

Bajaj Allianz hopes equities rout to come to an end soon

Private insurer to deploy more cash to buy growth stocks

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Bajaj Allianz Life Insurance Co is drawing down its cash pile to load up Indian stocks on a bet that the equity market rout will bottom out soon.

The insurer, with assets of about ₹85,000 crore (\$11 billion), has cut its cash levels by 300 basis points in the last three months and will deploy the remaining reserves in the coming months, Sampath Reddy, chief investment officer at Bajaj Allianz, said in an interview.

Eyeing pvt banks

India's NSE Nifty 50 Index has slipped nearly 14 per cent from its all-time high touched in October as inflation, tightening monetary policy and persistent selling by foreigners weighed on sentiment.



Sampath Reddy, chief investment officer at Bajaj Allianz

The insurer is using the rout to buy growth stocks at reasonable valuations and large private sector banks without bad loan woes, according to the chief investment officer.

“Over the next few months, a significant part of the rate increases, both in India and the US, will be behind us. Post that, pace and quantum of rate increases will be milder, and we may see equity markets bottoming out,” Reddy said.