



Financial Market & Economy Update

- Parliament on Thursday passed a key bill that will empower the government to enhance the ceiling of tax free gratuity to Rs 20 lakh from the existing Rs 10 lakh for employees falling under the Payment of Gratuity Act.
- The United States Department of Commerce (USDoC) has raised anti-dumping duty on shrimp exports from India to 2.34% from 0.84%, a move which will lead to "some margin compression" across the supply chain.
- The Punjab government has released funds amounting to Rs 690.96 crore under various welfare schemes, including pension payments, compensation to farmers against crop damage, retirement benefits and medical reimbursement.
- The government on Tuesday scrapped the 20% export duty on sugar in a bid to boost overseas sales of the commodity and lift its domestic price.
- NHAI has awarded two projects worth Rs 1,395.38 crore in Karnataka to Ashoka Concessions and Dilip Buildcon for widening of stretches of NH 4A, an official statement said on Friday.
- The country's manufacturing sector witnessed an improvement in sales growth in the third quarter this fiscal on annual basis. As per the data, sales of manufacturing companies increased by 14 % in the October-December quarter of 2017-18 compared to similar period of the previous fiscal.
- Indian airlines registered a more than 24% increase in passenger traffic in February compared with a year earlier. Indian carriers flew 10.7 million passengers in the past month, up from 8.6 million in February 2017, as per the DGCA.
- China's new home price growth slows as big cities decline. Average new home prices in China's 70 major cities rose 0.2% in February from the previous month, compared with an increase of 0.3% in January, Reuters' calculations from National Bureau of Statistics (NBS) data on Mon showed.
- Russian President Vladimir Putin basked in his biggest ever election victory on Monday, extending his rule over the world's largest country for another 6 years.
- British inflation was weaker than expected in February at 2.7% as the impact of the 2016 Brexit vote faded, easing some of the squeeze on households' spending power but doing little to change bets on a Bank of England rate rise in May.
- UK Wages grew by 2.6% in the three months to January while the unemployment rate fell, according to new data.
- Scotland's jobless total rose by 5,000 in Scotland between November and January to stand at 118,000, according to the Office for National Statistics.



Equity Market Update

- A global sell-off triggered by trade protectionist measures imposed by major world economies unleashed the bears in the Indian equity markets during the week, pushing the key indices NSE Nifty50 and BSE Sensex to their 5-month lows.
- On a weekly basis, the barometer 30-scrip Sensitive Index (Sensex) of the BSE shed 579.46 points or 1.75 % to close at 32,596.54 points — its lowest closing level since October 23, 2017.
- On the National Stock Exchange (NSE), the wider Nifty50 ended below the psychologically important 10,000-mark and closed trade at 9,998.05 points — down 197.1 points or 1.93 % from its previous week's close — its lowest closing level since October 11, 2017.
- S&P BSE Midcap was down 3.2 and largecap index declined 2 percent and S&P BSE Smallcap index plunged 4.4 percent.
- Provisional figures from the stock exchanges showed that foreign institutional investors purchased scrips worth Rs 2,524.13 crore and the domestic institutional investors (DII) scrips worth Rs 211.91 crore during the week.
- Sectorwise, the sell-off was led by Realty, Metal, PSUs, Banks, IPO, Oil&Gas, HealthCare, Auto, Capital Goods, IT, Teck, FMCG, Power and Consumer Durables.
- For the week, The Nasdaq composite advanced 1.8 percent to 7,337.39 with the index gaining 1.4 percent for the week.
- For the week, the Dow rose 0.37 percent, the S&P advanced 0.56 percent and the Nasdaq gained 1.35 percent. The S&P 500 posted 10 new 52-week highs and one new low; the Nasdaq Composite recorded 64 new highs and 57 new lows.
- Japan's benchmark Index Nikkei registered a gain of 0.79 percent for the week as the Index closed 21892.78 on February 22, 2018 as against 21720.25 on February 16, 2018. The Kospi gained 1.23 percent and closed at 2451.52 for the week while Hang Seng was up 0.49 percent for the week.



Debt Market Update

- Indian sovereign bonds ended little changed this week, ahead of the government's meeting tomorrow to discuss the borrowing calendar, even as traders remained hopeful that New Delhi may take some measures to ease supply burden.
- On a weekly basis, the benchmark yield was unchanged, after falling 18 basis points in the last two weeks.
- New Delhi aims to borrow 6.06 trillion rupees from the debt market next year to meet a budget deficit target of 3.2% of gross domestic product.

Domestic Markets



Index	23-Mar-2018	16-Mar-2018	% Change
BSE Sensex	32596.54	33176	-1.75
S&P CNX Nifty	9998.05	10195.15	-1.93
CNX Midcap	18474	19055.45	-3.05
CNX 500	8800.8	9004.45	-2.26
BSE Smallcap	16801.18	17576.44	-4.41

Global Markets



Index	23-Mar-2018	16-Mar-2018	% Change
Dow Jones	23533.2	24946.51	-5.67
Nasdaq	6992.67	7481.99	-6.54
S&P 500	2588.26	2752.01	-5.95
FTSE 100	6921.9	7164.1	-3.38
Shanghai Composite	3152.76	3269.88	-3.58
Hang Sang	30309.29	31501.97	-3.79

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	35671	33611	2060
MF Flows*	24663	20519	4144

FII data from 16th March to 22nd March 2018

MF data from 13th March to 22nd March 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
19-Mar-2018	-431.08	-413.89
20-Mar-2018	-2687.93	648.32
21-Mar-2018	-922.27	1263.67
22-Mar-2018	2327.78	802.39
23-Mar-2018	-1852.23	-137.81

Policy Rates



Key Rates (%)	23-Mar-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





Commodity Market Update

Oil Update:

- Crude prices rose on Friday, hitting their highest since late January after the Saudi energy minister said Opec and allied producers would need to keep coordinating supply cuts into 2019, and as concerns grew over the future of Iranian crude exports.
- Brent crude futures jumped \$1.54, or 2.2 %, to settle at \$70.45 a barrel. For the week, Brent was up about 6.4 %, its strongest weekly rise since July. US West Texas Intermediate (WTI) crude futures also had their biggest weekly gain since July, at 5.5 %. WTI settled at \$65.88 a barrel, up \$1.58, or 2.5 %, Reuters reported.

Gold Update:

- As the world continues to remain in a state of great disequilibrium, both with respect to the global economy and geopolitics, gold is back on the radar of investors.
- Gold funds, which did not move in the last five years, have shot to prominence last week with nearly 2% gain even as equity markets were rattled by a passive trade-war started by US President Donald Trump against rival China.
- Physical gold demand in Asian hot spots slouched this week as higher global prices made buyers hold off on purchases and as discounts in India widened to their highest in 6-1/2 months.
- In the local market on Friday gold was trading at around 30,800 rupees per 10 grams on Friday, not far from a 15-month high of 30,839 rupees hit last month.
- Gold futures finished at \$1,349.90 a troy ounce on the Comex division of the New York Mercantile Exchange, marking a gain of \$22.50, or 1.7%. It was the highest close since Feb. 20.
- For the week, prices of the precious metal gained roughly 2.9%, the best weekly performance in over a month.



Currency Market Update

- The Indian rupee pared some of its weekly losses against the dollar on Friday as escalating trade tensions between two of the world's largest economies weighed on the greenback.
- Sentiment also soured after the domestic equity indices fell to five-month lows as recent political developments dispelled the aura of invincibility of Prime Minister Narendra Modi.
- On the currency front, the Indian rupee closed at one-week high against the U.S. dollar.
- On the currency front, the rupee weakened by eight paise to close at 65.01 against the US dollar from its previous week's close at 64.93.
- So far this year, the rupee weakened 1.7 percent, while foreign investors have bought \$1.7 billion in equity and sold \$84 million in debt market.
- The country's foreign exchange reserves dropped by \$152.4 million to \$421.3 billion in the week to March 16 on account of a fall in foreign currency assets, the Reserve Bank of India said.
- The dollar was trading against the Indian rupee at Rs 65.025.
- The dollar index against a basket of six major currencies was 0.3 percent lower at 89.520 after dropping as much as 0.7 percent overnight.

Key Rates (%)	23-Mar-2018	16-Mar-2018	% Change
Mibor Overnight	6.05	5.99	1
CALL (O/N)	5.93	5.97	-0.67
CBLO	5.82	5.33	9.19
T Bills Index (12M)	6.47	6.53	-0.92
10 Year GSEC	7.56	7.56	0

Commodity Market



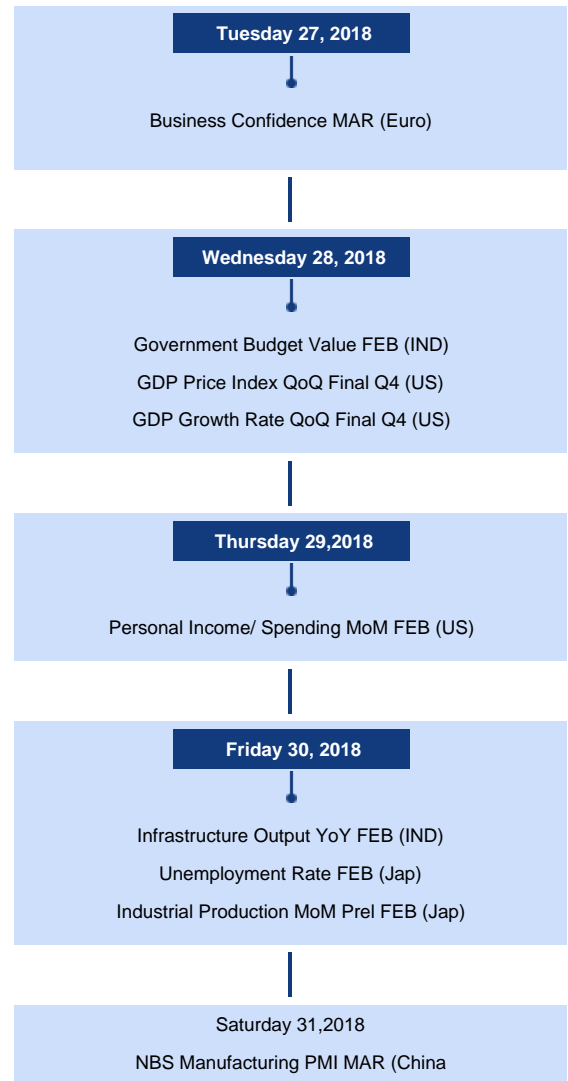
Commodity (INR)	23-Mar-2018	Gain+/Loss-	% Change
Gold (10 gm)	30495	196	0.65
Silver (1 kg)	38219	239	0.63
Crude Oil (\$/barrel)	69.55	4.39	6.74

Currency Market



Currency	23-Mar-2018	Gain+/Loss-	% Change
USD/INR	65.13	0.26	0.4
EURO/INR	80.34	0.43	0.54
GBP/INR	91.96	1.47	1.62
JPY/INR	62.13	0.86	1.4

Upcoming Events



Week Gone By



Events	Actual %	Previous %
(Jap) Balance of Trade Feb	¥3B	¥-944B
Balance of Trade JAN (EU)	€3.3B	€25.4B
House Price Index YoY FEB (China)	5.2	5.0
Fed Interest Rate Decision (US)	1.75	1.5
Markit Composite PMI Flash MAR (US)	54.3	55.8
Markit Manufacturing PMI Flash MAR (EU)	1.0	1.0
Markit Services PMI Flash MAR (EU)	55.0	56.2
(Jap)Inflation Rate YoY Feb	1.5	1.4
Foreign Exchange Reserves 16/MAR (IND)	\$421.33B	\$421.49B

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.