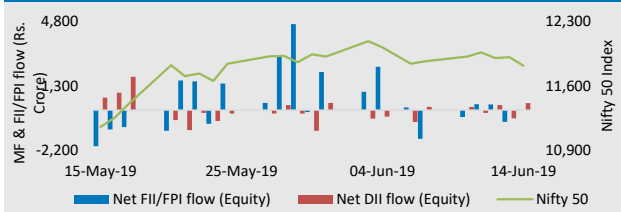


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (May 2019)	2.45%	3.10%	3.07%
CPI inflation (May 2019)	3.05%	3.01%	2.99%
IIP growth (Apr 2019) (%)	3.40%	0.80%	0.40%
Nikkei India Manufacturing PMI (May 2019)	52.70	51.30	51.80

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	14-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,452	-0.41	10.82	9.38
Nifty 50	11,823	-0.40	9.39	8.84
S&P BSE 100	11,921	-0.51	7.14	6.81
Nifty 500	9,670	-0.68	3.35	5.45
Nifty Mid cap 50	4,854	-1.36	-3.80	-1.56
Nifty Small cap 100	6,298	-2.08	-18.32	-2.34

Sector Indices	14-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,114	-2.04	-27.57	-13.05
S&P BSE Bankex	34,352	-1.47	15.47	13.09
S&P BSE CD	25,265	-0.02	22.48	22.08
S&P BSE CG	19,546	-0.03	5.76	3.85
S&P BSE FMCG	11,516	-0.13	2.27	-2.64
S&P BSE HC	12,899	-1.07	-8.11	-7.36
S&P BSE IT	15,908	1.07	16.58	12.90
S&P BSE METAL	10,956	1.65	-19.53	-7.46
S&P BSE Oil & Gas	15,047	-1.17	3.38	9.44
S&P BSE Power	1,990	-0.26	-2.40	-0.46
S&P BSE PSU	7,630	-0.71	-2.81	5.44
S&P BSE Realty	2,093	-3.21	-5.23	16.42
S&P BSE Teck	7,808	0.72	10.66	10.50

Source: BSE & NSE

## Macro economic Update

- India's Index of Industrial Production (IIP) growth rose 3.4% YoY in Apr 2019 as against revised growth of 0.4% (decline of 0.1% originally reported) in Mar 2019 and increase of 4.5% in Apr 2018. The current reading is highest in seven months. The electricity, mining and manufacturing sector rose 6%, 5.1% and 2.8% in Apr 2019 compared with a rise of 2.1%, 3.8% and 4.9% a year ago, respectively.
- India's consumer inflation accelerated to 3.05% YoY in May 2019 from upwardly revised growth of 2.99% (originally reported 2.92%) in Apr 2019 but slowed compared with 4.87% in May 2018. Food inflation grew 1.83% in May 2019 compared with a growth of 1.10% in Apr 2019 and a growth of 3.10% in the same month of the previous year. Vegetables inflation also accelerated to 5.46% YoY from 2.87% in Apr 2019. Pulses and products inflation rose 2.13% YoY in May 2019 from decline of 0.89% in the previous month.
- India's Wholesale Price Index (WPI) - based inflation slowed down to 2.45% in May 2019 from 3.07% in Apr 2019 and 4.78% in May 2018. This marked nearly two-year low. Fuel and power inflation came in at 0.98% in May 2019, significantly down from 3.84% in Apr 2019. Inflation for manufactured products fell to 1.28% as against 1.72% in the previous month. Meanwhile, food articles inflation came in at 6.99% as against 7.37% in Apr 2019.
- India's trade deficit widened to \$15.36 billion in May 2019 from \$15.33 billion in the previous month and \$14.62 billion in the same month of the previous year.

## Domestic Equity Market Update

- Indian equity markets ended the week in the red. Initial positive vibes, led by optimism over rate-cut by U.S. Federal Reserve in its upcoming meeting and reports that U.S. administration has "indefinitely suspended" tariffs on all Mexican goods, was overshadowed by ongoing U.S.-China trade tension. During the week, the U.S. President warned the Chinese Premier that the White House would impose another round of tariff on Chinese imports. Markets witnessed additional selling pressure amid increased trade tension between U.S. and India. According to media reports, India will impose tariff on 29 U.S. items in retaliation to Washington's withdrawal of key trade privileges for New Delhi. Market participants also remained cautious as attacks on tankers in Gulf of Oman escalated U.S.-Iran tensions and raised concerns over oil supply flows.
- On the economic front, domestic factory output surged in Apr 2019 to hit a six-month high, while retail inflation accelerated at the fastest pace in seven months in May 2019. Inflation still is within the RBI's tolerance level, thereby leaving scope for more rate-cuts.
- The downturn was cushioned by hopes of continuity in reforms and strong growth agenda, post the outcome of elections.
- On the BSE sectoral front, barring S&P BSE Metal, S&P BSE IT and S&P BSE Teck, all the indices closed in the red. S&P BSE Realty was the major loser, down 3.21%, followed by S&P BSE Auto and S&P BSE Bankex, which fell 2.04% and 1.47%, respectively. Banking sector came under selling pressure after a global credit rating agency placed the foreign currency issuer rating of one of the private sector banks under review for downgrade. It has also placed the bank's long-term foreign and local currency bank deposit ratings of Ba1, foreign currency senior unsecured MTN program rating of (P)Ba1 and Baseline Credit Assessment (BCA) and adjusted BCA of ba2 under review for downgrade.

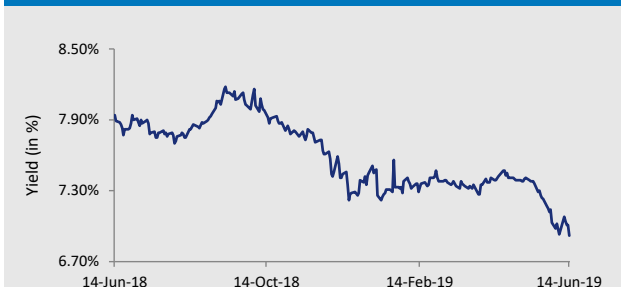
## Indian Debt Market Indicators

Broad Indices	14-Jun-19	Week Ago	Month Ago	Year Ago
Call Rate	5.83%	5.69%	5.91%	6.09%
T-Repo	5.66%	5.74%	5.84%	N.A.
Repo	5.75%	5.75%	6.00%	6.25%
Reverse Repo	5.50%	5.50%	5.75%	6.00%
3 Month CP	6.70%	6.60%	7.50%	7.65%
1 Year CP	7.85%	7.80%	8.20%	8.40%
3 Month CD	6.33%	6.13%	7.41%	7.38%
1 Year CD	7.15%	7.12%	7.54%	8.46%

Source: CCIL, Thomson Reuters Eikon \* as on Jun 07, 2019; \*\*as on May 31, 2019; @ as on May 10, 2019; @@ as on Jun 08, 2018

Broad Indices	14-Jun-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.92%	7.74%	8.25%	8.46%
3 Year AAA Corporate Bond	7.93%	7.87%	8.38%	8.70%
5 Year AAA Corporate Bond	8.00%	7.91%	8.52%	8.82%
1 Year G-Sec	6.12%	6.15%	6.52%	7.06%
3 Year G-Sec	6.54%	6.58%	6.94%	7.77%
5 Year G-Sec	6.72%	6.79%	7.14%	7.97%
10 Year G-Sec	6.92%	6.97%	7.38%	7.95%
Forex Reserve (\$ in billion)	423.55*	421.87**	420.06@	413.11@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields fell after retail inflation for May 2019 stayed below the Reserve Bank of India's (RBI) target of 4% for the 10th month in a row even though the same rose to a seven-month high. RBI's unexpected announcement of purchasing of government securities under open market operation added to the gains. Fall in global crude oil prices over the week also contributed to the upside.
- Yields on the 10-year benchmark paper (7.26% GS 2029) fell 5 bps to close at 6.92% compared with the previous close of 6.97% after trading in the range of 6.91% to 7.10%.
- RBI on a review of the evolving liquidity conditions and assessment of the durable liquidity has decided to purchase of government securities under Open Market Operation (OMO) for a notified amount of Rs. 12,500 crore on Jun 20, 2019.
- RBI conducted auction of 7.00% GS 2021, 7.27% GS 2026, 7.57% GS 2033, 7.62% GS 2039 and 7.63% GS 2059 for aggregate amount of Rs. 17,000 crore. The entire amount was accepted at cut-off prices of Rs. 101.15 (6.23%), Rs. 101.81 (6.93%), Rs. 103.23 (7.20%), Rs. 104.43 (7.20%) and Rs. 105.24 (7.23%), respectively.
- Data from RBI showed that India's foreign exchange reserves rose to \$423.55 billion as of week ended Jun 7, against \$421.87 billion at the end of the previous week.

## Global Commodity Update

Commodities	14-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	52.43	-2.93	-14.51	-21.75
Brent Crude Oil (\$/barrel)	62.06	-1.87	-12.54	-18.23
Gold (\$/ounce)	1341.33	0.08	3.03	4.57
Silver (\$/ounce)	14.87	-0.80	-13.20	-3.94

Source: Thomson Reuters Eikon

## Currencies Update

Currency	14-Jun-19	Week Ago	Year Ago
U.S. Dollar	69.56	69.34	67.68
GBP	88.20	88.30	89.75
Euro	78.43	78.57	78.29
100 Yen	64.23	64.08	61.17

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	14-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	26,090	0.41	3.63	11.84
	S&P 500	2,887	0.47	3.76	15.16
U.K.	FTSE	7,346	0.19	-5.41	9.18
France	CAC 40	5,368	0.07	-2.91	13.46
Germany	DAX	12,096	0.42	-7.71	14.56
Japan	Nikkei 225	21,117	1.11	-7.13	5.51
China	Shanghai Composite	2,882	1.92	-5.33	15.56
Hong Kong	Hang Seng	27,118	0.57	-10.91	4.92
Singapore	Straits Times	3,223	1.78	-3.99	5.01
Russia	RTS Index	1,341	1.14	17.54	25.79
Brazil	Sao Paulo Se Bovespa	98,040	0.22	37.27	11.55

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	14-Jun-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.09	2.08	2.42	2.95
U.K. 10 Year Bond yield (%)	0.85	0.82	1.11	1.34
German 10 Year Bond yield (%)	-0.26	-0.26	-0.07	0.43
Japan 10 Year Bond yield (%)	-0.12	-0.12	-0.05	0.04

Source: Thomson Reuters Eikon

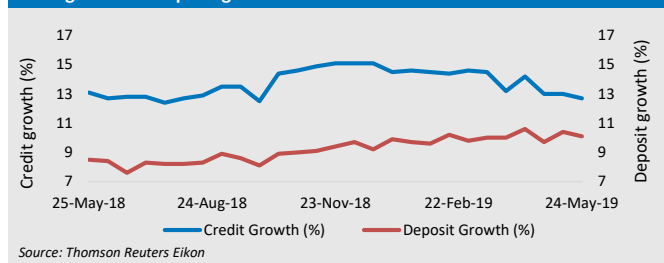
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. Industrial Production (YoY) (Apr)	10-Jun	-1.00%	0.90%	1.30%
U.S. CPI (YoY) (May)	12-Jun	1.80%	1.90%	2.00%
U.K. House Price Balance (May)	12-Jun	-10.00%	-21.00%	-22.00%
U.S. Retail Sales Advance (MoM) (May)	14-Jun	0.50%	0.60%	0.50%

Source: FX Street; Thomson Reuters Eikon

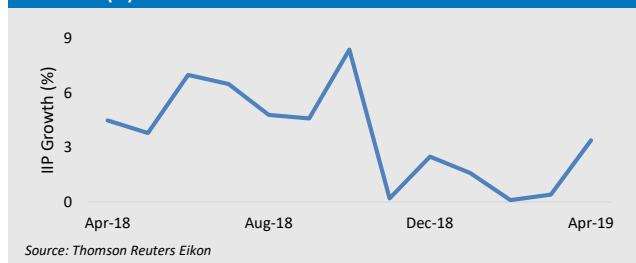
## Macro Economic Performance of India

### Credit growth vs Deposit growth



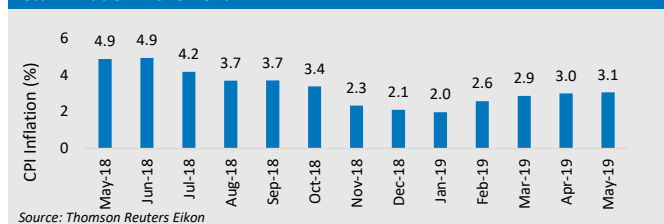
Source: Thomson Reuters Eikon

### IIP Growth (%)



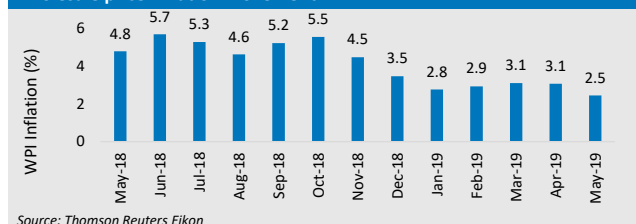
Source: Thomson Reuters Eikon

### 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: Bajaj Allianz House, 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 |