Weekly Market Update

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

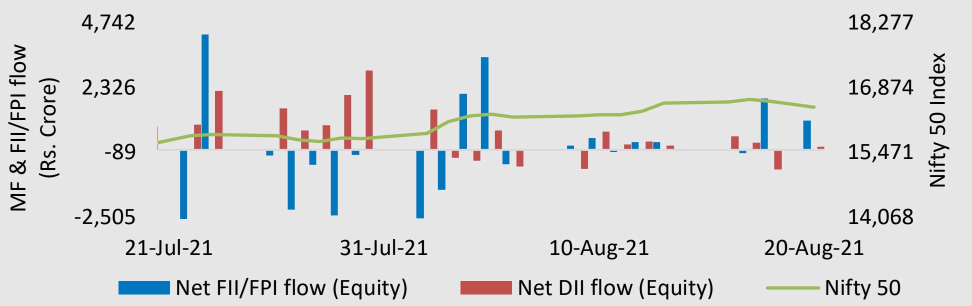
20 August, 2021

Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports ($ billion) (Jul 2021)	46.40	NA	41.87
Exports ($ billion) (Jul 2021)	35.43	NA	32.50
Trade Deficit ($ billion) (Jul 2021)	10.97	11.20	9.37
WPI Inflation (Jul 2021)	11.16%	11.30%	12.07%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Macro economic Update

- Wholesale Price Index (WPI) based inflation eased to 11.16% YoY in Jul 2021 from 12.07% in Jun 2021 and 13.11% in May 2021. The WPI Food Index also eased to 4.46% in Jul 2021 from 6.66% in Jun 2021 and 8.25% in May 2021. WPI based rate of inflation for crude petroleum and natural gas over the year stood at 40.28% compared to the same period of the previous year when the same stood at -18.58%. WPI inflation for manufactured products stood at 11.20% in Jul 2021 compared to the same period of the previous year when the same stood at 0.59%.
- Minutes of the monetary policy review held from Aug 2 to Aug 4 showed that the Reserve Bank of India (RBI), governor advocated for continued policy support with a focus on revival and sustenance of growth. The observation comes as RBI took note of considerable slack in the economy with domestic demand picking up at slow pace and possibility of a third wave of COVID-19 pandemic. The RBI governor also underlined the importance of remaining watchful of domestic inflationary pressures to bring down retail inflation to 4% over a period of time in a non-disruptive manner.
- Government data showed that the Employees' Provident Funds Organization (EPFO), added 12.83 lakh net subscribers in Jun 2021. Nearly 48% of total net additions were in the age group of 18 years to 25 years. On a monthly basis, net subscribers increased by 5.09 lakh in Jun 2021 as compared to May 2021.

Indian Equity Market Performance

Broad Indices	20-Aug-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	55,329	-0.19	44.76	15.87
Nifty 50	16,451	-0.48	45.42	17.66
S&P BSE 100	16,669	-0.60	45.49	18.22
Nifty 500	13,944	-0.86	48.83	21.06
Nifty Mid cap 50	7,238	-3.68	53.91	23.26
Nifty Small cap 100	9,851	-3.42	75.85	38.99

Sector Indices	20-Aug-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	22,178	-2.65	24.24	6.57
S&P BSE Bankex	39,800	-3.28	59.45	10.90
S&P BSE CD	36,347	-0.67	58.36	19.59
S&P BSE CG	23,548	-3.16	67.48	25.63
S&P BSE FMCG	14,229	3.92	21.95	12.85
S&P BSE HC	25,678	-0.78	34.52	18.44
S&P BSE IT	33,422	1.43	82.52	37.83
S&P BSE METAL	19,339	-8.62	109.46	66.73
S&P BSE Oil & Gas	15,750	0.00	17.53	11.78
S&P BSE Power	2,685	-0.93	58.41	30.22
S&P BSE PSU	7,397	-4.52	42.26	27.95
S&P BSE Realty	2,981	-5.29	70.86	20.31
S&P BSE Teck	14,559	0.81	65.01	31.15

Source: BSE & NSE

Domestic Equity Market Update

- Indian equity markets dipped marginally after witnessing initial strength during the week. Towards the beginning, benchmark indices extended their record-high closing line, driven by strong buying in major metal industry stock and the index heavy weight stock. Investors found some respite after India's WPI inflation eased for the second consecutive month to 11.16% in Jul against 12.07% in June as food and crude prices softened. Strong buying interest in IT and FMCG heavyweight stocks, coupled with downtrend of the COVID-19 cases in India, boosted investor sentiments.
- Markets soon gave up the gains later, mainly dragged by weak global cues. A cautious undertone prevailed amid fears of slowing global growth and a potential easing in U.S. stimulus. The minutes indicated that most Fed officials currently expect economic conditions to warrant scaling back the central bank's asset purchase program before the end of the year. The Fed restarted its asset purchase program back in Mar 2020 and is currently purchasing bonds at a pace of $120 billion per month. Fast spreading of COVID-19 Delta variant also kept investors wary.
- On the BSE sectoral front, majority of the sectors settled in the red. S&P BSE Metal was the major loser, down 8.62%, followed by S&P BSE Realty and S&P BSE Bankex, which fell 5.29% and 3.28%, respectively. Metal sector fell amid profit booking after witnessing initial gains. Meanwhile, S&P BSE FMCG was the top gainer, up 3.92%, followed by S&P BSE IT and S&P BSE Teck, which went up 1.43% and 0.81%, respectively.

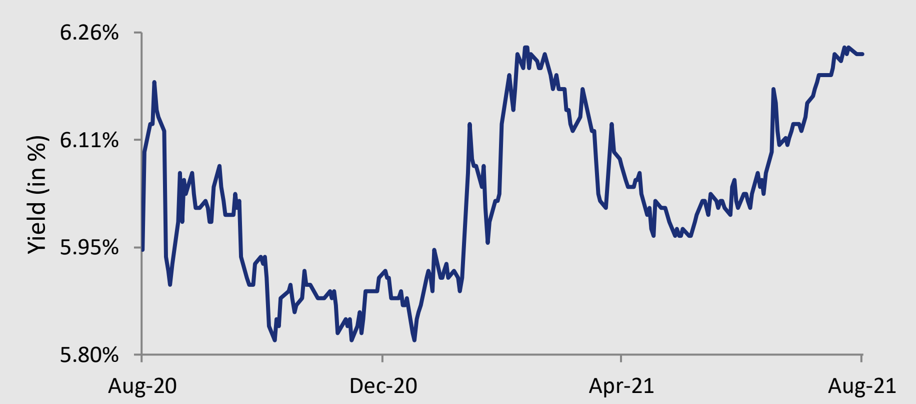
Indian Debt Market Indicators

Broad Indices	20-Aug-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.27%	3.15%	3.20%	3.21%	3.43%
T-Repo	3.12%	3.14%	3.25%	2.48%	2.95%
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	3.60%	3.70%	3.75%	3.65%	3.40%
1 Year CP	4.35%	4.40%	4.40%	4.60%	4.35%
3 Month CD	3.34%	3.38%	3.60%	3.27%	3.18%
1 Year CD	4.20%	3.96%	4.12%	3.95%	3.79%

Broad Indices	20-Aug-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.71%	4.63%	4.73%	4.69%	5.03%
3 Year AAA Corporate Bond	5.32%	5.39%	5.25%	5.76%	5.74%
5 Year AAA Corporate Bond	6.23%	6.26%	6.26%	6.77%	6.69%
1 Year G-Sec	3.94%	3.93%	3.95%	4.08%	3.61%
3 Year G-Sec	4.90%	4.96%	4.66%	4.88%	4.80%
5 Year G-Sec	5.69%	5.73%	5.64%	5.70%	5.22%
10 Year G-Sec	6.23%	6.24%	6.12%	6.13%	6.00%
Forex Reserve ($ in billion)	619.37*	621.46**	612.73@	583.86@@	535.25@@@

*Source: CCIL,Refinitiv *As on Aug 13, 2021; **As on Aug 6, 2021; @As on Jul 16, 2021; @@As on Feb 19, 2021; @@@As on Aug 14, 2020*

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields traded in a tight range as it inched down in a holiday-truncated week after the Reserve Bank of India (RBI) announced to conduct open market purchase of five government securities of Rs. 25,000 crore on Aug 26, 2021 under the G-sec Acquisition Programme (G-SAP 2.0). Meanwhile, market participants remained on the sidelines and awaited the minutes of the Monetary Policy Committee's monetary policy meeting held from Aug 2 to Aug 4 which was released post market hours on Aug 20.
- Yield on the 10-year benchmark paper (6.10% GS 2031) fell marginally by 1 bps to close the week at 6.23% from the previous week's closing of 6.24%.
- Data from RBI showed that India's foreign exchange reserves fell for the first time in three weeks to $619.37 billion as on Aug 13, 2021 from a record high of $621.46 billion in the previous week.
- RBI on Aug 20, 2021 conducted the auction of three government securities namely 4.26% GS 2023, 6.10% GS 2031 and 6.76% GS 2061 for a notified amount of Rs. 26,000 crore for which the full amount was accepted. The cut off price/Implicit Yield at cut-off for 4.26% GS 2023, 6.10% GS 2031 and 6.76% GS 2061 stood at Rs. 100.21/4.1299%, Rs. 99.03/6.2318% and Rs. 94.33/7.1946% respectively.

Weekly Market Update

LIFE GOALS. DONE.

BAJAJ | Allianz

Bajaj Allianz Life Insurance Co. Ltd.

20 August, 2021

Global Commodity Update

Commodities	20-Aug-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil ($/barrel)	61.82	-9.09	50.34	27.73
Brent Crude Oil ($/barrel)	64.92	-7.50	44.75	25.52
Gold ($/ounce)	1,780.87	0.10	-8.33	-6.10
Silver ($/ounce)	23.01	-3.07	-15.47	-12.70

Source: Refinitiv

Currencies Update

Currency	20-Aug-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.35	74.24	74.53	72.55	75.01
GBP	101.27	102.92	101.56	101.67	99.11
Euro	86.96	87.54	87.79	87.91	88.96
100 Yen	67.69	67.74	67.83	68.79	70.89

Source: Refinitiv

Global Equity Market Performance

Country/ Region	Indices	20-Aug-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,487.04	-0.77	32.23	17.27
U.K.	FTSE	7,088	-1.81	17.87	9.71
France	CAC 40	6,626	-3.91	34.92	19.36
Germany	DAX	15,808	-1.06	23.21	15.23
Japan	Nikkei 225	27,013	-3.45	18.06	-1.57
China	Shanghai Composite	3,427	-2.53	1.89	-1.32
Hong Kong	Hang Seng	24,850	-5.84	0.24	-8.75
Singapore	Straits Times	3,103	-1.98	22.74	9.11
Russia	RTS Index	1,624	-2.58	27.55	17.01
Brazil	Sao Paulo Se Bovespa	118,053	-2.59	16.34	-0.81

Source: Refinitiv

Global Bond Yield Update

Indicators	20-Aug-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.26	1.28	1.22	1.35	0.64
U.K. 10 Year Bond yield (%)	0.52	0.58	0.57	0.70	0.23
German 10 Year Bond yield (%)	-0.50	-0.47	-0.41	-0.31	-0.50
Japan 10 Year Bond yield (%)	0.02	0.02	0.01	0.10	0.03

Source: Refinitiv

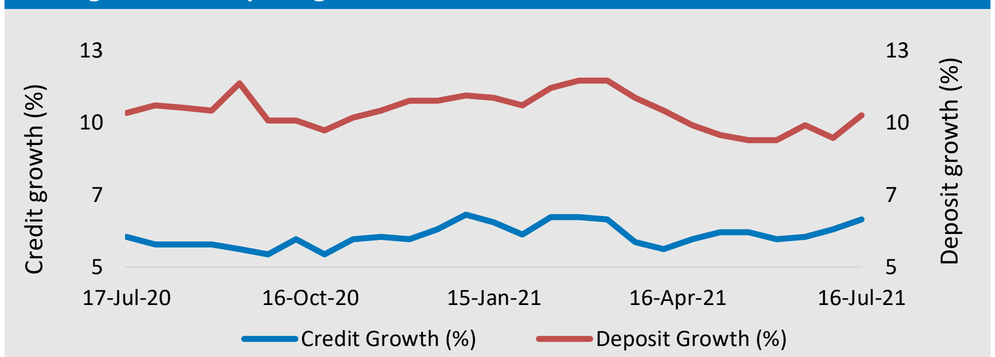
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Euro Zone Reserve Assets Total Jul 2021	16-Aug	€888.49 B	--	€869.05 B
U.S. Industrial Production MM Jul 2021	17-Aug	0.90%	0.50%	0.20%
U.S. Housing Starts Number Jul 2021	18-Aug	1.53 M	1.60 M	1.65 M
U.S. Initial Jobless Claims W 14 Aug	19-Aug	348.00 K	363.00 K	377.00 K

Source: FX Street; Refinitiv

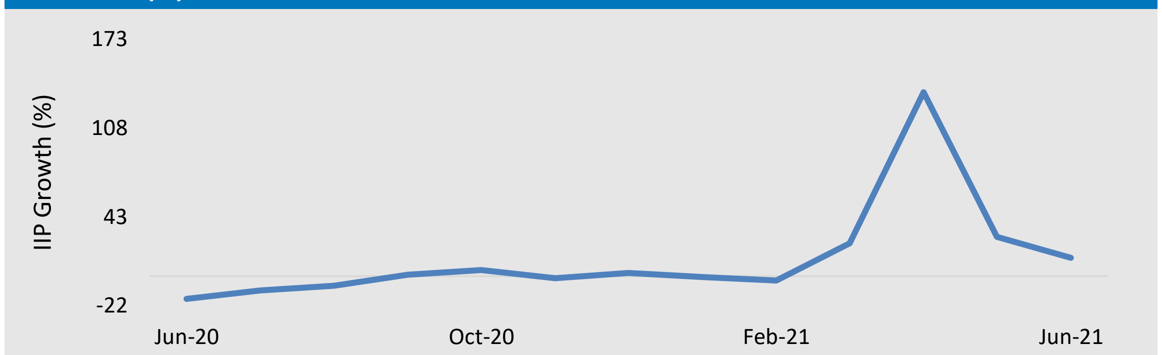
Macro Economic Performance of India

Credit growth vs Deposit growth



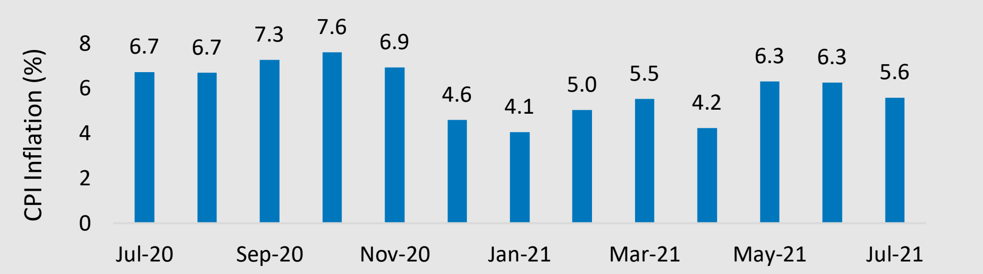
Source: Refinitiv

IIP Growth (%)



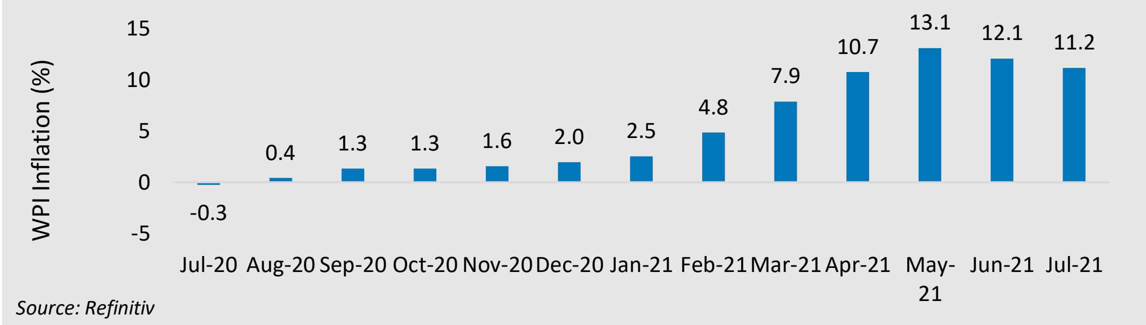
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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 : customercare@bajajallianz.co.in | Call on : Toll free no. 1800 209 7272 | Fax No: 02066026789 |