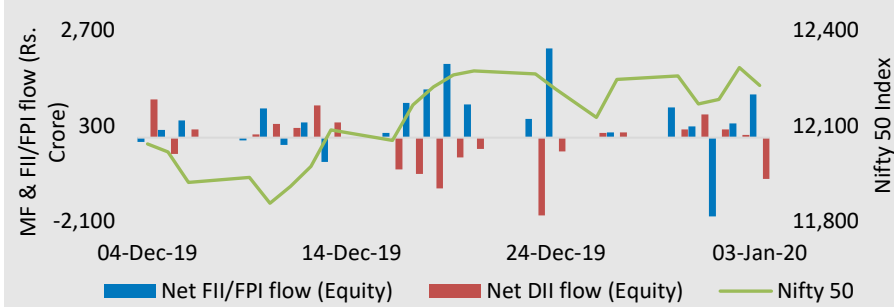


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Nov 2019)	0.58%	0.74%	0.16%
CPI inflation (Nov 2019)	5.54%	5.26%	4.62%
IIP growth (Oct 2019) (%)	-3.80%	5.00%	-4.30%
Nikkei India Manufacturing PMI (Dec 2019)	52.70	51.00	51.20

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	03-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	41,465	-0.27	16.76	0.51
Nifty 50	12,227	-0.16	14.56	0.48
S&P BSE 100	12,302	-0.06	12.23	0.54
Nifty 500	9,942	0.33	10.28	0.70
Nifty Mid cap 50	4,756	1.73	-1.05	1.16
Nifty Small cap 100	5,961	3.53	-6.25	2.16

Sector Indices	03-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,311	-0.44	-7.57	-0.94
S&P BSE Bankex	36,522	-1.19	21.12	-0.41
S&P BSE CD	24,603	-1.63	19.38	-1.63
S&P BSE CG	17,332	2.29	-5.78	2.29
S&P BSE FMCG	11,431	0.08	-2.51	0.22
S&P BSE HC	13,582	1.23	-1.17	1.14
S&P BSE IT	15,778	1.01	12.25	1.95
S&P BSE METAL	10,599	3.01	-4.35	1.64
S&P BSE Oil & Gas	14,815	0.11	10.56	0.48
S&P BSE Power	1,951	2.13	0.20	1.29
S&P BSE PSU	7,000	0.98	-0.97	0.64
S&P BSE Realty	2,290	1.07	26.32	0.40
S&P BSE Teck	7,821	0.50	10.97	1.34

Source: BSE & NSE

Macro economic Update

- Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 52.7 in Dec 2019 from 51.2 in Nov 2019. This marked 10-months high. New orders grew at the fastest pace since Jul 2019. On sub-sector level, growth was driven by consumer and intermediate goods.
- Media reports showed the goods and services tax (GST) collections crossed the Rs. 1 trillion mark for the second straight month in Dec 2019. This has brought some relief to policymakers making efforts to boost consumption and liquidity in a slowing economy. Central and state governments together collected Rs. 1.03 trillion in Dec, which is 9% more than what was collected in the year-ago period.
- According to a report by a global agency, the government might breach the fiscal deficit target in FY20. This will happen amidst drop in revenue mobilisation and expected additional expenditure by the government. The report said the need for fiscal stimulus has increased even as the government finances remain "strained".
- The finance minister has introduced Rs. 102 lakh crore of infrastructure projects that will be implemented in the next five years, media reports showed. This is part of the government's spending thrust in the infrastructure sector.
- The Prime Minister said agriculture has a key role to play in helping the country achieve its goal of becoming five trillion-dollar economy, media reports showed. The government is focusing on formulating a cash crop and export-centric farming system, he added.

Domestic Equity Market Update

- Indian equity markets closed on a weak note in the first week of 2020. Lack of domestic and global triggers during the initial part of the week kept the market sentiment under pressure. Weakness in rupee against the greenback and surge in crude oil prices added to the losses.
- Further, weak global cues amid heightened geo-political tensions between the U.S. and Iran weighed on the market sentiment. U.S. military reportedly killed Iran Revolutionary Guards' commander in a surprise air-strike. However, reports that U.S. President has stated that Phase 1 of the trade deal with China would be signed on Jan 15, 2020 restricted further losses.
- Market sentiment also received some support on reports that the government has announced investments worth about Rs. 100 lakh crore in roads, railways, airports and agricultural projects over the next five years to boost slowing economic growth.
- Upbeat domestic economic data helped boost market sentiment. India's factory activity expanded at its fastest pace in seven months in Dec 2019 on the back of increase in new orders. The growth in new orders made companies increase production, a private business survey showed. Also, Dec's decent GST collection numbers soothed investor nerves worried over the government's fiscal deficit target.
- S&P BSE Consumer Durables was the major loser that fell 1.63% followed by S&P BSE Bankex and S&P BSE Auto that fell 1.19% and 0.44%, respectively. Weak auto sales numbers for Dec 2019 weighed on the auto sector. However, S&P BSE Metal was the major gainer and grew 3.01% followed by S&P BSE Capital Goods and S&P BSE Power that grew 2.29% and 2.13%, respectively.

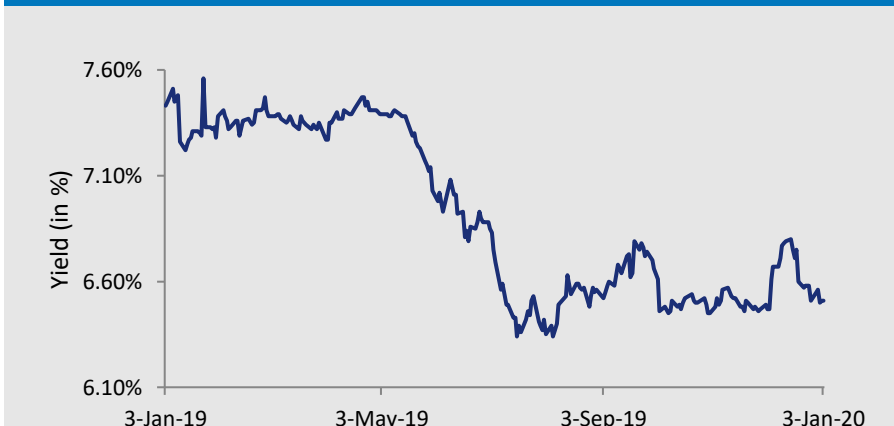
Indian Debt Market Indicators

Broad Indices	03-Jan-20	Week Ago	Month Ago	Year Ago
Call Rate	4.94%	5.11%	5.05%	6.31%
T-Repo	3.35%	4.87%	4.72%	6.24%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
3 Month CP	5.85%	5.40%	5.25%	7.85%
1 Year CP	6.85%	6.70%	6.65%	9.00%
3 Month CD	5.11%	5.10%	5.13%	7.37%
1 Year CD	6.08%	6.05%	5.80%	8.23%

Broad Indices	03-Jan-20	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.68%	6.82%	6.67%	8.52%
3 Year AAA Corporate Bond	7.33%	7.43%	7.11%	8.51%
5 Year AAA Corporate Bond	7.54%	7.77%	7.44%	8.33%
1 Year G-Sec	5.53%	5.69%	5.35%	6.82%
3 Year G-Sec	6.27%	6.32%	6.03%	7.06%
5 Year G-Sec	6.34%	6.46%	6.18%	7.33%
10 Year G-Sec	6.51%	6.50%	6.46%	7.43%
Forex Reserve (\$ in billion)	457.47*	454.95**	451.08@	393.40@@

Source: CCIL, Thomson Reuters Eikon * as on Dec 27, 2019; **as on Dec 20, 2019; @ as on Nov 29, 2019; @@ as on Dec 28, 2018

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields inched up on worries over government additional borrowings and fiscal slippage. However, most of the losses were neutralized after remarks from a government official increased the possibility of increase in foreign investment limit for Indian debt.
- Yield on the 10-year benchmark paper (6.45% GS 2029) rose marginally 1 bps to close at 6.51% compared with the previous week's close of 6.50%.
- RBI on Jan 1, 2020 conducted auction of 91-day, 182-day and 364-day T-Bill for notified amount of Rs. 4,000 crore, Rs. 6,000 crore and Rs. 3,000 crore, respectively. The cut-off price was Rs. 98.78 (YTM: 4.94%), Rs. 97.46 (YTM: 5.22%) and Rs. 94.98 (YTM: 5.30%), respectively.
- RBI on Dec 31, 2019 conducted auction of state development loans for six state governments for notified amount of Rs. 8,881 crore. Amount accepted stood at Rs. 9,381 crore as Gujarat accepted an additional amount of Rs. 500 crore.

Weekly Market Update

03 January 2020

Global Commodity Update

Commodities	03-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	62.97	2.04	34.84	2.93
Brent Crude Oil (\$/barrel)	68.7	0.90	23.67	4.06
Gold (\$/ounce)	1,551.40	2.71	19.93	2.27
Silver (\$/ounce)	18.03	1.58	14.61	1.15

Source: Thomson Reuters Eikon

Currencies Update

Currency	03-Jan-20	Week Ago	Year Ago
U.S. Dollar	71.76	71.44	70.10
GBP	93.91	93.42	88.54
Euro	80.09	79.83	79.86
100 Yen	66.38	65.28	65.10

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	03-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,787	-0.12	32.19	0.16
U.K.	FTSE	7,622	-0.29	13.89	1.06
France	CAC 40	6,044	0.11	31.07	1.11
Germany	DAX	13,219	-0.88	26.90	-0.23
Japan	Nikkei 225	23,657	-0.76	18.20	NA
China	Shanghai Composite	3,084	2.62	25.14	1.10
Hong Kong	Hang Seng	28,452	0.80	13.51	0.93
Singapore	Straits Times	3,239	0.38	7.50	0.50
Russia	RTS Index	1,564	0.95	43.93	0.99
Brazil	Sao Paulo Se Bovespa	117,707	1.01	28.55	1.78

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	03-Jan-20	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.79	1.87	1.71	2.55
U.K. 10 Year Bond yield (%)	0.74	0.76	0.67	1.20
German 10 Year Bond yield (%)	-0.28	-0.26	-0.35	0.15
Japan 10 Year Bond yield (%)	-0.02	-0.01	-0.02	0.00

Source: Thomson Reuters Eikon

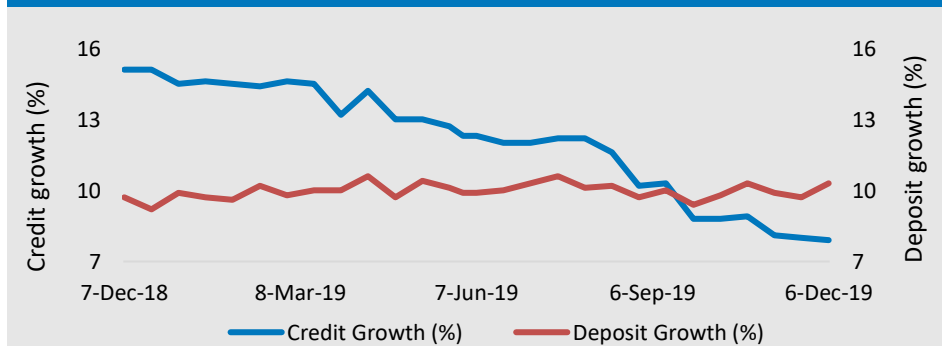
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Pending Home Sales (YoY) (Nov)	30-Dec	7.4%	5.80%	4.4%
U.S. Housing Price Index (MoM) (Oct)	31-Dec	0.20%	0.30%	0.60%
U.S. Initial Jobless Claims (Dec 27)	2-Jan	222K	225K	224K
U.K. Markit Construction PMI (Dec)	3-Jan	44.40	45.90	45.30

Source: FX Street; Thomson Reuters Eikon

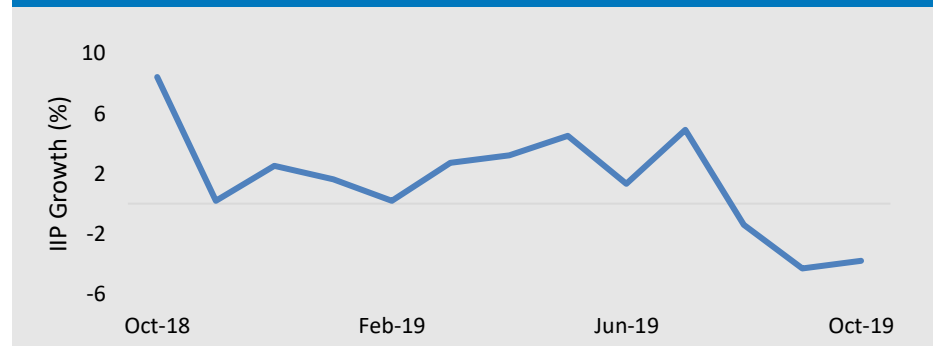
Macro Economic Performance of India

Credit growth vs Deposit growth



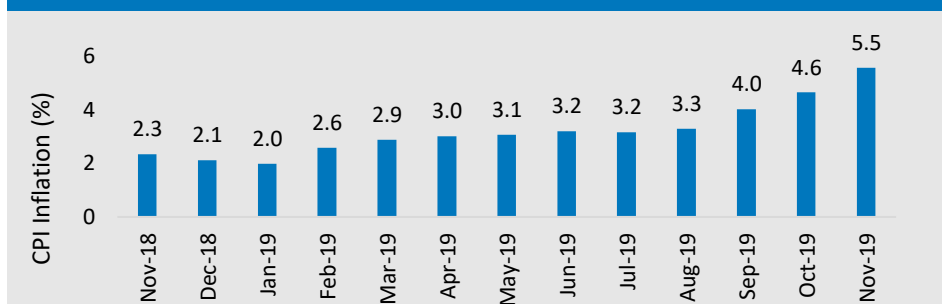
Source: Thomson Reuters Eikon

IIP Growth (%)



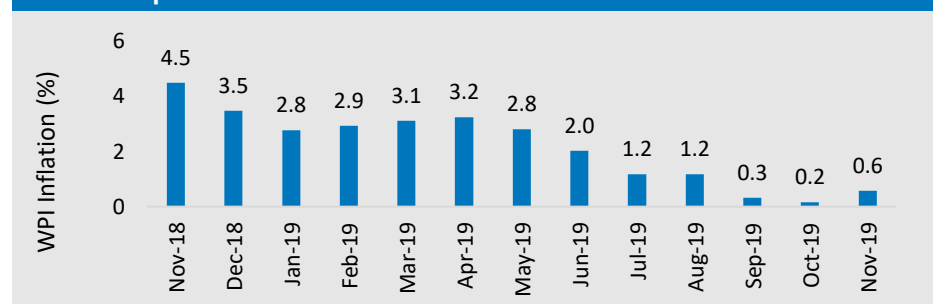
Source: Thomson Reuters Eikon

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 |