

# Weekly Market Update



## Financial Market & Economy Update

### Domestic Update:

- The Central Board of Indirect Taxes and Customs (CBIC) has notified waiver of late fee, capping of late fee at Rs 500 in some cases, interest payable on late payments and extension of due dates for businesses to file goods and service tax (GST) returns for the Covid-19 impacted period, till October.
- The International Monetary Fund (IMF) said Indian economy will contract 4.5% in FY21, reversing its earlier forecast in April of 1.9% growth for the same year.
- India has retained its position as the third-largest economy in the world in terms of purchasing power parity (PPP), behind the US and China, the Ministry of Statistics & Programme Implementation (MoSPI) said. India accounts for 6.7% or \$8,051 billion, out of the world's total of \$119,547 billion of global Gross Domestic Product (GDP) in terms of PPP compared to 16.4% in case of China and 16.3% for the US, World Bank data for reference year 2017 show.
- EPFO subscriber growth is on account of lower exits and higher rejoining by exited members. The tax free returns of 8.5% for 2019-20, which is one of the highest among other social security instruments and fixed deposits, has helped EPFO reduce its exits for 2019-20 by around 10% as compared with previous year. Moreover, there has been a robust increase of around 75% in terms of rejoining by the members exited from 43.78 lakh in 2018-19 to 78.15 lakh in 2019-20.
- Refinery production of Petroleum Products during May, 2020 was 17281.78 TMT which is 20.15% lower than the target for the month and 21.26% lower when compared with May, 2019. Cumulative production during April-May, 2020 was 33241.59 TMT which is 18.98% and 22.68% lower than target for the period and production during corresponding period of last year respectively.

### Global Update:

- Car manufacturing in the United Kingdom slumped 95.4% from a year earlier to 5,314 units in May of 2020, following a record low of 197 units in April.
- The International Monetary Fund (IMF) estimated a deeper recession for this year and a slower and uncertain recovery for next year on the coronavirus pandemic. The global economy is set to shrink 4.9% this year, which is worse than the 3% contraction predicted in April, the lender said in an update to its World Economic Outlook.
- US existing home sales plunged by 9.7% to an annual rate of 3.91 million in May after plummeting by 17.8% to a rate of 4.33 million in April, according to a report released by the National Association of Realtors on Monday. Existing home sales declined for the third straight month and are down by 26.6% compared to the same month a year ago.



## Equity Market Update

- Market benchmarks Sensex and Nifty closed with gains for the week, ending June 26.
- The S&P BSE Sensex rose 1.2% while the Nifty50 gained 1.3% for the week ended June 26 compared with 3.5% rally seen in the S&P BSE Midcap index, and the S&P BSE Smallcap index closed with gains of 2.8% in the same period.
- The benchmark indices gained on three days and lost on one day with expiry day being virtually flat.
- The Nifty Bank index closed 0.40% higher at 21,592.05 on June 26.



## Debt Market Update

- Local bond yields for 10 year government security, 5.79 GS 2030 ended at 5.91% on Friday



## Commodity Market Update

### Oil Update:

- Oil prices settled lower on Friday as new coronavirus cases spiked in the United States and China, and on growing concerns about rising U.S. output ticking up while crude stockpiles sat at record highs. Brent crude futures settled down 3 cents at \$40.91, falling 1% on the week.
- U.S. West Texas Intermediate (WTI) crude futures fell 23 cents to \$38.49, down 1.6% on the week.

### Gold Update:

- Precious metal gained last week on renewed fears about rise in COVID-19 cases, gold prices increased by 1.8% and silver prices climbed by near a % last week.
- MCX gold futures in India hit a record high of ₹48,589 per 10 grams on Wednesday and closed the week at ₹48,315. Silver rates in India ended the week at ₹48,390 per

## Domestic Markets



| Index         | 26-Jun-2020 | 19-Jun-2020 | % Change |
|---------------|-------------|-------------|----------|
| BSE Sensex    | 35171.27    | 34731.73    | 1.27     |
| S&P CNX Nifty | 10383       | 10244.4     | 1.35     |
| CNX Midcap    | 14975.25    | 14565.85    | 2.81     |
| CNX 500       | 8559        | 8403.4      | 1.85     |
| BSE Smallcap  | 12630.28    | 12277.11    | 2.88     |

## Global Markets



| Index              | 26-Jun-2020 | 19-Jun-2020 | % Change |
|--------------------|-------------|-------------|----------|
| Dow Jones          | 25015.55    | 25871.46    | -3.31    |
| Nasdaq             | 9757.22     | 9946.12     | -1.9     |
| S&P 500            | 3009.05     | 3097.74     | -2.86    |
| FTSE 100           | 6159.3      | 6292.6      | -2.12    |
| Shanghai Composite | 2979.55     | 2967.63     | 0.4      |
| Hang Sang          | 24549.99    | 24643.89    | -0.38    |

## Institutional Flows (Equity)



| Description (INR Cr) | Purchases | Sales | Net  |
|----------------------|-----------|-------|------|
| FII Flows*           | 38591     | 36225 | 2366 |
| MF Flows*            | 5274      | 4410  | 864  |

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



| Date        | Index    | Stocks  |
|-------------|----------|---------|
| 19-Jun-2020 | 1106.25  | 1241.89 |
| 22-Jun-2020 | -91.34   | -541.57 |
| 23-Jun-2020 | -434.42  | 317.75  |
| 24-Jun-2020 | -1116.55 | 593.65  |
| 25-Jun-2020 | -404.69  | 471.56  |

## Policy Rates



| Key Rates (%) | 26-Jun-2020 | 1 Week Ago | 1 Month Ago |
|---------------|-------------|------------|-------------|
| Reverse Repo  | 3.35        | 3.35       | 3.35        |
| Repo          | 4           | 4          | 4           |
| CRR           | 3           | 3          | 3           |
| SLR           | 18          | 18         | 18          |

## Key Rates





## Currency Market Update

- The Indian Rupee gained 52 paise or 0.68 % to close at Rs 75.66 to the US Dollar.
- Foreign Exchange Reserves in India decreased to 505570 USD Million in the week ended June 19th from 507644 USD Million in the previous week.

| Key Rates (%)       | 26-Jun-2020 | 19-Jun-2020 | % Change |
|---------------------|-------------|-------------|----------|
| Mibor Overnight     | 3.94        | 3.94        | 0        |
| CALL (O/N)          | 3.54        | 3.63        | -2.48    |
| CBLO                | 2.68        | 3           | -10.67   |
| T Bills Index (12M) | 3.49        | 3.52        | -0.85    |
| 10 Year GSEC        | 5.91        | 5.85        | 1.03     |

## Commodity Market



| Commodity (INR)       | 26-Jun-2020 | Gain+/Loss- | % Change |
|-----------------------|-------------|-------------|----------|
| Gold (10 gm)          | 48305       | 368         | 0.77     |
| Silver (1 kg)         | 48365       | -271        | -0.56    |
| Crude Oil (\$/barrel) | 41.02       | -1.17       | -2.77    |

## Currency Market



| Currency | 26-Jun-2020 | Gain+/Loss- | % Change |
|----------|-------------|-------------|----------|
| USD/INR  | 75.48       | 0.73        | 0.96     |
| EURO/INR | 84.63       | 0.79        | 0.92     |
| GBP/INR  | 93.71       | 1.08        | 1.14     |
| JPY/INR  | 70.47       | 0.8         | 1.12     |

## Upcoming Events



Monday 29, 2020

Business Confidence JUN (EA)

Tuesday 30, 2020

NBS Manufacturing PMI JUN (CHINA)  
 GDP Growth Rate QoQ Final Q1 (GREAT BRITAIN)  
 GDP Growth Rate YoY Final Q1 (GREAT BRITAIN)  
 Infrastructure Output YoY MAY (INDIA)  
 Government Budget Value MAY (INDIA)

Wednesday 1, 2020

Gfk Consumer Confidence JUN (GREAT BRITAIN)  
 Tankan Large Manufacturers Index Q2 (JAPAN)  
 Caixin Manufacturing PMI JUN (CHINA)  
 Markit Manufacturing PMI JUN (INDIA)  
 Consumer Confidence JUN (INDIA)

Thursday 2, 2020

Non Farm Payrolls JUN (US)  
 Balance of Trade MAY (US)

Friday 3, 2020

Markit Services PMI JUN (INDIA)  
Deposit Growth YoY JUN/19 (INDIA)  
Foreign Exchange Reserves JUN/26 (INDIA)  
Bank Loan Growth YoY JUN/19 (INDIA)

## Week Gone By



| Events                                   | Actual %  | Previous % | 1 Year ago % |
|--|-----------|------------|--------------|
| Loan Prime Rate 1Y (CHINA)               | 3.85      | 3.85       |              |
| Ifo Business Climate JUN (GERMANY)       | 86.2      | 79.7       |              |
| GfK Consumer Confidence JUL (GERMANY)    | -9.6      | -18.6      |              |
| Durable Goods Orders MoM MAY (US)        | 15.8      | -18.1      |              |
| GDP Growth Rate QoQ Final Q1 (US)        | -5.0      | 2.1        |              |
| Foreign Exchange Reserves JUN/19 (INDIA) | \$505.57B | \$507.6B   |              |
| Personal Income MoM MAY (US)             | -4.2      | 10.8       |              |
| Personal Spending MoM MAY (US)           | 8.2       | -12.6      |              |

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### Risk Factors

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