



Financial Market & Economy Update

Domestic Update:

- Sowing of kharif (summer) crops touched a new record at 1,095.38 lakh hectare so far in the current season on the back of good rains and timely pre-positioning of crop inputs, according to the agriculture ministry.
- Foreign Exchange Reserves in India increased to 541431 USD Million in August 28 from 537548 USD Million in the previous week.
- NITI Aayog stated yesterday that India has climbed 4 spots and has been ranked 48th by the World Intellectual Property Organization (WIPO) in the Global Innovation Index 2020 rankings.
- India's service sector activity index rose to 41.8 in August from 34.2 in July, survey results from IHS Markit showed Thursday.
- The gross GST revenue collected in the month of August, 2020 is Rs. 86,449 crore of which CGST is Rs. 15,906 crore, SGST is Rs. 21,064 crore, IGST is Rs. 42,264 crore (including Rs. 19,179 crore collected on import of goods) and Cess is Rs. 7,215 crore (including Rs. 673 crore collected on import of goods). The government has settled Rs. 18,216 crore to CGST and Rs. 14,650 crore to SGST from IGST as regular settlement. The total revenue earned by Central Government and the State Governments after regular settlement in the month of August, 2020 is Rs. 34,122 crore for CGST and Rs. 35,714 crore for the SGST. On year-on-year basis, the August collection was 12 per cent lower compared to Rs 98,202 crore mopped up in the same month last year.
- The IHS Markit India Manufacturing PMI increased to 52 in August 2020 from 46 in the previous month, easily beating market consensus of 48.2.
- India's April-June quarter GDP contracted by a massive 23.9 per cent year-on-year (YoY), the first GDP contraction in more than 40 years. As per the National Statistical Office (NSO), gross value added (GVA) came in at -22.8 per cent.
- India's fiscal deficit widened to INR 8.21 trillion in April-July 2020-21 from INR 5.48 trillion in the corresponding period of the previous fiscal year.
- Contracting for the fifth consecutive month, the output of eight core infrastructure sectors dropped by 9.6 per cent in July due to decline mostly in production of steel, refinery products and cement.
- Retail inflation for industrial workers eased marginally to 5.33 per cent in July compared to 5.98 per cent in the same month last year, mainly due to lower prices of certain food items.
- India's total Money Supply (M3) stood at Rs 17561311 crores as on 14th August 2020, recording a gain of 12.6% over the same time last year. Demand deposits with banks were up 10.8% at Rs 1584300 crores. Time deposits with banks were also up 10.9% at Rs 13343769 crores.

International Update:

- The US economy added 1.371 million jobs in August of 2020, easing from a downwardly revised 1.734 million in the previous month, and only slightly below market forecasts of 1.4 million.
- Eurozone retail sales declined 1.3% on month in July on weak non-food products turnover and following a 5.3% rise in June.
- China's services sector grew strongly in August as businesses continued to recover from the coronavirus pandemic, survey data from IHS Markit showed Thursday. The Caixin services Purchasing Managers' Index fell marginally to 54.0 from 54.1 in July.
- US factory orders soared by 6.4% in July, according to a report released by the Commerce Department on Wednesday.
- Industrial producer prices in the Euro Area advanced 0.6 percent from a month earlier in July 2020, following a 0.7 percent increase in the previous month and beating market expectations of a 0.5 percent rise.
- US manufacturing purchasing managers index rose to 56.0 in August from 54.2 in July.



Equity Market Update

- In the trading week that ended on September 4, the market witnessed profit-booking on weak global cues and rising border tension between India and China.
- The BSE Sensex shed 1,110.13 points or 2.81 percent to close at 38,357.18, while the Nifty50 fell 313.75 points or 2.69 percent to end at 11,333.90.
- Broader Market Update:** BSE smallcap index shed 2.6 percent. The BSE midcap Index fell 2.6 percent.
- Sector Update:** On the sectoral front, the Nifty PSU bank index underperformed other indices with a loss of more than 8 percent followed by the Nifty realty index and the Nifty energy index.
- It was a good week for the Indian currency, as the rupee rose closed at 73.14 per dollar on September 4, against 28 a closing of 73.39 per dollar.

Debt Market Update

Domestic Markets



Index	04-Sep-2020	28-Aug-2020	% Change
BSE Sensex	38357.18	39467.31	-2.81
S&P CNX Nifty	11333.85	11647.6	-2.69
CNX Midcap	16926.2	17369.05	-2.55
CNX 500	9377.95	9641.05	-2.73
BSE Smallcap	14602.97	14990.55	-2.59

Global Markets



Index	04-Sep-2020	28-Aug-2020	% Change
Dow Jones	28133.31	28653.87	-1.82
Nasdaq	11313.13	11695.63	-3.27
S&P 500	3426.96	3508.01	-2.31
FTSE 100	5850.9	5963.57	-1.89
Shanghai Composite	3384.98	3403.81	-0.55
Hang Sang	25007.6	25422.06	-1.63

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	46563	45209	1354
MF Flows*	16087	17877	-1790

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
28-Aug-2020	1745.12	-559.35
31-Aug-2020	-4284.34	-1348.16
01-Sep-2020	1695.39	-365.79
02-Sep-2020	-1930.38	-599.96
03-Sep-2020	1803.13	-1228.6

Policy Rates



Key Rates (%)	04-Sep-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





- Yields for 5.79% GS 2030 at 5.93%.



Commodity Market Update

Oil Update:

- Both International oil benchmarks had their forward curve widened last week, as seen in Dec. crude oil contract revealing a high amount of crude supplies at the spot market.
- West Texas Intermediate crude settle at \$39.77 a barrel on the New York Mercantile Exchange. November Brent BRN00, -1.05%, the global benchmark, lost \$1.41, or 3.2%, at \$42.66 a barrel on ICE Futures Europe. Both crude benchmarks settled at their lowest since July 9, based on the front-month contracts, according to Dow Jones Market Data.
- WTI crude logged a nearly 7.5% weekly fall, on the heels of four consecutive weeks of gains, while Brent marked a 6.9% weekly decline.

Gold Update:

- Even though gold prices in India have fallen about 10% from their last month's highs, physical retail demand remained less than usual, forcing dealers to offer discounts. On Friday, gold prices in India fell for the third day in a row, settling at ₹ 50,690 per 10 gram. From August 7th highs of ₹ 56,200, gold is down about ₹ 5,500 per 10 gram or about 10%.
- Dealers offered discounts of up to \$40 an ounce over official domestic prices this week.



Currency Market Update

- It was a good week for the Indian currency, as the rupee rose closed at 73.14 per dollar on September 4, against 28 a closing of 73.39 per dollar.

Key Rates (%)	04-Sep-2020	28-Aug-2020	% Change
Mibor Overnight	3.71	3.74	-0.8
CALL (O/N)	3.43	3.43	0
CBLO	3.02	3.05	-0.98
T Bills Index (12M)	3.52	3.58	-1.68
10 Year GSEC	5.93	6.14	-3.42

Commodity Market



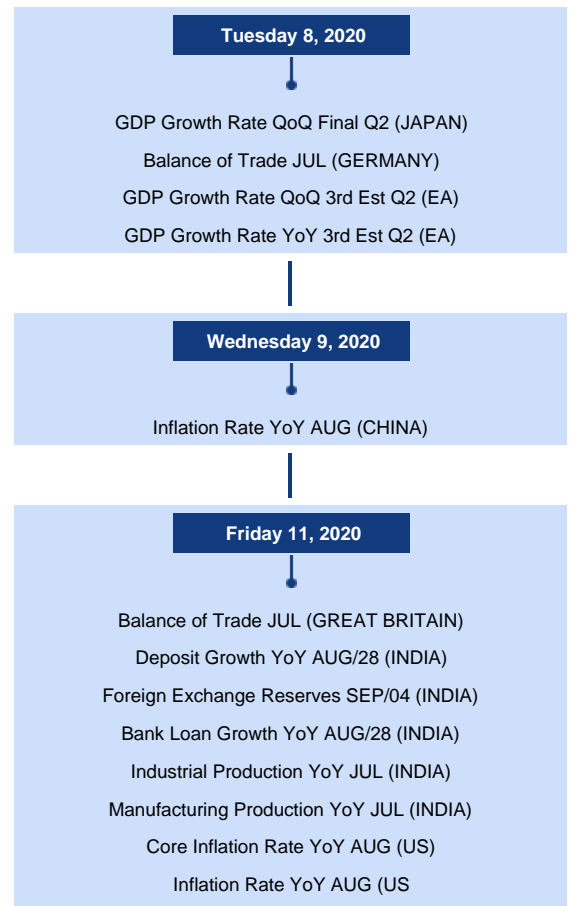
Commodity (INR)	04-Sep-2020	Gain+/Loss-	% Change
Gold (10 gm)	50678	-770	-1.5
Silver (1 kg)	64663	-1313	-1.99
Crude Oil (\$/barrel)	42.66	-2.39	-5.31

Currency Market



Currency	04-Sep-2020	Gain+/Loss-	% Change
USD/INR	73.34	1.54	2.06
EURO/INR	86.85	2.01	2.26
GBP/INR	97.35	1.77	1.79
JPY/INR	69.07	1.83	2.58

Upcoming Events



Week Gone By



Events	Actual %	Previous %	1 Year ago %
NBS Manufacturing PMI AUG (CHINA)	51.0	51.1	
Consumer Confidence AUG (JAPAN)	29.3	29.5	
Government Budget Value JUL (INDIA)	INR -8213B	INR-6620B	
Infrastructure Output YoY JUL (INDIA)	-9.6	-12.9	
GDP Growth Rate YoY Q2 (INDIA)	-23.9	3.1	
Caixin Manufacturing PMI AUG (CHINA)	53.1	52.8	
Markit Manufacturing PMI AUG (INDIA)	52.0	46.0	
Markit Services PMI AUG (INDIA)	41.8	34.2	
Balance of Trade JUL (US)	\$-63.6B	\$-53.5B	
Non Farm Payrolls AUG (US)	1371K	1734K	

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