



Financial Market & Economy Update

Domestic Update:

- India's retail price inflation rate rose to 3.99 % year-on-year in September 2019 from an upwardly revised 3.28 % in the previous month and above market expectations of 3.7 %.
- Wholesale prices in India rose by 0.33 % year-on-year in September 2019, following a 1.08 % gain in the previous month and compared with market expectations of a 0.9 % gain.
- India's exports contracted by 6.57 % to USD 26 billion in September mainly due to significant dip in shipments from key sectors such as petroleum, engineering, leather, chemicals, and gems & jewellery. Imports too declined by 13.85 % to USD 36.89 billion, narrowing trade deficit to USD 10.86 billion in September, according to official data released. Trade deficit in September last year stood at USD 14.95 billion.
- Automobile dealers' body FADA on Friday said passenger vehicle retail sales in September declined 20.1% to 1,57,972 units against the same period last year as the onset of festival season and never-seen-before discounts failed to lift demand.

Global Update:

- The International Monetary Fund (IMF) downgraded growth of the global economy. In the October World Economic Outlook, issued on Tuesday, IMF forecast a 3 % growth in 2019, the slowest pace since the global financial crisis. It also estimated that the U.S.-China trade tensions will cumulatively reduce the level of global GDP by 0.8 % by 2020.
- China's trade surplus widened to USD 39.65 billion in September 2019 from USD 30.26 billion in the same month a year earlier and compared to market expectations of a USD 33.3 billion surplus. Exports declined 3.2 % over a year earlier while imports dropped at a faster 8.5 %.
- Wholesale prices in Germany declined by 1.9 % year-on-year in September 2019, after a 1.1 % fall in the previous month and compared with market expectations of a 1.3 % decrease.
- Britain's jobs boom has weakened in the approach to Brexit with the number of people in work unexpectedly falling by the most in over four years and unemployment rising, official data showed on Tuesday. Employment fell by 56,000 to 32.69 million in the three months to August, the Office for National Statistics said. Economists polled by Reuters had expected growth of 23,000.
- The annual inflation rate in the United Kingdom was at 1.7 % in September 2019, unchanged from the previous month and slightly below market expectations of 1.8 %.
- The annual inflation rate in Euro Area dropped to 0.8 % in September 2019 from 1 % in the previous month, below a preliminary estimate and market expectations of 0.9 %.
- The Euro Area trade surplus rose to EUR 14.7 billion in August 2019 from EUR 11.9 billion in the corresponding month of the previous year but below market expectations of EUR 17.5 billion.
- UK retail trade showed no growth in September 2019, following an upwardly revised 0.3 % fall in the previous month and matching market expectations. Sales dropped for fuel (-2 %); non-store retailing (-1.6 %); non-specialised (-0.3 %) and other stores (-0.6 %).
- Construction output in the Euro Area increased 1.2 % from a year earlier in August 2019, following an upwardly revised 1.8 % rise in the previous month and below market expectations of a 2.6 % gain.
- China's third-quarter economic growth slowed more than expected and to its weakest pace in almost three decades as the bruising U.S. trade war hit factory production, boosting the case for Beijing to roll out fresh support. Gross domestic product (GDP) rose just 6.0% year-on-year, marking a further loss of momentum for the economy from the second quarter's 6.2% growth.
- Japan's core consumer inflation slowed to near 2-1/2-year lows in September, dragged down by sliding energy prices and raising the chance the central bank will top up its already massive monetary stimulus at its review this month. The nationwide core consumer price index (CPI), which includes oil products but excludes fresh food prices, rose 0.3% in September from a year earlier, government data showed, matching a median market forecast and slowing from a 0.5% gain in August. It marked the slowest consumer inflation since April 2017, when the index rose 0.3%, the data showed. Prices of 297 items rose but 168 items fell, while 58 others were unchanged.



Equity Market Update

- India's equity benchmarks reported their best weekly gains in nearly five months as investors shifted focus on earnings of domestic companies amid mixed global cues.
- The S&P BSE Sensex gained 3.07 % this week to end at 39,298.38 and the NSE Nifty 50 rallied 3.16 % at 11,661.85.
- Sector Update:** All the 11 sectoral gauges compiled by the NSE gained during the week, led by the NSE Nifty Auto Index's 7.8 % rally.
- Broader Markets:** The S&P BSE Mid-cap index gained 4.64 %, S&P BSE Large-cap index rose 3.49 % and the Small-cap Index was up 2.78 % last week.

Domestic Markets



Index	18-Oct-2019	11-Oct-2019	% Change
BSE Sensex	39298.38	38127.08	3.07
S&P CNX Nifty	11661.85	11305.05	3.16
CNX Midcap	16213.55	15558.85	4.21
CNX 500	9479.2	9161.4	3.47
BSE Smallcap	13126.83	12772.07	2.78

Global Markets



Index	18-Oct-2019	11-Oct-2019	% Change
Dow Jones	26770.2	26816.59	-0.17
Nasdaq	8089.54	8057.04	0.4
S&P 500	2986.2	2970.27	0.54
FTSE 100	7150.6	7247.1	-1.33
Shanghai Composite	2938.14	2973.66	-1.19
Hang Sang	26719.58	26308.44	1.56

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	33700	23774	9926
MF Flows*	12361	10047	2314

*FII data from 11th Oct to 18th Oct 2019

*MF data from 11th Oct to 16th Oct 2019

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
11-Oct-2019	-199.59	-525.84
14-Oct-2019	1566.21	150.73
15-Oct-2019	880.7	363.34
16-Oct-2019	-672.74	748.71
17-Oct-2019	5377.04	1259.61

Policy Rates



Key Rates (%)	18-Oct-2019	1 Week Ago	1 Month Ago
Reverse Repo	4.9	4.9	5.15
Repo	5.15	5.15	5.4
CRR	4	4	4
SLR	18.75	18.75	18.75

Key Rates





Debt Market Update

- Indian government bonds rose this week, as bets of more policy rate cuts triggered short-covering, even as renewed fiscal worries trimmed most of the gains.
- The benchmark 7.26% bond maturing in 2029 ended at 103.80 rupees, yielding 6.70%, in Mumbai. The yield fell three basis points this week.
- The new 10-year 6.45% 2029 bond ended at 99.50 rupees, yielding 6.52%. The Indian rupee ended 0.2% lower for the week at 71.14 to the dollar.



Commodity Market Update

Oil Update:

- Oil prices fell for the week ending Oct. 18 as bearish sentiment prevailed in the oil market, despite bullish news on Middle East, with the price of West Texas Intermediate (WTI) for November delivery down 1.69 % and Brent crude oil for December delivery down 1.80 %.
- WTI closed the week at 53.78 dollars a barrel on the New York Mercantile Exchange, while Brent crude finished the week at 59.42 dollars a barrel on the London ICE Futures Exchange.
- WTI and Brent crude prices have increased 18.43 % and 10.45 %, respectively, so far this year, falling from their peak levels in April when the growth of WTI hit over 40 %, and Brent crude over 30 %.

Gold Update:

- Gold prices in India continued their choppy movement this week. On Friday, gold futures contracts on MCX ended ₹106 or 0.28 % lower at ₹38,090 per 10 gram.
- Silver also showed a similar trend, ending 0.1% lower at ₹45,500 per kg on MCX. In global markets, gold prices ended 0.32% lower at \$1,493 per ounce and silver 0.24% lower at \$17.57 an ounce.
- With gold prices now down about ₹1,900 per 10 gram from last month's record highs of about ₹40,000, jewellers hope that retail buying will see a pick up ahead of Dhanteras and Diwali.
- Gold prices have remained range-bound over past few days with rise in global equity indices. On the downside, gold has been supported by global growth worries. Uncertainty about major issues like Brexit and US-China trade deal has also led to volatility in currency market, thus impacting the price of dollar-denominated gold.



Currency Market Update

- The rupee was the second-worst Asian currency this week. The domestic unit depreciated 0.2 % against the U.S. dollar to end at 71.14.
- India's foreign exchange reserves increased by US\$ 1.88 billion to US\$ 439.71 billion in the week ended 11 October 2019. The foreign exchange reserves had stood at US\$ 437.83 a week ago.
- The US dollar index, which compares the US dollar against six major currencies, was down 0.31 %. For the week, the index was down one %, its worst weekly performance in 17 weeks.

Key Rates (%)	18-Oct-2019	11-Oct-2019	% Change
Mibor Overnight	5.25	5.22	0.57
CALL (O/N)	5.1	5.04	1.19
CBLO	4.9	4.58	6.99
T Bills Index (12M)	5.27	5.38	-2.04
10 Year GSEC	6.52	6.73	-3.12

Commodity Market



Commodity (INR)	18-Oct-2019	Gain+/Loss-	% Change
Gold (10 gm)	38241	87	0.23
Silver (1 kg)	45203	-54	-0.12
Crude Oil (\$/barrel)	59.42	-1.09	-1.8

Currency Market



Currency	18-Oct-2019	Gain+/Loss-	% Change
USD/INR	71.2	0.17	0.24
EURO/INR	79.19	0.95	1.21
GBP/INR	91.52	3.09	3.49
JPY/INR	65.58	-0.2	-0.3

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Balance of Trade SEP (CHINA)	\$39.65B	\$34.83B
WPI Fuel YoY SEP (INDIA)	-7.05	-4.0
WPI Manufacturing YoY SEP (INDIA)	-0.42	0.0
WPI Food YoY SEP (INDIA)	7.47	7.67
WPI Inflation YoY SEP (INDIA)	0.33	1.08
Inflation Rate YoY SEP (CHINA)	3.0	2.8
ZEW Economic Sentiment Index OCT (GERMANY)	-22.8	-22.5
Balance of Trade SEP (INDIA)	\$-10.86B	\$-13.45B
Inflation Rate YoY SEP (GREAT BRITAIN)	1.7	1.7
Balance of Trade AUG (EA)	€14.7B	€24.5B ®
Retail Sales MoM SEP (US)	0.3	0.6
Industrial Production YoY SEP (US)	0.1	0.4
Manufacturing Production YoY SEP (US)	-0.9	-0.4
Inflation Rate YoY SEP (JAPAN)	0.2	0.3
GDP Growth Rate YoY Q3 (CHINA)	6.0	6.2
Foreign Exchange Reserves OCT/11 (INDIA)	\$439.71B	\$437.83B

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