



Financial Market & Economy Update

Domestic Update:

- Ministry of Labour and Employment has notified 8.65 % interest rate on employees provident fund for 2018-19, which will now be credited to the accounts of more than 6 crore subscribers of retirement fund body EPFO, Union minister Santosh Gangwar said.
- India's coal import declined by 3.7 % to 18.93 million tonnes (MT) in July this year from 19.67 MT in the same month a year ago. Of the total coal imports in July 2019, non-coking coal shipment was at 12.66 MT, coking coal's was at 4.17 MT.
- Farmers across the country can now hire tractor and other farm machineries through a multi-lingual mobile app called 'CHC-Farm Machinery' which was launched by Agriculture Minister Narendra Singh Tomar on Tuesday.
- Around 14.24 lakh jobs were created in July, higher than 12.49 lakh in the previous month, according to a latest payroll data from Employees' State Insurance Corporation (ESIC).
- The government has approved the construction of 1.23 lakh houses under the Pradhan Mantri Awas Yojana (Urban), taking the total number of houses sanctioned under the scheme to over 90 lakh, a statement said on Thursday. The approval was given by the Central Sanctioning and Monitoring Committee (CSMC) on Wednesday evening.
- India's crude oil imports from the US have jumped by over 72 % in the first five months of the current fiscal as the country looks to diversify oil purchases beyond its traditional suppliers in the Middle East, official data showed. According to data sourced from the Directorate General of Commercial Intelligence and Statistics, the US supplied about 4.5 million tonnes of crude oil during April to August 2019 as compared to 2.6 million tonnes oil sourced from that country in the same period a year back.

Global Update:

- The IHS Markit Germany Manufacturing PMI fell to 41.4 in September 2019 from 43.5 in the previous month and missing market expectations of 44.
- The IHS Markit Germany Services PMI fell to 52.5 in September 2019 from 54.8 in the previous month and well below market expectations of 54.3.
- The IHS Markit Eurozone Services PMI dropped to 52.0 in September 2019 from 53.5 in the previous month and below market forecasts of 53.3.
- The IHS Markit Eurozone Manufacturing PMI slumped to 45.6 in September 2019 from 47.0 in the previous month and below market consensus of 47.3.
- Japanese manufacturing activity shrank at the fastest pace in seven months in September. The Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) slipped to a seasonally adjusted 48.9 from a final 49.3 in the previous month, marking the quickest pace of deterioration since February.
- The GfK consumer sentiment indicator for Germany rose unexpectedly to 9.9 heading into October 2019, beating market consensus of 9.7.
- The Gross Domestic Product (GDP) in the United States expanded 2% in the second quarter of 2019 over the previous quarter.
- The United States offered to remove all sanctions on Iran in exchange for talks, Iranian President Hassan Rouhani said on Friday upon returning to Tehran from the United Nations General Assembly in New York.
- Profits at China's industrial firms contracted in August, reversing the previous month's brief gain, as weak domestic demand and the trade war with the United States weighed on corporate balance sheets. Industrial profits fell 2% in August from a year earlier to 517.8 billion yuan (\$72.59 billion), data released by the National Bureau of Statistics (NBS) on Friday showed. That compared with a 2.6% gain in July.



Equity Market Update

- Domestic stock markets clocked sharp gains last week, continuing their up move after the government's move to lower corporate taxes triggered the biggest single-day surge in more than a decade. Benchmark stock indices rose more than 2% in the week ended September 27. The S&P BSE Sensex index rose in three out of five sessions to rise a total 807.95 points, marking a surge of 2.13% on a weekly basis. The broader NSE Nifty benchmark climbed 238.2 points - or 2.11% - during this period. Analysts say the rally may continue in the run-up to the earnings season.
- Sector Update:** Sector wise Nifty Private bank outperformed the sectoral indices with a gain of 4.12%. Whereas Nifty Consumer Goods ended the week at 3.99%, Nifty Financial Services at 3.29% and Nifty Bank at 3.09%. Nifty PSU Bank and Nifty Pharma ended the week at -5.81% & -3.61% respectively.
- Seven out of the 11 sectoral indices on the National Stock Exchange finished the week on a lower note; still the benchmark Nifty index rose 2.11% thanks to financial and consumer goods sectors.
- Broader Markets:** Mid- and small-cap segments rose around 1 % each this week. The S&P BSE Midcap index posted a weekly gain of 1.03%, rising for a third straight week, whereas the Small cap gauge climbed 0.97% in its fifth positive week in a row.

Domestic Markets



Index	27-Sep-2019	20-Sep-2019	% Change
BSE Sensex	38822.57	38014.62	2.13
S&P CNX Nifty	11512.4	11274.2	2.11
CNX Midcap	16271.55	16333.4	-0.38
CNX 500	9395.6	9230.5	1.79
BSE Smallcap	13331.93	13204.25	0.97

Global Markets



Index	27-Sep-2019	20-Sep-2019	% Change
Dow Jones	26820.25	26935.07	-0.43
Nasdaq	7939.63	8117.67	-2.19
S&P 500	2961.79	2992.07	-1.01
FTSE 100	7426.2	7344.9	1.11
Shanghai Composite	2932.17	3006.45	-2.47
Hang Sang	25954.81	26435.67	-1.82

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	16968	20515	-3547
MF Flows*	10683	7867	2816

*FII data from 20th September to 25th September 2019

*MF data from 20th September to 24th September 2019

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
20-Sep-2019	5239.76	2124.51
23-Sep-2019	3952.88	828.68
24-Sep-2019	867.77	-871.21
25-Sep-2019	1641.11	-535.95
26-Sep-2019	4400.66	301.16

Policy Rates



Key Rates (%)	27-Sep-2019	1 Week Ago	1 Month Ago
Reverse Repo	5.15	5.15	5.15
Repo	5.4	5.4	5.4
CRR	4	4	4
SLR	18.75	18.75	18.75

Key Rates





Debt Market Update

- India government bonds ended higher this week on value buying, recovering from the sharp slump seen last week, with traders' attention now focused on the October-March borrowing number as well as the policy decision due next week.
- The benchmark 7.26% bond maturing in 2029 ended at 103.56 rupees, yielding 6.74%, in Mumbai. The yield eased by five basis points this week. The benchmark bond yield had jumped 15 basis points last week mainly due to fears of a fiscal slippage and additional borrowing after the government announced tax rate cuts.



Commodity Market Update

Oil Update:

- Oil prices plunged for the week ending Sept. 27 following reports of a partial ceasefire in Yemen as well as the development of crude oil output restoration in Saudi Arabia, with the price of West Texas Intermediate (WTI) for November delivery down 3.75% and Brent crude oil for November delivery down 3.69%.
- WTI closed the week at 55.91 U.S. dollars a barrel on the New York Mercantile Exchange, while Brent crude finished the week at 61.91 dollars a barrel on the London ICE Futures Exchange.
- WTI and Brent crude prices have increased 23.12% and 15.07%, 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%.
- During the week ending Sept. 20, U.S. commercial crude oil inventories increased by 2.412 million barrels from the previous week, defying market expected draw of 0.249 million barrels, which implied weaker demand and was bearish for crude prices.
- Meanwhile, Saudi Arabia announced earlier the week that it had returned to the level of crude oil production, while some reports still suggested it could take months for production to return to normal level.

Gold Update:

- Physical gold demand remained subdued for most of the week in major Asian centres, with elevated rates impeding purchases, though Indian jewellers stocked up for festival season as local rates dropped to more than six-week lows on September 27.
- Gold futures were trading around 37,445 rupees per 10 grams on Friday after falling to 37,399 rupees earlier in the day, the lowest level since August 13.
- Dealers were offering a discount of up to \$12 an ounce to official domestic prices on Friday, down from a \$40 discount on Thursday and up to \$47 last week. The domestic price includes a 12.5% import tax and 3% sales tax.
- Retail demand, however, remained lacklustre this week because of the Shradh period, which is considered inauspicious for buying bullion, said one Kolkata bullion dealer.
- Demand for gold usually strengthens in the final quarter as India gears up for festivals such as Diwali and Dussehra.
- In global markets, gold prices have remained choppy since hitting a six-year high of above \$1,550 an ounce earlier this month. On Friday, they slipped to \$1,496 an ounce, weighed down by a strong US dollar. A stronger dollar makes gold costlier for holders of other currencies.



Currency Market Update

- The Indian rupee was the second-best emerging market currency this week. The home currency appreciated 0.54 % this week to end at 70.56.
- India's forex reserves declined by \$388 million to \$428.572 billion for the week ended September 20 due to a slide in core currency and gold assets, the Reserve Bank said on Friday.
- The overall reserves had declined by \$649 million to \$428.960 billion in the previous reporting week. They had touched a life-time high of \$430.572 billion in August this year.
- During the week ending Sept. 27, the U.S. Dollar Index almost hit the 2019 high at 99.38 while challenged the 99.10 support level.

Key Rates (%)	27-Sep-2019	20-Sep-2019	% Change
Mibor Overnight	5.45	5.45	0
CALL (O/N)	5.24	5.37	-2.42
CBLO	5.18	5.36	-3.36
T Bills Index (12M)	5.56	5.6	-0.71
10 Year GSEC	6.74	6.79	-0.74

Commodity Market



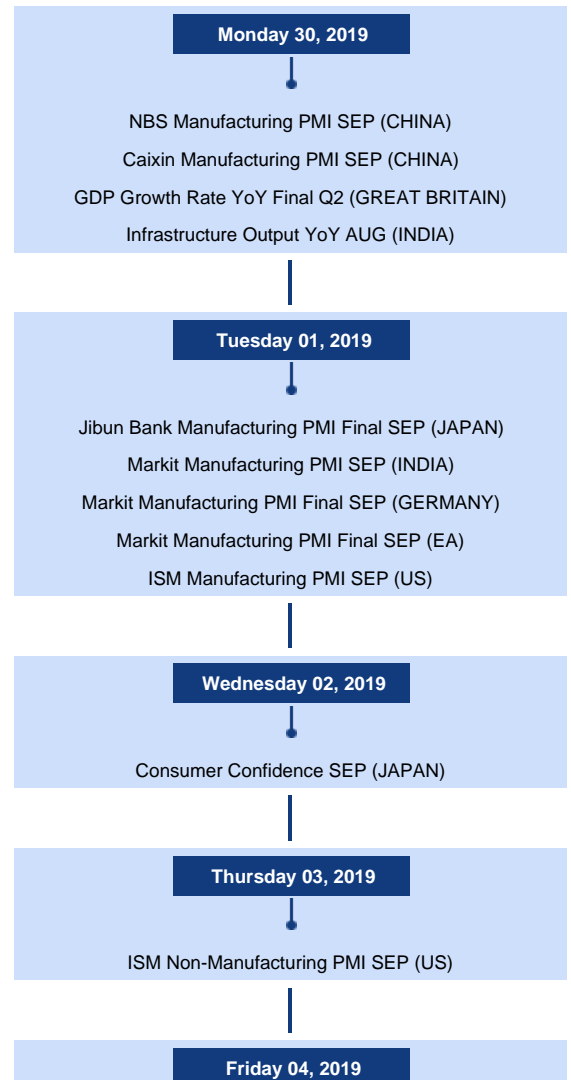
Commodity (INR)	27-Sep-2019	Gain+/Loss-	% Change
Gold (10 gm)	37481	91	0.24
Silver (1 kg)	44604	-1082	-2.37
Crude Oil (\$/barrel)	61.91	-2.37	-3.69

Currency Market



Currency	27-Sep-2019	Gain+/Loss-	% Change
USD/INR	70.84	-0.1	-0.14
EURO/INR	77.32	-1.12	-1.43
GBP/INR	87.33	-1.88	-2.11
JPY/INR	65.71	-0.05	-0.08

Upcoming Events



Markit Services PMI SEP (INDIA)
 Cash Reserve Ratio (INDIA)
 Foreign Exchange Reserves SEP/27 (INDIA)
 Non Farm Payrolls SEP (US)
 Balance of Trade AUG (US)

Week Gone By



Events	Actual %	Previous %
Markit Manufacturing PMI Flash SEP (GERMANY)	41.4	43.5
Markit Services PMI Flash SEP (GERMANY)	52.5	54.8
Ifo Business Climate SEP (GERMANY)	94.6	94.3
New Home Sales AUG (US)	0.713M	0.666M
GfK Consumer Confidence OCT (GERMANY)	9.9	9.7
GDP Growth Rate QoQ Final Q2 (US)	2.0	3.1
Business Confidence SEP (EA)	-0.22	0.11
Deposit Growth YoY SEP/13 (INDIA)	10.0	9.7
Foreign Exchange Reserves SEP/20 (INDIA)	\$428.57B	\$428.96B
Bank Loan Growth YoY SEP/13 (INDIA)	10.3	10.2
Durable Goods Orders MoM AUG (US)	0.2	2.0
Personal Income MoM AUG (US)	0.4	0.1
Personal Spending MoM AUG (US)	0.1	0.5

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