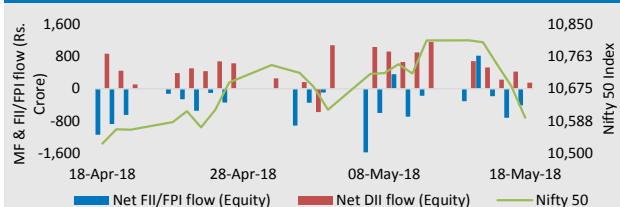


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Apr 2018)	3.18%	2.86%	2.47%
CPI inflation (Apr 2018)	4.58%	4.42%	4.28%
IIP growth (Mar 2018) (%)	4.40%	5.90%	7.00%
Nikkei India Manufacturing PMI (Apr 2018)	51.6	51.60	51.00

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	18-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	34,848	-1.93	14.50	2.32
Nifty 50	10,596	-1.94	12.38	0.62
S&P BSE 100	10,902	-2.10	11.60	-1.16
Nifty 500	9,209	-2.20	11.23	-2.97
Nifty Mid cap 50	5,014	-4.14	9.45	-9.49
Nifty Small cap 100	7,814	-3.52	4.79	-14.06

Sector Indices	18-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,348	-3.68	4.59	-8.98
S&P BSE Bankex	28,945	-2.51	12.37	0.30
S&P BSE CD	21,547	-1.90	37.79	-5.03
S&P BSE CG	18,439	-4.06	4.16	-3.63
S&P BSE FMCG	11,341	1.14	19.99	6.04
S&P BSE HC	13,018	-2.63	-12.66	-12.04
S&P BSE IT	13,204	0.01	29.60	17.08
S&P BSE Metal	13,615	-3.10	21.45	-8.86
S&P BSE Oil & Gas	14,300	-3.07	1.07	-12.18
S&P BSE Power	2,106	-2.08	-8.00	-11.56
S&P BSE PSU	7,580	-3.33	-15.57	-17.37
S&P BSE Realty	2,294	-1.81	12.33	-12.05
S&P BSE Teck	6,848	-0.46	19.65	6.86

Source: BSE & NSE

## Macro economic Update

- The Consumer Price Index (CPI)-based inflation or retail inflation grew 4.58% in Apr 2018, up from 4.28% in Mar 2018 and 2.99% in Apr 2017. The increase reflects increase in prices of fruits and vegetables that grew 9.65% and 7.29%, respectively. However, prices of pulses and products, and sugar and confectionery, declined 12.35% and 4.05% respectively. The retail inflation growth remained above the Reserve Bank of India's (RBI) medium-term target of 4% for the sixth consecutive month. The Consumer Food Price Index also grew 2.80% in Apr 2018, down from 2.81% in the previous month and up from 0.61% in the same month of the previous year.
- Government data showed that India's Wholesale Price Index-based inflation (WPI) sharply rose to four-month high to 3.18% in Apr 2018 from a provisional 2.47% in Mar 2018, but down from 3.85% in Apr 2017. The WPI Food Index also increased to 0.67% in Apr 2018 from -0.07% in Mar 2018. The inflation for fuel items surged to 7.85% in Apr 2018 from 4.70% in Mar 2018.
- India's export during the month of Apr 2018 grew 5.17% YoY to \$25.91 billion from \$24.64 billion in Apr 2017. Meanwhile, imports grew 4.60% YoY to \$39.63 billion in Apr 2018 from \$37.88 billion in the same period of the previous year. Trade deficit widened to \$13.72 billion in Apr 2018 as against \$13.25 billion in Apr 2017 and \$13.69 billion in Mar 2018.

## Domestic Equity Market Update

- Indian equity markets slipped for the fourth consecutive session on May 18 to end the week on a subdued note.
- A raft of disappointing economic numbers weighed on market sentiment. Increase in both wholesale and retail-price based inflation in Apr 2018 raised concerns over probable rate hike by the Monetary Policy Committee in its forthcoming meeting. Also, data showed slowdown in the growth of factory output on YoY basis in Mar 2018.
- The outcome of Karnataka elections and the resultant uncertainty over the formation of government in the state kept market participants on the sidelines.
- In the latest development on the matter, the Supreme Court directed the ruling party leader and the state's new chief minister to conduct the floor test on May 19.
- Market participants maintained a cautious stance over development in U.S.-China trade negotiations. Growing speculations over faster pace of rate hike by the U.S. Federal Reserve renewed concerns over foreign fund outflow from the domestic economy.
- The recent strength in global crude oil prices, with Brent crude surpassing the \$80 per barrel level, resulted in fiscal deficit worries.
- On the BSE sectoral front, barring S&P BSE FMCG and S&P BSE IT, all the indices closed in the red. S&P BSE Capital Goods was the major loser, down 4.06%, followed by S&P BSE Auto and S&P BSE Metal, which fell 3.68% and 3.10%, respectively. S&P BSE Oil & Gas and S&P BSE Healthcare slipped 3.07% and 2.63%, respectively.
- Rate sensitive sector came under pressure amid speculation over probable rate hike by the Monetary Policy Committee in its forthcoming meeting, owing to increase in retail price inflation.

## Indian Debt Market Indicators

Broad Indices	18-May-18	Week Ago	Month Ago	Year Ago
Call Rate	5.97%	5.92%	5.88%	6.05%
CBLO	5.98%	5.36%	5.88%	6.07%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
3 Month CP	8.30%	7.95%	6.90%	6.78%
1 Year CP	8.70%	8.40%	7.55%	7.26%
3 Month CD	7.70%	7.45%	6.80%	6.45%
1 Year CD	8.14%	7.94%	7.36%	6.85%

Source: CCIL \* as on May 11; \*\* as on May 4; @ as on Apr 13; @ as on May 12, 2017

Broad Indices	18-May-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.35%	8.12%	7.64%	7.08%
3 Year AAA Corporate Bond	8.46%	8.38%	8.02%	7.30%
5 Year AAA Corporate Bond	8.56%	8.50%	8.21%	7.45%
1 Year G-Sec	6.90%	6.86%	6.59%	6.52%
3 Year G-Sec	7.60%	7.62%	7.20%	6.69%
5 Year G-Sec	7.77%	7.79%	7.43%	7.00%
10 Year G-Sec	7.83%	7.73%	7.54%	6.84%
Forex Reserve (\$ in billion)	417.70*	418.94**	426.08@	375.27@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields rose following increase in consumer and wholesale price inflation in Apr 2018, which increased concerns of rate hike in the near term. Yields rose further following political uncertainty in Karnataka after outcome of its legislative assembly elections.
- Also, investors remained cautious on the back of increasing U.S. Treasury yields and global crude oil prices.
- However, losses were restricted after the RBI's Open Market Operation to purchase bonds was fully accepted.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 10 bps to close at 7.83% from the previous week's close of 7.73% after trading in a range of 7.71% to 7.95%.
- Data from RBI showed that reserve money increased at an annualised rate of 25.0% in the week to May 11, compared with a decrease of 10.4% a year earlier. The currency in circulation rose 31.1% during the week compared with a fall of 15.7% a year earlier.
- RBI on May 16 conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 crore, Rs. 4,000 crore and Rs. 4,000 crore, respectively. The cut-off for 91-, 182- and 364-days T-Bill stood at Rs. 98.45 (6.31%), Rs. 96.80 (6.63%) and Rs. 93.61 (6.84%), respectively.

## Global Commodity Update

Commodities	18-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	71.18	0.76	44.35	17.83
Brent Crude Oil (\$/barrel)	79.37	1.29	54.57	18.34
Gold (\$/ounce)	1291.5	-1.99	3.61	-0.84
Silver (\$/ounce)	16.42	-1.20	-0.73	-3.10

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	18-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	24,715	-0.47	19.61	-0.02
	S&P 500	2,713	-0.54	14.68	1.47
U.K.	FTSE	7,779	0.70	4.60	1.18
France	CAC 40	5,615	1.31	6.14	5.68
Germany	DAX	13,078	0.59	3.87	1.24
Japan	Nikkei 225	22,930	0.76	17.27	0.73
China	Shanghai Composite	3,193	0.95	3.34	-3.44
Hong Kong	Hang Seng	31,048	-0.24	23.52	3.77
Singapore	Straits Times	3,529	-1.15	9.55	3.71
Russia	RTS Index	1,173	-1.75	8.95	1.62
Brazil	Sao Paulo Se Bovespa	83,082	-2.51	34.88	8.74

Source: Thomson Reuters Eikon

## Currencies Update

Currency	18-May-18	Week Ago	Year Ago
U.S. Dollar	67.96	67.22	64.34
GBP	91.88	90.88	83.31
Euro	80.28	80.09	71.62
100 Yen	61.31	61.43	57.80

Source: RBI

## Global Bond Yield Update

Indicators	18-May-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	3.07	2.97	2.87	2.23
U.K. 10 Year Bond yield (%)	1.50	1.44	1.42	1.06
German 10 Year Bond yield (%)	0.58	0.56	0.53	0.35
Japan 10 Year Bond yield (%)	0.05	0.04	0.03	0.04

Source: Thomson Reuters Eikon

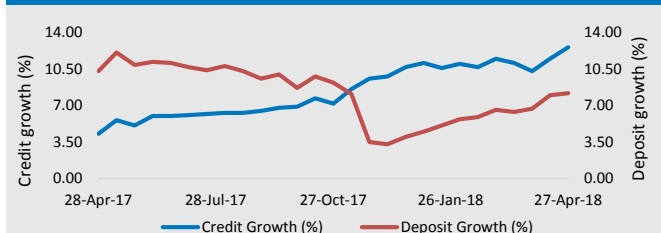
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Retail Sales (YoY) (Mar)	15-May	9.40%	10.00%	10.10%
Germany CPI (YoY) (Apr)	16-May	1.60%	1.60%	1.60%
U.S. Housing Starts Change (Apr)	16-May	-3.70%	-1.10%	3.60%
U.S. Initial Jobless Claims (Week ended May 11)	16-May	222K	215K	211K

Source: FX Street; Thomson Reuters Eikon

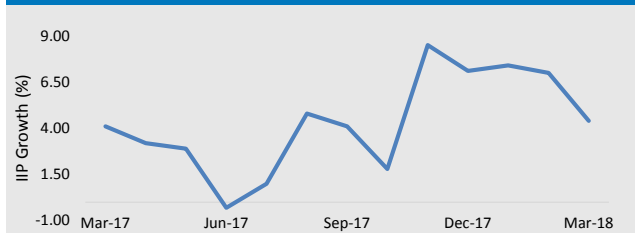
## Macro Economic Performance of India

### Credit growth vs Deposit growth



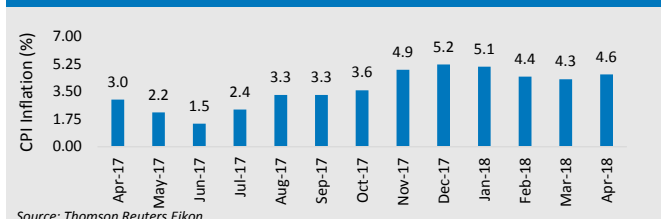
Source: Thomson Reuters Eikon

### IIP Growth (%)



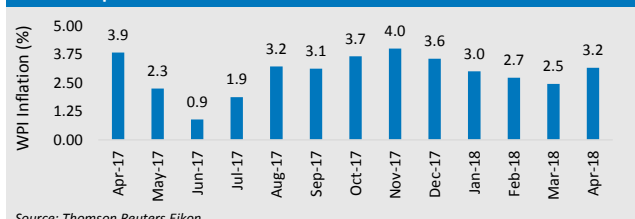
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

**ICRA Online Disclaimer:** All information contained herein is obtained by ICRA Online Limited ("ICRON") from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. ICRON adopts all necessary measures so that the information it uses is of sufficient quality and from sources ICRON considers to be reliable including, when appropriate, independent third-party sources. However, ICRON is not an auditor and cannot in every instance independently verify or validate information received in preparing this document.

All information contained herein must be construed solely as statements of opinion, and ICRA Online Limited or its affiliates or group companies and its respective and any of its officers, directors, personnel and employees, disclaim liability to any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document or its contents in any manner or for any contingency within or beyond the control of, ICRON or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information. Opinions expressed in the document are not the opinions of our holding company, ICRA Limited (ICRA), and should not be construed as any indication of credit rating or grading of ICRA for any instruments that have been issued or are to be issued by any entity. The recipient alone shall be fully responsible and/or are liable for any decision taken on the basis of this document and/or the information contained herein.

**Bajaj Allianz Life Insurance Co. Ltd. Disclaimer:** The information and data analysis ("Information") contained in this document is facilitated and arranged by ICRA Online Ltd ("ICRON") and Bajaj Allianz Life Insurance Co. Ltd. ("BALIC") has subscribed to it for general information purposes only and does neither purport to be comprehensive or complete nor does it constitute financial, tax, legal or other professional advice on any aspect including Life Insurance, financial issues related to life insurance. The contents of this document do not in any way constitute investment advice and should not be construed as an offer to sell, a solicitation to buy, or an endorsement or recommendation of any company or security or fund. BALIC disclaims all responsibilities for investment decisions based on the content of this document or the dissemination or distribution of this report/communication/analysis to a third party. BALIC make no express or implied warranties or representations on the comments, opinions, reports, views given in this document and BALIC disclaims all warranties, whether express, implied, or statutory, including but not limited to warranties as to accuracy, reliability, usefulness, completeness, merchantability, or fitness of information for any particular purpose, non-infringement and any damages ensuing thereby. In no event shall BALIC (including its group company, affiliates, promoters) or its founders, directors, officers, agents, employees or content providers be liable for any direct, indirect, special, incidental, exemplary, punitive or consequential damages, whether or not advised of the possibility of such damages including without limitation, those pertaining to lost profits to any BALIC subscriber, participant, customer, or other person or entity for furnishing of information or arising from the contents/use of this Document. This Document is protected by intellectual property rights. Any material that it contains, including, but not limited to, texts, data, graphics, pictures, logos, icons, news, or html code is protected under intellectual property law and remains the BALIC's or third party's property. Unauthorized use of the materials appearing on this document may violate copyright, trademark and other applicable laws, and could result in criminal or civil penalties.

The Logo of Bajaj Allianz Life Insurance Co. Ltd. is provided on the basis of license given by Bajaj Finserv Ltd. to use its "Bajaj" Logo and Allianz SE to use its "Allianz" logo. Past performance is not indicative of future performance.

Regd. Office Address: G.E Plaza, Airport Road, Yerawada, Pune - 411006, Reg.No.: 116. | CIN : U66010PN2001PLC015959 | Mail us : [customercare@bajajallianz.co.in](mailto:customercare@bajajallianz.co.in) | Call on : Toll free no. 1800 209 7272 | Fax No: 02066026789 |