



## Financial Market & Economy Update

### Domestic Update:

- The Reserve Bank Of India (RBI) reported that currency in circulation eased 0.20% on the week to stand at Rs 26.90 lakh crore as on September 18th 2020.
- Total production of sugarcane in the country during 2020-21 is estimated at 399.83 million tonnes. The production of sugarcane during 2020-21 is higher by 39.44 million tonnes than the average sugarcane production of 360.43 million tonnes.
- The government has raised minimum support prices (MSP) of the rabi, or winter-sown, crops by up to 6.3% and announced the new rates a month before it usually does to reassure farmers that the new laws on agriculture will not dilute MSP operations.
- The latest CII Business Confidence Index has surged to the level of 50.3 in Jul-Sep 2020, bouncing back from its lowest reading of 41.0 recorded in Apr-Jun 2020. The stellar recovery in the index has been supported by the remarkable increase in the Expectations Index (EI), which rose 46% quarter-on-quarter, to the level of 55.2, as nation-wide lockdown restrictions were lifted, and businesses gradually began to reopen during the Jul-Sep quarter. The Current Situation Index (CSI), however, continued to trail below 50, at 40.6, depicting weak confidence during the Apr-Jun 2020- a period marked with stringent lockdown measures and complete shutdown of business operations.
- The Department of Expenditure, Ministry of Finance, has granted permission to raise additional financial resources of Rs. 9,913 crore to 5 (five) States through Open Market Borrowings (OMBs). These States are Andhra Pradesh, Telangana, Goa, Karnataka and Tripura.
- The number of telephone subscribers in India decreased from 1,163.67 million at the end of May-20 to 1,160.52 million at the end of June-20, thereby showing a monthly decline rate of 0.27%. Urban telephone subscription decreased from 637.85 million at the end of May-20 to 636.83 million at the end of June-20 and the rural subscription also decreased from 525.82 million to 523.69 million during the same period.

### International Update:

- The US Labor Department said US initial jobless claims inched up to 870,000, an increase of 4,000 from the previous week-s revised level of 866,000.
- The Commerce Department said new home sales soared by 4.8% to an annual rate of 1.011 million in August after skyrocketing by 14.7% to an upwardly revised rate of 965,000 in July.
- US composite business activity index slipped to 54.4 in September from 54.6 in the previous month, IHS Markit said Wednesday.
- The number of Americans filling for unemployment benefits rose by 870K in the week ended September 19th 2020, higher than an upwardly revised 866K in the previous week and above market expectations of 840K.
- Japanese services PMI edged up to 45.6 from 45.0 last month, while the composite index rose to 45.5 from 45.2.
- Japan manufacturing sector continued to contract in September, with a manufacturing PMI score of 47.3.
- UK house prices rose at the fastest pace in four years in September driven by higher demand for larger homes, data published by the property website Rightmove showed Monday. House price inflation jumped to 5% from 4.6% in August. House prices rose 0.2% on month-on-month basis in September following a 0.2% slide in August.
- US leading economic index jumped by 1.2% in August after surging up by 2% in July and spiking by 3.1% in June, a report released by the Conference Board showed. The report said the coincident economic index also rose by 0.6% in August after jumping by 1.2% in July and soaring by 3.9% in June. Meanwhile, the lagging economic index fell by 0.6% in August, matching the decrease seen in the previous month. The lagging index plunged by 3.5% in June.
- UK car production fell sharply in August as ongoing coronavirus crisis stalled efforts to ramp up output, data from the Society of Motor Manufacturers and Traders or SMMT, showed Friday.



## Equity Market Update

- Sensex tumbled 1,457.16 points or 3.75 pc to settle at 37,388.66 in the week under review on weak global cues.
- Concerns over the potential worsening of the coronavirus pandemic, uncertainty on further US fiscal stimulus and tensions between the U.S. and China nudged investors away from risk asset.
- The Nifty 50 index dropped 454.70 points to settle at 11,050.25.
- Broader Market Update:** The BSE Mid-Cap cracked 711.12 or 4.73 pc to settle at 14,336.68 and the BSE Small-Cap tanked 804.40 points or 5.26 pc to settle at 14,495.58.

## Domestic Markets



Index	25-Sep-2020	18-Sep-2020	% Change
BSE Sensex	37388.66	38845.82	-3.75
S&P CNX Nifty	11050.25	11504.95	-3.95
CNX Midcap	16504	17399.45	-5.15
CNX 500	9156.1	9559.5	-4.22
BSE Smallcap	14495.58	15299.98	-5.26

## Global Markets



Index	25-Sep-2020	18-Sep-2020	% Change
Dow Jones	27173.96	27657.42	-1.75
Nasdaq	10913.56	10793.28	1.11
S&P 500	3298.46	3319.47	-0.63
FTSE 100	5842.67	6007.1	-2.74
Shanghai Composite	3219.42	3338.09	-3.56
Hang Sang	23235.42	24455.41	-4.99

## Institutional Flows (Equity)



Description (INR Cr)	Purchases	Sales	Net
FII Flows*	37935	42183	-4248
MF Flows*	2627	3021	-394

## F&O FII Trends (Rs. Crs)



Date	Index	Stocks
18-Sep-2020	3022.36	-1494.14
21-Sep-2020	-356.54	-87.6
22-Sep-2020	95.26	939.39
23-Sep-2020	1371.42	1413.72
24-Sep-2020	1110.2	638.46

## Policy Rates



Key Rates (%)	25-Sep-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





## Debt Market Update

- Yields for 5.79% GS 2030 closed at 6.03%



## Commodity Market Update

### Oil Update:

- Crude oil prices printed their third weekly loss in four at the end of its most recent trading session.
- Oil traders are concerned about the blurred demand outlook in the short term, as an unexpected build in oil production coupled with additional oil supplies Libya, rattled the nerves of oil traders.
- West Texas Intermediate futures, the key gauge used to determine U.S. oil prices, settled at \$40.04 per barrel. For the week, West Texas Intermediate lost 2.1%.
- Brent crude, the world's benchmark for crude oil prices, settled at \$41.92 for the week, Brent lost 3%.

### Gold Update:

- Indian dealers continued to offer discounts for the sixth week on gold though price cuts eased as rates fell sharply this week. Indian dealers offered discounts of up to \$5 an ounce this week over official domestic prices, down from last week's \$23, Reuters reported, saying that a drop in prices saw a little interest return in the precious metal. Gold prices in India include 12.5% import duty and 3% GST.
- Gold demand in India may pick up a little ahead of the festive season and the recent price drop could encourage jewellers to build up inventory, a dealer said. India is the second biggest gold consumer in the world.
- In India, gold and silver prices tumbled this week to register their biggest weekly fall in many months. On MCX, gold futures settled at ₹49,666 per 10 gram while silver at ₹59,018 per kg. On a weekly basis, gold prices fell ₹2,000 per 10 gram in India while silver tumbled ₹9,000 per kg.
- In global markets, gold also registered big fall this week.
- In India, gold has corrected from last month highs of 56200 to current price of 49500, while silver has corrected from around ₹80,000 to ₹59,000.



## Currency Market Update

- The Indian Rupee lost 17 paise or 0.23 per cent to close at Rs 73.61 to the US Dollar.
- India's foreign exchange reserves edged higher by \$3.378 billion during the week ended 18 September to reach a record high of \$544.038 billion

Key Rates (%)	25-Sep-2020	18-Sep-2020	% Change
Mibor Overnight	3.71	3.74	-0.8
CALL (O/N)	3.5	3.41	2.64
CBLO	3.23	3.22	0.31
T Bills Index (12M)	3.72	3.62	2.76
10 Year GSEC	6.04	6.03	0.22

## Commodity Market



Commodity (INR)	25-Sep-2020	Gain+/Loss-	% Change
Gold (10 gm)	49539	-2176	-4.21
Silver (1 kg)	59026	-8851	-13.04
Crude Oil (\$/barrel)	41.92	-1.23	-2.85

## Currency Market



Currency	25-Sep-2020	Gain+/Loss-	% Change
USD/INR	73.73	-0.03	-0.04
EURO/INR	86.04	0.72	0.83
GBP/INR	94.06	1.39	1.46
JPY/INR	70	0.29	0.41

## Upcoming Events



### Wednesday 30, 2020

- NBS Manufacturing PMI SEP (CHINA)
- Caixin Manufacturing PMI SEP (CHINA)
- GDP Growth Rate QoQ Final Q2 (GREAT BRITAIN)
- GDP Growth Rate YoY Final Q2 (GREAT BRITAIN)
- Infrastructure Output YoY AUG (INDIA)
- Government Budget Value AUG (INDIA)
- Current Account Q2 (INDIA)
- External Debt Q2 (INDIA)
- GDP Growth Rate QoQ Final Q2 (US)

### Thursday 01, 2020

- Tankan Large Manufacturers Index Q3 (JAPAN)
- Markit Manufacturing PMI SEP (INDIA)
- RBI Interest Rate Decision (INDIA)
- Cash Reserve Ratio (INDIA)
- Personal Spending MoM AUG (US)
- Personal Income MoM AUG (US)

### Friday 02, 2020

- Consumer Confidence SEP (JAPAN)
- Non Farm Payrolls SEP (US)



Events	Actual %	Previous %	1 Year ago %
GfK Consumer Confidence OCT (GERMANY)	-1.6	-1.7	
Ifo Business Climate SEP (GERMANY)	93.4	92.5	
GfK Consumer Confidence SEP (GREAT BRITAIN)	-25.0	-27.0	
Deposit Growth YoY SEP/11 (INDIA)	12.0	10.9	
Foreign Exchange Reserves SEP/18 (INDIA)	\$545B	\$541.7B	
Bank Loan Growth YoY SEP/11 (INDIA)	5.3	5.5	
Durable Goods Orders MoM AUG (US)	0.4	11.7	

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