Weekly Market Update

LIFE GOALS. DONE.
BAJAJ | Allianz
Bajaj Allianz Life Insurance Co. Ltd.

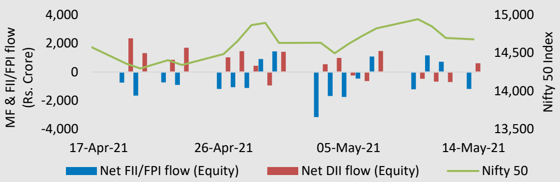
14 May, 2021

Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports ($ billion) (Apr 2021)	45.72	NA	48.38
Exports ($ billion) (Apr 2021)	30.63	NA	34.45
Trade Deficit ($ billion) (Apr 2021)	15.10	15.20	13.93
CPI Inflation (Apr 2021)	4.29%	4.20%	5.52%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Macro economic Update

- Government data showed that the Index of Industrial Production (IIP) witnessed a growth of 22.4% in Mar 2021 as compared to a contraction of 3.4% in the previous month and a contraction of 18.7% in the same period of the previous year. The manufacturing sector witnessed a growth of 25.8% in Mar 2021 as compared to a contraction of 22.8% in the same period of the previous year. In FY21, IIP contracted 8.6% as compared to a contraction of 0.8% in FY20.
- Government data showed that the Consumer Price Index based inflation (CPI) fell to 4.29% in Apr 2021 from 5.52% in Mar 2021. The Consumer Food Price Index also came down to 2.02% in Apr 2021 from 4.87% in the previous month. CPI Inflation for vegetables fell 14.18% while that of oils and fats witnessed a growth of 25.91% in Apr 2021. CPI inflation for pulses and products stood at 7.51% during the same month.
- Government data showed that India's trade deficit widened to $15.10 billion in Apr 2021 from $6.76 billion in Apr 2020 which corresponds to an increase of 123.17%. Exports grew 195.72% on a yearly basis $30.63 billion in Apr 2021 from $10.36 billion in the same period of the previous year. Imports rose 167.05% over the year to $45.72 billion in Apr 2021 from $17.12 billion in the same period of the previous year.

Indian Equity Market Performance

Broad Indices	14-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	48,733	-0.96	56.58	2.05
Nifty 50	14,678	-0.98	60.54	4.98
S&P BSE 100	14,927	-0.75	60.84	5.86
Nifty 500	12,472	-0.72	65.97	8.28
Nifty Mid cap 50	6,785	-0.49	87.12	15.54
Nifty Small cap 100	8,759	0.25	122.53	23.58

Sector Indices	14-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	22,031	-0.10	67.45	5.86
S&P BSE Bankex	36,600	-2.44	67.79	1.98
S&P BSE CD	31,575	-0.10	72.19	3.89
S&P BSE CG	21,334	3.50	82.19	13.81
S&P BSE FMCG	12,990	1.93	29.10	3.03
S&P BSE HC	24,091	0.17	59.51	11.11
S&P BSE IT	26,132	-2.45	95.01	7.77
S&P BSE METAL	18,777	-4.47	201.78	61.88
S&P BSE Oil & Gas	15,583	1.18	39.81	10.60
S&P BSE Power	2,643	3.14	84.08	28.17
S&P BSE PSU	7,146	2.58	62.93	23.61
S&P BSE Realty	2,389	-2.28	74.93	-3.60
S&P BSE Teck	11,761	-2.19	70.84	5.95

Source: BSE & NSE

Domestic Equity Market Update

- Indian equity markets settled for the week with modest losses. Bourses witnessed initial buying interest, supported by optimism over sooner-than-expected taper down of the second wave of COVID-19. Global cues also contributed to the gains as weaker than expected U.S. jobs data for Apr re-affirmed the ultra-easy monetary policy stance of the U.S. Federal Reserve. This eased concerns over the foreign fund outflow from the domestic markets.
- Gains were short lived amid worries over soaring commodity prices that have sent the cost of raw materials from copper to iron ore and lumber to record highs and are the latest indicator that inflation may not be as transitory as some policymakers are expecting. On the coronavirus front, the World Health Organization said that the coronavirus variant first identified in India last year was being classified as a variant of global concern, with some preliminary studies showing that it spreads more easily. Slowdown in the vaccination programme amid supply crunch also weighed on investor sentiments.
- Buying interest was also dampened after one of the global rating agencies slashed India's growth forecast for FY22 to 9.3% on account of the second wave of coronavirus infections, which shall affect economic recovery and increases risk of longer-term damage.
- On the BSE sectoral front, majority of the sectors closed in the red. S&P BSE Metal was the major loser, down 4.47%, followed by S&P BSE IT and S&P BSE Bankex, which fell 2.45% and 2.44%, respectively. Meanwhile, S&P BSE Capital Goods was the top gainer, up 3.50%, followed by S&P BSE Power and S&P BSE FMCG, which rose 3.14% and 1.93%, respectively.

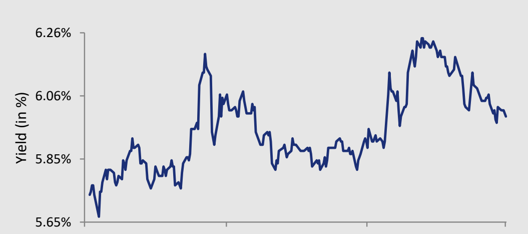
Indian Debt Market Indicators

Broad Indices	14-May-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.27%	3.22%	3.20%	3.21%	3.92%
T-Repo	3.28%	3.28%	3.19%	2.62%	2.11%
Repo	4.00%	4.00%	4.00%	4.00%	4.40%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.75%
3 Month CP	3.60%	3.55%	3.70%	3.28%	4.65%
1 Year CP	4.40%	4.35%	4.60%	4.10%	6.55%
3 Month CD	3.38%	3.35%	3.35%	3.07%	3.65%
1 Year CD	4.14%	4.13%	3.99%	3.74%	4.61%

Broad Indices	14-May-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.59%	4.59%	4.87%	4.94%	5.96%
3 Year AAA Corporate Bond	5.14%	5.42%	5.35%	5.31%	6.54%
5 Year AAA Corporate Bond	6.28%	6.25%	6.32%	6.46%	6.97%
1 Year G-Sec	3.79%	3.85%	4.21%	3.33%	3.98%
3 Year G-Sec	4.72%	4.73%	4.91%	4.52%	4.77%
5 Year G-Sec	5.57%	5.54%	5.59%	5.11%	5.58%
10 Year G-Sec	5.99%	6.02%	6.01%	5.88%	6.06%
Forex Reserve ($ in billion)	589.47*	588.02**	581.21@	572.77@@	485.31@@@

*Source: CCIL,Refinitiv *As on May 07, 2021; **As on Apr 30, 2021; @As on Apr 09, 2021; @@As on Nov 13, 2020; @@@As on May 08, 2020*

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields were little changed in the initial days of the week due to lack of fresh triggers in the market and as market participants awaited details of the Reserve Bank of India's (RBI) next bond purchase.
- Towards the end of the week, bond yields fell as the RBI at its weekly government securities auction did not accepted any bid for 10 year benchmark paper.
- Yield on the 10-year benchmark paper (5.85% GS 2030) fell 3 bps to close at 5.99% as compared to the previous week's close of 6.02%.
- According to the RBI's data released in the weekly statistical supplement, India's foreign exchange reserves rose $1.444 billion to $589.465 billion in the week ended May 07, 2021 from $588.020 billion in the previous week.
- Data from RBI showed that reserve money grew 17.1% on a yearly basis for the week ended May 07, 2021 compared to an increase of 10.5% in the same period of the previous year. The currency in circulation grew 14.4% on a yearly basis for the week ended May 07, 2021 compared to an increase of 16.6% in the same period of the previous year.

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Global Commodity Update

Commodities	14-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil ($/barrel)	65.48	1.03	137.16	35.29
Brent Crude Oil ($/barrel)	68.75	0.81	118.60	32.93
Gold ($/ounce)	1,842.19	0.64	6.53	-2.86
Silver ($/ounce)	27.42	-0.05	72.75	4.01

Source: Refinitiv

Currencies Update

Currency	14-May-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.29	73.25	75.05	74.56	75.48
GBP	103.31	102.35	103.42	98.32	92.28
Euro	88.97	89.10	89.90	88.22	81.55
100 Yen	67.01	67.43	68.88	71.25	70.36

Source: Refinitiv

Global Equity Market Performance

Country/ Region	Indices	14-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,342.65	-1.44	49.15	10.46
U.K.	FTSE	7,044	-1.21	22.68	9.03
France	CAC 40	6,385	-0.01	49.43	15.02
Germany	DAX	15,417	0.11	49.14	12.38
Japan	Nikkei 225	28,084	-4.34	41.02	2.33
China	Shanghai Composite	3,490	2.09	21.60	0.50
Hong Kong	Hang Seng	28,028	-2.04	17.62	2.92
Singapore	Straits Times	3,055	-4.54	21.12	7.43
Russia	RTS Index	1,549	-1.81	40.43	11.64
Brazil	Sao Paulo Se Bovespa	121,881	-0.13	54.26	2.41

Source: Refinitiv

Global Bond Yield Update

Indicators	14-May-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.64	1.58	1.64	0.89	0.62
U.K. 10 Year Bond yield (%)	0.86	0.78	0.81	0.34	0.20
German 10 Year Bond yield (%)	-0.12	-0.22	-0.26	-0.55	-0.54
Japan 10 Year Bond yield (%)	0.08	0.08	0.09	0.02	0.00

Source: Refinitiv

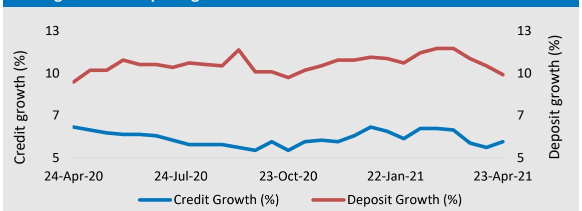
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. Halifax House Prices MM Apr 2021	10-May	1.40%	NA	1.10%
Germany ZEW Economic Sentiment May 2021	11-May	84.40	72.00	70.70
U.S. CPI MM, SA Apr 2021	12-May	0.80%	0.20%	0.60%
U.S. Initial Jobless Claims W 08 May	13-May	473K	450K	507K

Source: FX Street; Refinitiv

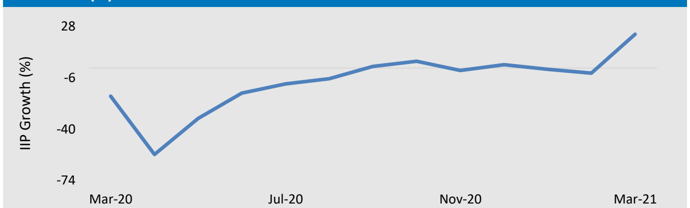
Macro Economic Performance of India

Credit growth vs Deposit growth



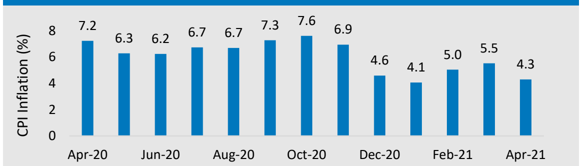
Source: Refinitiv

IIP Growth (%)



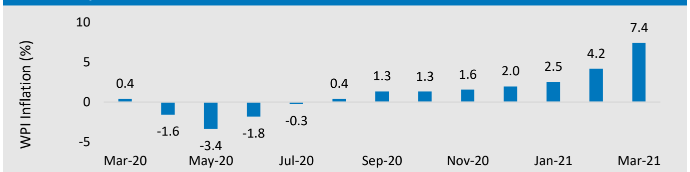
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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