield this week falling the most in over two months, amid short covering and as crude oil prices continued to ease from their multi-year highs.
- On weekly basis, the 10-year yield fell six basis points, its biggest weekly fall since week ended Apr. 6.

Domestic Markets



Index	15-Jun-2018	08-Jun-2018	% Change
BSE Sensex	35622.14	35443.67	0.5
S&P CNX Nifty	10817.7	10767.65	0.46
CNX Midcap	18812.6	18830.6	-0.1
CNX 500	9343.7	9316.25	0.29
BSE Smallcap	16961.16	16887.13	0.44

Global Markets



Index	15-Jun-2018	08-Jun-2018	% Change
Dow Jones	25090.48	25316.53	-0.89
Nasdaq	7746.38	7645.51	1.32
S&P 500	2779.42	2779.03	0.01
FTSE 100	7633.9	7681.1	-0.61
Shanghai Composite	3021.9	3067.15	-1.48
Hang Sang	30309.49	30958.21	-2.1

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	22904	25975	-3071
MF Flows*	15328	13487	1841

FII data from 8th June to 14th June 2018

MF data from 4th June to 12th June 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
11-Jun-2018	1104.99	148.35
12-Jun-2018	-1346.76	329.75
13-Jun-2018	-542.26	-37.23
14-Jun-2018	2829.99	-753.41
15-Jun-2018	3864.02	476.05

Policy Rates



Key Rates (%)	15-Jun-2018	1 Week Ago	1 Month Ago
Reverse Repo	6	5.75	5.75
Repo	6.25	6	6
CRR	4	4	4
SLR	19.5	19.5	19.5

Key Rates





Commodity Market Update

Oil Update:

- Oil prices took a beating Friday, ending the week lower, as traders braced for higher global supplies. August Brent crude, the global benchmark, tumbled \$2.50, or 3.3%, to end at their lowest since May 2 at \$73.44 a barrel on the ICE Futures Europe exchange.
- They suffered a loss of roughly 4% for the week.
- Elsewhere, U.S. benchmark oil, July West Texas Intermediate crude lost \$1.83, or 2.7%, to settle at \$65.06 a barrel on the New York Mercantile Exchange. It saw its lowest finish since June 6 and lost about 1% for the week, the fourth weekly decline in a row.
- Oil traders will also continue to weigh a steady increase in U.S. production levels in the week ahead as the rise in domestic drilling has been underscoring worries about rising U.S. output.
- Oil markets will be focused on the Organization of Petroleum Exporting Countries (OPEC) highly-anticipated meeting to see whether major producers plan to increase production.
- Oil ministers from OPEC, Russia and other major producing countries will meet in Vienna on Thursday and Friday to review their current production agreement.

Gold Update:

- Domestic Update:** Gold prices maintained its upward trend for the second straight week reclaiming 31k-mark to close the week at Rs 31,110 per 10 grams on increased local buying by jewellers to meet ensuing festive seasonal demand at the domestic bullion market, despite lower global advices.
- Silver too topped to regain psychological 41k-mark to end the week at Rs 41,515 per kg, firm up smartly by Rs 1,290 on sustained offtake by industrial units and coin makers.
- On the domestic front, standard gold (99.5 purity) resumed lower at Rs 30,870 per 10 grams from last Friday's closing level of Rs 31,010 and later hovered in a range of Rs 30,865 and 31,090 before closing at Rs 31,110, revealing a rise of Rs 90, or 0.29%.
- Pure gold (99.9 purity) also commenced lower at Rs 31,020 per 10 grams compared to preceding weekend level of Rs 31,160 and later moved in a range of Rs 30,015 and Rs 31,240 before concluding at Rs 31,250, revealing a gain of Rs 90 per 10 grams, or 0.29%.
- Silver ready (.999 fineness) opened higher at Rs 40,400 per kilo gram from last Friday's closing level of Rs 40,225 and climbed further to Rs 41,325 before finishing at Rs 41,515, showing a smart rise of Rs 1,290 per kilo, or 3.21%.
- Global Update:** In worldwide trade, Gold futures settled at the lowest level of the year, just a day after finishing at a monthly high, as the benchmark US dollar index briefly touched an 11-month peak, weighing on assets pegged to the monetary unit.
- Gold's inability to hold above the USD1,307 resistance level and the subsequent breakdown below the psychologically- important level of USD1,300 has led to follow-up technical selling. The breakdown undoubtedly triggered a cluster of stop sell orders which exacerbated the breakdown.
- In the New York Comex trade, gold for August delivery fell to end at USD 1,278.50 an ounce compared to last August weekend's close of USD 1,302.70 and July silver contract also fell to USD 16.48 an ounce from USD 16.741 earlier.



Currency Market Update

- The Indian Rupee has once again entered the over 68-mark territory against US dollar benchmark indices at interbank forex market. This has made Indian rupee plumb a 17-month low - it weakened against dollar index at 68.470 down 0.605 points or 0.89% on Friday. Panic dollar buying sent the home currency to a low of 68.04 in day trade before settling the week at 68.01 per dollar, down by 39 paise or 0.58%. This is the lowest closing for the rupee since May 24. It was only on June 06, when rupee strengthened against US dollar by earmarking near 66-mark, which was boosted by RBI's monetary policy decision where the central bank decided to hike policy repo rate and still maintain a neutral stance.
- It is being known that last week, the domestic currency was the hardest-hit among Asian currencies which suffered due to a strong US dollar and emergence of macroeconomic headwinds.
- India's foreign exchange reserves increased by USD 879.5 million to USD 413.109 billion in the week to June 8, helped by rise in foreign currency assets, the Reserve Bank data showed on Friday.
- The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, rose to 95.13, a level not seen since July 2017, before pulling back to 94.80 late Friday. For the week, the index was up 1.33%, its best weekly performance in seven weeks.

Key Rates (%)	15-Jun-2018	08-Jun-2018	% Change
Mibor Overnight	6.24	6.05	3.14
CALL (O/N)	6.1	6.02	1.33
CBLO	6.09	5.07	20.12
T Bills Index (12M)	7.05	6.99	0.86
10 Year GSEC	7.89	7.95	-0.75

Commodity Market



Commodity (INR)	15-Jun-2018	Gain+/Loss-	% Change
Gold (10 gm)	31049	22	0.07
Silver (1 kg)	41364	1106	2.75
Crude Oil (\$/barrel)	74.62	-2.2	-2.86

Currency Market



Currency	15-Jun-2018	Gain+/Loss-	% Change
USD/INR	67.97	0.45	0.66
EURO/INR	78.61	-0.97	-1.22
GBP/INR	90	-0.6	-0.66
JPY/INR	61.34	-0.26	-0.42

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Industrial Production YoY (IND)	4.9	4.6
Inflation Rate YoY MAY (IND)	4.87	4.58
Manufacturing Production YoY APR (IND)	5.2	4.7
Fed Interest Rate Decision (US)	2.0	1.75
Industrial Production YoY MAY (China)	6.8	7.0
ECB Interest Rate Decision (EA)	0.0	0.0
BoJ Interest Rate		

Decision (Japan)	-0.1	-0.1
Industrial Production YoY MAY (US)	3.5	3.6
Manufacturing Production YoY MAY (US)	1.7	1.9

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