

Financial Market & Economy Update

Domestic Update:

- India's economy is poised to recover as state-run banks have sanctioned loans worth Rs 5.66 lakh crore over last two months to about 4.2 million account holders belonging to micro, small and medium enterprises (MSMEs), retail, agriculture and corporate sectors, Union finance minister Nirmala Sitharaman's office said on Thursday. The banks will disburse the money after the Covid-19 lockdown is lifted.
- India exports 33.5 lakh tonnes sugar so far in 2019-20 marketing year. The government has allowed export of 60 lakh tonnes of sugar under Maximum Admissible Export Quota (MAEQ) during 2019-20 marketing year to liquidate surplus sugar in global markets. The country had exported 38 lakh tonnes of sugar during 2018-19 marketing year.
- India saved Rs 89,122 crore through energy efficiency initiatives in 2018-19 and reduced energy intensity by 20 % in the fiscal compared to 2005 level.
- India's service sector witnessed its largest month-to-month contractions in business activity since data collection began over 14 years ago in April. The IHS Markit India Services Business Activity Index fell to at 5.4 in April, a steep decline from 49.3 in March, the most severe contraction in services output since records began in December 2005.
- The Goods And Services Tax (GST) collection fell sharply to a record low of Rs 28,309 crore in March 2020 as compared to Rs 1.13 lakh crore recorded in the same month last year.
- The output of eight Core Industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP) dipped by 6.5% in March 2020. The cumulative output rose marginally by 0.6% in April-March FY2020.

International Update:

- The average of household spending in Japan fell 6% on year in March, the Ministry of Internal Affairs and Communications said on Friday - coming in at 292,214 yen. This reflected a worsening scenario after the 0.3 % drop in February
- The services sector in Japan continued to contract in April, and at a much more severe rate, the latest survey from Jibun Bank revealed on Friday with a record-low services PMI score of 21.5. That's down sharply from 33.8 in March and it moves further beneath the boom-or-bust line of 50s.
- The Bank of England maintained its key interest rate at a record low of 0.1%.
- US first-time claims for unemployment benefits pulled back further off their recent record high in the week ended May 2nd, according to a report released by the Labor Department on Thursday. The report said initial jobless claims dropped to 3.169 million, a decrease of 677,000 from the previous week's revised level of 3.846 million. While jobless claims have declined steadily since hitting a record high of 6.867 million in the week ended March 28th, the total number of new claims since the coronavirus-induced shutdown has now reached 33.5 million.
- The Caixin China General Services PMI rose to 44.4 in April 2020 from 43.0 in the previous month.
- China's trade surplus widened to USD 45.34 billion in April 2020 from USD 13.02 billion in the same month the previous year and far above market expectations of a USD 9.7 billion surplus.
- The US services sector contracted for the first time since December 2009 in April. The non-manufacturing index (NMI), which gauges the performance of the services sector, registered 41.8%, 10.7 % points lower than the March reading, according to the latest Non-Manufacturing ISM Report on Business.
- US trade deficit widened to \$44.4 billion in March from \$39.8 billion in February, with the value of exports showing a steeper drop than the value of imports, the Commerce Department reported on Tuesday. The increase in the size of the trade deficit came as the value of exports plunged by 9.6% to \$187.7 billion, while the value of imports plummeted by 6.2% to \$232.2 billion.
- Industrial producer prices in the Euro Area dropped 1.5 % from a month earlier in March 2020, after a revised 0.7 % decrease in February and compared to market expectations of a 1.3 % fall.
- The Euro area manufacturing sector contracted at a record pace in April as government restrictions to limit the spread of the global coronavirus, or covid-19, pandemic weighed on activity, final survey results from IHS Markit showed Monday. The final Purchasing Managers' Index fell to 33.4 from 44.5 in March.

Equity Market Update

- The benchmark equity indices BSE Sensex and NSE Nifty plunged over 6 % last week as the Covid-19 led lockdown continued in India. Weak quarterly results from India Inc also kept investors on the edge.
- The 30-share Sensex declined 2,075 points to 31,642 on May 8 from 33,717.62 on April 30. Likewise, the 50-share Nifty index slipped 608 points to 9,251 during the week.
- Sector Update:** Majority of sectoral indices on the BSE ended the week in the red with BSE Bankex and the Metal index falling 10 %. Realty, capital goods, auto, FMCG and power also slipped over 5 % during the week. On the other hand, the BSE telecom index advanced over 2 % in the past five trading sessions.
- Broader Markets:** BSE MIDCAP lost 4.91 % and BSE SMALLCAP 4.17 %.

Debt Market Update

- Yields for benchmark government bonds fell for the fourth straight week on the back of surplus systemic liquidity, falling US bond yields and aggressive demand for new 10-year benchmark note back home.
- A hike in taxes on fuels, which will add to government's revenue, helped lift sentiment. Traders were also expecting more rounds of "Operation Twists" from the Reserve Bank of India in the days to come.
- The benchmark 6.45% bond maturing in 2029 offered 5.97 % yield, lowest since January 27, 2009, against 6.03 % on Thursday. The yield fell 14 basis

Domestic Markets

Index	08-May-2020	30-Apr-2020	% Change
BSE Sensex	31642.7	33717.62	-6.15
S&P CNX Nifty	9251.5	9859.9	-6.17
CNX Midcap	12788.95	13502	-5.28
CNX 500	7552	8012.9	-5.75
BSE Smallcap	10638.7	11101.84	-4.17

Global Markets

Index	08-May-2020	30-Apr-2020	% Change
Dow Jones	24331.32	23723.69	2.56
Nasdaq	9121.32	8604.95	6
S&P 500	2929.8	2830.71	3.5
FTSE 100	5936	5763.1	3
Shanghai Composite	2895.34	2860.08	1.23
Hang Sang	24230.17	24643.59	-1.68

Institutional Flows (Equity)

Description (INR Cr)	Purchases	Sales	Net
FII Flows*	20245	18731	1514
MF Flows*	13151	17311	-4160

*FII data from 30th April to 5th May 2020

*MF data from 29th April to 5th May 2020

F&O FII Trends (Rs. Crs)

Date	Index	Stocks
30-Apr-2020	341.15	2348.52
04-May-2020	-897.63	-1437.95
05-May-2020	-401.76	-157.52
06-May-2020	960.15	445.21
07-May-2020	-135.37	-2973.24

Policy Rates

Key Rates (%)	08-May-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

Commodity Market Update

Oil Update:

- Oil prices settled 5% higher on Friday in their second consecutive week of gains as U.S. producers cut production with the number of drilling rigs falling to a record low, and as more states moved ahead with plans to relax lockdowns intended to halt the coronavirus pandemic.
- The number of operating oil and natural gas rigs fell by 34 to an all-time low of 374 this week - reflecting data going back 80 years - as the energy industry slashes output and spending to deal with the coronavirus-led crash in fuel demand.
- North American oil companies have shut production faster than analysts expected and are on track to withdraw about 1.7 million barrels per day (bpd) of output by the end of June.
- Brent crude settled up \$1.51, or 5.1%, at \$30.97 a barrel. U.S. West Texas Intermediate crude futures (WTI) gained \$1.19, or 5%, to \$24.74 a barrel.
- Both contracts posted a second week of gains, with Brent advancing over 18% this week and WTI up about 33%.

Gold Update:

- A weak US dollar pushed by gold prices by Rs 428 to Rs 46,292 per 10 gram in the Mumbai bullion market on May 8. The metal gained Rs 559, or 1.22 %, for the week.
- Globally, gold eased on Friday as appetite for riskier assets improved after a string of strong corporate earnings, while investors awaited the U.S. jobs report for April to gauge the economic impact of coronavirus-induced restrictions.

Currency Market Update

- The Indian Rupee lost 43 paise or 0.57 % to close at Rs 75.54 to the US Dollar.
- India's foreign exchange reserves increased by USD 1.622 billion to USD 481.078 billion in the week to May 1, due to rise in the foreign currency assets

Key Rates (%)	08-May-2020	30-Apr-2020	% Change
Mibor Overnight	4.43	4.41	0.45
CALL (O/N)	3.98	4.19	-5.01
CBLO	3.39	3.5	-3.14
T Bills Index (12M)	3.55	3.67	-3.27
10 Year GSEC	5.97	6.11	-2.29

Commodity Market

Commodity (INR)	08-May-2020	Gain+/Loss-	% Change
Gold (10 gm)	45812	906	2.02
Silver (1 kg)	43293	2304	5.62
Crude Oil (\$/barrel)	30.97	4.53	17.13

Currency Market

Currency	08-May-2020	Gain+/Loss-	% Change
USD/INR	75.44	-0.33	-0.44
EURO/INR	81.8	-0.18	-0.22
GBP/INR	93.5	0.09	0.1
JPY/INR	70.93	-0.45	-0.64

Upcoming Events

Tuesday 12, 2020

Inflation Rate YoY APR (CHINA)
 Industrial Production YoY MAR (INDIA)
 Inflation Rate YoY APR (INDIA)
 Manufacturing Production YoY MAR (INDIA)
 Core Inflation Rate YoY APR (US)
 Inflation Rate YoY APR (US)

Wednesday 13, 2020

Balance of Trade MAR (GREAT BRITAIN)
 GDP Growth Rate QoQ Prel Q1 (GREAT BRITAIN)
 GDP Growth Rate YoY Prel Q1 (GREAT BRITAIN)

Thursday 14, 2020

WPI Food YoY APR (INDIA)
 WPI Fuel YoY APR (INDIA)
 WPI Manufacturing YoY APR (INDIA)
 WPI Inflation YoY APR (INDIA)

Friday 15, 2020

GDP Growth Rate QoQ Flash Q1 (GERMANY)

GDP Growth Rate YoY Flash Q1 (GERMANY)

GDP Growth Rate QoQ 2nd Est Q1 (EA)

GDP Growth Rate YoY 2nd Est Q1 (EA)

Balance of Trade APR (INDIA)

Retail Sales MoM APR (US)

Week Gone By

Events	Actual %	Previous %
Markit Manufacturing PMI APR (INDIA)	27.4	51.8
Balance of Trade MAR (US)	-\$44.4B	-\$39.8B
Markit Services PMI APR 9 (INDIA)	5.4	49.3
Markit Services PMI Final APR (GERMANY)	16.2	31.7
Markit Services PMI Final APR (EA)	12.0	26.4
Balance of Trade APR (CHINA)	\$45.34B	\$19.93B
BoE Interest Rate Decision (GREAT BRITAIN)	0.1	0.1
Balance of Trade MAR (GERMANY)	€17.4B	€20.6B
Deposit Growth YoY APR/24 (INDIA)	9.8	9.5
Foreign Exchange Reserves MAY/01 (INDIA)	\$481.08B	\$479.46B
Bank Loan Growth YoY APR/24 (INDIA)	6.7	7.2
Non Farm Payrolls APR (US)	-20500K	-870K

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