

# Weekly Market Update



## Financial Market & Economy Update

### Domestic Market Update:

- The Reserve Bank Of India (RBI) has reported that currency in circulation edged up by 0.2% on the week to stand at Rs 29.64 lakh crore as on May 21, 2021. The central bank stated further that the overall reserve money gained 1% on the week at Rs 36.62 lakh crore. Currency in circulation rose around 13.5% on a year ago basis compared to 18.4% growth at the same time last year. In the current fiscal, the currency in circulation has increased by 3.7% so far while the reserve money has gone up by around 5%.
- The Reserve Bank Of India (RBI) stated today in its Annual Report that the evolving Consumer Price Inflation or CPI inflation trajectory is likely to be subjected to both upside and downside pressures. The food inflation path will critically depend on the temporal and spatial progress of the south-west monsoon in 2021. Second, some respite from the incidence of domestic taxes on petroleum products through coordinated action by the centre and states could provide relief, although international crude oil prices continued to be volatile. Third, a combination of high international commodity prices and logistic costs may push up input price pressures across manufacturing and services. Taking into consideration all these factors, CPI inflation is expected to average 5% during 2021-22 - 5.2% in Q1:2021-22; 5.2% in Q2; 4.4% in Q3; and 5.1% in Q4, with risks broadly balanced. During April 2021, inflation moderated on favourable base effects.
- The Pension Fund Regulatory and Development Authority (PFRDA) here has announced crossing the milestone of Rs 6 lakh crore (Rs 6 trillion) of Assets Under Management (AUM) under the National Pension System (NPS) and Atal Pension Yojana (APY), after 13 years. The AUM growth of last Rs 1 trillion has been achieved in just 7 months. PFRDA has witnessed remarkable growth in NPS subscribers over the years with 74.10 lakh government employees in the scheme and 28.37 lakh individuals joining from the non-government sector. The total subscriber base of PFRDA has increased to 4.28 crore. As on 21st May 2021, the total number of subscribers under NPS and Atal Pension Yojana has crossed 4.28 crore and the Asset under Management (AUM) has grown to Rs 603,667.02 crore.
- Production of Wheat during 2020-21 is estimated at record 108.75 million tonnes. It is higher by 8.32 million tonnes than the average wheat production of 100.42 million tonnes.
- Total Oilseeds production in the country during 2020-21 is estimated at record 36.57 million tonnes which is higher by 3.35 million tonnes than the production of 33.22 million tonnes during 2019-20. Further, the production of oilseeds during 2020-21 is higher by 6.02 million tonnes than the average oilseeds production.
- Production of Cotton is estimated at 36.49 million bales (of 170 kg each) is higher by 4.59 million bales than the average cotton production. Production of Jute & Mesta is estimated at 9.62 million bales (of 180 kg each).
- Total FDI, including equity, re-invested earnings and capital, rose 10 per cent to the highest ever of USD 81.72 billion during 2020-21 as against USD 74.39 billion in 2019-20.
- Foreign direct investments (FDI) into the country grew 19 per cent to USD 59.64 billion during 2020-21 on account of measures taken by the government on the fronts of policy reforms, investment facilitation and ease of doing business, commerce and industry ministry said.
- India has attracted highest ever total Foreign Direct Investment or FDI inflow of US\$ 81.72 billion during the financial year 2020-21 and it is 10% higher as compared to the last financial year 2019-20 (US\$ 74.39 billion). FDI equity inflow grew by 19% in the F.Y. 2020-21 (US\$ 59.64 billion) compared to the previous year F.Y. 2019-20 (US\$ 49.98 billion). In terms of top investor countries, 'Singapore' is at the apex with 29%, followed by the U.S.A (23%) and Mauritius (9%) for the F.Y. 2020-21. 'Computer Software & Hardware' has emerged as the top sector during F.Y. 2020-21 with around 44% share of the total FDI Equity inflow followed by Construction (Infrastructure) Activities (13%) and Services Sector (8%) respectively.

### International Market Update:

- The US real gross domestic product spiked by 6.4% in the first quarter, unchanged from the estimate provided last month.
- The US durable goods orders dropped 1.3% in April after jumping by an upwardly revised 1.3% in March. The volatile orders for transportation equipment plummeted by 6.7% in April after slumping 3.1% in March.
- The US pending home sales index tanked by 4.4% to 106.2 in April after surging up by 1.7% to a downwardly revised 111.1 in March. The pending home sales index slumped to its lowest level since hitting 101.4 in May of 2020.
- Germany-s import prices grew 10.3% year-on-year in April, following a 6.9% rise in March, data released by Destatis showed on Friday. This was the fastest growth since December 2010. On a monthly basis, import price inflation slowed to 1.4% from 1.8% in the prior month.
- Japan unemployment rate came in at a seasonally adjusted 2.8% in April, the Ministry of Communications and Internal Affairs said on Friday, up from 2.6% in March. The job-to-applicant ratio was 1.09.
- Singapore-s producer price inflation rose in April, data from the Department of Statistics showed on Friday. The manufacturing producer price index increased 8.8% year-on-year in April, following a 2.4% gain in March.
- The profits of Chinese industrial enterprises surged 57% in April based on year-on-year reporting, sending the profits in the first four months in 2021 up 1.06 times compared with 2020, the National Bureau of Statistics (NBS) revealed on Thursday. Following the rising prices of bulk commodities, enterprises in mining industry and raw materials manufacturing reported rapid growth. The profits of mining companies increased 1.03 times from January to April compared with the same period last year, while the raw material manufacturing sector rose 3.66 times.

## Domestic Markets



Index	28-May-2021	21-May-2021	% Change
BSE Sensex	51422.88	50540.48	1.75
S&P CNX Nifty	15435.65	15175.3	1.72
CNX Midcap	25695.1	25413.4	1.11
CNX 500	13117.05	12917.85	1.54
BSE Smallcap	23478.69	23130.4	1.51

## Global Markets



Index	28-May-2021	21-May-2021	% Change
Dow Jones	34529.45	34207.84	0.94
Nasdaq	13748.74	13470.99	2.06
S&P 500	4204.11	4155.86	1.16
FTSE 100	7022.61	7018.05	0.06
Shanghai Composite	3600.78	3486.56	3.28
Hang Sang	29124.41	28458.44	2.34

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	80267	77049	3218
MF Flows*	14411	15572	-1161

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



Date	Index	Stocks
21-May-2021	514.77	-505.75
24-May-2021	-1044.25	-1569.1
25-May-2021	3662.2	-2311.98
26-May-2021	5516.1	-762.66
27-May-2021	6993.59	821.54

## Policy Rates



Key Rates (%)	28-May-2021	1 Week Ago	1 Month Ago
Reverse Repo	3.35	3.35	3.35
Repo	4	4	4
CRR	3.5	3.5	3
SLR	18	18	18

## Key Rates



- German forward-looking consumer confidence index rose from revised -8.6 in May, survey results from the market research group GfK showed on Thursday. After a plus of almost 34 points, the economic expectations indicator jumped to 41.1 points, the highest value in more than three years. The income expectations indicator rose 10.2 points to 19.5 points in May. After three increases in a row, the propensity to buy indicator dropped 7.3 points to 10.0.
- UK car production increased sharply in April compared to the pandemic hit month in 2020 but remained below its 2019 level, the Society of Motor Manufacturers and Traders, or SMMT, said on Thursday. Factories manufactured 68,306 cars in April compared to just 197 a year ago when Covid restrictions effectively halted manufacturing. The performance was 3.8% below the April 2019%. So far this year UK factories have turned out 374,864 cars, which were up by 17.3%. When compared with a five-year average, production decreased 42.9% for the month and -31.1% for the January to April period.
- French manufacturing sentiment rose to its highest level in more than two years in May, survey data from the statistical office Insee revealed on Wednesday. The manufacturing sentiment index rose to 107 in May from 104 in the previous month.
- Japan's leading index rose less than initially estimated in March, final data from the Cabinet Office showed on Wednesday. The leading index, which measures the future economic activity, grew to 102.5 in March from 98.9 in February. In the initial estimate, the reading was 103.2. The coincident index edged up to 93.0 in March from 89.9 in the previous month. According to the initial estimate, the reading was 93.1. The lagging index rose to 93.7 in March versus 93.3 in the initial estimate. In February, the reading was 91.1.
- German business sentiment rose in May, survey data from the IFO Institute revealed on Tuesday. The business confidence index rose to 99.2 in May from 96.6 in the previous month. Current assessment as well expectations also strengthened in May. The current conditions index came in at 95.7 versus 94.2 in the previous month. The expectations index also advanced to 102.9 from 99.2 a month ago.
- Singapore's gross domestic product rebounds 1.3% on year in the first three months of 2021.
- US existing home sales tumbled by 2.7% to an annual rate of 5.85 million in April after plunging by 3.7% to a rate of 6.01 million in March, according to a report released by the National Association of Realtors on Friday. Existing home sales declined for the third straight month but were still up by 33.9% compared to the same month a year ago.



## Equity Market Update

- Nifty advanced 260.35 points or 1.72 pc to settle at 15,435.65.
- The BSE Mid-Cap index gained 176.08 or 0.82 pc to settle at 21,661.83. The BSE Small-Cap index scored 348.29 points or 1.51 pc to settle at 23,478.69.
- On Monday the Sensex rose 111.42 points to settle at 50,651.90 while Nifty gained 22.40 points to settle at 15,197.70.
- On Tuesday the Sensex fell 14.37 points to settle at 50,637.53. Nifty gained 10.75 points to settle at 15,208.45.
- On Wednesday the Sensex rose 379.99 points to settle at 51,017.52. Nifty gained 93 points or settled at 15,301.45.
- On Thursday the trading was volatile due to the May 2021 F&O contract expiration, the Sensex, rose 97.70 points to settle at 51,115.22. Nifty gained 36.40 points to settle at 15,337.85.
- On Friday, the Sensex advanced 307.66 points to settle at 51,422.88 and Nifty gained 97.80 points to settle at 15,435.65.



## Debt Market Update

- The benchmark 10-year 5.85% G sec 2030 bond yield ended flat at 5.98% today, holding around their three-month low.
- The Indian Government bond yields saw another choppy session amid continued focus on the inflation and a slide in US treasury yields this week.



## Commodity Market Update

### Oil Update:

- Crude recovered most of its losses from last week and moved higher this week on near-term fuel demand expected from the oncoming United States summer driving season. The opening up of global economies on the increased pace of vaccination, rising global equity markets and depleting US crude stockpiles provided additional support to the price.
- Crude oil surged Rs 194, or 4.16 percent, during the week and rose during four out of five trading sessions on the domestic bourse.
- The number of rigs drilling crude oil in the US jumped by 3 to 359 for the week to May 28, the highest since April 17, 2020, said Baker Hughes in a weekly report.
- West Texas Intermediate crude eased 0.28 percent to settle at \$66.66 per barrel, while Brent crude, the London-based international benchmark, dropped 0.27 percent to \$69.01 per barrel.

### Gold Update:

- Gold prices were steady during the week to settle at Rs 48,542 per 10 gram as

Key Rates (%)	28-May-2021	21-May-2021	% Change
Mibor Overnight	3.37	3.39	-0.59
CALL (O/N)	2.8	3.14	-10.83
CBLO	3.29	3.32	-0.9
T Bills Index (12M)	3.71	3.71	0
10 Year GSEC	6	5.98	0.45

## Commodity Market



Commodity (INR)	28-May-2021	Gain+/Loss-	% Change
Gold (10 gm)	48542	138	0.29
Silver (1 kg)	71611	562	0.79
Crude Oil (\$/barrel)	69.63	3.19	4.8

## Currency Market



Currency	28-May-2021	Gain+/Loss-	% Change
USD/INR	73.12	0.32	0.44
EURO/INR	89.13	-0.01	-0.01
GBP/INR	103.28	0.52	0.5
JPY/INR	67.01	0.5	0.74

## Upcoming Events



### Monday 31, 2021

NBS Manufacturing PMI MAY (CHINA)  
 Consumer Confidence MAY (JAPAN)  
 Infrastructure Output YoY APR (INDIA)  
 Government Budget Value APR (INDIA)  
 Government Budget Value MAR (INDIA)  
 GDP Growth Rate YoY Q1 (INDIA)

### Tuesday 1, 2021

Caixin Manufacturing PMI MAY (INDIA)  
 Markit Manufacturing PMI MAY (INDIA)  
 Balance of Trade Prel MAY (INDIA)  
 Exports Prel MAY (INDIA)  
 Imports Prel MAY (INDIA)

### Thursday 3, 2021

Markit Composite PMI MAY (INDIA)  
 Markit Services PMI MAY (INDIA)

### Friday 4, 2021

RBI Interest Rate Decision (INDIA)

players sat on the sidelines ahead of inflation data. Precious metal prices saw little reaction to the GDP and new jobless claims data. However, upbeat US data showed that a recovery in the world's largest economy was on track.

- The yellow metal rose in three out of five trading sessions on the MCX and ended the week with a gain of Rs 138. COMEX gold, on the other hand, rose \$21 or 1.16 percent during the same period.
- Spot gold settled with a profit of \$7.16 at \$1,903.66 an ounce in London trading.



## Currency Market Update

- The spot rupee continued its uptrend and rose by 0.52 percent to hit a 10-week high of 72.45 against the dollar for the week.
- Foreign Exchange Reserves in India increased to 592894 USD Million in May 21 from 590028 USD Million in the previous week.
- The US dollar index slightly soared 0.09 percent to close at 90.04 against the rival currencies.
- The dollar index ended with a modest gain of 0.04 percent through the week and touched a low of 89.51.

Reverse Repo Rate (INDIA)

Cash Reserve Ratio (INDIA)

Deposit Growth YoY MAY/21 (INDIA)

Foreign Exchange Reserves 28/MAY (INDIA)

Bank Loan Growth YoY MAY/21 (INDIA)

Non Farm Payrolls MAY (US)

## Week Gone By



Events	Actual %	Previous %
Ifo Business Climate MAY (GERMANY)	99.2	96.6
Durable Goods Orders MoM APR (US)	-1.3	1.3
GfK Consumer Confidence JUN (GERMANY)	-7.0	-8.6
Foreign Exchange Reserves 21/MAY (INDIA)	\$592.89B	\$590.03B
Personal Spending MoM APR (US)	0.5	4.7
Personal Income MoM APR (US)	-13.1	20.9

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