



Financial Market & Economy Update

- India's annual wholesale price inflation eased to 2.48 % in February, from a provisional 2.84 % rise in January, helped by a softer rise in food and fuel prices, government data showed on Wednesday.
- Retail inflation eased in February to 4.4 % due to easing prices of vegetables and fruits, an official data showed on Monday. However, retail inflation remained above the 4 % medium-term target of the Reserve Bank of India (RBI) for the fourth straight month.
- Official data released during the week showed that India's factory production growth in January stood at 7.5 % -- double the 3.5 % recorded in the same month last year -- while retail inflation for February eased down to 4.4 %.
- According to a government data released, inflation in food articles slowed to 0.88 % in February from 3 % in the preceding month.
- Driven by higher imports, India's current account deficit (CAD) widened to \$13.5 billion during the third quarter of 2017-18 from \$7.2 billion in the second quarter and \$8 billion in the corresponding period in 2016-17, Reserve Bank of India (RBI) data showed on Friday.
- The World Bank on Wednesday projected India's GDP growth at 7.3% for the next financial year and accelerate further to 7.5% in 2019-20.
- India's tea exports grew by nearly 7% to 200.67 million kg during Apr-Jan period of 2017-18 (FY18) as compared to 188.10 million kg exported in the corresponding period of last fiscal.
- Domestic passenger vehicle sales rose 7.77 % to 2,75,329 units in February from 2,55,470 units in February 2017. Domestic car sales were up 3.7% to 1,79,122 units as against 1,72,737 units in February 2017, according to data released by the Society of Indian Automobile Manufacturers (SIAM).
- States issued Rs 283.98 bn as GST compensation till Dec, Finance Minister, Arun Jaitley said.
- The Supreme Court on Tuesday indefinitely extended the March 31 deadline for linking Aadhaar with bank accounts and mobile numbers.
- The Centre has released Rs 28,398 crore as GST compensation to states for July-December, with Karnataka getting a major pie.
- Continuing the positive growth path, India's exports grew by 4.5 % in February to USD 25.8 billion, Commerce Secretary Rita Teotia said. Imports too rose by 10.4 % to USD 37.8 billion during the last month, leaving a trade deficit of USD 12 billion.
- PM Narendra Modi and French President Emmanuel Macron on Monday pledged to begin work on "the largest nuclear power plant in the world" in India by this year.
- Singapore January total retail sales fell 8.4% from a year earlier in January, after rising a revised 6.3% in the previous month, according to data from the Singapore Department of Statistics.
- Germany denounced moves by President Donald Trump to impose tariffs on U.S. metal imports, saying Europe needed a united response to the threat and echoing criticism from China that it risked undermining the global trade system.
- U.S. Consumer Price Index rose 0.2 % last month after jumping 0.5 % in January. In the 12 months through February, the CPI rose 2.2 %, up from 2.1 % in January as the weak reading from last year dropped from the calculation.
- Japan's core machinery orders rebounded 8.2 % in January from a steep decline the previous month, handily beating expectations in a sign that capital spending will continue contributing to economic growth.
- China's industrial production increased at a faster-than-expected pace by 7.2 % in the first two months of the year, official data from the National Bureau of Statistics showed Wednesday.
- U.S. import prices rose more than expected in Feb as the largest increase in the cost of capital goods since 2008 offset a drop in petroleum prices, bolstering views that inflation will pick up this year. The Labor Department said on Thursday that import prices increased 0.4% last month after a downwardly revised 0.8% surge in Jan.
- Euro zone consumer prices grew less than expected in February by 0.2 % month-on-month and 1.1 % year-on-year, because of a fall in unprocessed food prices and reduced energy inflation, data from the European Union's statistics office Eurostat showed on Friday.



Equity Market Update

- Despite healthy macro-economic indicators, the Indian equity markets turned volatile and gave up gains during the week over prospects of political instability, along with the ongoing turmoil in the banking sector and weak global cues. On a weekly basis, the barometer 30-scrip Sensitive Index (Sensex) of the BSE slipped by 131.14 points or 0.39 % to close at 33,176 points. The wider Nifty50 of the National Stock Exchange (NSE) closed trade at 10,195.15 points -- down 31.7 points or 0.31 % from its previous week's close.
- Provisional figures from the stock exchanges showed that foreign institutional investors FIIs purchased scrips worth Rs 6,288.23 crore and the domestic institutional investors (DIIs) worth Rs 202.69 crore during the week.
- However, side-counters have shown impressive gains during the week with the S&P BSE Mid-Cap index advancing 1.45 % and the BSE Small-Cap index gaining 1.56 %.
- Among sectoral and industry indices, IT dipped by 0.69 % followed by metal 0.56 %, capital goods 0.52 %, oil and gas 0.37 %, teck 0.23 %, auto 0.19 % and realty 0.07 %, while consumer durables rose by 2.05 %, IPO 1.50 %, bankex 0.96 %, healthcare 0.42 %, FMCG 0.19 % and power 0.13 %.

Domestic Markets



Index	16-Mar-2018	09-Mar-2018	% Change
BSE Sensex	33176	33307.14	-0.39
S&P CNX Nifty	10195.15	10226.85	-0.31
CNX Midcap	19055.45	18773.15	1.5
CNX 500	9004.45	8986.4	0.2
BSE Smallcap	17576.44	17305.92	1.56

Global Markets



Index	16-Mar-2018	09-Mar-2018	% Change
Dow Jones	24946.51	25335.74	-1.54
Nasdaq	7481.99	7560.81	-1.04
S&P 500	2752.01	2786.57	-1.24
FTSE 100	7164.1	7224.5	-0.84
Shanghai Composite	3269.88	3307.17	-1.13
Hang Sang	31501.97	30996.21	1.63

Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	23521	17415	6106
MF Flows*	7396	7236	160

FII data from 12th March to 15th March 2018

MF data from 8th March to 12th March 2018

F&O FII Trends (Rs. Crs)



Date	Index	Stocks
12-Mar-2018	2357.42	1037.61
13-Mar-2018	-538.2	16.73
14-Mar-2018	109.32	-260.81
15-Mar-2018	-200.73	-606.65
16-Mar-2018	-2283.06	-196.55

Policy Rates



Key Rates (%)	16-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



- Elsewhere in Asia, markets ended weak as continued political chaos in the US added to existing concerns over the country's trade war.



Debt Market Update

- Indian sovereign bonds rose for a second consecutive week, with the benchmark yield falling the most in nine months, as inflation eased to a four-month low and on expectations New Delhi may hike the limit for foreign investment in government notes starting next fiscal.
- On a weekly basis, the benchmark bond yield fell by 11 basis points, its largest weekly fall since week ended Jun. 9. The yield had fallen by seven basis points last week.
- Meanwhile, lack of investor appetite, higher global interest rates and fears of monetary tightening in India have pushed the benchmark yield higher by over 23 basis points this quarter. India's fiscal year runs from Apr. 1 to Mar. 31.
- India's state-run banks have been major sellers of government bonds in this quarter with net sale of 266 billion rupee so far, data from Clearing Corp of India Ltd. showed.
- India's federal government is scheduled to borrow 6.06 trillion rupees from the debt market next financial year. The calendar for the borrowing has yet to be declared.
- Speculations have increased that the U.S. central bank may hike rates four times this year, more than the previously expected three increases. Traders expect prices in U.S. to gain this year on the back of a strong labor market, fiscal stimulus and a weak dollar. The Federal Reserve is due to review its monetary policy next week.



Commodity Market Update

Oil Update:

- Oil prices rose sharply on Friday, with Brent futures settling at their highest level in two weeks as traders focused on rising geopolitical risks in the Middle East, while gains in U.S. equity markets also boosted crude prices.
- U.S. West Texas Intermediate (WTI) crude futures for April delivery surged 1.88% to close at \$62.41 a barrel.
- Meanwhile, Brent crude futures, the benchmark for oil prices outside the U.S., jumped \$1.01 or 1.55% to settle at \$66.13 a barrel. It was the highest settlement since February 28.
- For the week, WTI crude rose 0.48%, while Brent gained 1.1%.
- Oil prices rose amid speculation over the fate of Iran's nuclear deal, which allowed Tehran to boost oil production, in the wake of the firing of U.S. Secretary of State Rex Tillerson.
- Oil prices also remained supported after a report from the International Energy Agency on Thursday showed that supply from the Organization of the Petroleum Exporting Countries moderated in February on a drop in production from Venezuela.

Gold Update:

- The slide in gold prices continued unabated for yet another week and recorded a further fall of Rs 160 in its prices to close at Rs 31,290 per ten grams at the bullion market, tracking a weak trend overseas amid tepid demand from local jewellers.
- Silver followed suit and ended lower due to reduced offtake by industrial units and coin makers.
- Globally, gold ended the week down at USD 1,313.60 an ounce and silver at USD 16.33 an ounce in New York.
- Besides, fading demand from local jewellers and retailers due to end of wedding season at domestic spot market too fuelled the downtrend.
- In the national capital, gold of 99.9 and 99.5 % purity commenced the week on a steady note at Rs 31,450 and Rs 31,300 and advanced to Rs 31,515 and Rs 31,365 per 10 grams, respectively on scattered buying support.
- Thereafter, it slipped to Rs 31,250 and Rs 31,100 per 10 grams on the back of weak global cues before ending at Rs 31,290 and Rs 31,140 per 10 grams respectively, still showing a fall of Rs 160 each.
- Sovereign, however, moved in a narrow range in limited deals and settled at last level of Rs 24,800 per piece of eight gram.
- In volatile movements on alternate bouts of buying and selling, silver ready finally ended the week lower by Rs 550 to Rs 39,100 per kg and weekly-based delivery finished down by Rs 575 to Rs 38,370 per kg.



Currency Market Update

- On the currency front, the rupee ended the week at 64.93 per dollar as against 65.16 the previous week. With the Fed policy next week and a possible \$60 billion trade levy on China by the Trump administration, one needs to see the reaction.
- So far this year, the rupee has fell 1.65%, while foreign investors have bought \$1.38bn in equity and sold \$21.70mn in debt market.
- India's foreign exchange reserves rose by \$728.90 million as on March 9 to \$421.487 billion.

Key Rates (%)	16-Mar-2018	09-Mar-2018	% Change
Mibor Overnight	5.99	6	-0.17
CALL (O/N)	5.97	5.89	1.36
CBLO	5.33	5.85	-8.89
T Bills Index (12M)	6.53	6.63	-1.51
10 Year GSEC	7.56	7.67	-1.43

Commodity Market



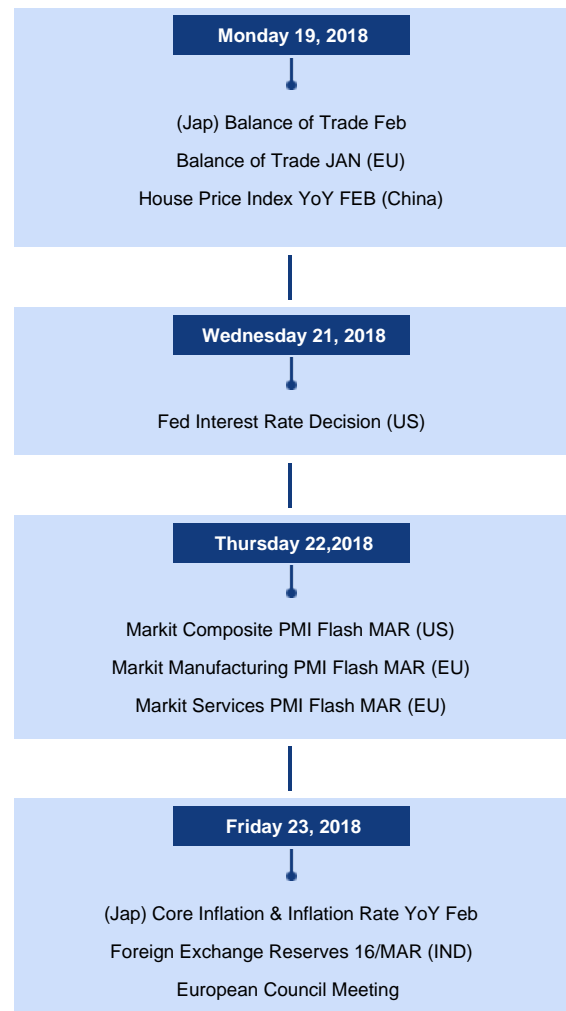
Commodity (INR)	16-Mar-2018	Gain+/Loss-	% Change
Gold (10 gm)	30299	-160	-0.53
Silver (1 kg)	37980	-333	-0.87
Crude Oil (\$/barrel)	65.16	0.96	1.5

Currency Market



Currency	16-Mar-2018	Gain+/Loss-	% Change
USD/INR	64.87	-0.21	-0.32
EURO/INR	79.91	-0.25	-0.31
GBP/INR	90.49	0.64	0.71
JPY/INR	61.27	0.3	0.49

Upcoming Events





Events	Actual %	Previous %
(India) Inflation Rate YoY FEB	4.44	5.07
(US) Core Inflation Rate YoY FEB	1.8	1.8
(Euro Area) Industrial Production YoY JAN	2.7	5.3
(India) WPI Inflation YoY FEB	2.48	2.84
(India) Balance of Trade FEB	\$-12B	\$-16.3B
(Euro Area) Core Inflation Rate YoY Final FEB	1.0	1.0

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