

# Bajaj Allianz Life Insurance

## Macro-Economic Heatmap

LIFE GOALS. DONE.



	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Banking</b>														
Non-food credit Growth (YoY%)	13.0%	10.1%	12.5%	14.2%	12.6%	14.8%	16.3%	13.8%	14.7%	14.6%	13.4%	13.1%	13.3%	12.0%
Bank deposit Growth (YoY%)	8.1%	5.5%	8.7%	9.9%	8.1%	9.0%	10.8%	8.9%	9.6%	10.0%	10.0%	9.7%	11.1%	10.0%
10 year G-Sec Yield	7.83%	7.89%	7.78%	7.95%	8.03%	7.87%	7.61%	7.36%	7.51%	7.64%	7.46%	7.52%	7.06%	6.88%
Foreign Exchange Reserves (\$bn)	412.4	405.7	403.7	400.1	400.5	392.1	393.7	395.6	400.2	402.4	412.9	418.8	421.9	426.4
Median MCLR	7.9%	7.9%	8.0%	8.0%	8.1%	8.2%	8.3%	8.4%	8.4%	8.4%	8.3%	8.3%	8.3%	8.3%

Bank credit growth slows down a bit, while deposit growth continues to lag credit growth. Bond yields have softened on RBI rate cuts, fiscal discipline, announcement of sovereign bond issue in budget, FII debt inflows and improving liquidity. Forex reserves pick-up.

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Industry</b>														
Cement Production (YoY%)	13.0%	14.2%	11.2%	14.6%	11.8%	18.4%	8.8%	11.6%	11.0%	8.0%	15.7%	2.3%	2.8%	
Steel Production (YoY%)	-0.1%	4.2%	6.9%	4.0%	3.2%	2.4%	5.3%	10.1%	5.5%	4.9%	6.7%	19.0%	19.9%	
Index of Industrial Production (IIP, YoY %)	3.8%	7.0%	6.5%	4.8%	4.6%	8.4%	0.2%	2.5%	1.6%	0.2%	0.4%	4.3%	3.1%	
Manufacturing (YoY%)	3.6%	6.9%	7.0%	5.2%	4.8%	8.2%	-0.7%	2.9%	1.3%	-0.3%	0.1%	4.0%	2.5%	
Mining (YoY%)	5.8%	6.5%	3.4%	-0.6%	0.1%	7.3%	2.7%	-1.0%	3.8%	2.2%	0.8%	5.1%	3.2%	
Electricity (YoY%)	4.2%	8.5%	6.6%	7.6%	8.2%	10.8%	5.1%	4.5%	0.9%	1.3%	2.2%	6.0%	7.4%	
PMI Manufacturing Index	51	53	52	52	52	53	54	53	54	54	53	52	53	52
PMI Services Index	50	53	54	52	51	52	54	53	52	53	52	51	50	50
Rail Freight Traffic (YoY%)	12%	12%	22%	15%	12%	10%	3%	8%	8%	5%	5%	5%	7%	3%
Port Traffic (YoY%)	2.5%	4.0%	4.1%	5.1%	5.1%	5.3%	4.8%	3.8%	3.1%	2.8%	2.9%	5.7%	2.5%	1.5%

IIP growth has been moderate/ muted. Manufacturing & Services PMI also sees some slowdown. Cement production growth slowed down, while steel production growth picked up.

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Consumer</b>														
Passenger Car Growth (YoY %)	19.6%	34.2%	-0.4%	-1.0%	-5.6%	0.4%	-0.9%	-2.0%	-2.6%	-4.3%	-6.9%	-19.9%	-26.0%	-24.1%
Two-Wheeler Growth (YoY%)	9.2%	22.3%	8.2%	2.9%	4.1%	17.2%	7.1%	-2.2%	-5.2%	-4.2%	-17.3%	-16.4%	-6.7%	-11.7%
Light Commercial Vehicle Growth (YoY%)	26.1%	40.8%	32.9%	30.3%	22.9%	29.1%	17.5%	4.1%	3.2%	5.8%	3.9%	-1.1%	-3.7%	-9.8%
Medium & Heavy Commercial Vehicle Growth (YoY%)	80.5%	43.6%	24.5%	28.5%	26.0%	17.8%	-11.0%	-20.7%	0.7%	-8.8%	-4.7%	-13.6%	-19.7%	-16.4%
Air Traffic (YoY %)	17%	18%	22%	17%	19%	13%	11%	13%	9%	6%	0%	-4%	3%	7%

Auto sector still in the doldrums, as all segments continue to see a slowdown. Air passenger traffic growth sees some recovery after the recent disruption in the sector.

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Foreign Trade</b>														
Export Growth (YoY %)	21%	20%	16%	19%	-3%	16%	-1%	0%	4%	3%	12%	0%	4%	-10%
Import Growth (YoY %)	14%	20%	30%	27%	13%	19%	5%	1%	1%	-4%	1%	4%	4%	-9%
Trade Deficit (\$,billion)	(14.62)	(16.60)	(18.58)	(17.91)	(14.98)	(18.04)	(17.63)	(14.54)	(14.76)	(9.56)	(10.85)	(15.33)	(15.36)	(15.28)
Trade Deficit (YoY %)	2%	18%	56%	41%	59%	23%	17%	2%	-3%	-19%	-20%	10%	5%	-8%

Both export and import growth registers a slowdown. Trade deficit has been stable over the past few months.

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Inflation</b>														
CPI Headline Inflation (YoY%)	4.9%	4.9%	4.2%	3.7%	3.7%	3.4%	2.3%	2.1%	2.0%	2.6%	2.9%	3.0%	3.0%	3.2%
Food Inflation (YoY%)	3.3%	3.1%	1.7%	0.8%	1.0%	-0.1%	-1.7%	-1.6%	-1.3%	-0.1%	0.7%	1.4%	2.0%	2.4%
Fuel Inflation (YoY%)	5.8%	7.2%	8.0%	8.6%	8.6%	8.5%	7.2%	4.5%	2.1%	1.2%	2.3%	2.6%	2.5%	2.3%
Core CPI (ex food & fuel) - YoY %	6.2%	6.4%	6.3%	5.9%	5.8%	6.2%	5.7%	5.7%	5.4%	5.3%	5.0%	4.5%	4.2%	4.1%

Consumer Price Index (CPI) headline inflation remains well below target, but rises a bit, due to some rise in food prices (as expected). Core inflation continues to moderate.

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>Fiscal</b>														
Central Govt Expenditure (YoY%)	15%	22%	15%	28%	17%	6%	-16%	-1%	20%	18%	-14%	14%	4%	
Fiscal Balance FYTD (as % of BE)	54%	68%	85%	93%	94%	102%	113%	111%	122%	134%	102%	22%	52%	
GST Collection (₹ billion)	956	965	939	944	1,035	1,007	976	947	1,025	947	1,066	1,139	1,003	999

Fiscal deficit was 52% of the full year target for FYTD 20 (up to May) vs 55% in the corresponding period, a year ago. GST collections have slowed down marginally.

Source: Spark Capital, Bloomberg, Bajaj Allianz Life Insurance



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