



Financial Market & Economy Update

Domestic Update:

- India improved its ranking in the global innovation index by five places to 52nd in 2019 from 57th position last year, according to a report released Wednesday.
- The gross non-performing assets (NPAs) of public sector banks (PSBs) have declined by Rs 89,189 crore from a peak of more than Rs 8.95 lakh crore in March 2018 to over Rs 8.06 lakh crore in March this year, the government told the Rajya Sabha.
- Argentina (G-20 state and key Latin American country), within the strategic partnership with India, has decided to be a partner for the development of the agricultural sector in India and further cooperate in this sector through technological exchanges that can boost the productivity.
- Foreign Exchange Reserves in India increased to 430380 USD Million in July 19 from 428800 USD Million in the previous week.

Global Update:

- China said on Monday it will impose anti-dumping duties on some stainless steel products imported from the European Union, Japan, South Korea and Indonesia. Anti-dumping tariffs of 18.1% to 103.1% will be applied to stainless steel billets and hot-rolled stainless steel plates from companies in the EU and the three Asian nations, effective July 23, China's Ministry of Commerce said in a statement.
- U.S. GDP grew at a 2.1% annualized rate in the second quarter, weaker than the 3.1% pace in the first quarter but stronger than the 1.8% forecast by economists.
- Singapore's June core inflation measure hit a more than two-year low while all-items inflation came in lower than expected as prices of services, retail, electricity and gas rose at a slower pace, official data showed on Tuesday. Singapore's core inflation gauge in June rose 1.2% from a year earlier. Singapore's headline consumer price index rose 0.6% in June from a year earlier, lower than May's 0.9% rise.
- The consumer confidence indicator in the Euro Area rose by 0.6 points to -6.6 in July 2019 from -7.2 in the previous month, while markets had expected it at -7.2, a preliminary estimate showed.
- The IHS Markit/BME Germany Manufacturing PMI declined to 43.1 in July 2019 from 45 in the previous month and missing market expectations of 45.1, a preliminary estimate showed.
- The IHS Markit Eurozone Manufacturing PMI dropped to 46.4 in July 2019 from the previous month's 47.6 and below market expectations of 47.6, a preliminary estimate showed.
- The IHS Markit US Manufacturing PMI was revised higher to 50.6 in June 2019 from a preliminary estimate of 50.1 and was little-changed from May's final 50.5.
- German business morale plunged in July to its lowest level in more than six years, a survey showed on Thursday, in a further sign that a manufacturing crisis is pulling Europe's largest economy towards recession. The Ifo institute said its business climate index fell to 95.7 from an upwardly revised 97.5 in June. The July reading undershot a consensus forecast for 97.1. It was the fourth monthly decline in a row and the lowest level since April 2013.
- Tokyo Cpi in Japan decreased to 101.50 Index Points in July from 101.60 Index Points in June of 2019.



Equity Market Update

- After the six-consecutive-day fall, the benchmark indices manage to end higher on July 26 with Nifty finished near to 11,300 on the back of mixed global cues, and earning from India Inc.
- The indices witnessed selling pressure on the first four days of the week but ended marginally higher on July 26 amid July F&O expiry, which was the worst since October 2018. In the July series, only seven Nifty stocks ended on a positive note while Nifty midcap & Nifty Bank underperformed the series.
- The Sensex ended 454.22 points lower at 37,882.79 while Nifty ended at 11,284.30, down 134.95 points in the last week.
- Broader Markets:** The S&P BSE Midcap index slipped 1.58 %, Smallcap Index shed 1.88 % while S&P BSE Largecap Index was down 1.13 % last week.
- Sector Update:** Eight out of the 11 sectoral gauges compiled by National Stock Exchange ended lower, led by the NSE Nifty PSU Bank Index's 5.1 % fall. On the flipside, the NSE Nifty Media Index was the top sectoral gainer, up 5.6 %.



Debt Market Update

- Indian government bonds snapped a three-week gaining streak amid uncertainty over the nation's plan to issue sovereign bonds as well as over the pace and extent of more rate cuts.
- The benchmark 7.26% bond maturing in 2029 ended at 105.12 rupees, yielding

Domestic Markets



| Index | 26-Jul-2019 | 19-Jul-2019 | % Change |
|---------------|-------------|-------------|----------|
| BSE Sensex | 37882.79 | 38337.01 | -1.18 |
| S&P CNX Nifty | 11284.3 | 11419.25 | -1.18 |
| CNX Midcap | 16165.35 | 16430.1 | -1.61 |
| CNX 500 | 9192.6 | 9304.65 | -1.2 |
| BSE Smallcap | 13060.34 | 13310.35 | -1.88 |

Global Markets



| Index | 26-Jul-2019 | 19-Jul-2019 | % Change |
|--------------------|-------------|-------------|----------|
| Dow Jones | 27192.45 | 27154.2 | 0.14 |
| Nasdaq | 8330.21 | 8146.49 | 2.26 |
| S&P 500 | 3025.86 | 2976.61 | 1.65 |
| FTSE 100 | 7549.1 | 7508.7 | 0.54 |
| Shanghai Composite | 2944.54 | 2924.2 | 0.7 |
| Hang Sang | 28397.74 | 28765.4 | -1.28 |

Institutional Flows (Equity)



| Description (INR Cr) | Purchases | Sales | Net |
|----------------------|-----------|-------|-------|
| FII Flows* | 27727 | 35799 | -8072 |
| MF Flows* | 20976 | 16588 | 4388 |

*FII & MF data from 18th July to 25th July 2019

F&O FII Trends (Rs. Crs)



| Date | Index | Stocks |
|-------------|----------|---------|
| 19-Jul-2019 | -2088.56 | -225.48 |
| 22-Jul-2019 | -527.01 | 712.78 |
| 23-Jul-2019 | -1545.58 | -311.27 |
| 24-Jul-2019 | -3038.44 | -157.75 |
| 25-Jul-2019 | 1526.58 | 504.24 |

Policy Rates



| Key Rates (%) | 26-Jul-2019 | 1 Week Ago | 1 Month Ago |
|---------------|-------------|------------|-------------|
| Reverse Repo | 5.5 | 5.5 | 5.5 |
| Repo | 5.75 | 5.75 | 5.75 |
| CRR | 4 | 4 | 4 |
| SLR | 18.75 | 18.75 | 19 |

Key Rates





Commodity Market Update

Oil Update:

- Oil prices edged up for the week ending July 26, with the price of West Texas Intermediate (WTI) for September delivery up 1.02 % and Brent crude oil for September delivery up 1.58 %.
- WTI closed the week at 56.20 U.S. dollars a barrel on the New York Mercantile Exchange, while Brent crude finished the week at 63.46 dollars a barrel on the London ICE Futures Exchange. WTI and Brent crude have increased 23.76 % and 17.96 %, respectively, so far this year.
- During the week, WTI and Brent crude moved in the same directions, recovering ground lost in the previous week, amid demand fears and inventory draws of U.S. crude oil countering one another and geopolitical shocks failing to provide solid support to prices.
- Oil prices increased Monday and Tuesday as investors looked at possible supply disruptions in the Middle East. The market closely observed the latest development of U.S.-Iran frictions, raising concerns over global oil supply.
- The WTI increased 0.14 and 0.18 dollar to settle at 56.02 and 56.20 dollars a barrel on Thursday and Friday, respectively, while Brent crude rose 0.21 and 0.07 dollar to close at 63.39 and 63.46 dollars a barrel, accordingly.

Gold Update:

- High prices prompted some Asian consumers to sell back physical gold this week in a hunt for profits, with cheaper silver emerging as a preferred investment. Gold buying stagnated in India as local rates soared, though some investors used temporary price dips to buy, hoping to cash in on a further leg up.
- In India, demand remained sluggish as prices held at record highs, prompting dealers to offer discounts for the eighth straight week.
- Gold prices on Friday fell by Rs 140 to Rs 35,730 per 10 grams in the bullion market here due to lacklustre demand from jewellers.
- Silver also declined by Rs 150 to Rs 42,150 per kg due to reduced offtake by industrial units and coin makers.
- In the national capital, gold of 99.9 % and 99.5 % purity declined Rs 140 each to Rs 35,730 per 10 grams and Rs 35,560 per 10 grams, respectively.
- Sovereign gold held steady at Rs 27,500 per eight grams.
- Silver ready plunged by Rs 150 to Rs 42,150 per kg and weekly-based delivery was plummeted Rs 287 to Rs 41,271 per kg.
- India raised import duties on gold and other precious metals to 12.5% from 10% earlier this month.
- Global benchmark spot gold held above \$1,400 an ounce this week, up more than 10% this year and on course to end July with a third consecutive monthly gain.
- In top consumer China, gold was sold at a premium of \$10-\$12 per ounce over the benchmark, little changed from last week's \$10-\$11.
- In Hong Kong, gold was sold at a premium of \$0.50-\$1.20 an ounce, unchanged from last week.
- In Singapore, premiums of \$0.50 to \$0.80 were charged, versus \$0.40-\$0.60 previously.



Currency Market Update

- On a weekly basis, the rupee shed 10 paise to end at 68.90 on July 26 against the July 19 closing of 68.80.
- U.S. dollar index was up 0.2% at 97.72, after earlier hitting its highest level since late May at 97.83. It gained 0.9% on the week following a rise of about 0.4% the week before.
- India's foreign exchange reserves increased by \$1.578 billion during the week ended July 19, official data showed Friday.

| Key Rates (%) | 26-Jul-2019 | 19-Jul-2019 | % Change |
|---------------------|-------------|-------------|----------|
| Mibor Overnight | 5.75 | 5.7 | 0.88 |
| CALL (O/N) | 5.56 | 5.7 | -2.46 |
| CBLO | 5.58 | 5.7 | -2.11 |
| T Bills Index (12M) | 5.91 | 5.89 | 0.34 |
| 10 Year GSEC | 6.52 | 6.36 | 2.52 |

Commodity Market



| Commodity (INR) | 26-Jul-2019 | Gain+/Loss- | % Change |
|-----------------------|-------------|-------------|----------|
| Gold (10 gm) | 34781 | -310 | -0.88 |
| Silver (1 kg) | 40811 | 187 | 0.46 |
| Crude Oil (\$/barrel) | 63.46 | 0.99 | 1.58 |

Currency Market



| Currency | 26-Jul-2019 | Gain+/Loss- | % Change |
|----------|-------------|-------------|----------|
| USD/INR | 69.06 | 0.24 | 0.35 |
| EURO/INR | 76.94 | -0.58 | -0.75 |
| GBP/INR | 85.85 | -0.37 | -0.43 |
| JPY/INR | 63.58 | -0.35 | -0.55 |

Upcoming Events



Tuesday 30, 2019

GfK Consumer Confidence AUG (GERMANY)
Business Confidence JUL (EA)
Inflation Rate YoY Prel JUL (GERMANY)
Personal Spending MoM JUN (US)
Personal Income MoM JUN (US)

Wednesday 31, 2019

GfK Consumer Confidence JUL (GREAT BRITAIN)
NBS Manufacturing PMI JUL (CHINA)
Consumer Confidence JUL (JAPAN)
GDP Growth Rate QoQ Flash Q2 (EA)
Infrastructure Output YoY JUN (INDIA)
Government Budget Value JUN (INDIA)

Thursday 01, 2019

Caixin Manufacturing PMI JUL (CHINA)
Markit Manufacturing PMI Final JUL (GERMANY)
BoE Interest Rate Decision (GREAT BRITAIN)
ISM Manufacturing PMI JUL (US)

Friday 02, 2019

Deposit Growth YoY JUL/19 (INDIA)
 Foreign Exchange Reserves JUL/26 (INDIA)
 Bank Loan Growth YoY JUL/19 (INDIA)

Week Gone By



| Events | Actual % | Previous % |
|--|-----------|------------|
| Consumer Confidence Flash JUL (EA) | -6.6 | -7.2 |
| Markit Manufacturing PMI Flash JUL (US) | 50.0 | 50.6 |
| Markit Services PMI Flash JUL (US) | 52.2 | 51.5 |
| Markit Services PMI Flash JUL (GERMANY) | 55.4 | 55.8 |
| Markit Services PMI Flash JUL (EA) | 53.3 | 53.6 |
| Markit Manufacturing PMI Flash JUL (EA) | 46.4 | 47.6 |
| Markit Manufacturing PMI Flash JUL (GERMANY) | 43.1 | 45 |
| Durable Goods Orders MoM JUN (US) | 2.0 | 2.3 |
| Ifo Business Climate JUL (GERMANY) | 95.7 | 97.5 |
| ECB Interest Rate Decision (EA) | 0.0 | 0.0 |
| GDP Growth Rate QoQ Adv Q2 (US) | 3.1 | 1.8 |
| Foreign Exchange Reserves JUL/19 (INDIA) | \$430.38B | \$428.8B |

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