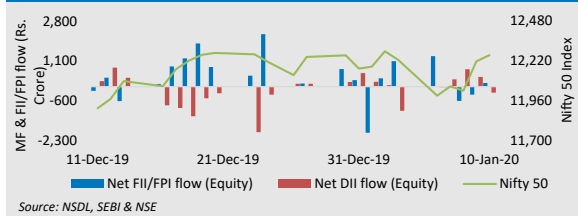


Macro Economic Release

| 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 (Nov 2019) | 1.80% | -0.60% | -3.80% |
| Nikkei India Manufacturing PMI (Dec 2019) | 52.70 | 51.00 | 51.20 |

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

| Broad Indices | 10-Jan-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|---------------------|-----------|----------------|----------------|----------------|
| S&P BSE Sensex | 41,600 | 0.33 | 15.21 | 0.84 |
| Nifty 50 | 12,257 | 0.25 | 13.26 | 0.73 |
| S&P BSE 100 | 12,335 | 0.27 | 11.03 | 0.81 |
| Nifty 500 | 9,978 | 0.37 | 9.42 | 1.07 |
| Nifty Mid cap 50 | 4,788 | 0.67 | -1.90 | 1.84 |
| Nifty Small cap 100 | 6,057 | 1.61 | -5.59 | 3.80 |

| Sector Indices | 10-Jan-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-------------------|-----------|----------------|----------------|----------------|
| S&P BSE AUTO | 18,442 | 0.71 | -8.40 | -0.23 |
| S&P BSE Bankex | 36,598 | 0.21 | 18.31 | -0.20 |
| S&P BSE CD | 24,859 | 1.04 | 18.49 | -0.61 |
| S&P BSE CG | 17,254 | -0.45 | -6.25 | 1.83 |
| S&P BSE FMCG | 11,514 | 0.73 | -3.20 | 0.95 |
| S&P BSE HC | 13,579 | -0.02 | -3.26 | 1.12 |
| S&P BSE IT | 15,760 | -0.11 | 11.75 | 1.84 |
| S&P BSE METAL | 10,550 | -0.46 | -5.24 | 1.17 |
| S&P BSE Oil & Gas | 14,621 | -1.31 | 11.02 | -0.84 |
| S&P BSE Power | 1,953 | 0.07 | -1.43 | 1.36 |
| S&P BSE PSU | 6,921 | -1.13 | -3.05 | -0.50 |
| S&P BSE Realty | 2,374 | 3.67 | 27.62 | 4.09 |
| S&P BSE Teck | 7,816 | -0.07 | 9.80 | 1.27 |

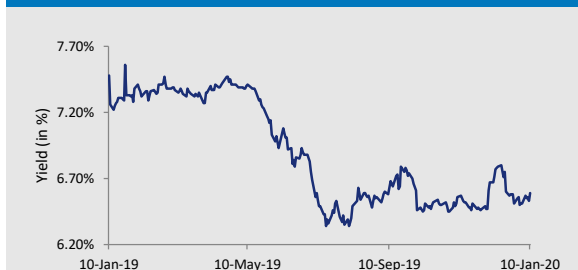
Source: BSE & NSE

Indian Debt Market Indicators

| Broad Indices | 10-Jan-20 | Week Ago | Month Ago | Year Ago |
|---------------|-----------|----------|-----------|----------|
| Call Rate | 4.99% | 4.94% | 5.00% | 6.36% |
| T-Repo | 4.92% | 3.35% | 4.75% | 6.45% |
| Repo | 5.15% | 5.15% | 4.85% | 6.50% |
| Reverse Repo | 4.90% | 4.90% | 4.90% | 6.25% |
| 3 Month CP | 5.80% | 5.85% | 5.40% | 7.70% |
| 1 Year CP | 6.80% | 6.85% | 6.65% | 8.80% |
| 3 Month CD | 5.09% | 5.11% | 5.12% | 6.64% |
| 1 Year CD | 6.09% | 6.08% | 5.86% | 7.77% |

Source: CCLIL, Thomson Reuters Eikon * as on Jan 03, 2020; ** as on Dec 27, 2019; @ as on Dec 06, 2019; @ as on Jan 04, 2019

10 - Year benchmark G-Sec Movement



Macro economic Update

- Government data released showed Index of Industrial Production (IIP) grew 1.8% in Nov 2019 compared with 0.2% in Nov 2018. Mining and manufacturing grew 1.7% and 2.7%, respectively, in Nov 2019, while electricity contracted 5.0%. From Apr to Nov 2019, IIP growth came in at 0.6% YoY from 5.0% recorded in the corresponding period last year.
- The IHS Markit Services Purchasing Managers' (PMI) rose to 53.3 in Dec 2019 from 52.7 in Nov 2019. The Composite PMI Output Index rose to 53.7 from 52.7 in Nov 2019. This is the second-strongest rate of increase in output in more than a year and came on the back of better market conditions and new business growth.
- The government released its advance economic growth estimate for the fiscal year ending Mar 31, 2020, media reports showed. Gross domestic product growth is set to come in at 5.0% in FY20 versus 6.8% in FY19. In December, the Reserve Bank of India had sharply lowered its real GDP growth outlook for FY20 to 5% from 6.1%, citing a delay in revival of domestic demand, a further slowdown in global economic activity and geo-political tensions as downside risks.
- Media reports showed the government could ask the Reserve Bank of India for another interim dividend. The government is struggling to meet its expenditure commitments amid a steep revenue shortfall. This comes only months after RBI approved a Rs. 1.76 trillion (\$24.8 billion) dividend payment to the government, including Rs. 1.48 trillion for FY20.

Domestic Equity Market Update

- Indian equity markets gained in the week ended Jan 10, 2020. The U.S.-Iran embroilment ruled market sentiment throughout the week. The week started weak as markets were fresh on the heels of the U.S. attack in Iraq killing a top Iranian military general on Jan 3, 2020.
- The U.S. President threatened to impose sanctions on Iraq amid escalating tensions with Iran. The conflict pushed gold and crude oil prices up.
- By the middle of the week, markets gained as concerns around Middle East tensions eased a little in the absence of any new altercation between the countries.
- Gains tapered as Iran fired a series of rockets at two U.S.-Iraqi airbases. However, concerns eased a little when the U.S. President tweeted "All is well!" Meanwhile, the government's advance economic growth estimate for FY20 showed the pace of expansion slowing sharply at 5.0% in FY20 against 6.8% in FY19.
- Markets returned to gains as de-escalation of tensions between the U.S. and Iran was welcomed by investors. Oil prices stabilized as well. The U.S. President said that there were no American casualties in the Iranian strikes on Iraqi military bases housing U.S. troops. The U.S. will impose new sanctions on Iran but not respond militarily, he added. Tehran said the strikes "concluded" its response to the general's killing.
- S&P BSE Realty was the major gainer, up 3.67% followed by S&P BSE Consumer Durables, up 1.04% and S&P BSE FMCG, up 0.73%. S&P BSE Oil & Gas was the major loser, down 1.31% followed by S&P BSE Metal, down 0.46%. The realty sector gained as investors are pinning hopes on government's multiple reform measures to propel growth in the sector. Oil & gas and metal sectors suffered because of the U.S.-Iran tensions, which sent crude oil prices up by a good measure. Losses in the sectors were, however, limited by the easing of tensions in the Middle East.

Domestic Debt Market Update

| Broad Indices | 10-Jan-20 | Week Ago | Month Ago | Year Ago |
|-------------------------------|-----------|----------|-----------|----------|
| 1 Year AAA Corporate Bond | 6.65% | 6.68% | 6.87% | 8.48% |
| 3 Year AAA Corporate Bond | 7.28% | 7.33% | 7.39% | 8.44% |
| 5 Year AAA Corporate Bond | 7.48% | 7.54% | 7.67% | 8.38% |
| 1 Year G-Sec | 5.43% | 5.53% | 5.56% | 6.83% |
| 3 Year G-Sec | 6.30% | 6.27% | 6.32% | 7.03% |
| 5 Year G-Sec | 6.40% | 6.34% | 6.49% | 7.33% |
| 10 Year G-Sec | 6.59% | 6.51% | 6.70% | 7.48% |
| Forex Reserve (\$ in billion) | 461.16* | 457.47** | 453.42@ | 396.08@ |

Domestic Debt Market Update

- Initially, bond yields surged amid rise in crude oil prices as the U.S.-Iran geopolitical tension flares up. However, losses were capped led by the central bank's third special open market operation and fall in crude oil prices after the U.S. president's comment indicated easing tension in the Middle East.
- At the end, yields rose again on uncertainty over the timing and quantum of the RBI's special open market operations (OMO). In addition, inflationary concern amid surging oil prices also weighed on the market sentiment.
- Yield on the 10-year benchmark paper (6.45% GS 2029) rose 8 bps to close at 6.59% compared with the previous week's close of 6.51% after trading in a range of 6.52% to 6.60%.
- RBI conducted purchase of 7.32% GS 2024, 7.27% GS 2026 and 6.45% GS 2029 under open market operation for notified amount of Rs. 10,000 crore. The total amount was accepted. The amount offered by participants stood at Rs. 64,505 crore.
- RBI conducted sale of 6.65% GS 2020, 7.80% GS 2020, 8.27% GS 2020 and 8.12% GS 2020 under open market operation for notified amount of Rs. 10,000 crore. The total amount was accepted. The amount offered for bid by the participants stood at Rs. 47,540 crore.

Weekly Market Update

LIFE GOALS. DONE.



Bajaj Allianz Life Insurance Co. Ltd.

10 January 2020

Global Commodity Update

| Commodities | 10-Jan-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-----------------------------|-----------|----------------|----------------|----------------|
| NYMEX Crude Oil (\$/barrel) | 59.04 | -6.24 | 13.00 | -3.50 |
| Brent Crude Oil (\$/barrel) | 65.08 | -5.27 | 6.41 | -1.42 |
| Gold (\$/ounce) | 1562.03 | 0.69 | 21.43 | 2.97 |
| Silver (\$/ounce) | 18.09 | 0.32 | 16.26 | 1.47 |

Source: Thomson Reuters Eikon

Currencies Update

| Currency | 10-Jan-20 | Week Ago | Year Ago |
|-------------|-----------|----------|----------|
| U.S. Dollar | 70.95 | 71.76 | 70.41 |
| GBP | 92.65 | 93.91 | 89.75 |
| Euro | 78.90 | 80.09 | 80.96 |
| 100 Yen | 64.80 | 66.38 | 64.94 |

Source: Thomson Reuters Eikon

Global Equity Market Performance

| Country/Region | Indices | 10-Jan-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|----------------|----------------------|-----------|----------------|----------------|----------------|
| U.S. | Russell 1000 | 1804 | 0.96 | 25.55 | 1.12 |
| U.K. | FTSE | 7,588 | -0.45 | 9.29 | 0.60 |
| France | CAC 40 | 6,037 | -0.12 | 25.62 | 0.99 |
| Germany | DAX | 13,483 | 2.00 | 23.46 | 1.77 |
| Japan | Nikkei 225 | 23,851 | 0.82 | 18.28 | 0.82 |
| China | Shanghai Composite | 3,092 | 0.28 | 21.98 | 1.38 |
| Hong Kong | Hang Seng | 28,638 | 0.66 | 7.98 | 1.59 |
| Singapore | Straits Times | 3,256 | 0.53 | 2.28 | 1.03 |
| Russia | RTS Index | 1,615 | 3.23 | 41.35 | 4.25 |
| Brazil | Sao Paulo Se Bovespa | 115,503 | -1.87 | 23.13 | -0.12 |

Source: Thomson Reuters Eikon

Global Bond Yield Update

| Indicators | 10-Jan-20 | Week ago | Month ago | Year ago |
|-------------------------------|-----------|----------|-----------|----------|
| U.S. 10 Year Bond yield (%) | 1.83 | 1.79 | 1.83 | 2.73 |
| U.K. 10 Year Bond yield (%) | 0.77 | 0.74 | 0.80 | 1.28 |
| German 10 Year Bond yield (%) | -0.23 | -0.28 | -0.30 | 0.20 |
| Japan 10 Year Bond yield (%) | 0.00 | -0.02 | -0.03 | 0.02 |

Source: Thomson Reuters Eikon

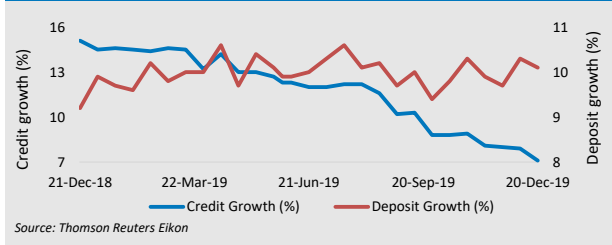
Global Economic Calendar

| Economic Events | Release date | Actual | Consensus | Previous |
|------------------------------------|--------------|--------|-----------|----------|
| China Caixin Services PMI (Dec) | 6-Jan | 52.50 | 53.20 | 53.50 |
| Euro Zone Consumer Price (Dec) (P) | 7-Jan | 1.30% | 1.30% | 1.00% |
| China Consumer Price Index (Dec) | 9-Jan | 4.50% | 4.70% | 4.50% |
| U.S. Nonfarm Payrolls (Dec) | 10-Jan | 145k | 160k | 256k |

Source: Daily fx

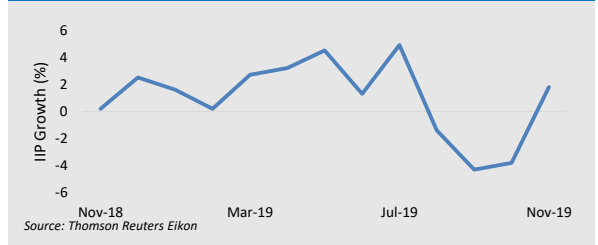
Macro Economic Performance of India

Credit growth vs Deposit growth



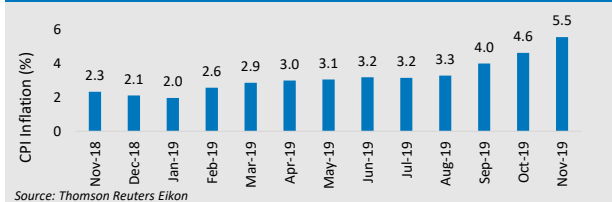
Source: Thomson Reuters Eikon

IIP Growth (%)



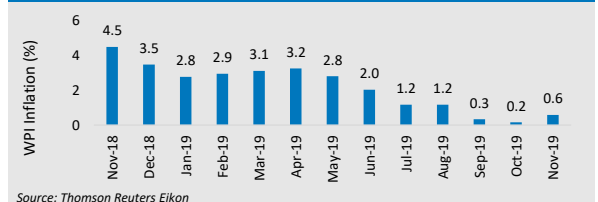
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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