

## Weekly Market Update

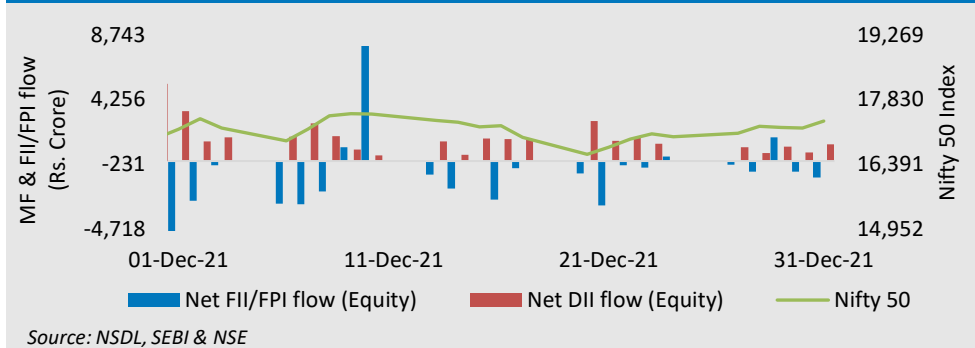
31 December, 2021

## Macro Economic Release

Indicators	Actual	Consensus	Previous
Core Sector (YoY) (Nov)	3.10%	8%	8.40%
Current Account (Q3) (USD)	-9.6B	-8.9B	-8.1B
Fiscal Deficit (Nov) (INR)	6.96B	6.20B	5.47B
WPI Inflation (Nov)	14.23%	11.90%	12.54%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI &amp; NSE

## Indian Equity Market Performance

Broad Indices	31-Dec-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	58,254	1.98	21.99	21.99
Nifty 50	17,354	2.06	24.12	24.12
S&P BSE 100	17,626	1.97	25.00	25.00
Nifty 500	14,996	2.26	30.19	30.19
Nifty Mid cap 50	8,411	2.70	43.22	43.22
Nifty Small cap 100	11,289	4.05	59.28	59.28

Sector Indices	31-Dec-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,818	3.10	19.25	19.25
S&P BSE Bankex	40,409	2.05	12.59	12.59
S&P BSE CD	44,768	4.52	47.29	47.29
S&P BSE CG	28,751	2.56	53.38	53.38
S&P BSE FMCG	13,785	1.86	9.32	9.32
S&P BSE HC	26,206	5.31	20.87	20.87
S&P BSE IT	37,844	2.40	56.07	56.07
S&P BSE METAL	19,246	0.43	65.92	65.92
S&P BSE Oil & Gas	17,508	0.58	24.26	24.26
S&P BSE Power	3,482	-0.02	68.84	68.84
S&P BSE PSU	8,141	1.38	40.82	40.82
S&P BSE Realty	3,841	1.45	55.00	55.00
S&P BSE Teck	16,616	2.18	49.68	49.68

Source: BSE &amp; NSE

## Macro economic Update

- India's fiscal deficit for the period from Apr to Nov 2021 stood at Rs. 6.96 lakh crore or 46.2% of the budget estimate for FY22 as compared to 135.1% in the corresponding period of the previous fiscal. Tax revenue stood at Rs. 11.35 lakh crore or 73.5% of the budget estimate for FY22 as compared to 42.1% in the corresponding period of the previous fiscal. Total expenditure stood at Rs. 20.75 lakh crore or 59.6% of the budget estimate for FY22 as compared to 62.7% in the corresponding period of the previous year.
- India's index of eight core industries grew 3.1% in Nov 2021 as compared to a growth of 8.4% in Oct 2021 and 1.1% contraction in Nov 2020. The natural gas sector witnessed the maximum growth of 23.7% followed by coal sector and refinery products sector which grew 8.2% and 4.3%, respectively. All the sectors grew in Nov 2021 barring crude oil and cement sector which witnessed a contraction of 2.2% and 3.2%, respectively.
- India's current account balance recorded a deficit of US\$ 9.6 billion (1.3% of GDP) in Q2 of FY22 as against a surplus of US\$ 6.6 billion (0.9% of GDP) in Q1 of FY22 and US\$ 15.3 billion (2.4% of GDP) in Q2 of FY21. The current account deficit in Q2 of FY22 was primarily attributable to an increase in net outgo of investment income and a worsening of the trade deficit to US\$ 44.4 billion from US\$ 30.7 billion the previous quarter.

## Domestic Equity Market Update

- Indian equity markets ended the last week of CY2021 with moderate gains. Positive supports from IT and Pharma sectors, coupled with pledge of greater economic support from China's central bank market sentiments restored investors' confidence.
- Additional positive global cues boosted market sentiments. While early indications revealed that the omicron variant causes milder symptoms, traders seem optimistic the new strain will not derail the global economic recovery.
- Nonetheless, disconcert was observed among the market participants regarding the surge of omicron variant of coronavirus in India, which capped the gains.
- Further, banking sectors witnessed intermittent selling pressure after RBI's financial stability report suggested surge in bad loans if omicron triggers economic disruption.
- On the BSE sectoral front, barring S&P BSE Power, all the major indices witnessed gains. S&P BSE Healthcare was the top gainer, up 5.31%, followed by S&P BSE Consumer Durables and S&P BSE Auto, which rose 4.52% and 3.10%, respectively.

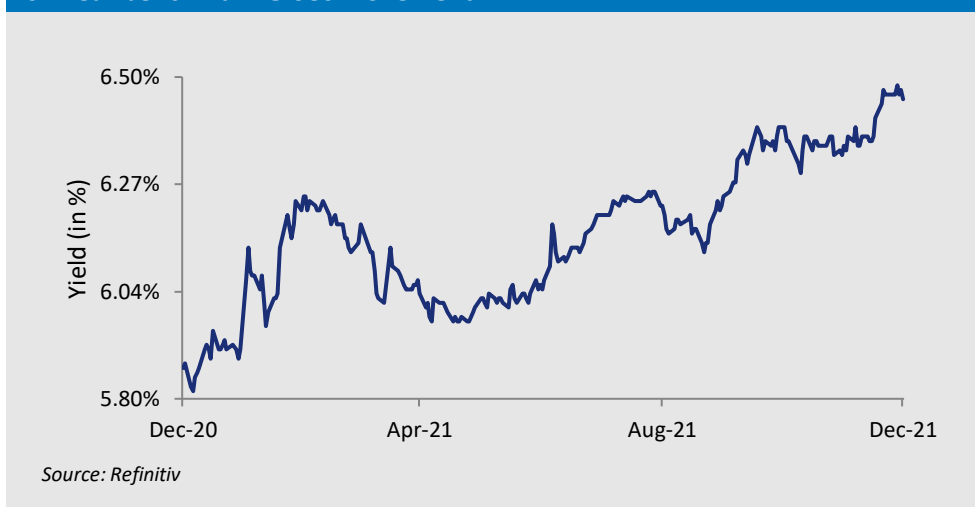
## Indian Debt Market Indicators

Broad Indices	31-Dec-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.38%	3.42%	3.25%	3.16%	3.31%
T-Repo	3.45%	3.44%	3.37%	3.22%	2.75%
Repo	4.00%	4.00%	4.00%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	4.00%	4.10%	3.95%	3.62%	3.28%
1 Year CP	4.90%	4.90%	4.80%	4.50%	4.15%
3 Month CD	3.62%	3.66%	3.50%	3.62%	3.00%
1 Year CD	4.56%	4.61%	4.39%	4.16%	3.78%

Source: CCIL, Refinitiv \* As on Dec 24, 2021; \*\* As on Dec 17, 2021; @ As on Nov 26, 2021; @@@ As on Jun 25, 2021; @@@@ As on Dec 25, 2020

Broad Indices	31-Dec-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.84%	4.83%	4.53%	4.83%	4.72%
3 Year AAA Corporate Bond	5.89%	5.88%	5.54%	5.30%	5.41%
5 Year AAA Corporate Bond	6.81%	6.72%	6.36%	6.28%	6.30%
1 Year G-Sec	4.37%	4.39%	4.26%	4.09%	3.76%
3 Year G-Sec	5.30%	5.30%	5.08%	4.89%	4.41%
5 Year G-Sec	5.86%	5.85%	5.69%	5.72%	5.10%
10 Year G-Sec	6.45%	6.46%	6.33%	6.05%	5.89%
Forex Reserve (\$ in billion)	635.08*	635.67**	637.69@	609.00@@	580.84@@@

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond yields inched down on hopes that the Reserve Bank of India (RBI) may announce a liquidity-neutral special open market operation.
- Yields fell further towards the end of the week after RBI did not sell 10-year and floating rate notes, signalling its discomfort with higher yields.
- However, increase in global crude oil prices and rise in yields on U.S. Treasuries over the week neutralised most of the gains.
- In 2021 bond yields rose by 56 bps after coming down by 66 bps and 82 bps respectively in 2020 and 2019. This was the biggest spike in the benchmark yield in four years when bond yields went up by 81 bps in 2017.
- Yield on the 10-year benchmark paper (6.10% GS 2031) fell marginally by 1 bps to close at 6.45% from the previous week's close of 6.46%.
- Data from RBI showed that India's foreign exchange reserves fell for the fifth straight week to a four-month low of \$635.08 billion as on Dec 24, 2021 from \$635.67 billion in the previous week.

## Global Commodity Update

Commodities	31-Dec-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	75.37	2.28	55.72	55.72
Brent Crude Oil (\$/barrel)	77.89	2.65	50.60	50.60
Gold (\$/ounce)	1,828.39	1.12	-3.59	-3.59
Silver (\$/ounce)	23.27	1.43	-11.72	-11.72

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	31-Dec-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,645.91	0.75	24.76	24.76
U.K.	FTSE	7,385	0.17	14.30	14.30
France	CAC 40	7,153	0.94	28.85	28.85
Germany <sup>[1]</sup>	DAX	15,885	0.82	15.79	15.79
Japan <sup>[1]</sup>	Nikkei 225	28,792	0.03	4.91	4.91
China	Shanghai Composite	3,640	0.60	4.80	4.80
Hong Kong	Hang Seng	23,398	0.75	-14.08	-14.08
Singapore	Straits Times	3,124	0.50	9.84	9.84
Russia <sup>[1]</sup>	RTS Index	1,596	0.73	15.01	15.01
Brazil <sup>[1]</sup>	Sao Paulo Se Bovespa	104,822	-0.07	-11.93	-11.93

Source: Refinitiv

## Currencies Update

Currency	31-Dec-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.47	74.98	75.09	74.36	73.04
GBP	100.75	100.35	99.83	102.82	99.86
Euro	84.65	84.85	85.12	88.15	89.20
100 Yen	64.69	65.51	66.35	66.92	70.72

Source: Refinitiv

## Global Bond Yield Update

Indicators	31-Dec-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.51	1.49	1.46	1.47	0.91
U.K. 10 Year Bond yield (%)	0.97	0.92	0.81	0.72	0.20
German 10 Year Bond yield (%)	-0.18	-0.25	-0.34	-0.20	-0.58
Japan 10 Year Bond yield (%)	0.07	0.07	0.06	0.05	0.02

Source: Refinitiv

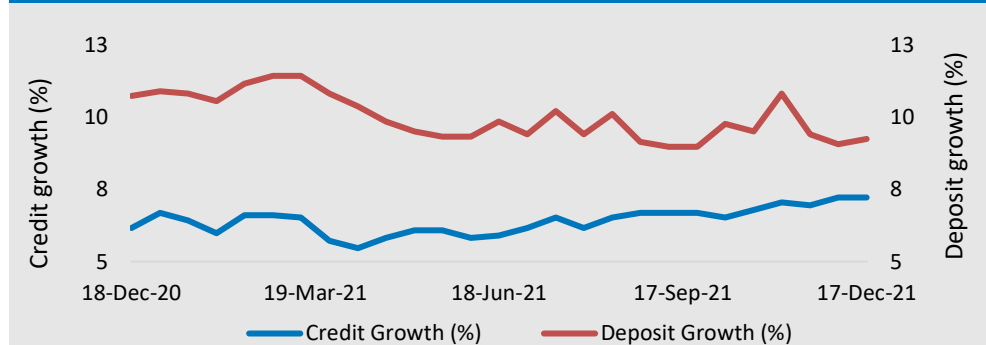
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Japan Large Retailer Sales(Oct)	27-Dec	1.40%	0.00%	0.90%
U.S. Housing Price Index (MoM)(Oct)	28-Dec	1.10%	1.20%	0.90%
Eurozone M3 Money Supply (YoY)(Nov)	29-Dec	7.30%	7.60%	7.70%
China NBS Manufacturing PMI(Dec)	31-Dec	50.30	50.10	50.10

Source: FX Street; Refinitiv

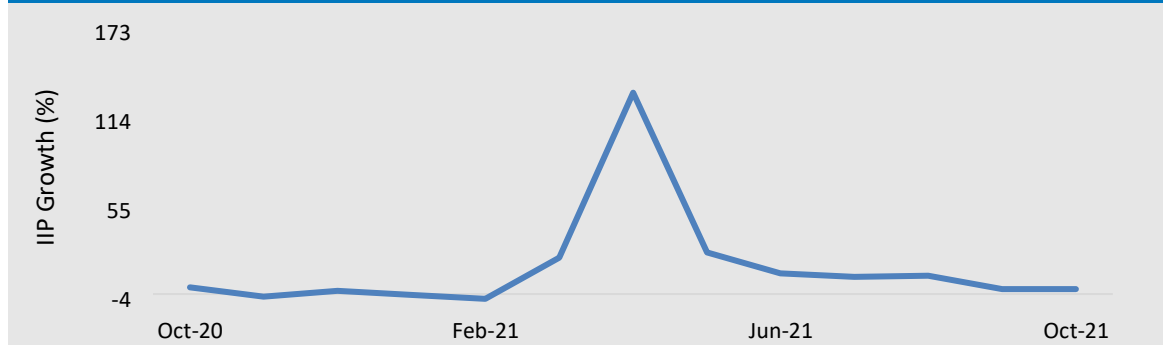
## Macro Economic Performance of India

### Credit growth vs Deposit growth



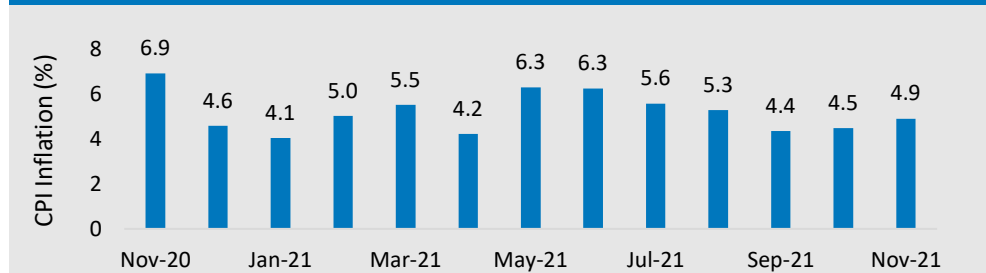
Source: Refinitiv

### IIP Growth (%)



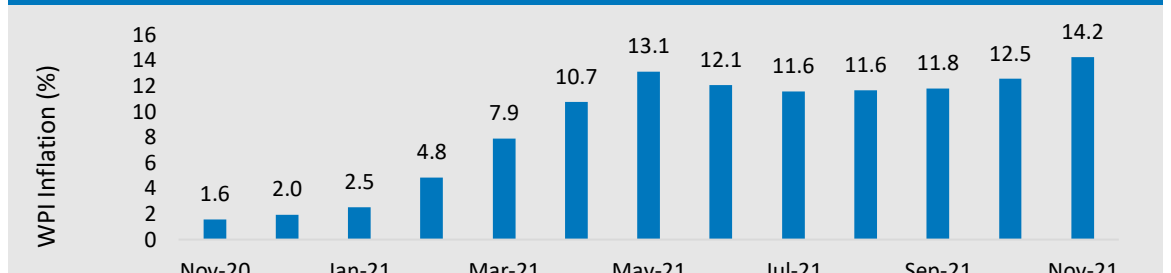
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 30 Dec, 2021

**ICRA Analytics Disclaimer:** All information contained herein is obtained by ICRA Analytics Ltd 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. ICRA Analytics Ltd adopts all necessary measures so that the information it uses is of sufficient quality and from sources ICRA Analytics Ltd considers to be reliable including, when appropriate, independent third-party sources. However, ICRA Analytics Ltd 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 Analytics Ltd 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, ICRA Analytics Ltd 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 Analytics Ltd 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 : [customer-care@bajajallianz.co.in](mailto:customer-care@bajajallianz.co.in) | Call on : Toll free no. 1800 209 7272 | Fax No: 02066026789 |