Weekly Market Update

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

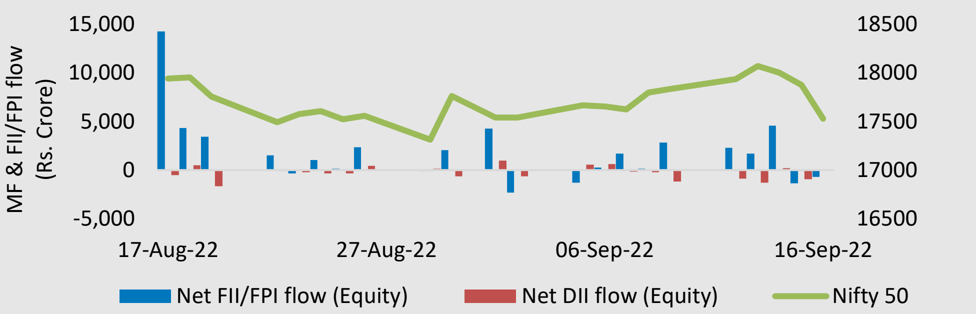
16 September, 2022

Macro Economic Release

Indicators	Actual	Consensus	Previous
IIP Growth (Jul 2022)	2.40%	4.30%	12.70%
CPI Inflation (Aug 2022)	7.00%	6.90%	6.71%
Trade Deficit ($ billion) (Aug 2022)	27.98	28.68	30.00
WPI Inflation (Aug 2022)	12.41%	13.00%	13.93%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Macro economic Update

- India's consumer price index-based inflation (CPI) rose to 7.00% in Aug 2022 from 6.71% in Jul 2022 and 5.30% in the same period of the previous year mainly due to higher food prices. The Consumer Food Price Index (CFPI) also rose to 7.62% in Aug from 6.69% in Jul and 3.11% in the same period of the previous year.
- India's Wholesale price index-based inflation (WPI) eased to 12.41% YoY in Aug 2022 as against 13.93% rise in Jul 2022. The decline came due to softening in prices of manufactured and fuel products, even as food items remained expensive. WPI based rate of inflation in the same period of the previous year stood at 11.64%. The growth of WPI Food index stood at 9.93% in Aug 2022 as against 9.41% in Jul 2022 and 11.78% in Jun 2022.
- Government data showed that the growth of Index of Industrial Production (IIP) slowed significantly to 2.4% in Jul 2022 from 12.7% in the previous month and 11.5% in the same period of the previous year. IIP witnessed its slowest growth since March 2022.
- According to data from the Commerce Ministry, India's exports rose marginally 1.62% to $33.92 billion in Aug 2022. India's imports rose 37.28% to $61.9 billion in Aug 2022. The trade deficit rose to $27.98 billion in Aug 2022 due to increased crude oil imports from $11.71 billion in the same period of the previous year.

Indian Equity Market Performance

Broad Indices	16-Sep-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	58,841	-1.59	-0.51	1.01
Nifty 50	17,531	-1.70	-0.56	1.02
S&P BSE 100	18,047	-1.48	0.68	2.39
Nifty 500	15,244	-1.44	0.92	1.65
Nifty Mid cap 50	8,573	-1.86	4.69	1.93
Nifty Small cap 100	9,817	-1.20	-9.66	-13.04

Sector Indices	16-Sep-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	29,718	-1.89	27.62	19.74
S&P BSE Bankex	46,670	0.82	8.63	15.50
S&P BSE CD	42,146	-1.62	2.45	-5.86
S&P BSE CG	32,683	-1.93	24.78	13.68
S&P BSE FMCG	15,783	-1.44	4.28	14.50
S&P BSE HC	22,664	-2.14	-15.58	-13.51
S&P BSE IT	27,317	-6.72	-22.15	-27.82
S&P BSE METAL	19,164	0.15	-8.75	-0.42
S&P BSE Oil & Gas	19,447	-2.93	9.17	11.08
S&P BSE Power	5,251	1.80	66.90	50.81
S&P BSE PSU	9,311	0.36	12.63	14.37
S&P BSE Realty	3,622	-3.23	7.54	-5.70
S&P BSE Teck	12,698	-5.77	-18.24	-23.58

Source: BSE & NSE

Domestic Equity Market Update

- Domestic equity markets fell during the week under review as it surrendered to the persistent bearish pressure from the global equity markets. Markets witnessed a sharp fall on the penultimate day of the week as domestic headline indices namely S&P BSE Sensex and Nifty 50 fell close to 2% over the week. The selling pressure was widespread as losses were witnessed in the mid cap segment, small cap segment and across most of the sectoral indices.
- Markets commenced the week on a positive note as S&P BSE Sensex and Nifty 50 surpassed the 60,000 level and 18,000 level respectively on the back of continued buying by foreign institutional investors. However, gains were short lived after inflation in U.S. rose on a monthly basis in Aug 2022 contrary to market expectations. This led to concerns among market participants that the U.S. Federal Reserve will tighten its monetary policy at an aggressive pace to put a check on rising inflation in the region.
- Market sentiments were further dampened amid growing concerns of a global recession following warnings from World Bank. World Bank warned that the global economy could be edging towards a global recession in 2023 as central banks across the world continued to tighten its monetary policy to put a check on rising inflation. A weaker rupee against the greenback and a strengthening dollar index also acted as a headwind for the markets which fueled concerns of foreign fund outflow from the domestic capital markets. However, fall in global crude oil prices restricted further losses.
- On the sectoral front, S&P BSE IT fell the most by 6.72% followed by S&P BSE Teck which fell 5.77%. IT stocks remained under pressure on concerns that a downturn in the U.S. economy and continued interest rate hikes may keep the margins of the IT companies under pressure. S&P BSE Power rose the most by 1.80% followed by S&P BSE Bankex which rose 0.82%. Hopes over robust earning growth, rise in credit growth, improvement in asset quality reasonable valuations provided support to the banking sector.

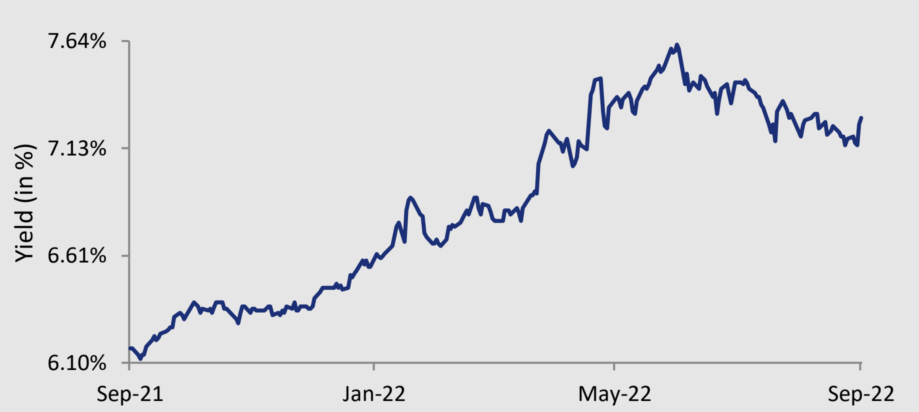
Indian Debt Market Indicators

Broad Indices	16-Sep-22	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	5.33%	5.15%	5.17%	3.24%	3.15%
T-Repo	5.55%	5.21%	5.27%	3.29%	3.26%
Repo	5.40%	5.40%	5.40%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	6.15%	5.97%	5.92%	4.30%	3.55%
1 Year CP	6.95%	6.85%	6.82%	5.35%	4.25%
3 Month CD	6.04%	6.00%	5.85%	3.99%	3.40%
1 Year CD	6.90%	7.02%	6.65%	4.81%	4.14%

Broad Indices	16-Sep-22	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	6.94%	6.83%	6.84%	4.98%	5.40%
3 Year AAA Corporate Bond	7.38%	7.34%	7.34%	6.00%	5.21%
5 Year AAA Corporate Bond	7.78%	7.69%	7.70%	6.70%	6.20%
1 Year G-Sec	6.36%	6.26%	6.31%	4.50%	3.90%
3 Year G-Sec	7.10%	6.87%	6.85%	5.66%	4.84%
5 Year G-Sec	7.19%	6.95%	6.96%	6.08%	5.60%
10 Year G-Sec	7.27%	7.17%	7.29%	6.79%	6.17%
Forex Reserve ($ in billion)	550.87*	553.11**	570.74@	622.28@@	641.11@@@

*Source: CCIL,Refinitiv * As on Sep 09, 2022; ** As on Sep 02, 2022; @ As on Aug 12, 2022; @@ As on Mar 11, 2022; @@@ As on Sep 10, 2021*

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields rose on concerns over aggressive monetary policy tightening by the U.S. Federal Reserve after U.S. inflation unexpectedly rose on a monthly basis in Aug 2022. Market sentiments were further dampened due to lack of any development on the much-anticipated inclusion of domestic debt in global indexes.
- Yield on the existing 10-year benchmark paper (6.54% GS 2032) rose 10 bps to close at 7.27% compared with the previous week's close of 7.17%.
- Data from Reserve Bank of India showed that India's foreign exchange reserves fell further to a near two-year low of $550.87 billion for the week ended Sep 9, 2022 from $553.11 billion in the previous week. Foreign exchange reserves came down for the sixth consecutive week and stood at the lowest level since the week ended Oct 2, 2020.
- Data from Reserve Bank of India showed that reserve money grew 11.1% on a yearly basis for the week ended Sep 09, 2022 compared to an increase of 14.8% in the same period of the previous year. The currency in circulation grew 8.2% on a yearly basis for the week ended Sep 09, 2022 compared to an increase of 9.4% in the same period of the previous year.

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Global Commodity Update

Commodities	16-Sep-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil ($/barrel)	84.69	-1.55	16.73	12.37
Brent Crude Oil ($/barrel)	91.57	-0.65	21.16	17.56
Gold ($/ounce)	1,674.94	-2.40	-4.47	-8.39
Silver ($/ounce)	19.56	4.16	-14.70	-15.94

Source: Refinitiv

Currencies Update

Currency	16-Sep-22	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	79.69	79.64	79.25	76.19	73.57
GBP	90.94	92.27	95.84	100.15	101.44
Euro	79.81	79.95	80.60	84.05	86.55
100 Yen	55.75	55.86	59.03	64.16	67.05

Source: Refinitiv

Global Equity Market Performance

Country/ Region	Indices	16-Sep-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,132.17	-4.83	-15.10	-19.42
U.K.	FTSE	7,237	-1.56	2.98	-2.00
France	CAC 40	6,077	-2.17	-8.23	-15.04
Germany	DAX	12,741	-2.65	-18.60	-19.79
Japan	Nikkei 225	27,568	-2.29	-9.09	-4.25
China	Shanghai Composite	3,126	-4.16	-13.33	-14.10
Hong Kong	Hang Seng	18,762	-3.10	-23.94	-19.81
Singapore	Straits Times	3,268	0.16	6.65	4.63
Russia	RTS Index	1,275	0.97	-27.38	-20.10
Brazil	Sao Paulo Se Bovespa	109,280	-2.69	-3.97	4.25

Source: Refinitiv

Global Bond Yield Update

Indicators	16-Sep-22	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	3.45	3.32	2.82	2.19	1.34
U.K. 10 Year Bond yield (%)	3.14	3.10	2.13	1.63	0.82
German 10 Year Bond yield (%)	1.76	1.70	0.98	0.40	-0.31
Japan 10 Year Bond yield (%)	0.25	0.26	0.17	0.20	0.05

Source: Refinitiv

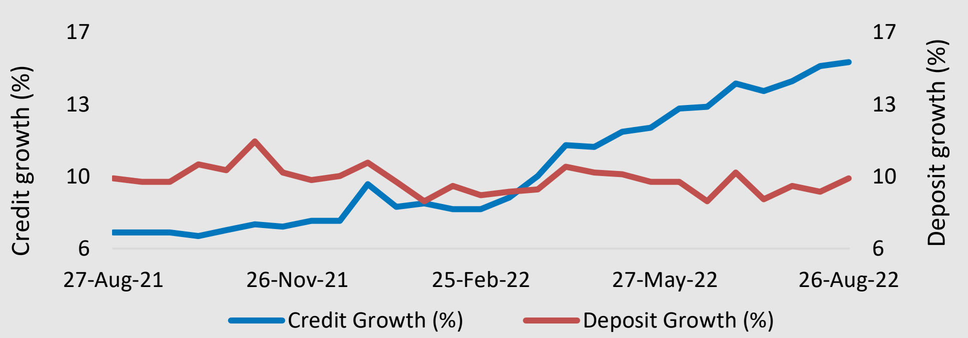
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. Manufacturing Output MM Jul 2022	12-Sep	0.10%	0.40%	-1.60%
U.S. CPI MM, SA Aug 2022	13-Sep	0.10%	-0.10%	0.00%
U.K. CPI YY Aug 2022	14-Sep	9.90%	10.20%	10.10%
U.S. Industrial Production MM Aug 2022	15-Sep	-0.20%	0.10%	0.50%

Source: FX Street; Refinitiv

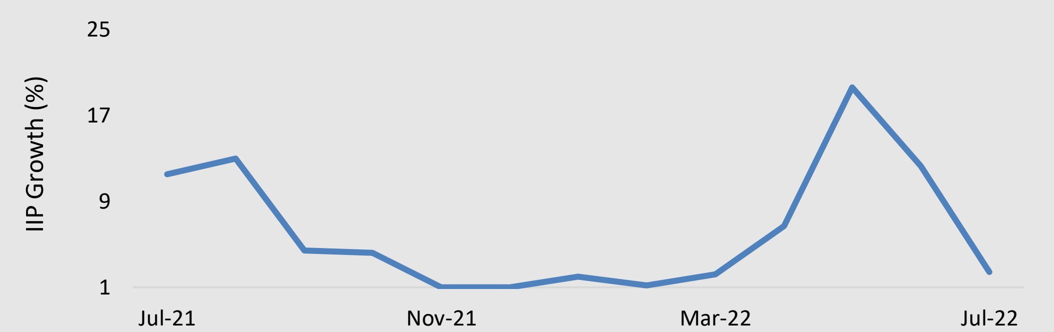
Macro Economic Performance of India

Credit growth vs Deposit growth



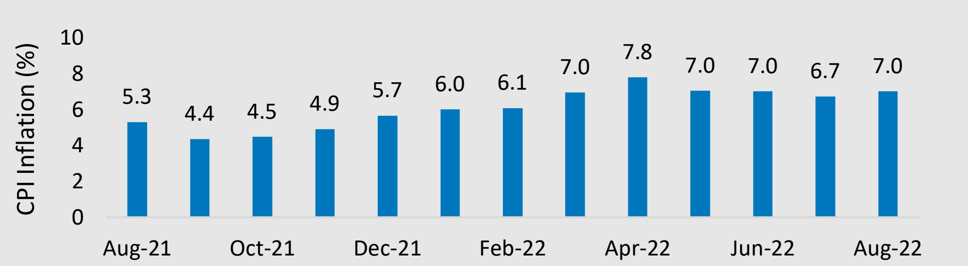
Source: Refinitiv

IIP Growth (%)



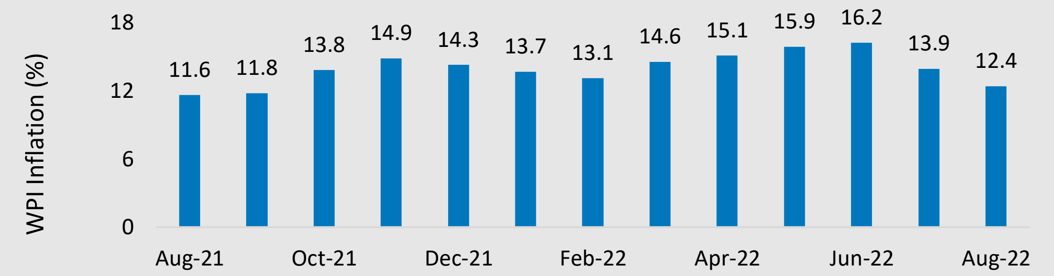
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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