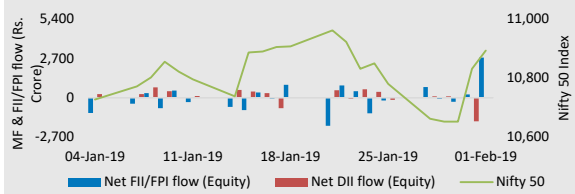


Macro Economic Release

Indicators	Actual	Consensus	Previous
CPI inflation (Dec 2018)	2.19%	2.20%	2.33%
IIP growth (Nov 2018) (%)	0.50%	4.10%	8.10%
WPI inflation (Dec 2018)	3.80%	4.42%	4.64%
Nikkei India Manufacturing PMI (Jan 2019)	53.90	52.50	53.20

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	01-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,469	1.23	1.57	1.11
Nifty 50	10,894	1.05	-1.12	0.29
S&P BSE 100	11,121	0.91	-2.45	-0.36
Nifty 500	9,056	0.69	-6.51	-1.24
Nifty Mid cap 50	4,720	0.15	-11.78	-4.28
Nifty Small cap 100	6,139	-0.31	-30.11	-4.81

Sector Indices	01-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,985	1.94	-27.31	-8.87
S&P BSE Bankex	30,412	0.11	-1.22	0.12
S&P BSE CD	21,413	2.20	-3.01	3.47
S&P BSE CG	17,463	1.68	-15.57	-7.22
S&P BSE FMCG	11,748	0.78	8.99	-0.68
S&P BSE HC	13,997	0.35	-2.52	0.53
S&P BSE IT	15,434	4.39	23.02	9.54
S&P BSE METAL	10,543	-1.80	-31.83	-10.95
S&P BSE Oil & Gas	13,634	-0.95	-15.63	-0.83
S&P BSE Power	1,888	0.24	-18.65	-5.57
S&P BSE PSU	6,847	-0.15	-23.95	-5.39
S&P BSE Realty	1,798	0.41	-30.48	0.00
S&P BSE Teck	7,585	4.28	11.26	7.35

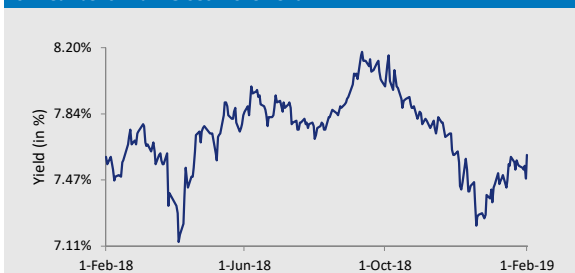
Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	01-Feb-19	Week Ago	Month Ago	Year Ago
Call Rate	6.43%	6.41%	6.34%	5.89%
T-Repo	6.35%	6.39%	6.19%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	7.60%	7.65%	7.70%	7.76%
1 Year CP	8.55%	8.50%	8.60%	7.98%
3 Month CD	7.19%	7.27%	7.44%	7.19%
1 Year CD	7.96%	7.88%	8.24%	7.51%

Source: CCL, Thomson Reuters Eikon * as on Jan 25, 2019; ** as on Jan 18, 2019; @ as on Jan 04, 2019; @@ as on Feb 02, 2018

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Macro economic Update

- The government in the Union Budget pegged the fiscal deficit for both FY19 (revised estimates) and FY20 (budget estimates) at 3.4% of GDP which is slightly higher than the targeted 3.3% of GDP for FY19 and 3.1% of GDP for FY20. However, the government projected fiscal deficit at 3.0% of GDP for both FY21 and FY22 as it is of the view that India's debt to GDP ratio would be bought down to 40% by FY25 from 46.5% in FY18.
- The government while unveiling the Union Budget announced a slew of measures for the distressed farm sector. The government launched a historic programme namely "Pradhan Mantri Kisan Samman Nidhi (PM KISAN)" while unveiling the Union Budget. Under this programme, vulnerable landholding farmer families, having cultivable land up to 2 hectares, will be provided direct income support at the rate of Rs. 6,000 per year. The government proposed an outlay of Rs. 75,000 crore for PM-KISAN for the FY20.
- The Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 53.9 in Jan 2019 from 53.2 in Dec 2018, indicating stronger improvement in the health of the goods producing sector. The growth came as companies continued to increase production and employment on the back of fastest rise in factory orders since Dec 2017. Favourable economic conditions, strengthening demand and sales growth aided the growth in Jan.
- The government in the Union Budget proposed to launch a mega pension yojana namely 'Pradhan Mantri Shram-Yogi Maandhan' for the unorganised sector workers with monthly income up to Rs. 15,000. A sum of Rs. 500 crore has been allocated for the Scheme.

Domestic Equity Market Update

- Indian equity markets initially remained subdued as a number of events – the U.S. Federal Reserve's (Fed) FOMC meeting, U.S.-China trade talks, a key Brexit vote in U.K. parliament, Jan 31's F&O expiry and the interim budget – kept investors anxious.
- Market participants were cautious that the government might announce populist measures in the budget to appease voters ahead of the elections. Fears are that such measures could put undue pressure on the country's fiscal deficit. Although, sentiment buoyed post the announcement of the interim budget 2019-20. The budget laid out measures to boost domestic consumption through income tax reliefs for almost 30 million low-income taxpayers and 120 million marginal farmers. It also gave sops to several sectors such as automobiles, consumer staples & durables, real estate, building materials, home improvement and retail-focused banks & financials.
- Positive economic data also helped sentiment as the Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 53.9 in Jan 2019 from 53.2 in Dec 2018, indicating stronger improvement in the health of the goods producing sector.
- Additionally, the U.S. Federal Reserve left interest rates unchanged and exhibited a dovish stance. Meanwhile, the two-day U.S.-China trade talks concluded without any concrete solution. The only positive was U.S. President saying the trade dispute could be resolved before the Mar 1, 2019, deadline. Two major global companies also posted disappointing earnings guidance because of weakness in China and the U.S. Justice Department pressed criminal charges against a Chinese tech giant and its chief financial officer.
- On the BSE sectoral front, most of the indices closed in the green barring S&P BSE Metal (-1.80%) and S&P BSE Oil & Gas (-0.95%). S&P BSE IT (4.39%) and S&P BSE Teck (4.28%) were the major gainers followed by S&P BSE CD (2.20%) and S&P BSE Auto (1.94%). Consumer Goods sector is expected to be benefitted with reduced GST in most of daily use items for poor and middle class as mentioned by the stand-in Finance Minister.

Domestic Debt Market Update

Broad Indices	01-Feb-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.35%	8.38%	8.48%	7.81%
3 Year AAA Corporate Bond	8.62%	8.54%	8.50%	7.88%
5 Year AAA Corporate Bond	8.57%	8.49%	8.33%	8.07%
1 Year G-Sec	6.78%	6.82%	6.83%	6.60%
3 Year G-Sec	7.02%	7.00%	7.05%	7.15%
5 Year G-Sec	7.38%	7.30%	7.32%	7.43%
10 Year G-Sec	7.61%	7.55%	7.42%	7.61%
Forex Reserve (\$ in billion)	398.18*	396.68**	396.08@	421.91@@

Domestic Debt Market Update

- Bond yield fell initially following indication by the U.S. Federal Reserve on taking a patient approach on future rate hike decisions.
- However, the trend reversed after the government in the Union Budget for FY20 announced increase in its borrowing target for the current financial year and laid its expectation of a higher than expected fiscal deficit for the next financial year.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 6 bps to close at 7.61% from the last week's close at 7.55%, after trading in a range of 7.43% to 7.65%.
- RBI conducted auction of 91-, 182- and 364-Days Treasury Bills for notified amount of Rs. 4,000 crore, Rs. 3,000 crore and Rs. 2,000 crore, respectively. The cut-off prices stood at Rs. 98.39 (6.56%), Rs. 96.77 (6.69%) and Rs. 93.67 (6.78%), respectively.
- RBI conducted auction of state development loans of 11 state governments for notified amount of Rs. 14,500 crore. The accepted amount was Rs. 14,775 crore as Gujarat accepted an additional amount of Rs. 300 crore and Punjab accepted a partial amount of Rs. 175 crore in the auction. The cut-off yield was in the range of 8.16% to 8.25%, while the tenure lied in the range of 9 years to 20 years.

Global Commodity Update

Commodities	01-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	55.30	3.33	-16.15	21.06
Brent Crude Oil (\$/barrel)	62.86	2.21	-9.84	16.11
Gold (\$/ounce)	1317.93	1.13	-2.29	2.74
Silver (\$/ounce)	15.911	1.06	-7.66	2.78

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	01-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,064	1.32	-4.29	7.44
	S&P 500	2,707	1.57	-4.09	8.88
U.K.	FTSE	7,020	3.10	-6.28	4.34
France	CAC 40	5,019	1.90	-7.98	6.10
Germany	DAX	11,181	-0.90	-14.02	5.89
Japan	Nikkei 225	20,788	0.07	-11.49	3.87
China	Shanghai Composite	2,618	0.63	-24.04	4.99
Hong Kong	Hang Seng	27,931	1.31	-14.43	8.07
Singapore	Straits Times	3,189	-0.42	-10.11	3.91
Russia	RTS Index	1,211	1.61	-6.33	13.61
Brazil	Sao Paulo Se Bovespa	97,861	0.19	14.46	11.35

Source: Thomson Reuters Eikon

Currencies Update

Currency	01-Feb-19	Week Ago	Year Ago
U.S. Dollar	71.42	70.89	63.97
GBP	93.40	93.55	91.25
Euro	81.80	80.85	80.01
100 Yen	65.22	64.70	58.46

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	01-Feb-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.69	2.75	2.69	2.77
U.K. 10 Year Bond yield (%)	1.25	1.31	1.28	1.54
German 10 Year Bond yield (%)	0.17	0.20	0.24	0.71
Japan 10 Year Bond yield (%)	-0.03	-0.01	0.00	0.09

Source: Thomson Reuters Eikon

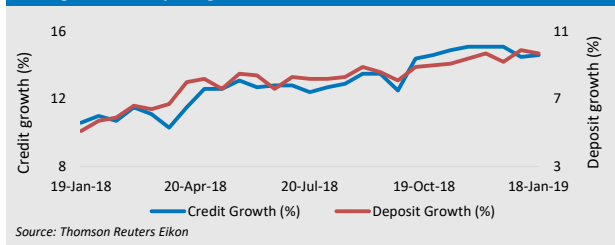
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Consumer Confidence Index (Jan)	29-Jan	120.20	124.60	126.60
U.S. FOMC Rate Decision	30-Jan	2.50%	2.50%	2.50%
Eurozone GDP s.a. (YoY) (4Q A)	31-Jan	1.20%	1.20%	1.60%
U.S. Change in Non-farm Payrolls (Jan)	1-Feb	304K	165k	312k

Source: Dailyfx

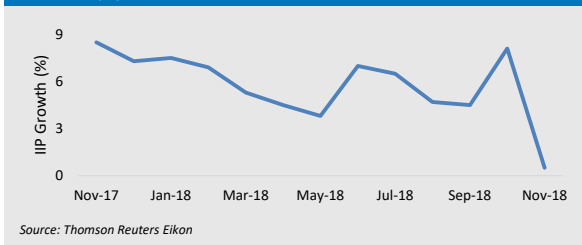
Macro Economic Performance of India

Credit growth vs Deposit growth



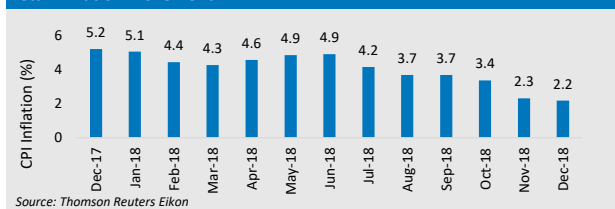
Source: Thomson Reuters Eikon

IIP Growth (%)



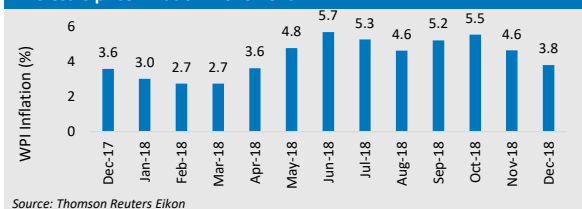
Source: Thomson Reuters Eikon

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: Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006, Reg.No.: 116. | CIN : U66010PN2001PLC015959 | Mail us : customercare@bajajallianz.co.in | Call on : Toll free no. 1800 209 7272 | Fax No: 02066026789 |