

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- Domestic kharif oilseeds sowing is pacing up impressively. The total acreage under kharif Soybean is at 114.18 lakh ha against 97.13 lakh ha area last year i.e. recording an increase of 17.55%. Acreage under groundnut also surged by 55% to 42.28 lakh ha as on date, compared to 27.24 lakh ha at the same time last year.
- The Federation of Automobile Dealers Associations (FADA) today released the Monthly Vehicle Registration Data for the Month of June 2020. June 2020. Vehicle Registration for June tumbled by 42% as the Indian economy continues to battle with Covid-19. On a YoY basis, 2-Wheeler registrations de-grew by 40.92%, 3-Wheeler by 75.43%, Commercial vehicles by 83.83%, and Passenger vehicles by -38.34%. Tractors registrations continue to march ahead with June numbers showing a growth of 10.86%.
- Farmers have sown Rice on 168.47 lakh ha against 142.06 lakh ha area last year i.e. increase in area coverage by 18.59%. Pulses have been sown on 81.66 lakh ha against 61.70 lakh ha area last year i.e. increase in area coverage by 32.35%, while coverage of Coarse Cereals is reported at 115.60 lakh ha area against 103.00 lakh ha area last year i.e. increase in area coverage by 12.23%. Oilseeds area is 154.95 lakh ha against 110.09 lakh ha area last year i.e. area coverage saw an increase of 40.75 %.
- Ministry of Agriculture & Farmers Welfare noted that as on 17.07.2020, total kharif crops have been sown on 691.86 lakh hectare (ha) area against 570.86 lakh ha area during the corresponding period of last year, thus increase in area coverage by 21.20% compared to last year in the country.

International Update:

- US existing home sales spiked by 20.7% to an annual rate of 4.72 million in June after plunging by 9.7% to a rate of 3.91 million in May, the National Association of Realtors reported on Wednesday. Despite the substantial monthly rebound, NAR noted existing home sales in June were down by 11.3% compared to the same month a year ago.
- Japan manufacturing sector continued to contract in July, with a manufacturing PMI score of 42.6, the latest survey from Jibun Bank revealed on Wednesday. That's up from 40.1 in June, although it remains well beneath the boom-or-bust line of 50 that separates expansion from contraction.
- Japan consumer prices were up 0.1% on year in June.
- At the end of June, UK's public sector net debt excluding public sector banks increased by GBP 195.5 billion from last year to GBP 1,983.8 billion.
- UK budget deficit increased sharply in June. Public sector net borrowing excluding public sector banks increased GBP 28.3 billion to GBP 35.5 billion, which was the third highest deficit in any month on records. Borrowing for May was revised down by GBP 9.8 billion to GBP 45.5 billion. Central government net cash requirement in June was GBP 47.1 billion, which was GBP 33.6 billion more than in June 2019 and the highest cash requirement in any June on record.
- Japan's trade balance shifted to a deficit of JPY 268.8 billion in June 2020 from a surplus of JPY 588.1 billion in the same month a year earlier. Exports tumbled 26.2 percent year-on-year to JPY 4.86 billion while imports plunged 14.4 percent to JPY 5.13 billion.
- The Euro Area's current account posted a EUR 10.5 billion deficit in May 2020, compared with a EUR 1.0 billion surplus in the same month last year and missing market expectations of a EUR 14.5 billion surplus.



Equity Market Update

- A strong week for Indian markets as bulls remained in control in four out of five sessions. The S&P BSE closed above 38,000 while the Nifty ended just a shade below 11,200 levels.
- Last week, BSE Sensex gained 1108.76 points (3 percent) to close at 38,128.9, while the Nifty50 added 292.45 points (2.7 percent) to end at 11,194.15 levels.
- Broader Market Update:** Last week, BSE Smallcap index gained 1.4 percent. BSE Midcap Index added 1.2 percent.
- The Nifty50 closed in the green for the sixth consecutive week in a row largely tracking strong trend seen in the global markets as well as strong earnings from India Inc.
- Sector Update:** In terms of sectoral performers – the S&P BSE Energy index rallied more than 9 percent followed by Consumer Durable and Banking stocks.
- Among losers, the S&P BSE Telecom index was down by 1.6 percent, followed by FMCG which fell 1.2 percent.
- Banking and financial services stock which is a major part of Nifty was partly responsible for the one-way rally which we saw in markets in the week gone by.

Debt Market Update

Domestic Markets



Index	24-Jul-2020	17-Jul-2020	% Change
BSE Sensex	37020.14	36594.33	1.16
S&P CNX Nifty	10901.7	10768.05	1.24
CNX Midcap	15242.3	15253.6	-0.07
CNX 500	8895.3	8813.95	0.92
BSE Smallcap	12782.53	12803.78	-0.17

Global Markets



Index	24-Jul-2020	17-Jul-2020	% Change
Dow Jones	26671.95	26075.3	2.29
Nasdaq	10503.19	10617.44	-1.08
S&P 500	3224.73	3185.04	1.25
FTSE 100	6290.3	6095.4	3.2
Shanghai Composite	3214.13	3383.32	-5
Hang Sang	25089.17	25727.41	-2.48

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	18781	22629	-3848
MF Flows*	12711	16174	-3463

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
10-Jul-2020	-580.89	-939.51
13-Jul-2020	-163.31	-1000.33
14-Jul-2020	-1589.61	-1594.67
15-Jul-2020	1377.48	22.46
16-Jul-2020	3324.16	674.36

*FII data from 17th Jul to 22nd July 2020

*MF data from 14th July to 22nd July 2020

Policy Rates



Key Rates (%)	24-Jul-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





- Local bond yields for 10 year government security, 5.79 GS 2030 continued to see lax movement as global yields are turning lower. Yields for 5.79% GS 2030 ended almost flat on Friday at 5.81%.



Commodity Market Update

Oil Update:

- Oil prices moved with considerable momentum at the start of the week, touching four-month highs. But by the end of the week Brent crude had settled at \$43.34 per barrel. WTI also edged up to \$41.34 per barrel.
- Energy Information Administration data showed weakening gasoline demand after a surge in the number of coronavirus cases. The outlook for crude oil demand in the US turned bearish as the latest weak US jobs report fueled growing economic uncertainty.
- While that was enough to trigger a sharp sell-off in equities, oil prices remained stable.

Gold Update:

- Gold is on a rush, and it is all that much a glittering prospect for many Indians. On Saturday, gold prices hit Rs 52,915 on a steady ascent.
- The price is for 10 grams of 24 karat gold in Delhi markets. Prices in India, the world's second biggest consumer of gold after China, had crossed the Rs 50,000 milestone earlier in the week on Wednesday.
- Gold prices have been on an upward swing in India since the economy slowdown took hold in 2018. But it has surpassed all previous statistics now—the rise is 28 per cent in just the first few months of this year compared to 25 per cent for the whole of 2019. And if you take the lockdown period, the increase in value of precious metals like gold and silver have been as high as 45 per cent.
- Globally, too, gold prices have been on an upward swing, rising more than 18 per cent in 2020, the highest in the past nine years. On Thursday, the international price hit Rs 1.41 lakh per troy ounce (one troy ounce is slightly over 31 grams), very close to the all-time highest price the yellow metal had ever garnered (1.43 lakh in 2011). Reasons given are obvious—fall in interest rates around the world weakening the value of currencies like the dollar, and people turning to investing in the yellow metal for safety in a world wracked by the pandemic.



Currency Market Update

- The Indian rupee gained further against the US dollar this week. The domestic currency rose 19 paise to close at 74.83 per dollar on July 24, against its July 17 closing of 75.02 per dollar.
- Forex reserves continued to hit record high levels as they rose by \$1.275 billion for the week ended July 17 to \$517.63 billion

Key Rates (%)	24-Jul-2020	17-Jul-2020	% Change
Mibor Overnight	3.92	3.87	1.29
CALL (O/N)	3.49	3.5	-0.29
CBLO	3.17	3.13	1.28
T Bills Index (12M)	3.36	3.9	-13.85
10 Year GSEC	5.81	5.76	0.87

Commodity Market



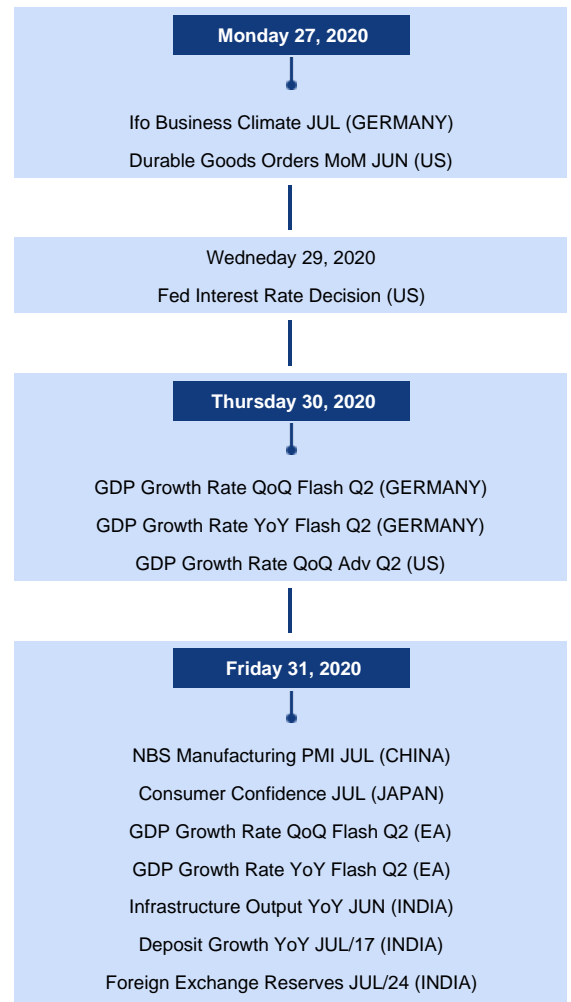
Commodity (INR)	24-Jul-2020	Gain+/Loss-	% Change
Gold (10 gm)	48967	-19	-0.04
Silver (1 kg)	52899	1537	2.99
Crude Oil (\$/barrel)	43.14	-0.1	-0.23

Currency Market



Currency	24-Jul-2020	Gain+/Loss-	% Change
USD/INR	75.1	0.19	0.25
EURO/INR	85.5	-0.7	-0.83
GBP/INR	94.25	0.52	0.55
JPY/INR	70.06	0.4	0.57

Upcoming Events



Government Budget Value JUN (INDIA)

Bank Loan Growth YoY JUL/17 (INDIA)

Personal Spending MoM JUN (US)

Personal Income MoM JUN (US)

Week Gone By



Events	Actual %	Previous%
Balance of Trade JUN (JAPAN)	¥-268.8B	¥-838.2B
Inflation Rate YoY JUN (JAPAN)	0.1	0.1
GfK Consumer Confidence AUG (GERMANY)	-0.3	-9.4
Foreign Exchange Reserves JUL/17 (INDIA)	\$517.6B	\$516.4B

Disclaimer

The information contained in this material are extracted from different public sources and does not represent views/opinions of Kotak Mahindra Asset Management Company Limited or its associated companies. Kotak Mahindra Asset Management Co Ltd does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. All reasonable care has been taken to ensure that the information contained herein is not misleading or untrue at the time of publication. This is not a sales literature and all the information is for the information of the person to whom it is provided without any liability whatsoever on the part of Kotak Mahindra Asset Management Co Ltd or any associated companies or any employee thereof.

Risk Factors

Mutual fund investments are subject to market risks, read all scheme related documents carefully.