

Weekly Market Update



Financial Market & Economy Update

- India's industrial output grew 7.1% in February from a year earlier, government data showed on Thursday.
- India's annual retail inflation eased for the third straight month in March to 4.28 %, as food prices fell, government data showed on Thursday.
- Domestic passenger vehicle sales were up 6.38 % at 3,00,722 units in March as against 2,82,698 units in the same month last year. Car sales were marginally up at 1,91,082 units last month as against 1,90,236 units in March last year, according to the data released by the Society of Indian Automobile Manufacturers (SIAM) on Tuesday.
- India, Saudi Aramco agree to partner on \$44 billion refinery-petchem project. India's economic growth is expected to rebound to 7.3% this fiscal and further to 7.6% in 2019-20 with increased productivity post GST and investment revival due to banking reform, the Asian Development Bank (ADB) said on Wednesday.
- India and South Korea are set to boost bilateral ties in ports and shipping space and will sign pact to provide Indian seafarers employment on over 500 Korean ships, Union Minister Nitin Gadkari said on Monday.
- The Mumbai zone of the Central GST Commissionerate has mopped up revenue of Rs 72,509 cr till Feb this year, tax officials said.
- China has banned exports to North Korea of 32 "dual-use" items that can be applied in the development of weapons of mass destruction, the commerce ministry said.
- German exports plunged unexpectedly in February, posting their biggest monthly drop in more than two years and narrowing the country's trade surplus, data showed on Monday. Seasonally adjusted exports fell by 3.2% on the month, the steepest decline since August 2015, data from the Federal Statistics Office showed. Imports dropped by 1.3%.
- Producer prices for final demand in the US advanced 0.3% mom in March, following a 0.2% increase in February and beating forecasts of a 0.1% gain. Year-on-year, the PPI rose 3%.
- British manufacturing output fell unexpectedly in February, its first drop in almost a year. Manufacturing output, which was a bright spot last year thanks to the strong global economy, fell 0.2 % month-on-month in February.
- The UK trade deficit widened to £6.4bn in the three months to February due to a fall in non-EU exports.
- China's producer price inflation continued cool in March, slowing to a 17-month low. The producer price index (PPI) rose 3.1 % in March from a year earlier, compared with 3.7 % in February.
- Japan's core machinery orders rose 2.1 % in February from the previous month, government data showed on Wednesday, suggesting a pick-up in capital expenditure.
- US import prices were flat in March, following a downwardly revised 0.3% rise in February and missing expectations of a 0.2% gain, Prices for US exports increased 0.3 % month-over-month in March of 2018.
- Industrial production in the Euro Area rose by 2.9 % year-on-year in February 2018.



Equity Market Update

- Key Indian equity indices -- the BSE Sensex and NSE Nifty50 -- extended their gains for the third consecutive week as healthy macro-economic data, along with firm global cues on the back of fading trade war fears boosted investors' sentiments.
- On a weekly basis, the barometer 30-scrip Sensitive Index (Sensex) of the BSE surged by 565.68 points or 1.68 % to close at 34,192.65 points.
- The Nifty resumed the week at 10,333.70 and traded between 10,519.90 and 10,328.50, the index finally closed at 10,480.60, up 149.00 points, or 1.44 %.
- In the broader market underperformed key indices with both midcap and smallcap shares gaining slightly.
- The S&P BSE Mid-Cap index rose 81.19 points or 0.49 % to settle at 16,677.76. The S&P BSE Small-Cap index rose 99.00 points or 0.55 % to settle at 17,981.99. Both these indices outperformed the Sensex.
- Among sectoral and industry indices, IT rose by 4.48 %, realty 4.01 %, metal 3.41 %, teck 3.33 %, consumer durables 2.95 %, capital goods 1.78 %, bankex 1.60 %, IPO 0.91 %, FMCG 0.75 %, power 0.33 % and auto 0.17 %.
- However, oil and gas fell by 1.05 %, PSU 0.99 % and healthcare 0.04 %. Among the 31-share Sensex pack, 23 stocks rose and remaining 8 stocks fell during the week.
- Foreign institutional investors or FIIs have invested a net of \$1.9 billion in Indian shares since the start of 2018 to Thursday, while domestic institutional investors or DIIs have pumped in a net of Rs28,075.18 crore in the asset class in the same period.
- According to provisional data from NSE, FIIs sold a net of nearly Rs400 crore of Indian shares on Friday, while DIIs bought a net of Rs306.05 crore.
- Figures from the National Securities Depository (NSDL) revealed that FPIs divested equities worth Rs 1,178.98 crore, or \$182.25 million, during April 9-13.

Debt Market Update

Domestic Markets



Index	13-Apr-2018	06-Apr-2018	% Change
BSE Sensex	34192.65	33626.97	1.68
S&P CNX Nifty	10480.6	10331.6	1.44
CNX Midcap	19676.2	19519.25	0.8
CNX 500	9267.65	9172.05	1.04
BSE Smallcap	17981.99	17882.99	0.55

Global Markets



Index	13-Apr-2018	06-Apr-2018	% Change
Dow Jones	24360.14	23932.76	1.79
Nasdaq	7106.65	6915.11	2.77
S&P 500	2656.3	2604.47	1.99
FTSE 100	7264.6	7183.64	1.13
Shanghai Composite	3159.05	3131.11	0.89
Hang Sang	30808.38	29844.94	3.23

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	22237	23416	-1179
MF Flows*	13913	11523	2390

FII data from 6th April to 12th April 2018

MF data from 4th April to 11th April 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
09-Apr-2018	1159.27	-470.03
10-Apr-2018	2364.33	552.02
11-Apr-2018	1171.21	-121.08
12-Apr-2018	1081.05	234.13
13-Apr-2018	-55.38	771.44

Policy Rates



Key Rates (%)	13-Apr-2018	1 Week Ago	1 Month Ago
Reverse Repo	5.75	5.75	5.75
Repo	6	6	6
CRR	4	4	4
SLR	20	20	20

Key Rates





- Indian government bonds tumbled this week, with the benchmark yield posting its biggest weekly rise in over 14 months, as higher state debt supply, rising crude oil prices and a spike in core inflation hurt mood.
- India's 10-year yield rose 26 basis points this week, its largest weekly rise since week ended Feb. 10, 2017.
- India's Monetary Policy Committee last week kept the key policy rate unchanged but lowered its inflation projections for the current financial year.
- The MPC now expects retail inflation for the first half of this fiscal year to be at 4.7%-5.1% and for the second half at 4.4%, against previous estimates of 5.1%-5.6% and 4.5%-4.6%, respectively.
- Indian states sold bonds worth 187.78 billion rupees this week, which was dominated by 10-year securities. This weighed on the overall appetite, coming at a time when state-run banks have still not emerged as buyers of government bonds.



Commodity Market Update

Oil Update:

- In the international energy front, global crude prices skyrocketed, posting their largest weekly gain since July after U.S. President Donald Trump's comments about possible military action in Syria and reports of dwindling global oil stocks.
- Rising geopolitical concerns along with declines in Venezuela's crude oil production also supported the rally.
- Benchmark Brent crude was up 58 cents at USD 72.60 a barrel and also set for a weekly gain of more than 8% going back to July.
- New York-traded West Texas Intermediate crude futures rose 32 cents, or roughly 0.5%, on Friday to end at \$67.39 a barrel by close of trade.
- The International Energy Agency (IEA), which coordinates the energy policies of industrialized nations, signaled on Friday that markets could become too tight if supply remains restrained.

Gold Update:

- Gold price rose for the second consecutive week in the trading period between April 8 and 13 due to volatility in exchange rate of US dollar and unstable oil prices.
- Gold regained the Rs 32,000-mark at the bullion market, maintaining its upward march for the second straight week, driven by a firm global trend amid brisk buying by local jewellers.
- Silver followed suit and recaptured the Rs 40,000-mark on increased offtake by industrial units and coin makers.
- In the coin makers, gold ended the week higher at USD 1,345.40 an ounce and silver at USD 16.63 an ounce in New York.
- In the national capital, gold of 99.9% and 99.5% purity commenced the week higher at Rs 31,500 and Rs 31,350 per ten grams in day-to-day buying by local jewellers along with a firm trend overseas and rallied to hit a high of Rs 32,150 and Rs 32,000 per ten grams, finally settling at Rs 32,100 and Rs 31,950 per ten grams, showing a gain of Rs 630 each.



Currency Market Update

- The rupee suffered a setback against the US counterpart after surging crude prices flagged risks from widening current account deficit and renewed inflation fears amid worsening geopolitical environment.
- Reversing a brief recovery trend, the home currency closed the week lower by 23 paise at 65.20 against the USD.
- The forex market witnessed extreme volatility against the backdrop of escalating geopolitical tensions with worries about Western military intervention in Syria alongside impending trade dispute between the US and China, despite bullish local equities.
- Uneasiness roared back into domestic currency market as overall sentiment turned into dismay after a rapid surge in global crude prices rekindled fiscal slippage and inflation.
- The rupee revisited a fresh one-month high of 64.85 at the start of this week, retreated sharply to a five-month low of 65.45 during the mid-week crisis, but eventually pulled back some losses.
- Steady stream of dollars from export receivables gave the home currency slight underlying support, cushioning the fall.
- At the Interbank Foreign Exchange (forex) market, the rupee opened higher at 64.85 from last Friday's close of 64.97 on sustained dollar unwinding by exporters and banks. It later broke down its consolidation phase and tumbled to a fresh five-month low of 65.45 on panic dollar demand from state-run banks and importers.
- However, some dollar demand towards the day-end trade helped the rupee to recover some lost ground before settling at 64.20, revealing a loss of 23 paise, or 0.35%.
- In the meantime, country's foreign exchange reserves rose by USD 503.6 million to touch a life-time high of USD 424.864 billion in the week to April 6.
- On the global front, the US dollar was little changed against a basket of major currencies on Friday as traders waited for more clarity on a possible Western military intervention in Syria.
- The dollar index, which measures the greenback's value against a basket of six major currencies ended at 89.51.

Key Rates (%)	13-Apr-2018	06-Apr-2018	% Change
Mibor Overnight	6	6	0
CALL (O/N)	5.86	5.89	-0.51
CBLO	4.86	5.67	-14.29
T Bills Index (12M)	6.46	6.43	0.47
10 Year GSEC	7.43	7.17	3.63

Commodity Market



Commodity (INR)	13-Apr-2018	Gain+/Loss-	% Change
Gold (10 gm)	31013	522	1.71
Silver (1 kg)	38485	601	1.59
Crude Oil (\$/barrel)	72.58	5.47	8.15

Currency Market



Currency	13-Apr-2018	Gain+/Loss-	% Change
USD/INR	65.22	0.23	0.36
EURO/INR	80.34	0.83	1.05
GBP/INR	92.77	1.81	1.99
JPY/INR	60.64	0.1	0.17

Upcoming Events



Monday 16, 2018

WPI Inflation YoY MAR (Ind)
Retail Sales MoM MAR (US)

Tuesday 17, 2018

GDP Growth Rate QoQ Q1 (CHINA)
(CHINA) GDP Growth Rate YoY Q1
Industrial Production YoY MAR (CHINA)
ZEW Economic Sentiment Index APR (EURO)
Core Inflation Rate YoY Final MAR (EURO)
Inflation Rate MoM MAR (EURO)
Industrial Production YoY Final FEB (JAP)

Wednesday 18, 2018

House Price Index YoY MAR (CHINA)
Balance of Trade MAR (JAP)

Thursday 19, 2018

Current Account FEB (EURO)

Friday 20, 2018

Consumer Confidence Flash APR (EURO)
Inflation Rate YoY MAR (JAP)

Saturday 21, 2018

Foreign Exchange Reserves 14/APR IND
Markit Composite PMI Flash APR (EURO)
Markit Manufacturing PMI Flash APR (EURO)
Markit Services PMI Flash APR (EURO)

Week Gone By



Events	Actual %	Previous %
Current Account FEB (Jap)	¥2.076T	¥0.607T
Consumer Confidence MAR (Jap)	44.3	44.3
Core PPI MoM MAR (US)	0.3	0.2
Wholesale Inventories MoM FEB (US)	1.0	0.9
Inflation Rate YoY MAR (China)	2.1	2.9
Core Inflation Rate YoY MAR (US)	2.1	1.8
Inflation Rate YoY MAR (US)	2.4	2.2
Industrial Production YoY FEB (Ind)	7.1	7.4
Inflation Rate YoY MAR (Ind)	4.28	4.44
Industrial Production MoM FEB (Euro)	-0.8	-0.6
Balance of Trade MAR (Ind)	\$-13.7B	\$-12B
Balance of Trade MAR (China)	\$-4.98B	\$33.75B
Exports YoY (China)	-2.7	44.5
Imports YoY (China)	14.4	6.3

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