

Weekly Market Update



Financial Market & Economy Update

Domestic Update:

- External Affairs Minister Sushma Swaraj called on Prime Minister of Luxembourg Xavier Bettel and discussed ways to expand bilateral cooperation in trade and investment, space, digital India and people-to-people relationship.
- India's Prime Minister Modi on Wednesday reiterated the government's aim to double farmers' income by 2022 and said that the minimum support price for crops will include expenditure on machinery, seeds and fertilizer, interest on working capital, cost of labour by farmer and family members and the rental on leased land.
- Exports from special economic zones (SEZs) grew by 38 % in May to Rs 29,236 crores, according to data by EPCEs.
- In a retaliatory move, India has hiked customs duty on several goods, including Bengal gram, lentils and artemia, imported from the US. The import duty hike would be effective from August 4, the Finance ministry said in a notification.
- India has offered to build quality infrastructure in Tajikistan, including dry ports and highways. Minister for road transport, shipping and water resources Nitin Gadkari extended the offer to Tajikistan's foreign minister Sirodjidin Muhrudin during his two-day visit to the country's capital Dushanbe.

Global Update:

- The US current account deficit widened to USD 124.1 billion or 2.5 % of the GDP in the first quarter of 2018 from a downwardly revised USD 116.1 billion gap or 2.4 % of the GDP in the last three months of 2017.
- The trade gap in Japan increased sharply to JPY 578.3 billion in May of 2018 from JPY 204.4 billion a year earlier. Exports rose by 8.1 % year-on-year to JPY 6,323 billion in May 2018, above expectations of a 7.5 % gain strongest growth in 4 months despite rising trade tension.
- The U.S. Commerce Department has determined that Chinese common alloy aluminium sheet products are being sold in the U.S. market at less than fair value and will be subject to preliminary anti-dumping duties of 167.16 %, the Aluminium Association said.
- US President Donald Trump threatened to impose a 10 % tariff on \$200 billion of Chinese goods and Beijing warned it would retaliate, in a rapid escalation of the trade conflict between the world's two biggest economies.
- Japan's consumer price inflation rose to 0.7 % year-on-year in May of 2018 from 0.6 % in the prior month and well above market consensus of 0.3 %.
- The IHS Markit Eurozone Manufacturing PMI fell to 55 in June of 2018 from 55.5 in May, in line with market expectations.



Equity Market Update

- The week's concluding session rally pushed the market to post fifth straight weekly gains, the benchmark Sensex managed to garner a modest 67.46 points to close at 35,689.60 and the broader Nifty rose marginally by 4.15 points to end at 10,821.85.
- The trading momentum remained range-bound throughout the week session weighed down by the global factors haunted by return of trade war fears after escalation of trade tariff spat between the US and China.
- The BSE Sensex started the week higher at 35,698.43 points and hovered between 35,741.28 and 35,249.06 before finishing the week at 35,689.60, showing a gain of 67.46 or 0.19 %.
- The Nifty opened the week higher at 10,830.20 and traded between 10,837.00 and 10,701.20. The indices finally closed at 10,821.85, marginally up by 4.15 points, or 0.04 %.
- FII:** Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth Rs 4,227.94 crore during the week, as per Sebi's record including the provisional figure of June 22, 2018.
- Broader Markets:** The BSE Mid-Cap index fell 161.59 points or 1.01 % to settle at 15,839.61. The BSE Small-Cap index fell 421.32 points or 2.48 % to settle at 16,539.84.
- Sector Update:** Among sectoral and industry indices, Bankex only rose by 1.15 %, while metal fell by 3.07 %, capital goods 2.66 %, IT 2.35 %, teck 2.12 %, consumer durables 1.47 %, PSU 1.43 %, realty 1.24 %, FMCG 0.77 %, IPO 0.77 %, auto 0.71 %, power 0.53 %, oil&gas 0.08 %.



Debt Market Update

- Indian government bonds rose for a second week, as lower crude oil prices, open market purchase of bonds, and the minutes of June policy meeting being in line with expectations boosted demand.
- The 10-year yield fell seven basis points this week, the biggest fall since week ended Apr 6.

Domestic Markets



Index	22-Jun-2018	15-Jun-2018	% Change
BSE Sensex	35689.6	35622.14	0.19
S&P CNX Nifty	10821.85	10817.7	0.04
CNX Midcap	18595.85	18812.6	-1.15
CNX 500	9296.65	9343.7	-0.5
BSE Smallcap	16539.84	16961.16	-2.48

Global Markets



Index	22-Jun-2018	15-Jun-2018	% Change
Dow Jones	24580.89	25090.48	-2.03
Nasdaq	7692.82	7746.38	-0.69
S&P 500	2754.88	2779.42	-0.88
FTSE 100	7682.3	7633.9	0.63
Shanghai Composite	2889.76	3021.9	-4.37
Hang Sang	29338.7	30309.49	-3.2

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	27862	32391	-4529
MF Flows*	17141	14226	2915

FII data from 15th June to 21st June 2018

MF data from 13th June to 21st June 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
18-Jun-2018	-64.39	-228.35
19-Jun-2018	984.76	-198.45
20-Jun-2018	-2.85	695.09
21-Jun-2018	2293	-18.61
22-Jun-2018	-64.59	-51.96

Policy Rates



Key Rates (%)	22-Jun-2018	1 Week Ago	1 Month Ago
Reverse Repo	6	5.75	5.75
Repo	6.25	6	6
CRR	4	4	4
SLR	19.5	19.5	19.5

Key Rates





Commodity Market Update

Oil Update:

- Oil ministers from the Organization of Petroleum Exporting Countries (OPEC), Russia and other major producing countries agreed on Friday on a modest increase in oil production from next month.
- In a statement following its meeting in Vienna, OPEC said that it would go back to 100% compliance with previously agreed output cuts but gave no concrete figures, making it difficult to understand how much more it will pump.
- Oil prices soared on Friday, with U.S. prices enjoying their biggest daily gain since November 2016, as the output boost was seen as smaller than markets had initially expected.
- U.S. benchmark oil, August West Texas Intermediate crude surged \$3.04, or around 4.6%, to settle at \$68.58 a barrel on the New York Mercantile Exchange. It saw its highest finish in around a month and gained about 5.8% for the week.
- Elsewhere, September Brent crude, the global benchmark, jumped \$2.52, or 3.4%, to end at \$75.32 a barrel on the ICE Futures Europe exchange. They enjoyed a gain of roughly 2.9% for the week.

Gold Update:

- Taking weak cues from the global markets and fall in demand from local jewellers, gold prices cracked below Rs 31,000-mark to close at Rs 30,470 per 10 grams at the bullion market during the week.
- Traders said sentiment was downbeat largely in sync with the continuous fall in gold prices to muted demand from jewellers.
- Besides, a weak global trend as a strengthening dollar diminished the safe-haven appeal of the precious metal, aided the downtrend.
- Elsewhere, silver slumped below the significant Rs 41K mark and suffered a setback of Rs 1,780 to close at Rs 39,735 per kg on heavy speculative selling coupled lack of demand from industrial users.
- Domestic Update:** On the domestic front, standard gold (99.5 purity) resumed lower at Rs 30,745 per 10 grams from last Friday's closing level of Rs 31,100, it plunged to a low at Rs 30,420, before recovering to settle at Rs 30,470, revealing a loss of Rs 630, or 2.03 %.
- Pure gold (99.9 purity) also commenced lower at Rs 30,895 per 10 grams compared to preceding weekend level of Rs 31,250 and later fell to Rs 30,570 before finishing at Rs 30,620, revealing a fall of Rs 630 per 10 grams, or 2.02 %.
- Silver ready (.999 fineness) opened lower at Rs 40,070 per kilo gram from last Friday's closing level of Rs 41,515, later it drifted lower to Rs 39,455 before settling at Rs 39,735, showing a sharp loss of Rs 1,780 per kilo, or 4.29 %.
- Global Update:** In worldwide trade, Gold registered a decline for the week as investors focused on expectations for higher interest rates ahead, a headwind for metals, and the US dollar, which has strengthened over the past month.
- August gold tacked on 20 cents to close at USD 1,270.70 an ounce, for a weekly slide of 0.6 % based on last Fridays closing level.
- In the New York Comex trade, gold for August delivery dropped to settle at USD 1,270.70 an ounce compared to last weekend's close of USD 1,278.50, while silver contract fell to finish at USD 16.459 an ounce from USD 16.98 earlier.



Currency Market Update

- The rupee staged a smart rebound against the US dollar and ended with modest gains, putting the currency market on track after two straight weeks of losses despite escalating trade war fears and geo-political risks globally.
- Showing much resilience, the home currency rose past the key significant 68-mark and ended with a modest 17 paise gain at 67.84.
- Forex market sentiment swung back in favour of the domestic currency after the initial wave of volatility after the Reserve Bank of India's June meeting minutes signalled that the central bank will rely on data for future rate hike decisions.
- Fresh capital inflows and a breathtaking rally in domestic equities further revived trading mood in a big way, allowing for the continuation of the current recovery.
- The Indian rupee was hit earlier in the week, plunging to fresh one-month low of 68.39 in a knee-jerk reaction to hawkish Fed Rhetoric after the Federal Reserve Chair Jerome Powell reiterated the central banks commitment to more interest rate increases.
- Revival of fresh global trade war fears and concerns about possibility that the adverse US trade policy will have a substantial impact on the Indian economy.
- Meanwhile, country's foreign exchange reserves fell by USD 3.039 billion to USD 410.070 billion in the week to June 15, a RBI data showed.
- The rupee oscillated between 67.84 and 68.39 throughout the week.
- The rupee opened lower at 68.16 against last Friday's close of 68.01 at the inter-bank foreign exchange (forex).
- It later descended sharply to hit a low of 68.39 during the mid-week selloff before staging sharp recovery.
- After scaling a fresh high of 67.70 towards the fag-end trade, the local currency finally settled at 67.84, showing a gain of 17 paise, or 0.25 %.
- The dollar index, which measures the greenback's value against a basket of six major currencies ended at 94.19.

Key Rates (%)	22-Jun-2018	15-Jun-2018	% Change
Mibor Overnight	6.31	6.24	1.12
CALL (O/N)	6.25	6.1	2.46
CBLO	5.39	6.09	-11.49
T Bills Index (12M)	7.02	7.05	-0.43
10 Year GSEC	7.82	7.89	-0.89

Commodity Market



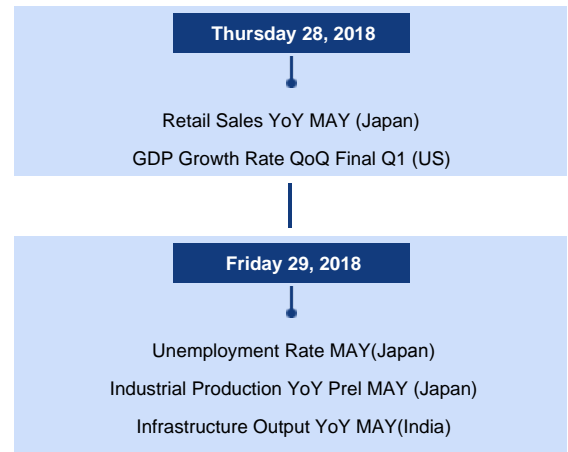
Commodity (INR)	22-Jun-2018	Gain+/Loss-	% Change
Gold (10 gm)	30437	-612	-1.97
Silver (1 kg)	39626	-1738	-4.2
Crude Oil (\$/barrel)	75.1	0.48	0.64

Currency Market



Currency	22-Jun-2018	Gain+/Loss-	% Change
USD/INR	67.77	-0.2	-0.29
EURO/INR	78.86	0.25	0.32
GBP/INR	89.96	-0.04	-0.04
JPY/INR	61.61	0.27	0.44

Upcoming Events



Week Gone By



Events	Actual %	Previous %
Balance of Trade MAY (Japan)	¥-578B	¥625B @
Import & Export YoY May (Japan)	14 & 8.1	5.9 & 7.8%
Inflation Rate YoY MAY (Japan)	0.7	0.6
Nikkei Manufacturing PMI Flash JUN (Japan)	53.1	52.8
Markit Manufacturing PMI Flash JUN (US)	54.6	56.4
Markit Services PMI Flash JUN(US)	56.5	56.8

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