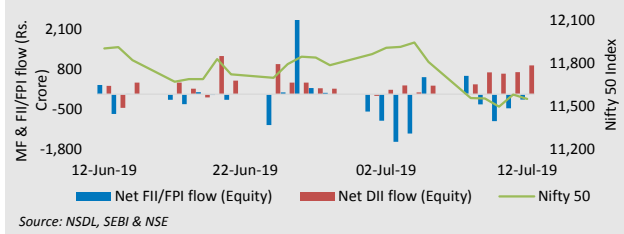


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (May 2019)	2.45%	3.10%	3.07%
CPI inflation (Jun 2019)	3.18%	3.20%	3.05%
IIP growth (May 2019) (%)	3.10%	3.20%	4.30%
Nikkei India Manufacturing PMI (Jun 2019)	52.10	51.70	52.70

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

Broad Indices	12-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,736	-1.97	5.99	7.40
Nifty 50	11,553	-2.19	4.80	6.35
S&P BSE 100	11,678	-2.08	3.66	4.63
Nifty 500	9,458	-2.07	0.82	3.14
Nifty Mid cap 50	4,739	-2.05	-3.90	-3.90
Nifty Small cap 100	6,077	-2.00	-17.84	-5.78

Sector Indices	12-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,272	-2.38	-29.93	-17.10
S&P BSE Bankex	34,415	-2.62	14.87	13.29
S&P BSE CD	23,191	-8.55	18.40	12.06
S&P BSE CG	18,653	-5.20	3.88	-0.89
S&P BSE FMCG	11,220	-2.48	-3.17	-5.15
S&P BSE HC	12,923	1.61	-8.72	-7.18
S&P BSE IT	15,102	-0.97	5.34	7.19
S&P BSE METAL	10,540	-0.58	-15.76	-10.97
S&P BSE Oil & Gas	14,089	-2.75	-0.45	2.47
S&P BSE Power	2,020	-2.65	4.84	1.03
S&P BSE PSU	7,494	-3.47	3.03	3.56
S&P BSE Realty	2,164	-0.43	3.55	20.35
S&P BSE Teck	7,459	-0.92	2.01	5.56

Source: BSE & NSE

Macro economic Update

- India's Index of Industrial Production (IIP) growth came in at 3.1% YoY in May 2019 compared with upwardly revised growth of 4.3% (rise of 3.4% originally reported) in Apr 2019 and increase of 3.8% in May 2018. The mining, manufacturing and electricity sector rose 3.2%, 2.5% and 7.4% in May 2019 compared with a rise of 5.8%, 3.6% and 4.2% a year ago, respectively.
- India's consumer inflation accelerated to 3.18% YoY in Jun 2019 from 3.05% in May 2019 but slowed compared with 4.92% in May 2018. Food inflation grew 2.17% in Jun 2019 compared with a growth of 1.83% in May 2019 and a growth of 2.91% in the same month of the previous year. Pulses and products inflation rose to 5.68% YoY in Jun against a rise of 2.13% in May. Meat and fish inflation rose to 9.01% YoY in Jun against a rise of 8.12% in May.
- According to government's Meteorological Department, the monsoon has covered almost the entire country, but three-fourths of the department's sub-meteorological divisions still fall under the "deficient" rainfall category. India Meteorological Department's data shows the overall monsoon deficiency, which was 33% at the start of the month, has dipped to 21%. No subdivision in the country recorded "large deficiency".
- Media reports showed the government identified 28 central PSUs for disinvestment this year. It also includes the national air carrier. The government is aiming to garner more than Rs. 1 lakh crore in 2019-22 from the sale of its shares in public sector undertakings. The finance minister in the budget estimated government's disinvestment proceeds to be Rs 1.05 lakh crore, which is an increase of 31% over the last year's figure.

Domestic Equity Market Update

- Indian equity markets witnessed a downward trend during the week. Investors were reeling under the aftereffects of the Union Budget 2019-20. The market was expecting a big stimulus for the economy in the budget, which didn't happen. Instead, the finance minister announced certain measures that didn't go down well with investors, including increasing public holding in listed companies from 25% to 35% and hike in surcharge on the high-income group.
- Further, the U.S. President complained that India's tariffs on U.S. products were unacceptable, raising concerns of trade tiff between the two countries. This came ahead of the Indo-U.S. trade talks on Jul 12, 2019.
- Investors remained cautious ahead of India's industrial production data for May 2019 and retail inflation rate for Jun 2019, scheduled to release after market hours of the week's last trading day. Also, the first quarter earnings of India's leading information technology company kept investors wary.
- However, the downside was limited on stronger global cues as the U.S. Federal Reserve (Fed) hinted that it would cut interest rates soon. The U.S. Fed could reduce key U.S. borrowing costs by 25 basis points at its meeting on Jul 30-31, 2019, though the decision thereafter will depend on economic data.
- On the BSE sectoral front, barring S&P BSE HC (1.61%), all the major indices closed in the red. Sectors have reacted negatively to certain measures announced in the budget. S&P BSE CD (-8.55%) stood as the major loser followed by S&P BSE CG (-5.20%) and S&P BSE PSU (-3.47%). The auto sector lost 2.38% as Jun 2019 vehicle sales declined across categories, once again exposing the weakness in the sector.

Indian Debt Market Indicators

Broad Indices	12-Jul-19	Week Ago	Month Ago	Year Ago
Call Rate	5.63%	5.56%	5.69%	6.14%
T-Repo	5.56%	5.58%	5.60%	6.23%
Repo	5.75%	5.75%	5.75%	6.25%
Reverse Repo	5.50%	5.50%	5.50%	6.00%
3 Month CP	6.80%	6.90%	6.65%	7.55%
1 Year CP	7.70%	7.75%	7.80%	8.45%
3 Month CD	6.08%	6.28%	6.44%	6.98%
1 Year CD	6.85%	7.42%	7.32%	7.99%

Source: CCIL, Thomson Reuters Eikon * as on Jul 05, 2019; ** as on Jun 28, 2019; @ as on June 14, 2019; @@ as on Jul 13, 2018

Broad Indices	12-Jul-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.75%	7.83%	7.89%	8.27%
3 Year AAA Corporate Bond	7.71%	7.78%	7.98%	8.62%
5 Year AAA Corporate Bond	7.80%	7.89%	8.04%	8.74%
1 Year G-Sec	6.07%	6.05%	6.14%	7.22%
3 Year G-Sec	6.35%	6.43%	6.61%	7.75%
5 Year G-Sec	6.45%	6.63%	6.80%	7.93%
10 Year G-Sec	6.49%	6.70%	7.01%	7.78%
Forex Reserve (\$ in billion)	429.91 [†]	427.68 ^{**}	422.20 [@]	405.08 ^{@@}

10 - Year benchmark G-Sec Movement



Domestic Debt Market Update

- Bond yield plunged for the second week as the government announced its plan for raising a proportion of its borrowing through bond sales in the overseas market. This somewhat helped in alleviating fears of widening fiscal deficit ahead of the federal budget. After this announcement, the bond market has likely turned attractive for foreign participants, which declined yields further.
- Prices further boosted following strength in the local currency after the U.S. Federal Reserve chairman signalled a policy rate-cut.
- Yields on the 10-year benchmark paper (7.26% GS 2029) plunged 21 bps to close at 6.49% compared with the previous close of 6.70% after trading in the range of 6.46% to 6.71%.
- The Reserve Bank of India (RBI) conducted auction of state development loans of 10 state governments for notified amount of Rs. 7,600 crore, of which the entire amount was accepted. The cut-off yield lied in the range of 7.12% to 7.14%, while the tenure was in between 7 years to 11 years.

Weekly Market Update

12 July 2019

Global Commodity Update

Commodities	12-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	60.35	4.65	-14.20	32.11
Brent Crude Oil (\$/barrel)	66.91	3.90	-10.15	23.59
Gold (\$/ounce)	1415.50	1.14	13.53	10.35
Silver (\$/ounce)	15.21	1.60	-4.34	-1.74

Source: Thomson Reuters Eikon

Currencies Update

Currency	12-Jul-19	Week Ago	Year Ago
U.S. Dollar	68.55	68.44	68.52
GBP	86.19	85.70	90.47
Euro	77.25	76.81	79.96
100 Yen	63.52	63.09	60.86

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	12-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1669.04	0.77	7.39	20.57
U.K.	FTSE	7,506	-0.62	-1.90	11.56
France	CAC 40	5,573	-0.37	3.09	17.80
Germany	DAX	12,323	-1.95	-1.36	16.71
Japan	Nikkei 225	21,686	-0.28	-2.26	8.35
China	Shanghai Composite	2,931	-2.67	3.27	17.51
Hong Kong	Hang Seng	28,472	-1.05	-0.03	10.16
Singapore	Straits Times	3,357	-0.28	3.21	9.40
Russia	RTS Index	1,388	-0.78	17.87	30.18
Brazil	Sao Paulo Se Bovespa	103,906	-0.18	36.98	18.23

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	12-Jul-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.11	2.04	2.13	2.85
U.K. 10 Year Bond yield (%)	0.84	0.74	0.87	1.28
German 10 Year Bond yield (%)	-0.25	-0.36	-0.24	0.29
Japan 10 Year Bond yield (%)	-0.12	-0.17	-0.11	0.04

Source: Thomson Reuters Eikon

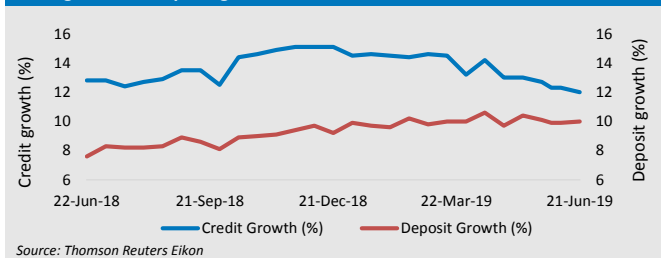
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
German Ind. Production (YoY) (May)	8-Jul	-3.70%	-3.20%	-2.30%
Japan Machine Tool Orders (YoY) (Jun)	9-Jul	-38.00%	--	-27.30%
U.K. Monthly GDP (MoM) (May)	10-Jul	0.30%	0.30%	-0.40%
U.S. Consumer Price Index (YoY) (Jun)	11-Jul	1.60%	1.60%	1.80%

Source: FX Street; Thomson Reuters Eikon

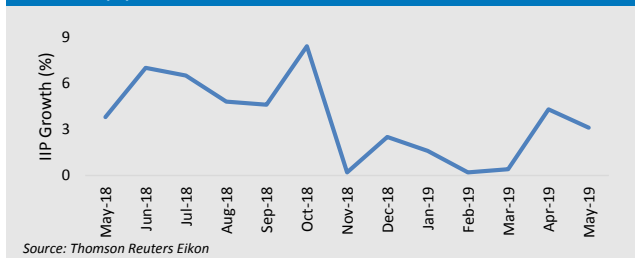
Macro Economic Performance of India

Credit growth vs Deposit growth



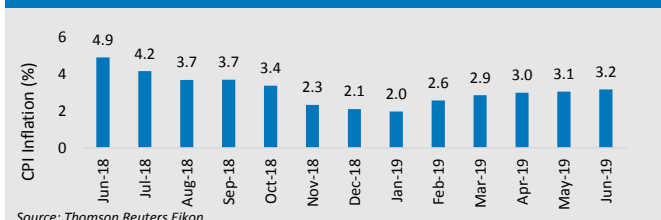
Source: Thomson Reuters Eikon

IIP Growth (%)



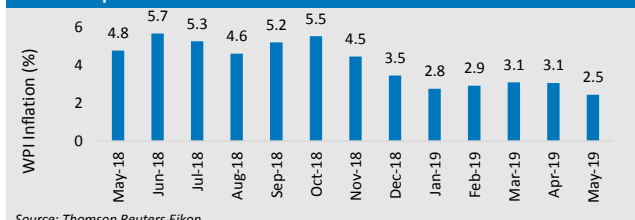
Source: Thomson Reuters Eikon

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 be 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 |