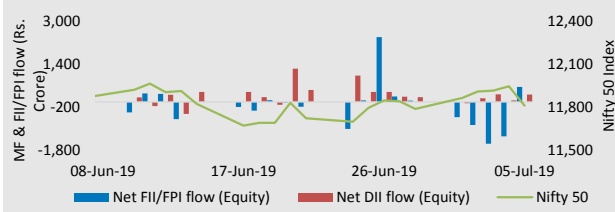


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (May 2019)	2.45%	3.10%	3.07%
CPI inflation (May 2019)	3.05%	3.01%	2.99%
Nikkei India Manufacturing PMI (Jun)	52.10	51.70	52.70
Nikkei India Services PMI (Jun 2019)	49.6	50.4	50.2

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	05-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,513	0.30	11.07	9.55
Nifty 50	11,811	0.19	9.87	8.73
S&P BSE 100	11,926	0.14	8.28	6.85
Nifty 500	9,658	0.00	5.36	5.32
Nifty Mid cap 50	4,838	-0.70	-0.12	-1.89
Nifty Small cap 100	6,200	0.00	-13.42	-3.86

Sector Indices	05-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,692	-1.18	-27.38	-15.08
S&P BSE Bankex	35,341	1.05	20.34	16.34
S&P BSE CD	25,359	-2.94	29.18	22.54
S&P BSE CG	19,676	-0.91	13.58	4.54
S&P BSE FMCG	11,505	1.26	1.09	-2.74
S&P BSE HC	12,719	-1.32	-10.12	-8.65
S&P BSE IT	15,250	-2.58	9.85	8.24
S&P BSE METAL	10,601	-4.55	-15.94	-10.46
S&P BSE Oil & Gas	14,487	-2.14	6.55	5.37
S&P BSE Power	2,075	-0.92	9.40	3.77
S&P BSE PSU	7,764	-0.88	8.34	7.28
S&P BSE Realty	2,173	-1.29	7.24	20.87
S&P BSE Teck	7,528	-1.90	5.63	6.54

Source: BSE & NSE

Macro economic Update

- The government while presenting the Union Budget adhered to the fiscal consolidation roadmap as it lowered its fiscal deficit target to 3.3% of GDP for FY20 from 3.4% of GDP for FY19. The government expects the gross tax revenue to grow 9.5% in FY20 on the back of an increase in dividend receipts. It also hopes that the central government debt as a % of GDP will come down to 48.0% of GDP in FY20 from 48.4% in FY19 on the back of a benign inflation regime which will help reduce the cost of borrowing. The central government debt as a % of GDP is expected to come down further to 46.2% in FY21 and 44.4% in FY22.
- Government data showed that the growth in the index of eight core industries grew to 5.1% in May 2019 from a revised 6.3% in Apr 2019 (2.6% growth originally reported), and 4.1% in the same period of the previous year. The growth came as electricity output increased 7.2% compared with 5.9% in the previous month. The steel sector witnessed the maximum growth of 19.9% followed by electricity and cement, which grew 2.8%.
- The Nikkei India Manufacturing Purchasing Managers' Index (PMI) slowed to 52.1 in Jun 2019 from 52.7 in May 2019. The slowdown came as a softer increase in new work intakes led to slower rise in output and employment.
- The seasonally adjusted Nikkei India Services Business Activity Index fell from 50.2 in May 2019 to 49.6 in Jun 2019, thereby marking a 16-months low. Broadly stagnant sales resulted in first decline in business activity over a period of 1 year.

Domestic Equity Market Update

- Indian equity markets closed on modestly higher in the week ended Jul 5, 2019. Reports that the country's current account deficit for the quarter ended Mar 2019 has narrowed boosted the indices. Falling crude oil prices and surge in rupee added to the gains. Also, reports that the Economic Survey 2019 has outlined a roadmap for India to become a \$5 trillion economy by 2024-25, boosted market sentiment.
- Hopes of announcement of fiscal measures to support economic growth in the Union Budget scheduled on Jul 5, 2019, added to the gains. However, proposal in the budget to increase the minimum public shareholding in listed companies from 25% to 35% led to liquidity concerns among investors and pulled the market down. Increase in surcharge on the high-income group also dented market sentiment.
- Additionally, reports that a travel-services company has defaulted Rs. 50 crore in repayment commitments toward outstanding commercial papers hit markets.
- On the global front, investors remained focused on reports that U.S. and China are planning to recommence talks in the week ended Jul 12, 2019. However, disappointing manufacturing data from U.S. and China in Jun 2019 renewed global growth concerns and reports that the U.S. proposed new tariffs on European goods as part of a continuing dispute over aircraft subsidies weighed on the indices.
- S&P BSE FMCG was the major gainer and grew 1.26%, followed by S&P BSE Bankex that grew 1.05%. However, S&P BSE Metal was the major loser that fell 4.55% followed by S&P BSE Consumer Durables that fell 2.94%. It was proposed in Union budget to increase custom duty on gold and other precious metals from 10% to 12.5%. S&P BSE information technology and S&P BSE Oil & Gas fell 2.58% and 2.14%, respectively. S&P BSE Teck fell 1.90% followed by S&P BSE Healthcare and S&P BSE Realty that fell 1.32% and 1.29%, respectively. One of the real estate builders defaulted on scheduled interest payments on a Rs. 1,200 crore loan to a private lender.

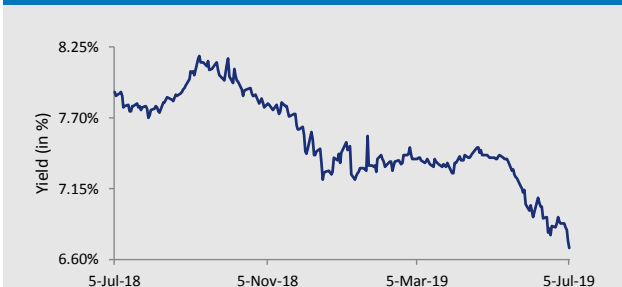
Indian Debt Market Indicators

Broad Indices	05-Jul-19	Week Ago	Month Ago	Year Ago
Call Rate	5.56%	5.94%	5.87%	6.07%
T-Repo	5.58%	5.85%	5.79%	5.92%
Repo	5.75%	5.75%	6.00%	6.25%
Reverse Repo	5.50%	5.50%	5.75%	6.00%
3 Month CP	6.90%	7.00%	6.75%	7.20%
1 Year CP	7.75%	7.90%	7.80%	8.35%
3 Month CD	6.28%	6.41%	6.43%	6.94%
1 Year CD	7.42%	7.16%	7.16%	8.15%

Source: CCL, Thomson Reuters Eikon * as on Jun 28, 2019; ** as on Jun 21, 2019; @ as on May 31, 2019; @ @ as on Jul 06, 2018

Broad Indices	05-Jul-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.88%	7.90%	7.86%	8.40%
3 Year AAA Corporate Bond	7.81%	7.89%	7.98%	8.70%
5 Year AAA Corporate Bond	7.89%	8.10%	8.01%	8.89%
1 Year G-Sec	6.05%	6.19%	6.23%	7.20%
3 Year G-Sec	6.43%	6.57%	6.67%	7.74%
5 Year G-Sec	6.63%	6.77%	6.88%	8.05%
10 Year G-Sec	6.70%	6.88%	7.02%	7.90%
Forex Reserve (\$ in billion)	427.68 [†]	426.42 ^{**}	421.87 [@]	405.81 ^{@@}

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell as crude oil prices declined amid worries of global economic slowdown, which triggered demand concerns for the commodity. Fall in crude prices raised optimism on lower inflation and further rate cuts.
- By the end of the week, gains were extended as worries over widening fiscal deficit alleviated. In addition, government official's remark on borrowings from overseas market raised expectations of foreign fund inflows and lifted the market sentiment.
- Yields on the 10-year benchmark paper (7.26% GS 2029) plunged 18 bps to close at 6.70% compared with the previous close of 6.88% after trading in the range of 6.58% to 6.93%.
- The Reserve Bank of India (RBI) conducted auction of state development loan of 10 state governments for notified amount of Rs. 13,400 crore. Total amount accepted stood at Rs. 13,787.90 crore as Maharashtra accepted additional amount of Rs. 500 crores under green shoe option. The cut-off yield lied in the range of 7.28% to 7.43%, while tenure was in between 8 years to 15 years.
- RBI conducted auction of 91-, 182- and 364-Day Treasury Bills for notified amount of Rs. 7,000 crore, Rs. 5,000 crore and Rs. 4,000 crore, respectively. The entire amount was accepted at cut-off price of Rs. 98.53 (5.9841%), Rs. 97.04 (6.1173%) and Rs. 94.24 (6.1288%), respectively.

Global Commodity Update

Commodities	05-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	57.67	-0.59	-21.05	26.25
Brent Crude Oil (\$/barrel)	64.40	-3.16	-16.95	18.95
Gold (\$/ounce)	1399.55	-0.68	11.31	9.11
Silver (\$/ounce)	14.97	-2.20	-6.32	-3.29

Source: Thomson Reuters Eikon

Currencies Update

Currency	05-Jul-19	Week Ago	Year Ago
U.S. Dollar	68.44	68.94	68.87
GBP	85.70	87.51	91.08
Euro	76.81	78.37	80.50
100 Yen	63.09	63.89	62.25

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	05-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1656.23	1.67	8.93	19.65
U.K.	FTSE	7,553	1.72	-0.66	12.26
France	CAC 40	5,594	0.99	4.24	18.24
Germany	DAX	12,569	1.37	0.84	19.03
Japan	Nikkei 225	21,746	2.21	0.93	8.65
China	Shanghai Composite	3,011	1.08	10.14	20.74
Hong Kong	Hang Seng	28,775	0.81	2.10	11.33
Singapore	Straits Times	3,367	1.36	3.38	9.71
Russia	RTS Index	1,399	1.32	19.38	31.20
Brazil	Sao Paulo Se Bovespa	104,089	3.09	39.62	18.44

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	05-Jul-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.04	2.00	2.12	2.84
U.K. 10 Year Bond yield (%)	0.74	0.83	0.87	1.26
German 10 Year Bond yield (%)	-0.36	-0.33	-0.22	0.30
Japan 10 Year Bond yield (%)	-0.17	-0.17	-0.13	0.03

Source: Thomson Reuters Eikon

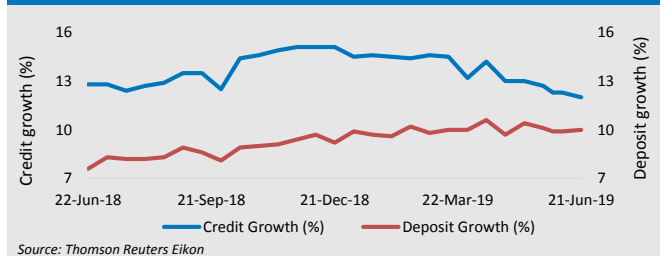
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. ISM Manufacturing (Jun)	1-Jul	51.70	51.00	52.10
U.K. Markit/CIPS UK Construction PMI (Jun)	2-Jul	43.10	49.20	48.60
U.S. Factory Orders (May)	3-Jul	-0.70%	-0.60%	-1.2%
Eurozone Retail Sales (YoY) (May)	4-Jul	1.30%	1.60%	1.80%

Source: FX Street; Thomson Reuters Eikon

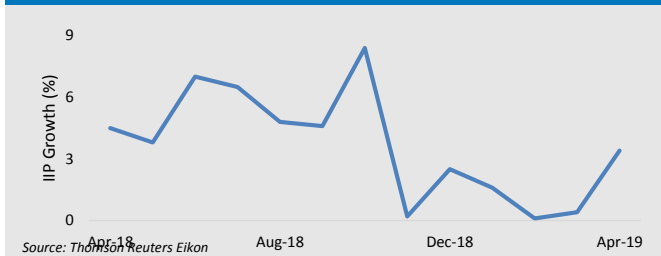
Macro Economic Performance of India

Credit growth vs Deposit growth



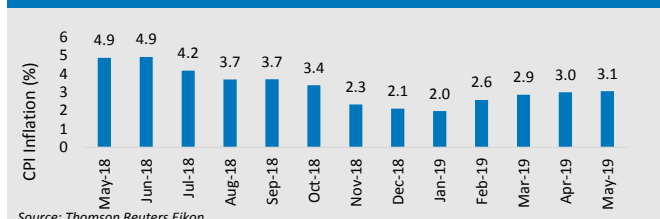
Source: Thomson Reuters Eikon

IIP Growth (%)



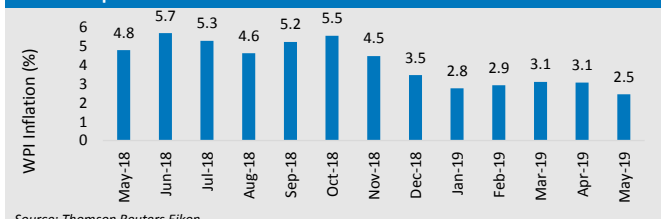
Source: Thomson Reuters Eikon

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 | Call on : Toll free no. 1800 209 7272 | Fax No: 0206026789 |