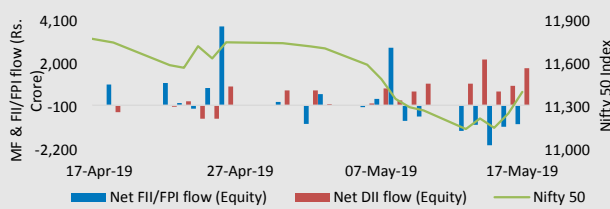


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Apr 2019)	3.07%	3.07%	3.18%
CPI inflation (Apr 2019)	2.92%	2.97%	2.86%
IIP growth (Mar 2019) (%)	-0.10%	1.30%	0.10%
Trade Deficit (Apr 2019) (bn)	\$15.33	\$13.91	\$10.89

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	17-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,931	1.25	7.91	5.16
Nifty 50	11,407	1.14	6.78	5.01
S&P BSE 100	11,496	0.90	4.46	3.00
Nifty 500	9,330	0.43	0.27	1.74
Nifty Mid cap 50	4,674	-0.73	-8.41	-5.21
Nifty Small cap 100	6,136	-2.11	-23.31	-4.86

Sector Indices	17-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,229	-0.12	-26.50	-12.50
S&P BSE Bankex	32,879	1.52	12.71	8.24
S&P BSE CD	23,759	1.91	9.75	14.81
S&P BSE CG	17,739	0.00	-6.73	-5.75
S&P BSE FMCG	11,601	1.73	3.19	-1.93
S&P BSE HC	13,201	-4.32	-0.68	-5.19
S&P BSE IT	15,409	-0.60	16.29	9.37
S&P BSE METAL	10,460	-2.26	-24.99	-11.66
S&P BSE Oil & Gas	14,662	0.58	1.04	6.64
S&P BSE Power	1,862	-1.48	-12.80	-6.84
S&P BSE PSU	7,202	-0.15	-6.51	-0.48
S&P BSE Realty	1,956	0.63	-16.22	8.80
S&P BSE Teck	7,570	-0.61	9.95	7.14

Source: BSE & NSE

Macro economic Update

- India's consumer inflation accelerated to 2.92% YoY in Apr 2019 from 2.86% in Mar 2019 but slowed compared with 4.58% in Apr 2018. This marked a six-month high. Food inflation grew 1.10% in Apr 2019 compared with a growth of 0.30% in Mar 2019 and a growth of 2.80% in the same month of the previous year.
- India's Wholesale Price Index (WPI) - based inflation slowed down to 3.07% in April 2019 from 3.18% in Mar 2019 and 3.62% in Apr 2018. Fuel and power inflation came in at 3.84% in Apr 2019 as against 5.41% in Mar 2019. Inflation for manufactured products came in at 1.72% as against 2.16% in the previous month. Meanwhile, food articles inflation came in at 7.37% in Apr 2019 as against 5.68% in Mar 2019.
- Government data showed that India's trade deficit widened to a five-month high of \$15.33 billion in Apr 2019 from \$10.89 billion in the previous month and \$13.72 billion in the same month of the previous year. India's trade deficit widened as imports grew 4.48% in Apr 2019, significantly higher than exports growth of 0.64%. Exports had grown 11.02% in Mar 2019. India's exports lost momentum in Apr 2019 amid rising trade tensions between U.S. and China.
- Society of Indian Automobile Manufacturers (SIAM) data showed dispatches of passenger vehicles declined 17% YoY in Apr 2019 to 247,541 units. This has happened because of the slowdown in the economy due to consumer uncertainty before the 2019 Lok Sabha elections and liquidity crunch in the non-banking financial companies, SIAM said.

Domestic Equity Market Update

- Indian equity markets closed on a positive note in the week ended May 17, 2019. Investors looked forward to exit polls, likely expecting a stable government post elections. Gains were extended on expectations of a rate cut in the upcoming bi-monthly policy meeting in Jun 2019. Speculations of rate-cut were boosted by India's retail inflation of 2.92% for Apr 2019, which came in much below than the central bank's target of 4%.
- However, reports showing weak index of industrial production data for Mar 2019 and car sales coming in subdued for Apr 2019, restricted the gains. Widening of trade deficit in Apr 2019 to \$15.33 billion, weakness in rupee against the greenback and surge in crude oil prices dampened market sentiment. Further, reports from India Meteorological Department (IMD) as well as Skymet Weather Services that monsoon could be delayed this season muted buying interest.
- On the global front, renewed U.S.-China trade tensions dominated market sentiment. The U.S. government increased tariffs on Chinese imports worth \$200 billion to 25%. Concerns over trade war between the two countries intensified after China announced plans to raise tariffs on \$60 billion worth of U.S. goods from Jun 1, 2019. Reports that U.S.-China trade talks ended without a conclusion further added to the woes.
- On the BSE sectoral front, the indices closed on a mixed note. S&P BSE Consumer Durables was the major gainer that grew 1.91% followed by S&P BSE FMCG that grew 1.73%. Gains in S&P BSE FMCG came in after a major Indian multinational conglomerate decided to transfer the branded food business from one of its subsidiary to another. S&P BSE Bankex and S&P BSE Realty gained 1.52% and 0.63%, respectively.
- However, S&P BSE Healthcare was the major loser that fell 4.32% followed by S&P BSE Metal that fell 2.26%. Metal sector remained under pressure on concerns over renewed U.S.-China trade tensions. S&P BSE Power and S&P BSE Teck fell 1.48% and 0.61%, respectively.

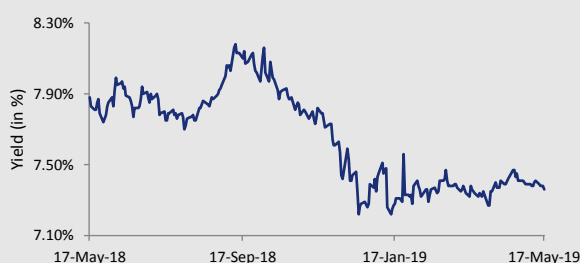
Indian Debt Market Indicators

Broad Indices	17-May-19	Week Ago	Month Ago	Year Ago
Call Rate	5.99%	5.95%	6.04%	5.92%
T-Repo	5.95%	5.96%	5.96%	--
Repo	6.00%	6.00%	6.00%	6.00%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
3 Month CP	7.25%	7.70%	7.00%	8.20%
1 Year CP	8.00%	8.20%	8.00%	8.65%
3 Month CD	7.07%	7.29%	6.85%	7.46%
1 Year CD	7.29%	7.63%	7.50%	8.09%

Source: CCIL, Thomson Reuters Eikon * as on May 10, 2019; ** as on May 03, 2019; @ as on Apr 12, 2019; @@ as on May 18, 2018

Broad Indices	17-May-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.28%	8.32%	8.14%	8.26%
3 Year AAA Corporate Bond	8.27%	8.41%	8.17%	8.49%
5 Year AAA Corporate Bond	8.42%	8.57%	8.54%	8.61%
1 Year G-Sec	6.46%	6.56%	6.53%	6.91%
3 Year G-Sec	6.93%	7.02%	7.02%	7.72%
5 Year G-Sec	7.12%	7.25%	7.23%	7.83%
10 Year G-Sec	7.36%	7.41%	7.39%	7.88%
Forex Reserve (\$ in billion)	420.06*	418.69**	414.89@	415.05@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell on expectations of a rate-cut in the upcoming policy meeting in Jun 2019. Speculations of rate cut were boosted by India's retail inflation of 2.92% for Apr 2019, which came in much below the central bank's target of 4%.
- Market sentiment were further boosted after the Reserve Bank of India announced to conduct purchase of government securities under open market operations for an aggregate amount of Rs. 12,500 crore.
- At the end, yields fell further as market participants purchased notes ahead of the results of country's general election.
- Yields on the 10-year benchmark paper (7.26% GS 2029) fell 5 bps to close at 7.36% compared with the previous close of 7.41% after trading in the range of 7.35% to 7.42%.
- RBI conducted auction of 91-, 182- and 364-Day Treasury Bills for notified amount of Rs. 9,000 crore, Rs. 7,000 crore and Rs. 4,000 crore for which the full amount was accepted and the cut-off price stood at Rs. 98.43 (6.40%), Rs. 96.88 (6.46%) and Rs. 93.94 (6.47%), respectively.

Global Commodity Update

Commodities	17-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	62.58	1.48	-12.57	37.00
Brent Crude Oil (\$/barrel)	72.16	2.02	-9.26	33.28
Gold (\$/ounce)	1277.15	-0.66	-1.00	-0.44
Silver (\$/ounce)	14.39	-2.44	-12.41	-7.04

Source: Thomson Reuters Eikon

Currencies Update

Currency	17-May-19	Week Ago	Year Ago
U.S. Dollar	70.28	70.00	67.76
GBP	89.39	90.99	91.57
Euro	78.42	78.63	79.90
100 Yen	63.84	63.66	61.16

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	17-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,764	-0.69	4.25	10.44
	S&P 500	2,860	-0.76	5.12	14.07
U.K.	FTSE	7,349	2.02	-5.64	9.22
France	CAC 40	5,438	2.08	-3.27	14.96
Germany	DAX	12,239	1.49	-6.68	15.91
Japan	Nikkei 225	21,250	-0.44	-6.95	6.17
China	Shanghai Composite	2,882	-1.94	-8.62	15.57
Hong Kong	Hang Seng	27,946	-2.11	-9.68	8.13
Singapore	Straits Times	3,205	-2.08	-9.37	4.45
Russia	RTS Index	1,255	3.37	6.18	17.69
Brazil	Sao Paulo Se Bovespa	89,993	-4.52	7.62	2.40

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	17-May-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.39	2.46	2.59	3.11
U.K. 10 Year Bond yield (%)	1.04	1.14	1.24	1.56
German 10 Year Bond yield (%)	-0.11	-0.05	0.08	0.64
Japan 10 Year Bond yield (%)	-0.06	-0.05	-0.01	0.05

Source: Thomson Reuters Eikon

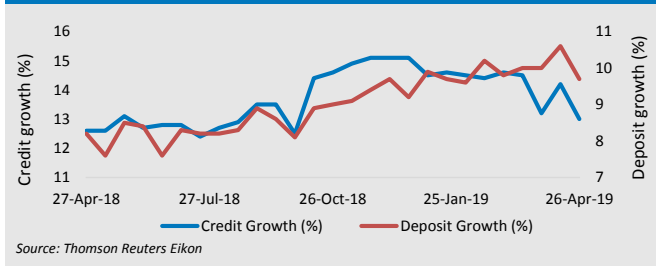
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany ZEW Survey Expectations (M€)	14-May	-2.10	5.00	3.10
Germany GDP (YoY) (1Q P)	15-May	0.70%	0.70%	0.60%
U.S. Housing Starts (MoM) (Apr)	16-May	5.70%	6.20%	1.70%
U.S. University of Michigan Sentiment (May P)	17-May	102.40	97.50	97.20

Source: FX Street; Thomson Reuters Eikon

Macro Economic Performance of India

Credit growth vs Deposit growth



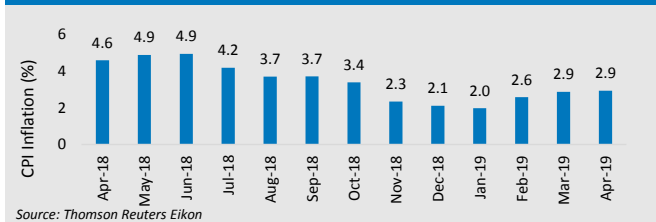
Source: Thomson Reuters Eikon

IIP Growth (%)



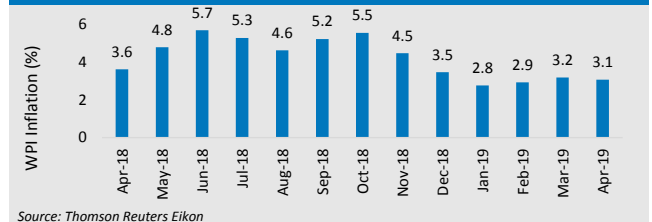
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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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 |