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Market Outlook – September 2022

Macro Indicators

	Current		Month Ago	Quarter Ago	Half Year Ago	Year Ago
Economic Indicators:						
PMI Manufacturing	56.2 (Aug-22)	↑	56.4 (Jul-22)	54.6 (May-22)	54.9 (Feb-22)	52.3 (Aug-21)
PMI Services	57.2 (Aug-22)	↓	55.5 (Jul-22)	58.9 (May-22)	51.8 (Feb-22)	56.7 (Aug-21)
Consumer Price Index (CPI)	6.71% (Jul-22)	↑	7.01% (Jun-22)	7.79% (Apr-22)	6.01% (Jan-22)	5.59% (Jul-21)
Wholesale Price Index (WPI)	13.93% (Jul-22)	↑	15.18% (Jun-22)	15.38% (April-22)	13.68% (Jan-22)	11.57% (Jul-21)
Industrial Production (IIP)	12.30% (Jun-22)	↑	19.64% (May-22)	2.20% (Mar-22)	1.02% (Dec-21)	13.81% (Jun-21)
GDP	13.5% (Jun-23)	↑	NA	4.1% (Mar-22)	5.4% (Dec-22)	20.1% (Jun-22)
Trade Deficit ($ bn)	28.68 (Aug-22)	↑	30.00 (Jul-22)	24.19 (May-22)	18.74 (Feb-22)	11.71 (Aug-21)
Commodity Market:						
Brent Crude ($/barrel)	96.49 (31-Aug-22)	↓	110.01 (29-Jul-22)	122.84 (31-May-22)	100.99 (28-Feb-22)	72.99 (31-Aug-21)
Gold ($/oz)	1,726.20 (31-Aug-22)	↓	1,781.80 (29-Jul-22)	1,848.40 (30-May-22)	1,900.70 (28-Feb-22)	1,818.10 (31-Aug-21)
Silver ($/oz)	17.76 (31-Aug-22)	↓	20.20 (31-Jul-22)	21.69 (30-May-22)	24.37 (28-Feb-22)	24.01 (31-Aug-21)
Currency Market:						
USD/INR	79.49 (31-Aug-22)	↑	79.34 (29-Jul-22)	77.57 (31-May-22)	75.49 (28-Feb-22)	72.95 (31-Aug-21)

Source: Currency & Commodity – Investing.com, Economic Indicators – DBIE, RBI & News Articles

↓↑ signifies positive movement over Q-o-Q ↓↑ signifies negative movement over Q-o-Q

Equity Market - Review

Equity Market Roundup - Key Takeaways

Performance: Markets continued to witness a relief rally as for the month of **August 2022 Sensex was up by 3.42% to close a tad short of 60,000 mark**, as global crude oil prices cooled down which eased concerns over rising inflation.

Domestic factors that played out for the Indian markets:

- **Robust macroeconomic** data and **upbeat corporate earning** numbers for the quarter ended Jun 2022 contributed to the upside.
- A **fall in global crude oil prices** also added to the gains which gave some respite to market participants regarding the increasing import bill of the country.
- Gains were extended as the decision by the **MPC** to raise the repo rate by 50 bps came in line with investor expectations.
- **Corporate tax collections** during FY22 came in at ₹ 7.23 lakh crore, up 58% as compared to the tax collection of FY21.

Global factors that shaped the graph of the Indian markets:

- Positive cues from global equity markets boosted market sentiments after **inflation in U.S. slowed** on a yearly basis in Jul 2022 which led to hopes that the U.S. Fed Reserve might slow down its pace of monetary policy tightening moving ahead.
- Gains were restricted as **U.S. Fed Reserve chief at a global central bank conference in Jackson Hole, Wyoming** indicated that the U.S. central bank will continue to raise interest rates to fight inflation.

Outlook:

- While major developed economies are struggling with concerns of rising inflation, interest rates, falling economic activity post-pandemic which led to disruptions in demand and supply-side amid Russia-Ukraine crisis, **India has shown consistent recovery and is back to pre-pandemic levels**.
- **GDP growth projections for 2022 are still the highest for India compared to its emerging market peers.** This gives confidence in the long-term prospects of the economy. There can be some **headwinds in the near term** emanating from the worsening global economic situation and expected earning downgrade.
- Therefore, **investors are suggested not to time the reversal in any of the recent unfavourable dynamics** and **focus on the medium to long term potential of the equity markets**. The important drivers for equity market will to **global economic trends, oil prices, earning growth of corporates, global liquidity conditions and central banks actions**. We believe, market may remain volatile for the next few months, investors need to be cautious **and invest in staggered manner and follow the prescribed asset allocation.**

Equity Dashboard – August 2022

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Indian Market Performance & Valuation

Index	Closing Value	1-Mth Return (%)	YTD Return (%)	1 Yr. Return (%)	Current Value - Trailing		
					P/E	P/B	Dividend Yield
S&P BSE Sensex	59,537	3.42	2.20	3.45	23.21	3.43	1.20
Nifty 50	17,759	3.50	2.34	3.66	21.20	4.12	1.41
Nifty 100	18,112	4.09	2.80	4.26	21.80	4.23	1.48
Nifty 200	9,486	4.38	2.90	5.10	22.08	4.08	1.44
Nifty 500	15,325	4.50	2.19	5.28	22.25	4.06	1.39
Nifty Midcap 100	31,482	6.23	3.41	10.78	24.03	3.35	1.25
Nifty Smallcap 100	9,622	4.91	-14.77	-6.25	17.55	3.19	1.04

World Market Performance

Index	Domicile	Index Value	1 Mnth	3 Mnths	6 Mnths	1 Yr	2 Yrs	3 Yrs	5 Yrs
S&P 500	U.S.	3,955	-4.24	-4.29	-9.58	-12.55	6.30	10.56	9.86
NASDAQ	U.S.	11,816	-4.64	-2.20	-14.07	-22.56	0.17	14.06	12.95
FTSE 100	U.K.	7,284	-1.88	-4.25	-2.33	2.31	10.52	0.35	-0.40
CAC 40	France	6,125	-5.02	-5.31	-8.02	-8.31	11.27	3.78	3.79
DAX	Germany	12,835	-4.81	-10.80	-11.24	-18.95	-0.43	2.44	1.26
Nikkei 225	Japan	28,092	1.04	2.98	5.90	0.01	10.18	10.71	7.41
Hang Seng	Hong Kong	19,954	-1.00	-6.82	-12.15	-22.89	-10.97	-8.12	-6.53
SSE Composite	China	3,202	-1.57	0.49	-7.51	-9.64	-2.89	3.52	-0.96
KOSPI	S. Korea	2,472	0.84	-7.96	-8.41	-22.73	3.09	7.90	0.90
Nifty 50	India	17,759	3.50	7.08	5.75	3.66	24.88	17.23	12.36

Sectoral Performance & Eq Market Flow

Index*	1-Mth Return (%)	YTD Return (%)	1 Yr. Return (%)
Power	14.74	50.15	78.96
Capital Goods	8.44	12.08	29.03
Consumer Durables	7.94	-4.59	14.32
Energy	7.71	18.81	24.03
Oil & Gas	6.79	15.89	18.77
Telecom	5.64	-5.11	8.14
Auto	5.59	22.23	34.39
Metal	5.37	-0.41	-6.87
Bankex	5.02	12.09	9.23
PSU	4.98	11.63	17.47
FMCG	3.00	15.74	9.42
Realty	2.77	-3.91	19.64
Health Care	0.49	-12.18	-13.38
IT	-1.95	-23.60	-15.41

*S&P BSE Sectoral Indices . Source: BSE

Equity Flow (₹ Cr.)	1-Mth	YTD	1 Yr.
FII	22,026	-267,947	-368,001
DII	-7,069	234,471	306,682

Source: Moneycontrol

Data as on 31 August '22; Source: MorningStar Direct, NSE and BSE

Returns upto 1 year are absolute and above 1 year is CAGR

International Equity Market Performance

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2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022* (%)
U.S.-S&P 500 0.00	Germany 29.06	Japan 56.72	China 52.87	Gemany 9.56	U.K. 14.43	Hong Kong 35.99	India 3.15	U.S.-Nasdaq 35.23	U.S.-Nasdaq 43.64	France 28.85	India 2.34
U.S.-Nasdaq -1.80	India 27.70	U.S.-Nasdaq 38.32	India 31.39	China 9.41	U.S.-S&P 500 9.54	India 28.65	U.S.-Nasdaq -3.88	U.S.-S&P 500 28.88	South Korea 30.75	U.S.- S&P 500 26.89	U.K. -1.36
U.K. -5.55	Japan 22.94	U.S.-S&P 500 29.60	U.S.-Nasdaq 13.40	Japan 9.07	U.S.-Nasdaq 7.50	U.S.-Nasdaq 28.24	U.S.-S&P 500 -6.24	France 26.37	U.S.-S&P 500 16.26	India 24.1	Japan -2.43
South Korea -10.98	Hong Kong 22.90	Germany 25.48	U.S.-S&P 500 11.39	France 8.53	Germany 6.87	South Korea 21.76	France -10.95	Germany 25.48	Japan 16.01	U.S.-Nasdaq 21.39	China -12.02
Germany -14.69	U.S.-Nasdaq 15.91	France 17.99	Japan 7.12	U.S.-Nasdaq 5.73	France 4.86	U.S.-S&P 500 19.42	Japan -12.08	China 22.30	India 14.90	Germany 15.79	France -14.37
France -16.95	France 15.23	U.K. 14.43	Germany 2.65	South Korea 2.39	South Korea 3.32	Japan 19.10	U.K. -12.48	Japan 18.20	China 13.87	U.K. 14.30	Hong Kong -14.72
Japan -17.34	U.S.-S&P 500 13.41	India 6.76	Hong Kong 1.28	U.S.-S&P 500 -0.73	India 3.01	Germany 12.51	Hong Kong -13.61	U.K. 12.10	Germany 3.55	Japan 4.91	South Korea -16.98
Hong Kong -19.97	South Korea 9.38	Hong Kong 2.87	France -0.54	India -4.06	Japan 0.42	France 9.26	South Korea -17.28	India 12.02	Hong Kong -3.40	China 4.80	U.S.- S&P 500 -17.02
China -21.68	U.K. 5.84	South Korea 0.72	U.K. -2.71	U.K. -4.93	Hong Kong 0.39	U.K. 7.63	Germany -18.26	Hong Kong 9.07	France -7.14	South Korea 3.63	Germany -19.20
India -24.62	China 3.17	China -6.75	South Korea -4.76	Hong Kong -7.16	China -12.31	China 6.56	China -24.59	South Korea 7.67	U.K. -14.34	Hong Kong -14.08	U.S.-Nasdaq -24.47

Index used for each of the Equity Markets: China – SSE Composite, France – CAC, Germany - DAX, Hon Kong – Hang Seng, India Nifty 50, U.K. – FTSE 100, South Korea - Kospi

** Performance as on 31 August 2022. Source: MorningStar Direct*

Asset Class Performance

2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022* (%)
Gold 31.82	Mid Cap 43.99	Intl 30.44	Small Cap 69.57	Small Cap 10.2	G-Sec 14.24	Small Cap 57.47	G-Sec 8.00	Intl 28.89	Gold 27.88	Small Cap 61.94	Gold 6.66
Bonds 6.92	Small Cap 37.94	Large Cap 6.76	Mid Cap 60.26	Bonds 8.63	Bonds 12.91	Mid Cap 54.53	Gold 7.87	Gold 23.79	Small Cap 25.02	Mid Cap 46.81	Mid Cap 2.80
G-Sec 5.29	Large Cap 27.53	Bonds 3.79	Large Cap 31.39	Mid Cap 8.41	Gold 11.35	Large Cap 28.74	Bonds 5.91	Large Cap 12.00	Mid Cap 24.13	Intl 24.76	Large Cap 2.34
Intl -0.51	Intl 13.84	G-Sec 2.65	G-Sec 15.28	G-Sec 8.17	Intl 9.7	Intl 19.4	Large Cap 3.13	G-Sec 11.34	Intl 18.81	Large Cap 24.12	Bonds 0.87
Large Cap -24.68	Gold 12.27	Mid Cap -3.01	Bonds 14.31	Intl -1.09	Mid Cap 5.41	Gold 5.12	Intl -6.55	Bonds 10.72	Large Cap 14.86	Bonds 3.44	G-Sec 0.61
Mid Cap -32.17	G-Sec 11.11	Gold -4.50	Intl 11.07	Large Cap -4.06	Large Cap 3.01	Bonds 4.71	Mid Cap -13.26	Mid Cap -0.28	G-Sec 13.20	G-Sec 3.13	Small Cap -5.63
Small Cap -36.11	Bonds 9.34	Small Cap -8.14	Gold -7.91	Gold -6.65	Small Cap 0.36	G-Sec 3.52	Small Cap -26.68	Small Cap -8.27	Bonds 12.25	Gold -4.21	Intl -17.74

Index used for each of the Asset Class: Gold: Domestic Prices of Gold, Intl: Russell 1000 Index, G-Sec: ICRA Composite Gilt Index, Bonds: CRISIL Composite Bond Fund Index, Large Cap: Nifty 50, Mid Cap: Nifty Midcap 150, Small Cap: Nifty Small Cap 250

Performance as on 31 August 2022. Source: ICRA Analytics (http://www.icraanalytics.com/legal/standard-disclaimer.html)

a. Large Cap: 1st -100th company in terms of full market capitalization
b. Mid Cap: 101st -250th company in terms of full market capitalization
c. Small Cap: 251st company onwards in terms of full market capitalization

Valuations on the Trailing P/E, P/BV & Div. Yield Metrices

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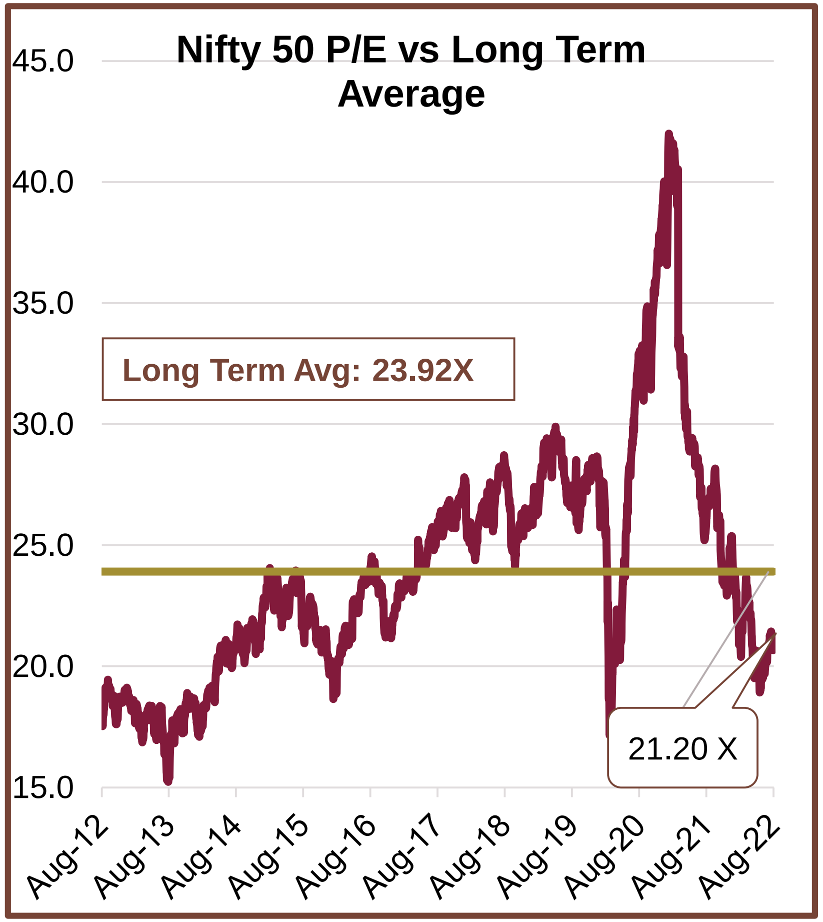
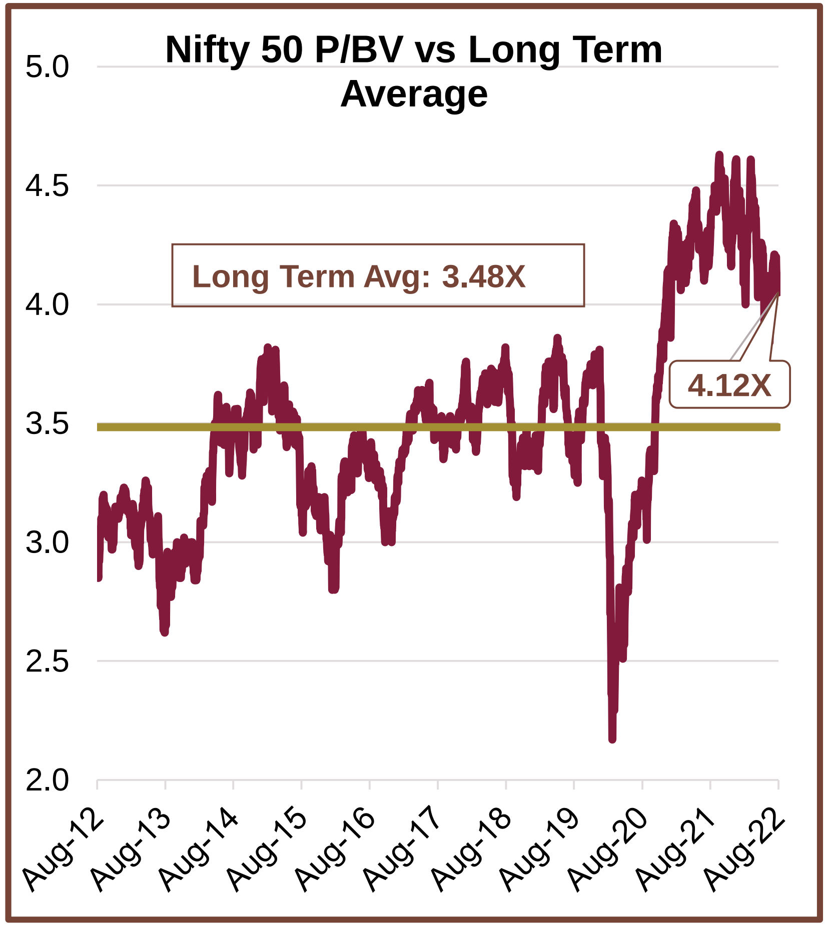
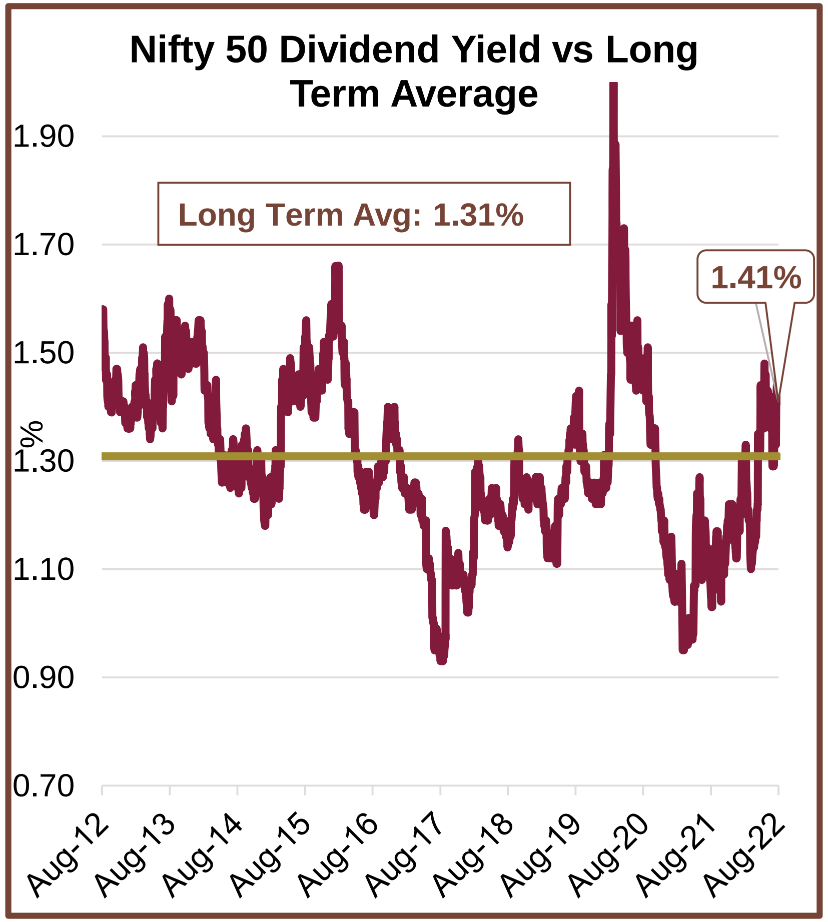
Nifty 12-month trailing P/E of 21.20x is in lower than its historical long-term average of 23.89x



At 4.12x, the Nifty Trailing P/B is above the historical long-term average of 3.48x.



At 1.41%, the Nifty Trailing Dividend Yield is above the historical long-term average of 1.31%.



Source: NSE India

Valuations on a MCap / GDP perspective

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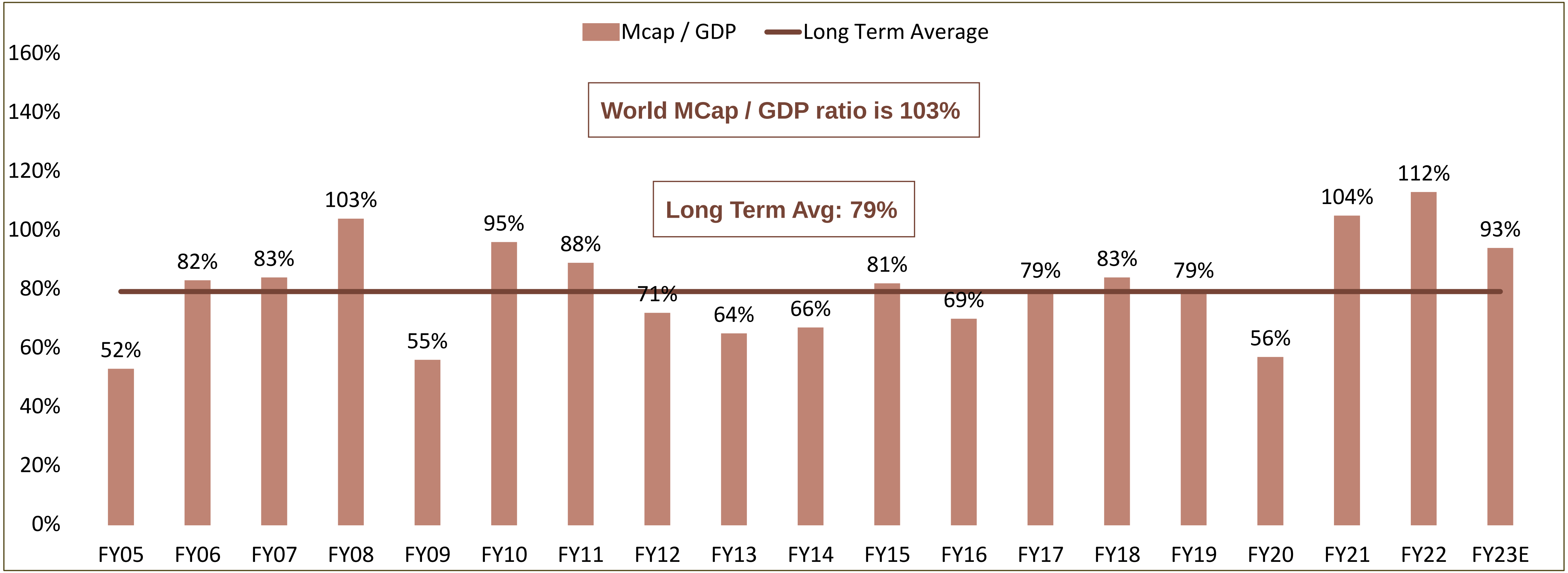
On Market Capitalisation to GDP parameter the market is trading above the historical long-term average but below the global average



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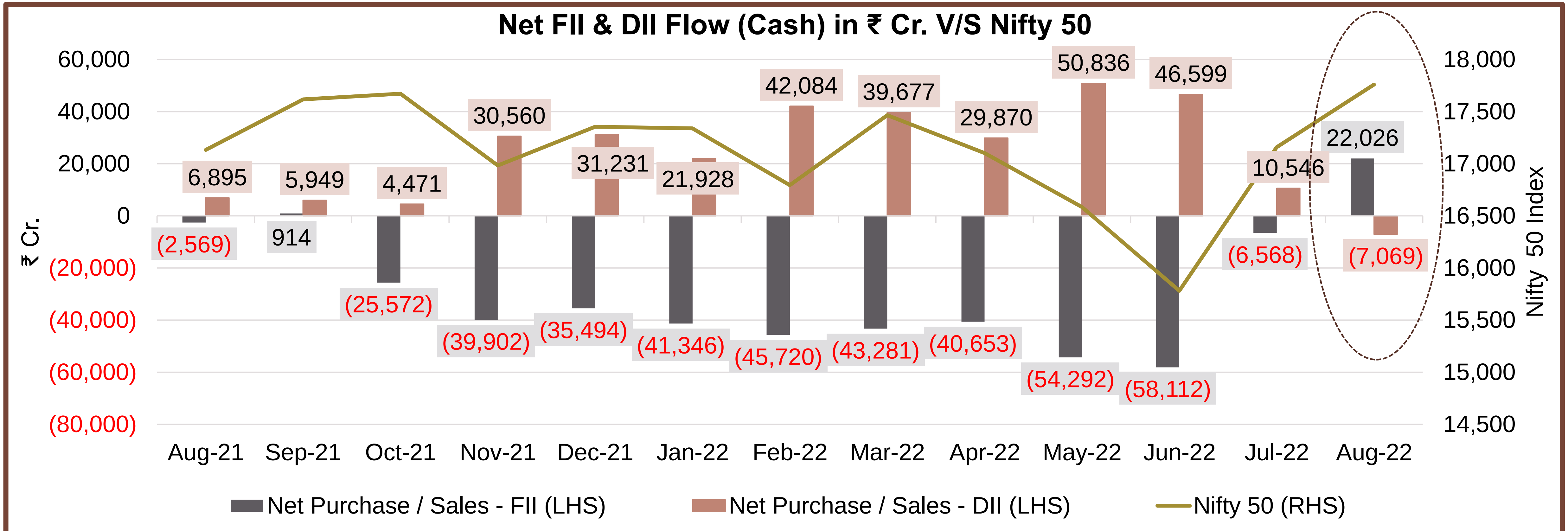
Source: Kotak AMC, Monthly Market Outlook, July '22

FII & DII Flow into Equity

After being net sellers for 10 consecutive months, FIIs registered a comeback into the markets in August. While, at the same time the DII which were the net buyers in the markets for the last 17 months were the net sellers during the same period. In line with the FIIs the markets too displayed a comeback in July and August 2022



Source: Moneycontrol & NSE

Category Average Performances – August 2022

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- **During the month** under consideration, all the categories were in the green with gaining between 8-11%. Among the sectoral funds too all the sectors were in the green, with the Financial, Consumption and FMCG gaining in double digit.
- For **the trailing 3-months,** most of the Categories & Sectors were in the green, while **for trailing 6-months** most of categories were in the red.
- **For the full year,** all the categories were in the green with Contra, and Dividend Yield delivering the highest return. Among the sector based and thematic funds FMCG was the best performing sector followed by Consumption; however, Healthcare and Technology sector were in the red.
- **On a 3-year CAGR** basis, all the categories delivered double digit returns with the Mid Cap & Small Cap outperforming the rest. Among the sector and theme-based funds Technology and Healthcare were the top performers.
- **With respect to the 5-year CAGR returns,** most the categories delivered early double digit return with the exception of Technology which clocked in gains of ~24%.

Category	Absolute Returns (%)				CAGR (%)		
	1 M	3 M	6 M	1 Y	2 Y	3 Y	5 Y
Large Cap	8.83	0.97	-1.88	5.71	23.16	15.06	10.08
Large & Mid Cap	9.64	0.13	-2.77	5.26	29.46	18.98	10.83
Multi Cap	9.64	0.11	-2.48	5.26	32.41	20.23	12.70
Flexi Cap	9.50	-0.08	-3.24	4.08	26.28	17.40	10.86
Mid Cap	10.63	-0.17	-1.67	5.26	35.67	24.38	12.29
Small Cap	8.82	-2.04	-4.42	3.91	45.68	30.01	13.16
Focused	9.06	0.55	-2.85	5.34	25.56	17.09	10.61
ELSS	9.21	0.21	-2.79	4.55	26.39	17.48	10.44
Contra	9.20	1.41	-0.14	8.65	32.66	21.69	13.14
Dividend Yield	8.42	-0.18	-1.27	7.02	29.21	19.72	10.75
Value	9.05	-0.21	-2.46	5.33	30.68	18.04	9.41
Sectoral / Thematic							
Consumption	11.17	3.88	4.23	12.85	29.98	20.82	12.80
Infrastructure	9.85	0.26	-0.86	9.45	39.95	19.98	9.63
Financial Services	12.79	3.84	-1.73	4.04	27.59	9.76	6.78
FMCG	10.10	9.01	13.58	25.12	24.11	16.65	12.69
Healthcare	6.03	-3.98	-4.52	-10.08	13.29	24.33	12.89
Technology	4.78	-6.15	-13.32	-4.05	32.91	28.10	24.37

Source: Morningstar Direct

Debt Market – Review

Debt Market Roundup - Key Takeaways

- The **India 10-Year G-sec yields had a roller coaster ride** for the month of August to close **lower at 7.19%** as against 7.32% at the end of July.
- Bond yields fell as **global crude oil prices came down** and **MPC raised interest rates** on expected lines; however, **rise in yields on U.S. Treasuries** dented market sentiments.
- Yields fell, on media reports that development had been made in discussions to **include India's sovereign debt in the JP Morgan bond index**.
- While **CPI further fell down from 7.01% in June to 6.71% in July**; the **June IIP growth stood at 12.30%** on favorable base effect**.**

Outlook:

- With **inflation both in U.S. and India showing signs of peeking out,** what has to be seen what will the decision of the respective Central Bank be on 20-21 September and 28-30 September 2022, respectively.
- When the Fed raises its policy rates, the **difference between the interest rates of India and the US narrows**. This **makes emerging countries such as India less attractive** for the currency carry trade. Thus, the RBI would need to ensure that the interest rate differential between India and the U.S. to attract dollar at a time when India is expected to witness a record current account deficit. Further, a weakening rupee has put pressure on inflation via higher cost of imported goods and services.
- With the **RBI stance of taking out excess liquidity from the system** directly through CRR hike and interest rate hike initiated in the economy, we continue to maintain our stance of **investing in shorter end of the curve** through mutual fund categories like Low Duration / Floating Rate Funds till the time rates stabilize.
- For **longer term investments** Short Term Funds and Target Maturity Funds continue to be our preferred categories. Along with Mutual Funds, good quality **Corporate Fixed Deposits** and **Bonds** can be looked at allocation in the debt portfolio for diversification and enhancing overall return.

Debt Dashboard – August 2022

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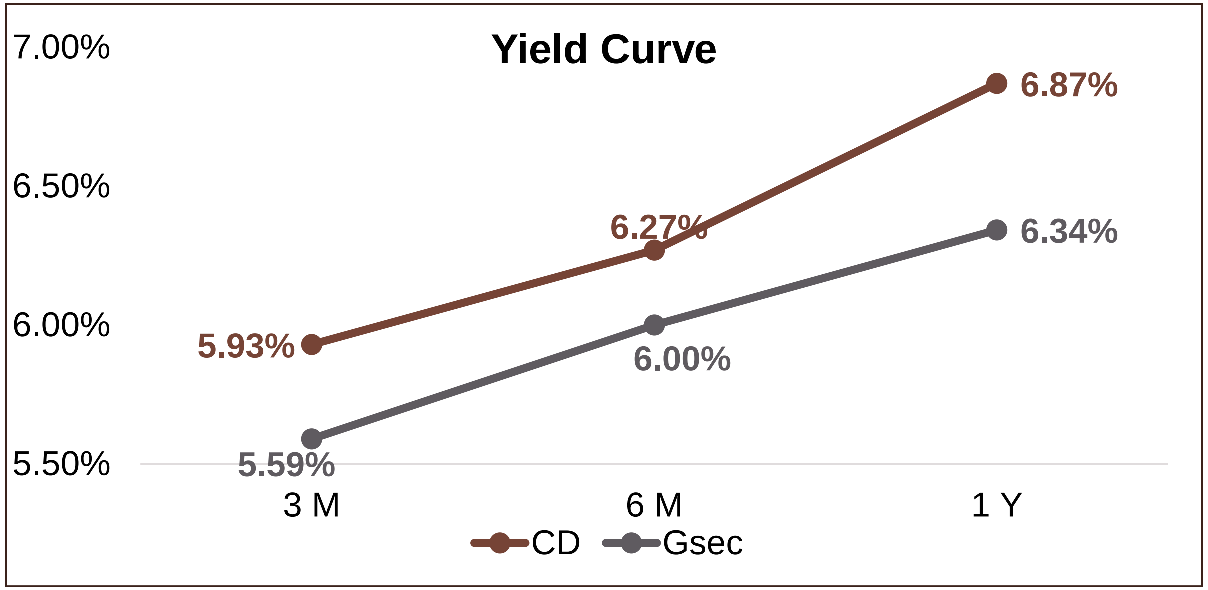
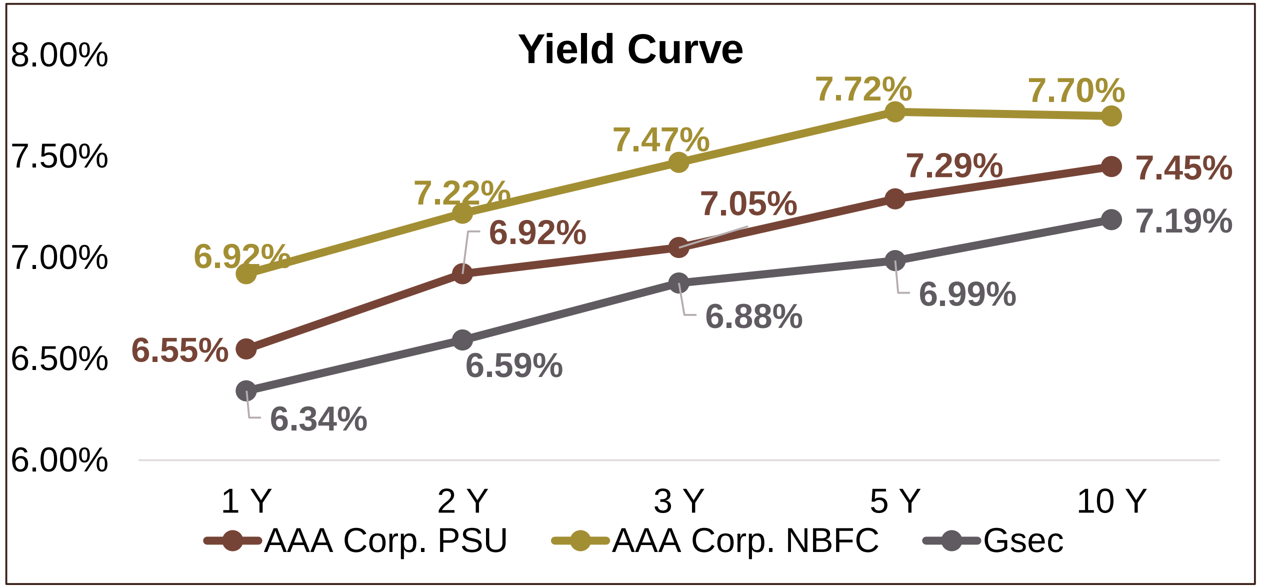
	Latest (31 Aug '22)	One Month Ago (31 Jul '22)	One Quarter Ago (31 May '22)	Half Year Ago (28 Feb '22)	One Year Ago (31 Aug '21)	M-o-M Change (bps)
Interest Rates						
Repo rate	5.40%	4.90%	4.40%	4.00%	4.00%	50
SLR	18.00%	18.00%	18.00%	18.00%	18.00%	0
CD Rates						
3 month	5.93%	5.90%	5.10%	3.83%	3.58%	3
6 month	6.27%	6.23%	5.73%	4.38%	3.75%	5
1 Year	6.87%	6.68%	6.33%	4.78%	4.03%	19
T-Bill/G-sec						
91 Days	5.64%	5.60%	4.88%	3.69%	3.27%	4
364 Days	6.28%	6.28%	5.93%	4.49%	3.62%	0
India 10 Year G-Sec Yield	7.19%	7.32%	7.42%	6.77%	6.22%	-13
AAA Corp. Bonds (PSU)						
1 Year	6.55%	6.31%	6.76%	4.90%	4.06%	24
3 Year	7.05%	7.10%	7.24%	5.95%	4.97%	-5
5 Year	7.29%	7.27%	7.48%	6.52%	5.93%	2
AAA Corp. Bonds (NBFC)						
1 Year	6.92%	6.69%	6.85%	5.07%	4.32%	23
3 Year	7.47%	7.33%	7.39%	6.04%	5.27%	14
5 Year	7.72%	7.63%	7.69%	6.67%	6.08%	9
International Markets						
10 Year US Treasury Yield	3.11%	2.66%	2.85%	1.82%	1.31%	45

- The **money market instruments witnessed hardening of the yields** as the prices of both the T-Bills and Certificate of Deposits fell significantly.
- The **U.S. Treasury Yields hardened even** as the inflation cooled down from a multi decadal high in July.
- In **India, the yields of 10 year G-sec** softened as commodity prices softened and inflation seemed to have peaked out.
- **Both the AAA Corp. PSU & NBFC** largely witnessed hardening of the yields as liquidity tightened.
- In the **unscheduled** May MPC meet the RBI took a rather **hawkish stance** by **increasing the repo rate & CRR**. Further, in **Jun & Aug MPC meeting** too the interest rates were hiked.

Source: IDFC AMC, G Sec – Investing.com

Yield Curve and Policy Rates & Reserve Ratios – as on 31 August 2022





Data as on 31 Aug '22; Source: IDFC AMC, Investing.com

Policy Rates / Reserve Ratio	Current
CRR	4.50%
SLR	18.00%
SDF	5.15%
Repo Rate	5.40%
MSF	5.65%
Bank rate	5.65%
Fixed Reverse Repo Rate	3.35%

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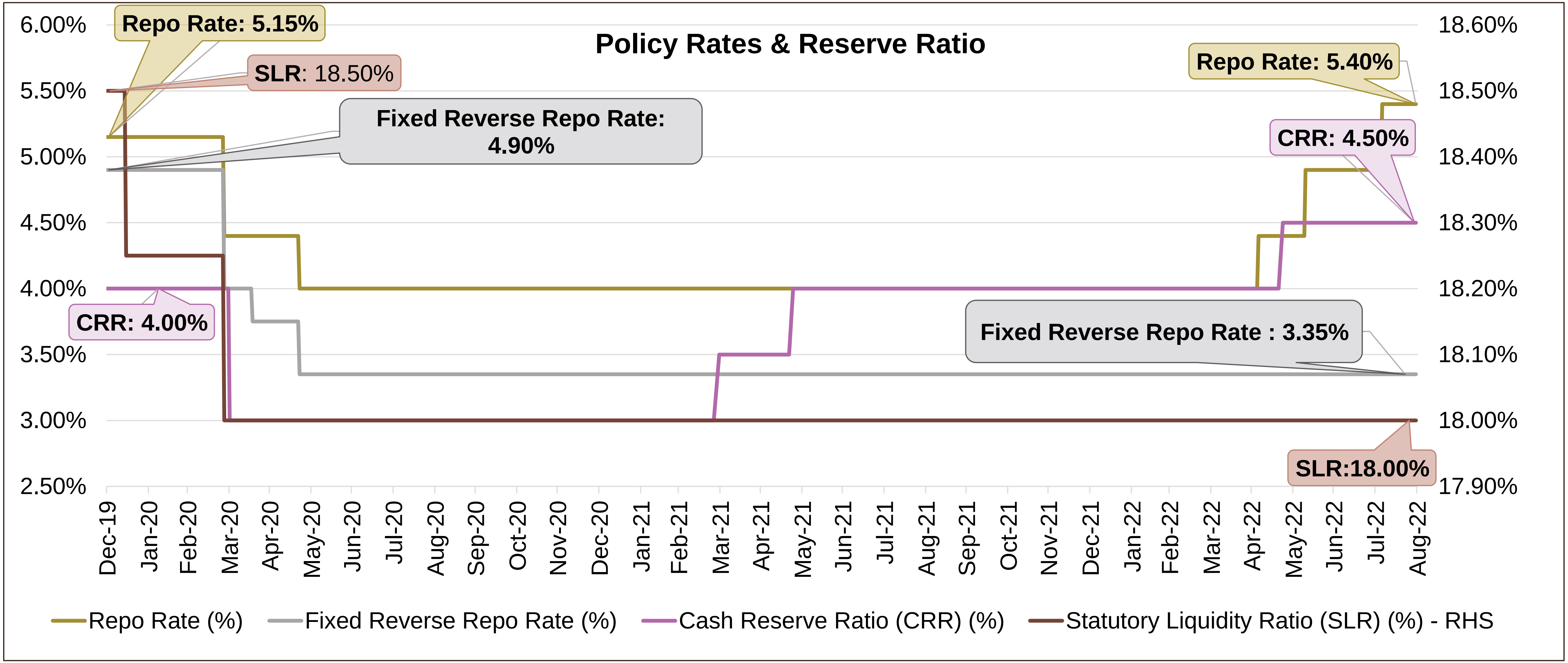
- The yield curve is an upward sloping or a normal yield curve where the longer-term bonds have higher yields than short-term ones. This curve had become steep post the pandemic hit the country hard in March 2020 with the spread between a 1 year & 10-year G-sec which has increased from a little above 100 bps to over 200 bps. These have now coming back to normalcy.
- The **spreads between AAA Corporate PSU and the respective tenure GSec** at the end of the month were in the range of 17 - 33 bps, while that **of AAA Corporate NBFC i**s in the range of 51 - 73 bps.
- The RBI in an o**ff-cycle policy meet in May increased the policy rates & reserve ratio for the first time in 4 years, later in June and August in a scheduled policy meet it increased the repo ate further** and changed the stance to "withdrawal of accommodation"**. With the monetary policy normalising across the globe, there could be further hardening of short-term rates in the coming months.**

Policy rate & Reserve Ratio movement since Jan '20



Source: IDFC AMC

Liquidity in the system

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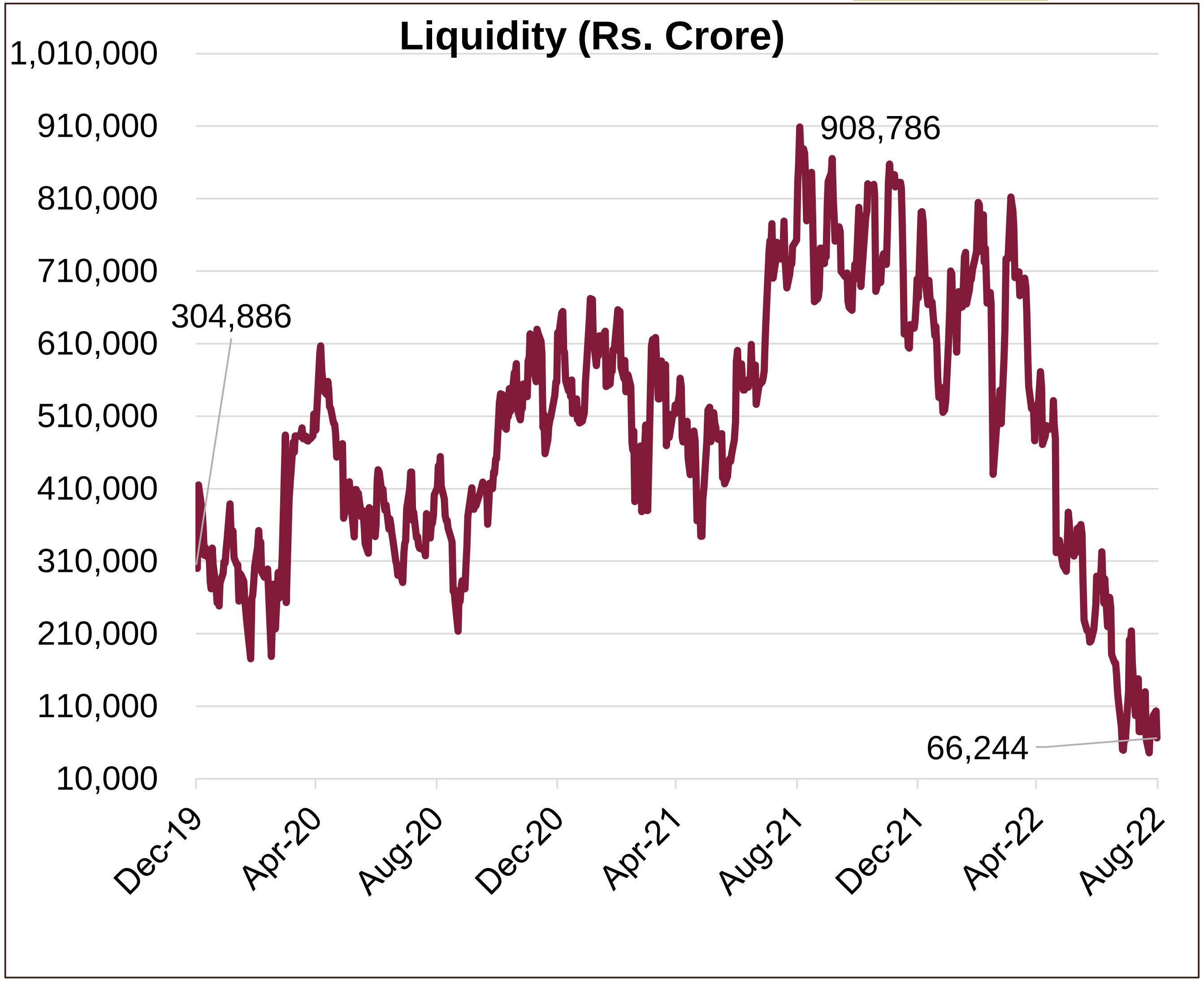
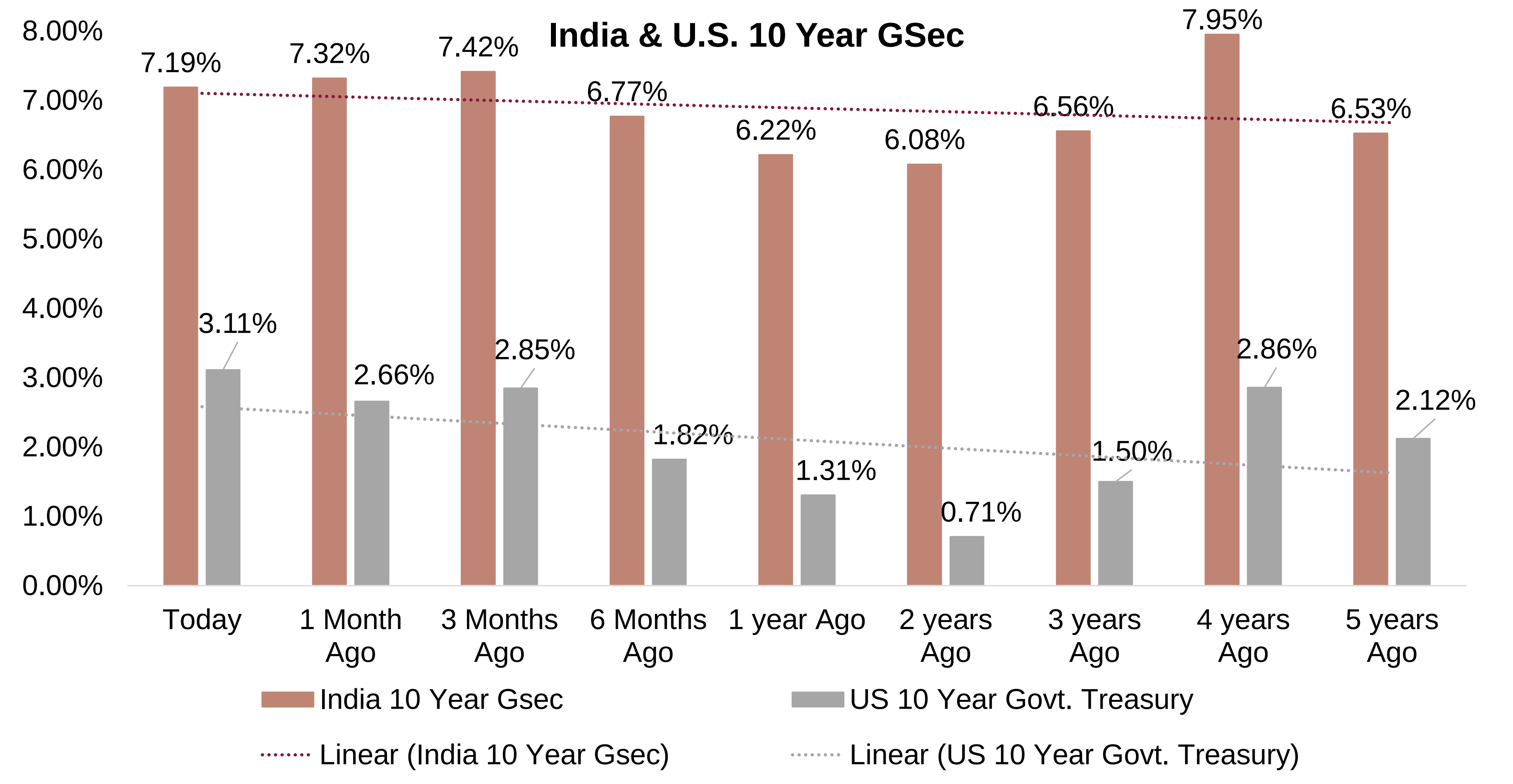
- In the April ‘22 policy meet **Standing Deposit Fecality (SDF) was introduced** and the **Liquidity Adjustment Fecality (LAF) corridor** was narrowed to 50 bps **making the Reverse Repo Rate redundant**.
- Further in an **off-cycle policy meet in May the RBI increased the CRR by 50 bps to 4.50%** and later in June it stated that “**RBI will ensure availability of adequate liquidity to meet the productive requirements of the economy”.**
- In August policy meet, the RBI said that the **surplus liquidity in the banking system**, as reflected in average daily absorptions under the LAF moderated to Rs. 3.8 lakh crore during June-July 2022 from Rs. 6.7 lakh crore during April-May.



Source: IDFC AMC

Yields Movement Across - India and U.S. - as on 31 August 2022



- The 10-year G-sec of both India and U.S. has **peaked out in 4 years ago in August 2018** to touch a high of 7.95% and 2.86%, respectively.
- Since then, it is noticed that the yields have been tapering over a period of time.
- However, in the **past 2 year the yields are hardening once again.**

Source: G Sec – Investing.com

Debt Category Average Performances – August 2022

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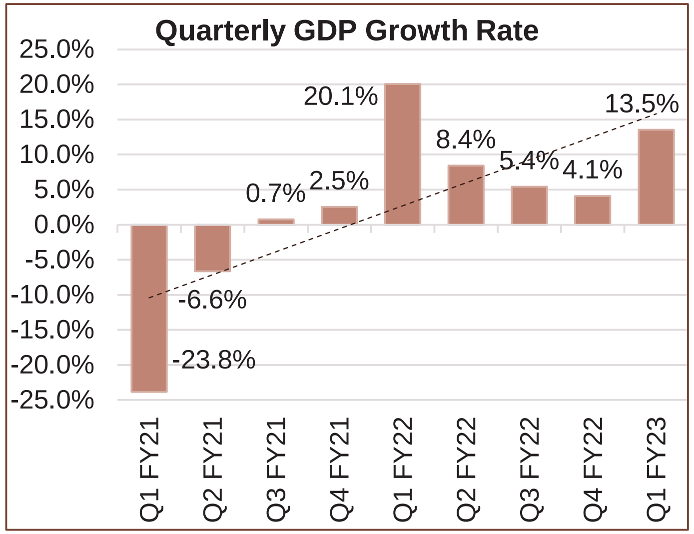
- **During the month** under consideration all the three broad categories were in the green even as yields largely fell across the curve on softening of inflation.
- With respect to the **3 months and 6 months trailing returns the duration** categories outperformed the Money Market & Accrual categories on the back of rising yields in the shorter end of the curve and yields falling in the extreme long end of the curve.
- **For the full year** all the categories were in the green with our suggested categories such as Ultra Short Duration, Money Market, Low duration, Short Duration, Floating Rate, Banking & PSU Debt Fund & Corporate Bond Fund delivered decent returns.
- **On a 2-year CAGR** basis all of the categories delivered an early to mid single digit growth. In addition to the Medium Duration & Credit Risk Funds, our recommended categories - the Ultra Short Duration, Low duration, Money Market, Short Duration, Banking & PSU, Corporate Bond and Floating Rate were one of the best performing categories during this period.
- **With respect to the 3 and 5 year CAGR returns** most the categories reported early to mid single returns.

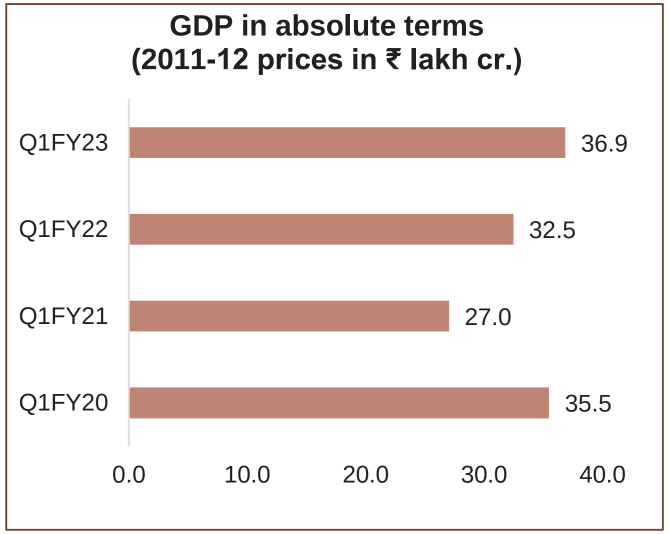
Money Market	Absolute Returns (%)				CAGR (%)		
Category	1 M	3 M	6 M	1 Y	2 Y	3 Y	5 Y
Overnight	0.42	1.18	2.09	3.72	3.37	3.57	4.41
Liquid	0.43	1.15	2.01	3.59	3.28	3.73	4.89
Ultra Short Duration	0.46	1.20	1.87	3.59	3.69	4.52	5.21
Low Duration	0.52	1.26	1.70	3.40	3.85	5.12	5.14
Money Market	0.47	1.23	1.89	3.53	3.56	4.63	5.69
Accrual	**Absolute Returns (%)**				**CAGR (%)**		
Category	**1 M**	**3 M**	**6 M**	**1 Y**	**2 Y**	**3 Y**	**5 Y**
Short Duration	0.57	1.49	1.68	3.47	4.32	5.61	5.39
Medium Duration	0.79	2.76	1.24	3.62	5.76	5.21	4.80
Banking & PSU Debt Fund	0.65	1.58	1.26	2.75	4.02	5.93	6.50
Corporate Bond Fund	0.65	1.59	0.94	2.40	4.05	6.02	6.28
Floating Rate	0.69	1.41	1.81	3.04	4.30	5.73	6.30
Credit Risk	0.66	1.81	1.93	3.98	5.95	5.68	5.19
Duration	**Absolute Returns (%)**				**CAGR (%)**		
Category	**1 M**	**3 M**	**6 M**	**1 Y**	**2 Y**	**3 Y**	**5 Y**
Medium To Long Duration	1.04	2.44	0.83	2.62	3.81	4.97	4.94
Long Duration Fund	1.97	3.55	0.52	2.36	3.27	4.73	5.72
Dynamic	0.83	2.06	1.45	2.99	4.13	5.35	5.50
Gilt	1.00	2.31	0.93	1.63	3.39	5.12	5.91

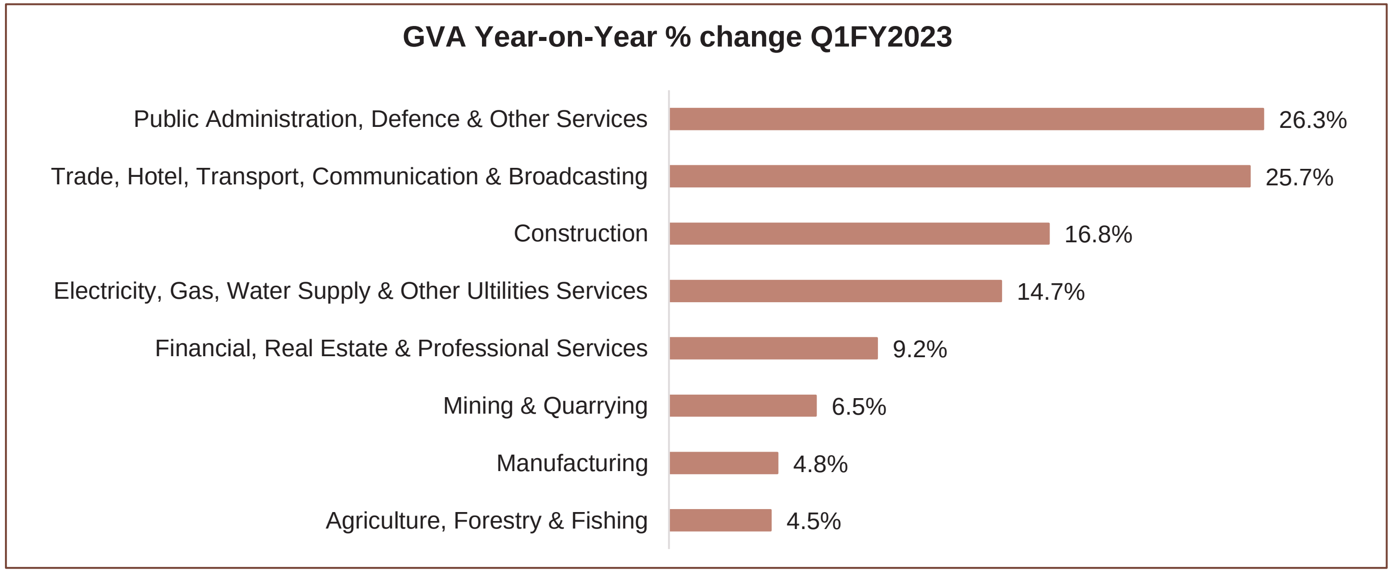
Source: Morningstar Direct

Event Update

India's GDP grows at 13.5% in Q1FY23







Key Highlights:

- **India's GDP for the April-June quarter (Q1) of the ongoing financial year 2022-23 rose 13.5%.**

- **In absolute terms for the April – June 2022 quarter, GDP just inched above the pre-pandemic levels i.e. 2019-20 levels** of ₹35.49 lakh crore v/s 2022-23 levels of ₹36.85 lakh crore. As per the Economists, a base effect of 20.1% growth in the corresponding period year ago along with the **moderation in the impact of the Russia-Ukraine war** and a **pickup in service sector** activity is likely to have supported growth in Q1FY23.

- The **Private Final Consumption Expenditure (PFCE),** which is a significant component of overall GDP numbers, rose by 25.93% in Q1FY23 over Q1FY22 number, and came in at ₹22.08 lakh crore. At the same time, when calculated against Q1FY20, PFCE grew by 9.89%. **Government final consumption expenditure (GFCE)** rose at a tepid pace of 1.33%, on account of high base effect after the Centre had announced a slew of schemes hoping to raise demand in the economy in the same quarter last year. At ₹4.14 lakh crore, GFCE constituted 11.2% of the GDP.

- **Investments, as reflected by Gross Fixed Capital Formation (GFCF),** rose by 20.15% in quarter y-o-y, compared to 62.50% expansion in the same quarter previous year. Its share in GDP recovered to 34.7% in Q1FY23 after falling to a five-quarter low of 30.1% in Q3FY22.

Source: MOSPI; News Articles

Thank You!

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