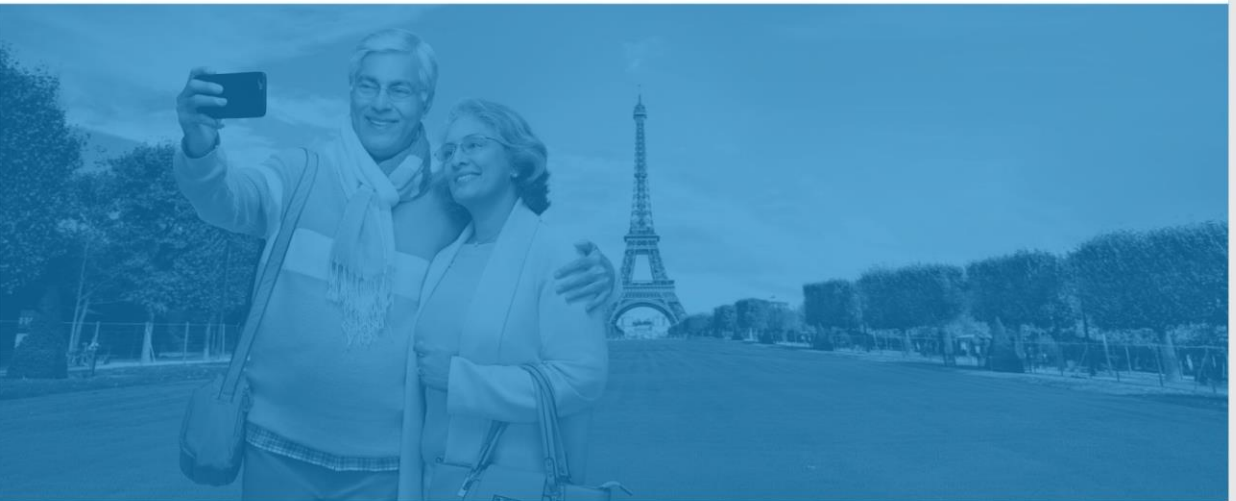


# Investment Review of 2022 & Outlook for 2023

LIFE GOALS. **DONE.**



January 2023



# Global Markets & Macro

# Key Global Themes of CY22

Multi-decade high inflation in number of countries

Concerns of global growth slowdown & possibility of recession

Pandemic to Endemic (and opening-up of economy)

Aggressive monetary policy tightening by global central banks

Geo-Political Tensions

Healthy correction in most global markets (esp. tech related stocks)

Globally, both Equity & Debt portfolios performed poorly. One of the worst years for Global Balanced portfolio.

# Global equity markets have seen healthy correction over past year; India has relatively outperformed across time frames

Performance of International Indices (ended Dec 2022, in %)

Index Name	Country / Region	1 Yr	3 Yrs	5 Yrs	10 Yrs
BOVESPA	Brazil	4.7	-1.7	7.5	6.1
<b>Nifty 50</b>	<b>India</b>	<b>4.3</b>	<b>14.2</b>	<b>11.4</b>	<b>11.9</b>
FTSE/SGX STI	Singapore	4.1	0.3	-0.9	0.3
JSX Composite	Indonesia	4.1	2.8	1.5	4.7
FTSE SET All Share	Thailand	1.0	0.8	-2.0	1.0
FTSE 100	UK	0.9	-0.4	-0.6	2.4
FTSE Bursa Malaysia KLCI	Malaysia	-4.6	-2.0	-3.6	-1.2
S&P/ASX 200	Australia	-5.5	1.7	3.0	4.2
Nikkei 225	Japan	-9.4	3.3	2.8	9.6
CAC 40	France	-9.5	2.7	4.0	5.9
FSE DAX TR	Germany	-12.3	1.7	1.5	6.2
Shanghai Composite	China	-15.1	0.4	-1.4	3.1
Hang Seng	Hong Kong	-15.5	-11.1	-7.9	-1.3
S&P 500	USA	-19.4	5.9	7.5	10.4
MSCI World PR USD	World	-19.5	3.3	4.4	6.9
MSCI Asia Ex Japan PR USD	Asia Ex Japan	-21.5	-3.5	-2.8	1.2
MSCI EM PR USD	Emerging Mkts	-22.4	-5.0	-3.8	-1.0
TSEC TAIEX	Taiwan	-22.4	5.6	5.8	6.3
KOSPI	South Korea	-24.9	0.6	-1.9	1.1

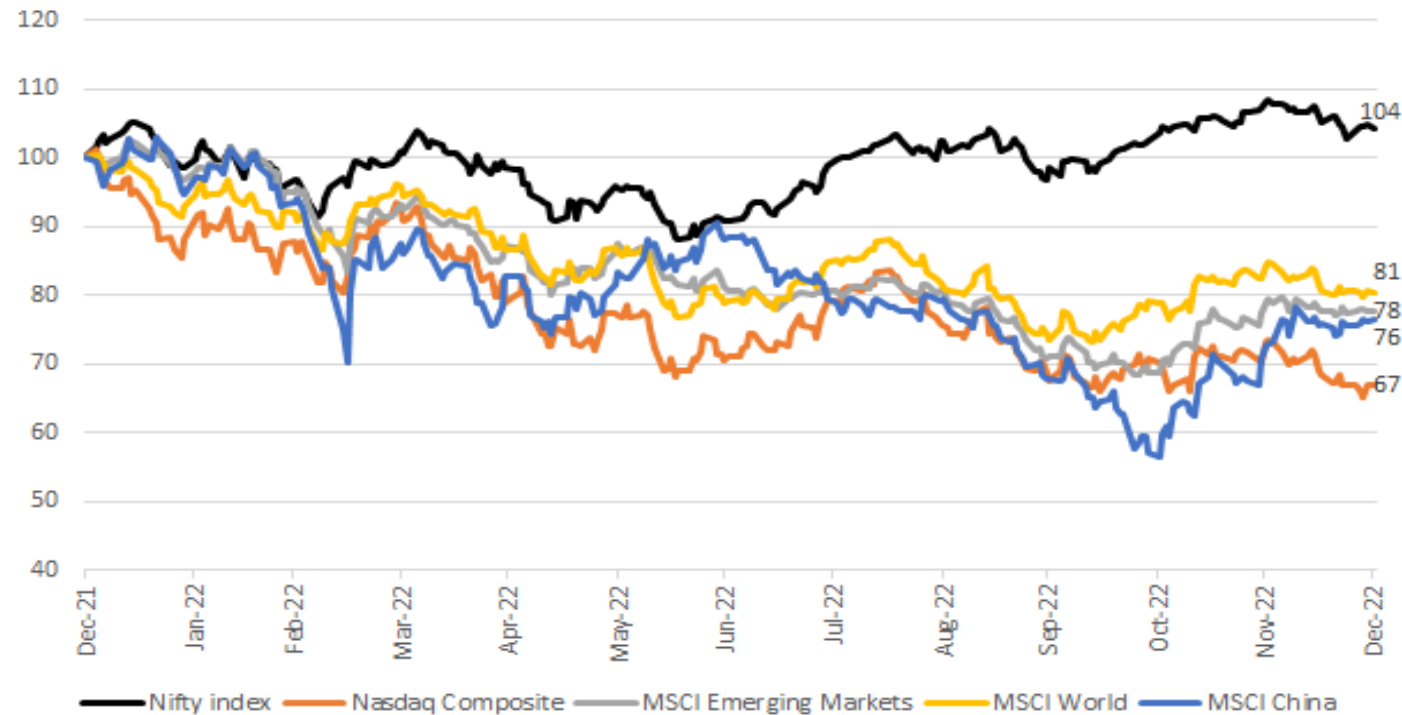
Source : Morningstar Direct. Returns are in local currency of index, and returns greater than 1 year are CAGR. Data Sorted on the basis of 1 Yr return in descending order

## Over 1 Year Period

- Global equity markets have seen healthy correction led by emerging & Asian markets.
- Some developed have also seen correction.
- Commodity producing countries / markets have relatively fared better.
- India has shown resilience and fared better.
- **Over the long term (3, 5 & 10 years) Indian market has been among the top performing markets.**

# Indian markets have shown resilience in CY22, compared to global markets

CY 2022 Performance (Indexed to 100)



- Nifty closed CY22 up 4% vs a 33% decline for the NASDAQ index, with US tech stocks under severe pressure.
- MSCI China saw some recovery in late 2022 (with economy opening up & zero Covid policy being gradually scrapped), but still closed down 24%
- Both Developed & Emerging markets registered healthy correction in CY22

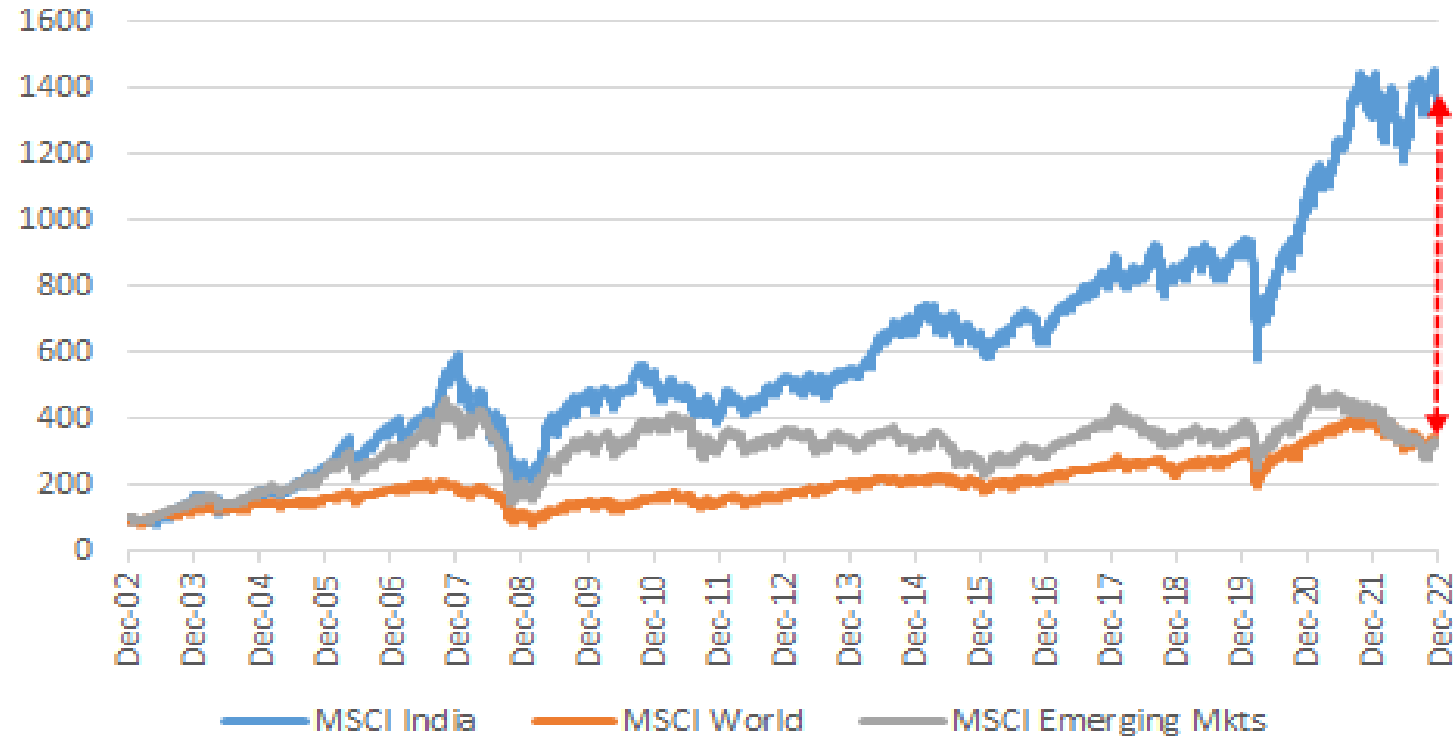
# India's weight in EM index has increased, driven by outperformance

Change in Weights of Key Countries in MSCI EM Index				
Country	Weight in MSCI EM index Dec 2020 (%)	Weight in MSCI EM index Dec 2021 (%)	Weight in MSCI EM index Dec 2022 (%)	Change in weight over past 2 Yrs (in %)
China	38.6	31.8	31.6	-7.0
<b>India</b>	<b>9.2</b>	<b>12.4</b>	<b>14.4</b>	<b>5.2</b>
Taiwan	12.6	16.0	13.7	1.1
South Korea	13.4	12.8	11.3	-2.1
Brazil	5.1	4.0	5.2	0.2
Source: Morningstar Direct. We have considered country net weights in iShares MSCI EM ETF				

- India's weight has increased the most (by 5%) over the past 2 years, due to relative outperformance among EM (emerging market) peers.
- Higher weight of India (now 2<sup>nd</sup> highest weight in MSCI EM index) could drive more foreign inflows into India.
- China has seen the biggest drop in weight (7%) in the MSCI EM index over the same period.

# Over past 20 years MSCI World & MSCI EM returns have converged; India has significantly outperformed

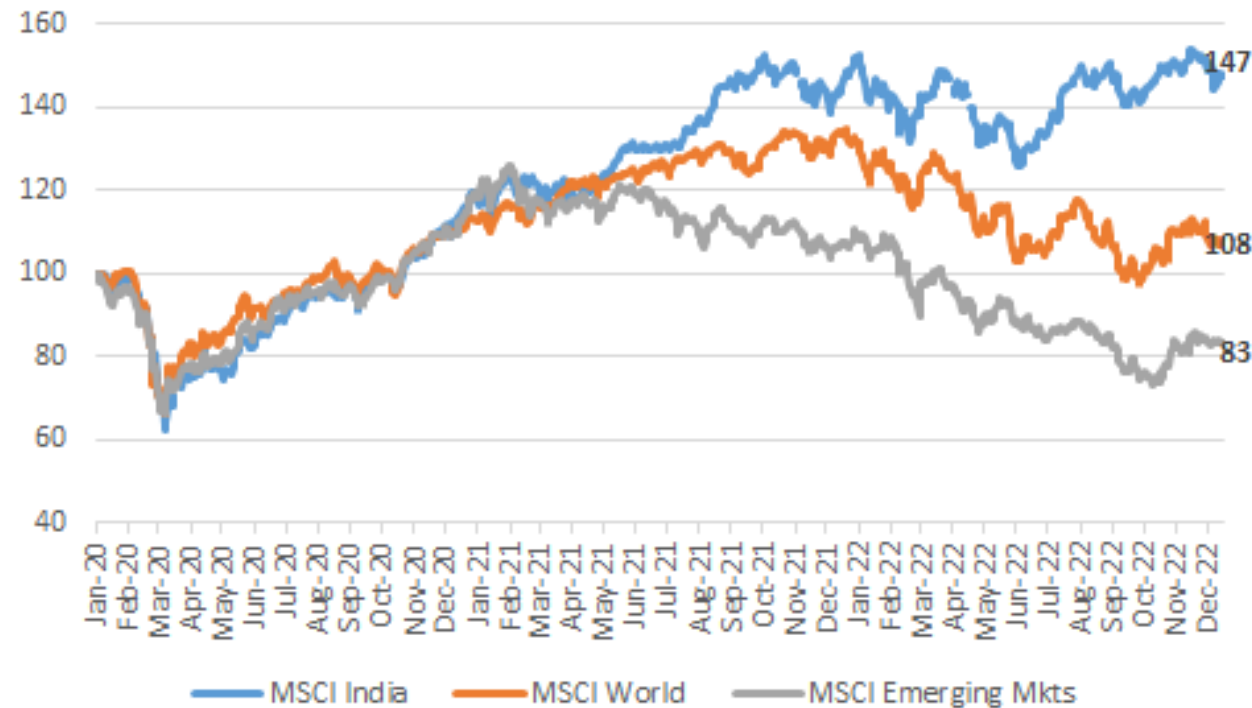
Performance of MSCI Indices over 20-year period (Rebased to 100)



- Because of underperformance of MSCI EM index, the returns of MSCI World & MSCI EM index have almost converged over 20 yr period.
- MSCI India index has outperformed by a significant margin.

# MSCI India is significantly above the Pre-pandemic level, while MSCI EM is quite below

## Performance of MSCI Indices - from Pre-Pandemic period to Dec 2022 (Rebased to 100)

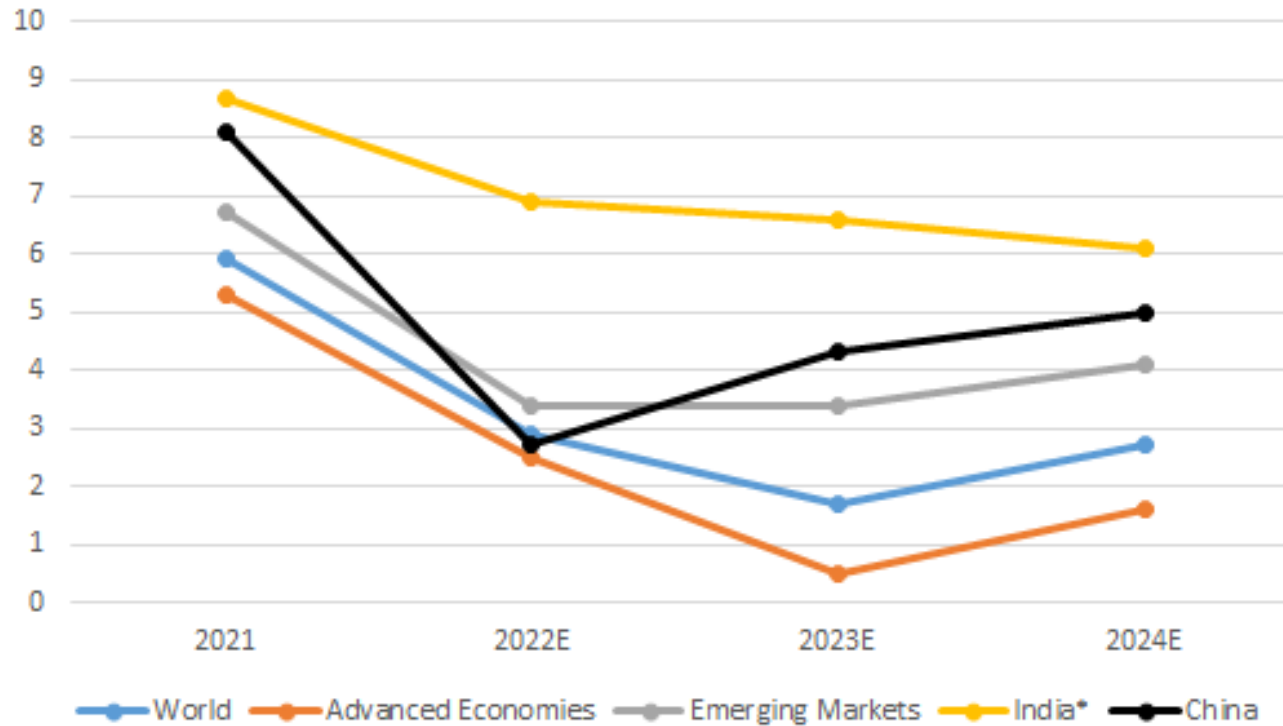


- MSCI India index is significantly higher than pre-pandemic level and has outperformed by a substantial margin.
- MSCI EM index has underperformed--primarily dragged down by China (highest weight in index). MSCI World index returns have been flattish.



# Global growth slowdown underway; India still among the fastest growing economies

World Bank GDP Growth Forecast Trend (% YoY)



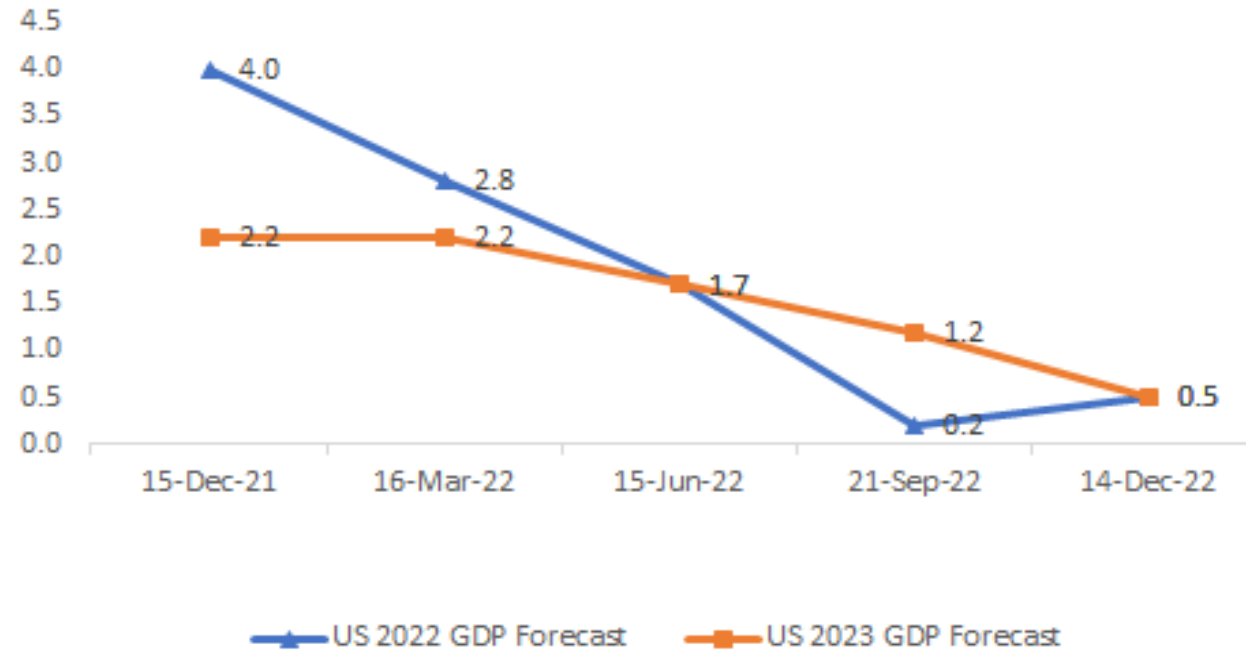
- World GDP growth is projected to slow down from 5.9% in 2022 to 2.9% in 2023 but recover in 2024.
- Being led by developed markets esp. US & Europe.
- Emerging markets will continue to grow at a faster rate
- China growth expected to recover in 2023-24 with Covid restrictions being removed.
- Despite some growth slowdown in India, it would remain the fastest growing large economy in 2023 & 2024.

\* For India fiscal year being considered. 2022 = FY23 & 2023= FY24

Source: World Bank Global Economic Prospects, Jan 2023

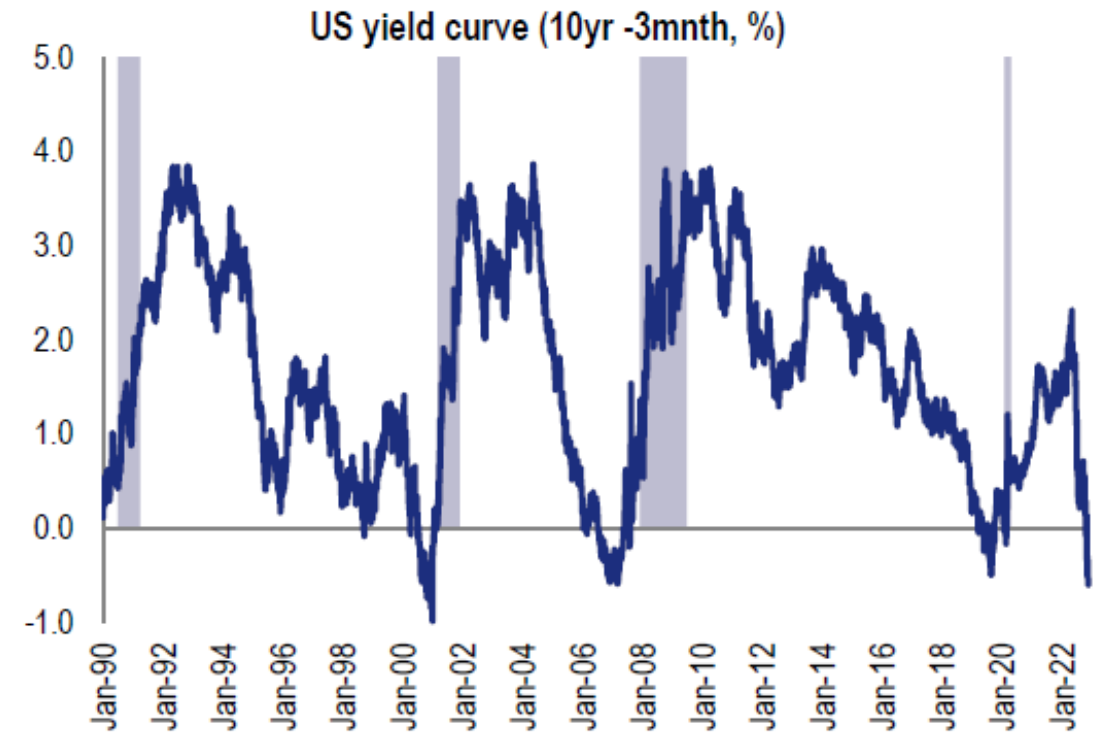
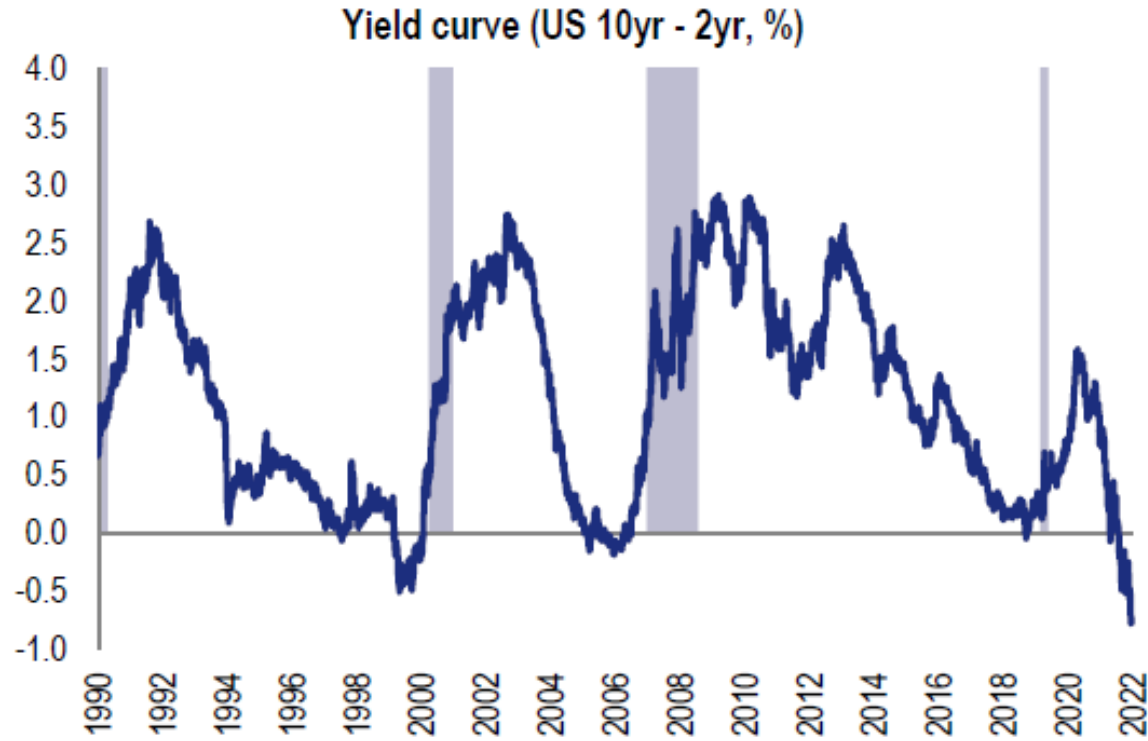
# US GDP growth forecast has been downgraded quite substantially

US Fed GDP Forecast Trend (%YoY)



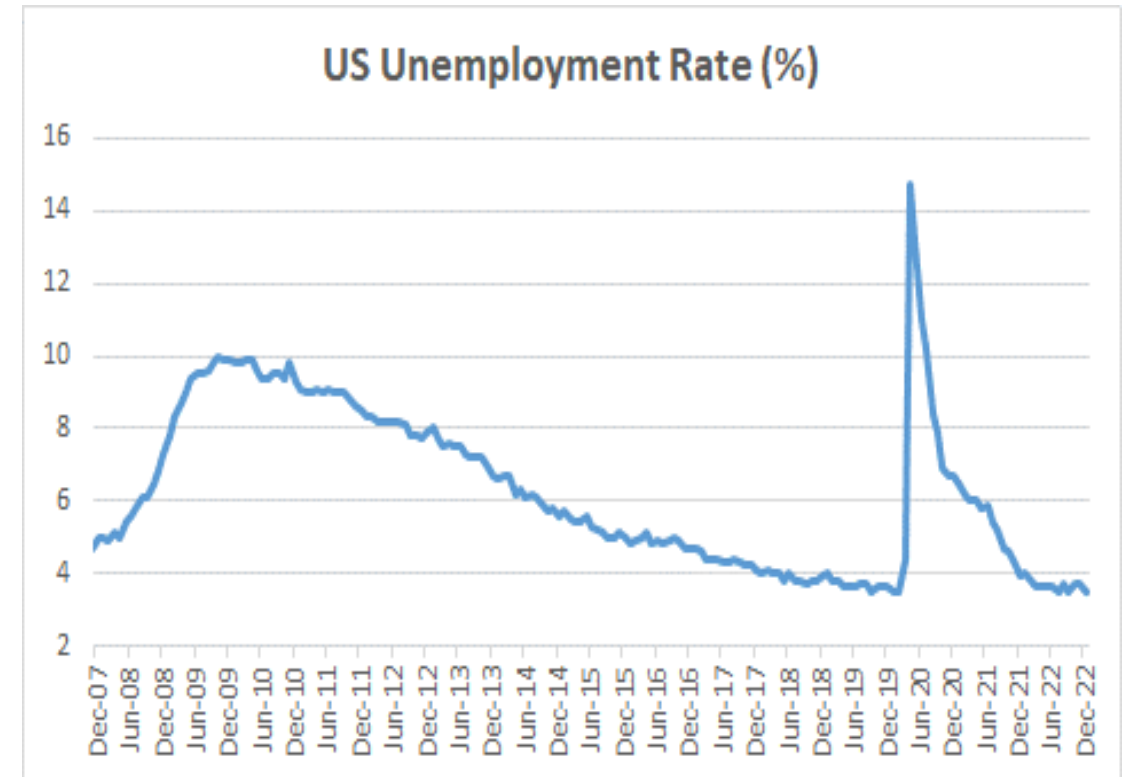
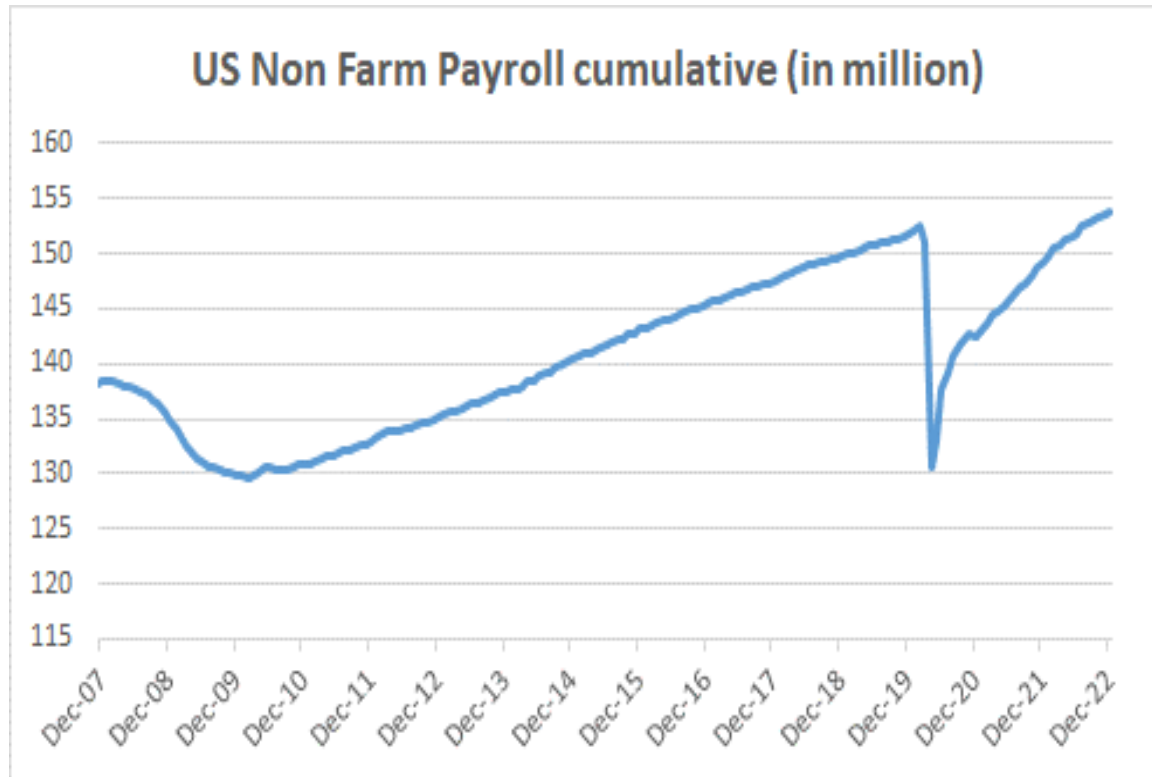
- US GDP Growth forecast by the Fed for CY2022 has been downgraded from 4% at the start of the year to 0.5% in Dec 2022 meeting
- US GDP Growth forecast by the Fed for CY2023 has been downgraded from 2.2% at the start of the year to 0.5% in Dec 2022 meeting

# US Treasury yield curve has sharply inverted



- US yield curve has sharply inverted, meaning that shorter term yields are higher than long term yields.
  - Historically yield curve inversion in US is followed by a recession, albeit sometimes its with a lag.
- US 10Yr – 2Yr inversion has deepened more, and so has the 10 yr – 3 month inversion.

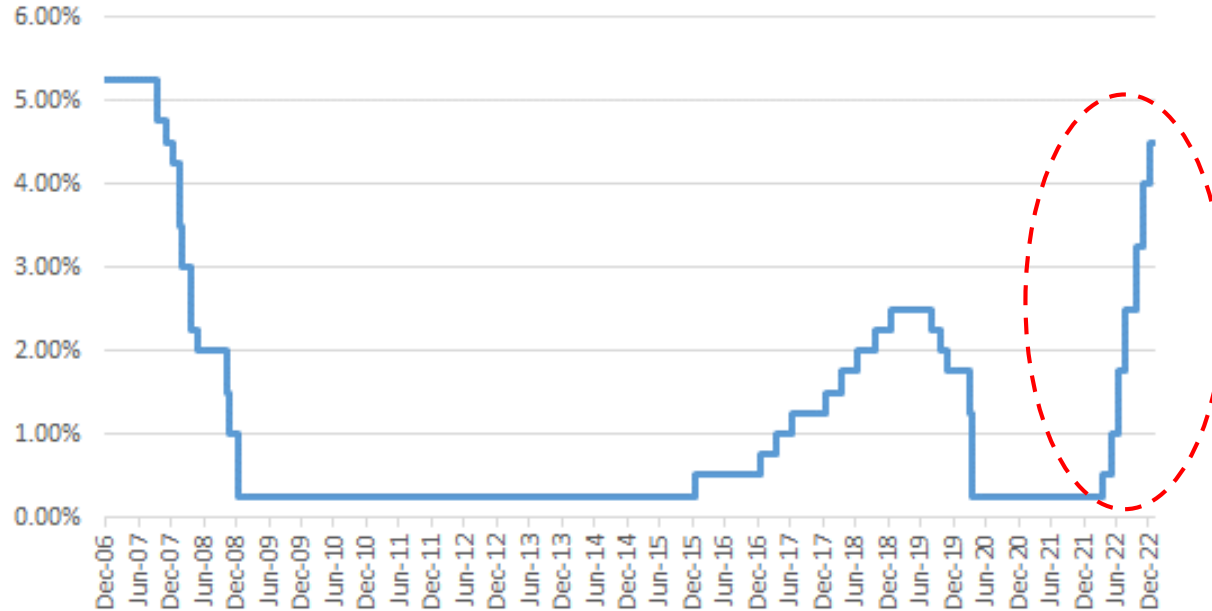
# US - Job market remains very strong



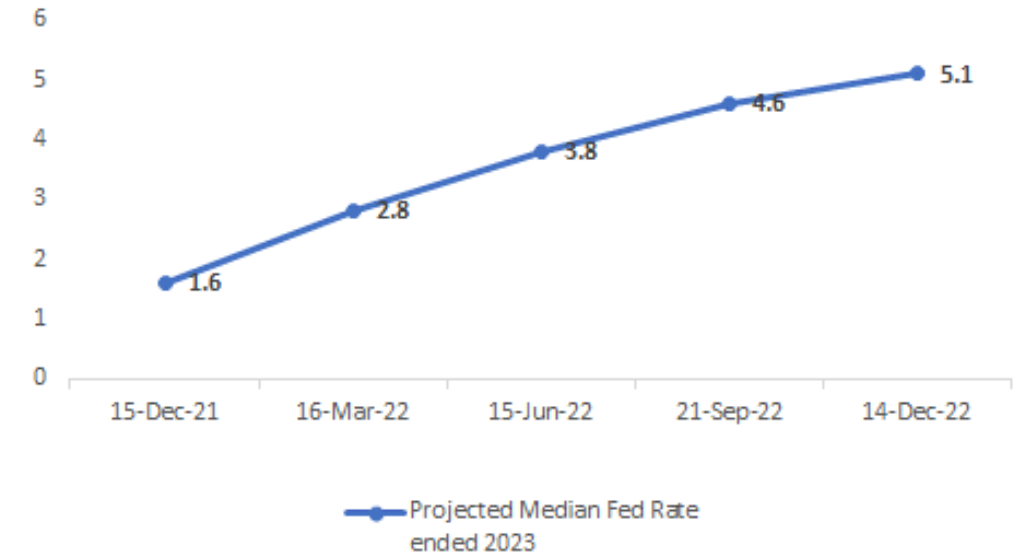
- US cumulative non-farm payrolls at a record high and unemployment at a historical low.

# US Fed raised rates aggressively this year; some more legs to go in 2023

## The federal funds target rate trend



## Projected US Fed Median Rate trend for 2023 end



- The Fed hiked rates by a reduced quantum of 50bps in Dec meeting to 4.25-4.5%, taking the cumulative rate hike to 420 bps in CY22.
- The Fed increased the median terminal Fed rate forecast to 5.1% (from 4.6% earlier) and is expecting rates to be elevated through 2023.
- Market is pricing in lower terminal rate & earlier rate cuts (in late 2023), as indicated by Fed fund futures.

# US inflation has moderated from multi-decade high

US CPI Trend with Composition (%YoY)								
	Weights	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
All items	100	9.1	8.5	8.3	8.2	7.7	7.1	6.5
Food	13.4	10.4	10.9	11.4	11.2	10.9	10.6	10.4
Food at home	8.3	12.2	13.1	13.5	13	12.4	12	11.8
Food away from home(1)	5.1	7.7	7.6	8	8.5	8.6	8.5	8.3
Energy	8.3	41.6	32.9	23.8	19.8	17.6	13.1	7.3
Energy commodities	4.9	60.6	44.9	27.1	19.7	19.3	12.2	0.4
Gasoline (all types)	4.6	59.9	44	25.6	18.2	17.5	10.1	-1.5
Fuel oil(1)	0.2	98.5	75.6	68.8	58.1	68.5	65.7	41.5
Energy services	3.4	19.4	18.8	19.8	19.8	15.6	14.2	15.6
Electricity	2.5	13.7	15.2	15.8	15.5	14.1	13.7	14.3
Utility (pipel) gas service	0.9	38.4	30.5	33	33.1	20	15.5	19.3
Core CPI	78.3	5.9	5.9	6.3	6.6	6.3	6	5.7
Commodities less food and energy commodities	21.4	7.2	7	7.1	6.6	5.1	3.7	2.1
New vehicles	4	11.4	10.4	10.1	9.4	8.4	7.2	5.9
Used cars and trucks	4	7.1	6.6	7.8	7.2	2	-3.3	-8.8
Apparel	2.5	5.2	5.1	5.1	5.5	4.1	3.6	2.9
Medical care commodities(1)	1.5	3.2	3.7	4.1	3.7	3.1	3.1	3.2
Services less energy services	56.9	5.5	5.5	6.1	6.7	6.7	6.8	7
Shelter	32.4	5.6	5.7	6.2	6.6	6.9	7.1	7.5

- US headline CPI remains elevated, but has moderated from a 40-yr high of 9.1% in Jun 2022 to 6.5% in Dec 2022
- Food inflation remains quite elevated.
- Core inflation (ex food & energy) moderated to 5.7% in Dec 2022 from high of 6.6% in Sep 2022.
- However, Shelter (Housing Rental) having a large weight of ~32% in US CPI basket rose to 7.5% in Dec 2022.

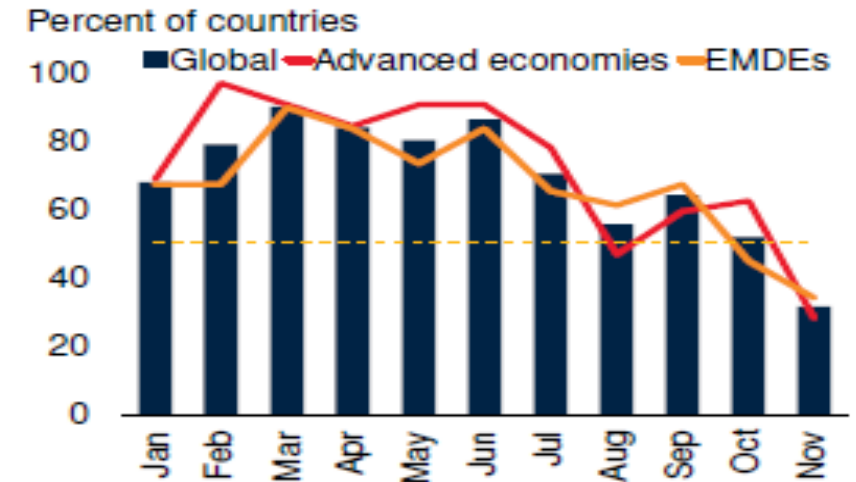
# Inflation - Has been a global phenomenon in 2022, but has started to moderate

## Global Consumer Inflation (%YoY)

Country / Region	Current Headline CPI %YoY	10 Years Average
USA	6.5	2.1
United Kingdom	10.7	1.9
Eurozone	9.2	1.9
India	5.7	5.8
Brazil	5.8	6.0
China	1.8	2.0

Source: Bloomberg

## Share of Global Economies with Rising Inflation have started to moderate

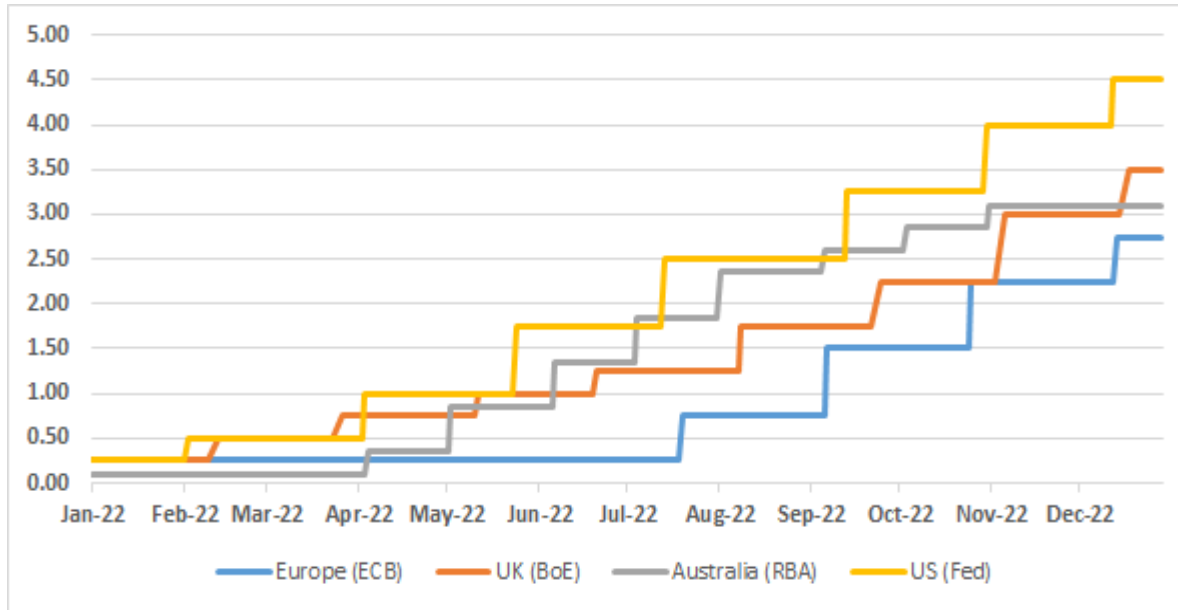


Source: World Bank

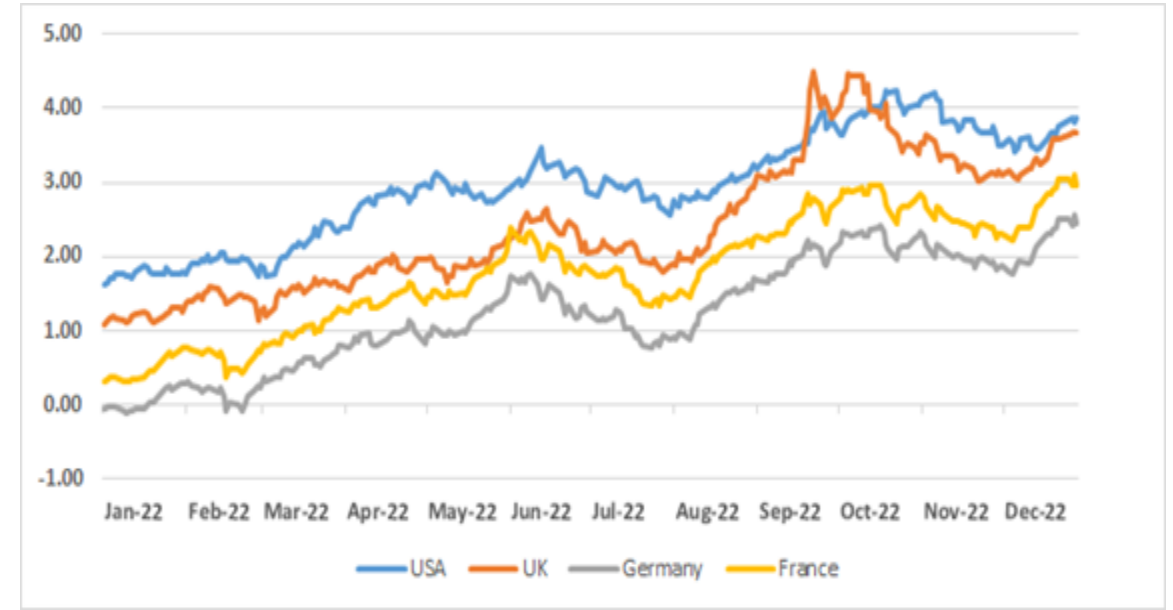
- Most major economies except China (CPI of 1.8%) facing inflation higher than long term average
- US, UK, Eurozone had inflation at multi decade high, which resulted in faster tightening.
- India's inflation still near RBI's upper threshold of 6%, but lower compared to global peers
- As per World Bank, the percentage of countries with rising inflation have moderated from more than 80% in June 2022 to ~30% presently.

# Global central banks hiking rates to combat inflation; bond yields rise

## Interest Rate hikes by various Central Banks (%)



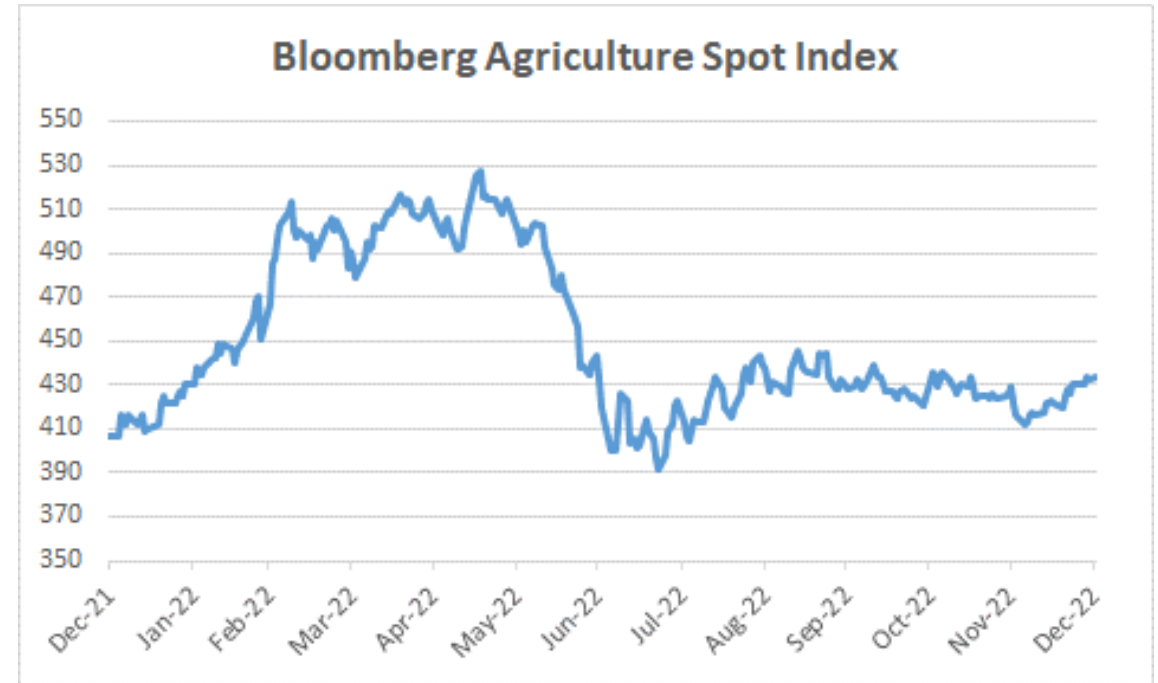
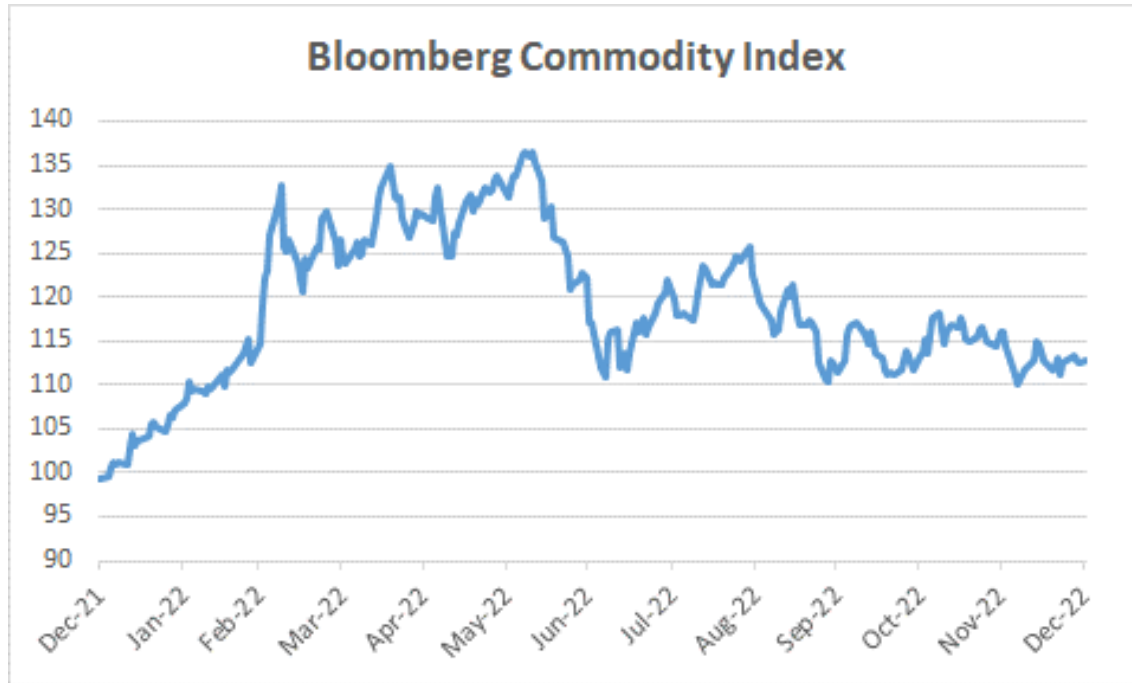
## 10-year Bond yields of various countries



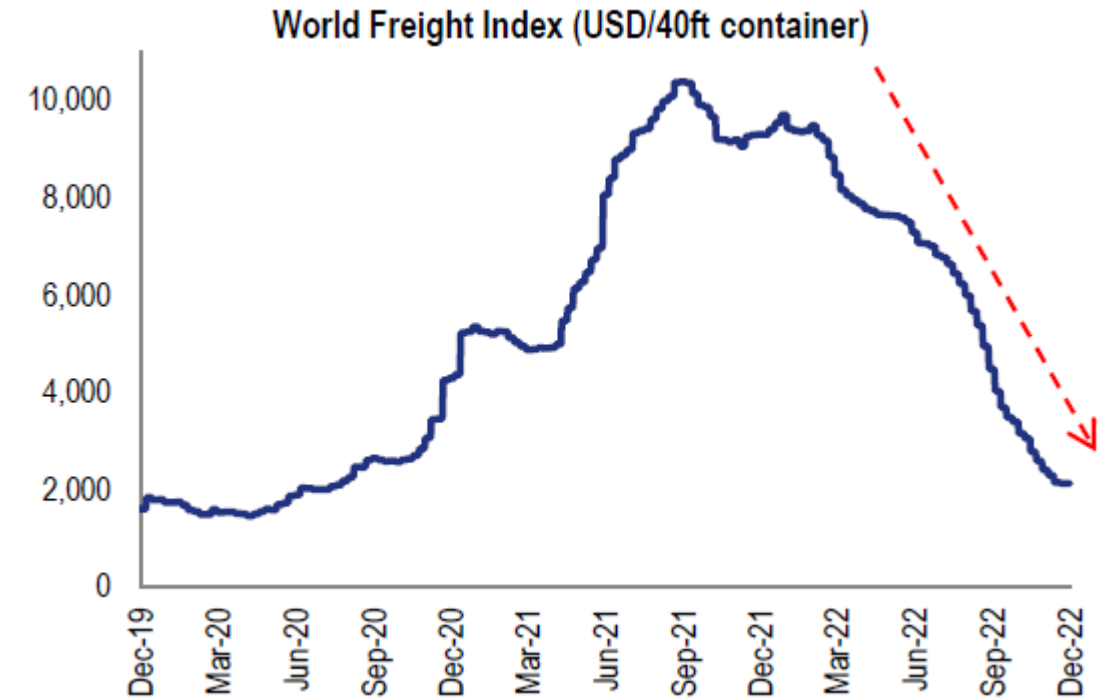
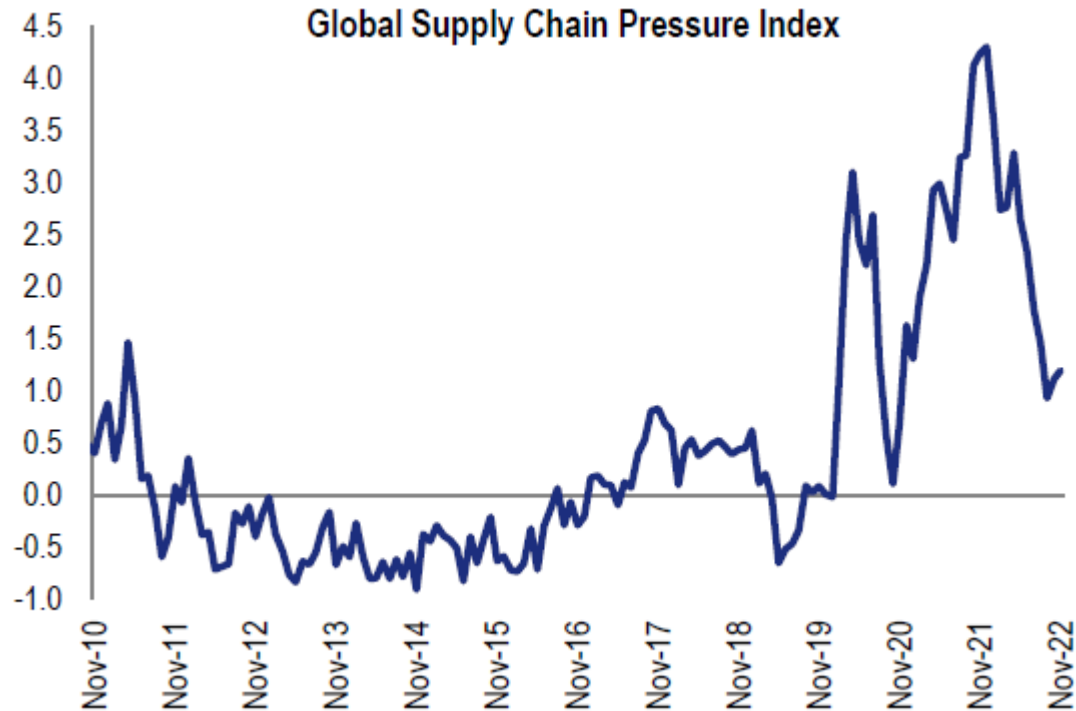
- US Fed hiked the policy rate by 50 bps in the Dec 2022 meeting taking the cumulative hike in CY22 to 4.25%.
- ECB (European Central Bank) ended its bond purchases and went in for 5 rate hikes of a cumulative 2.5%.
- BOE (Bank of England) has hiked rates 9 consecutive times, the latest being a 50 bps hike in December.
- Bond yields around the world have hardened in CY22.



# Correction in commodity prices may help to ease inflation pressure



# Global supply side pressures & freight rates (which had spiked during Covid pandemic) have normalized now; but global trade growth expected to moderate in 2023



- As per World Bank, global trade growth expected to moderate from 4% in CY22 to 1.6% in CY23, due to global growth slowdown.

# Indian Markets & Macro

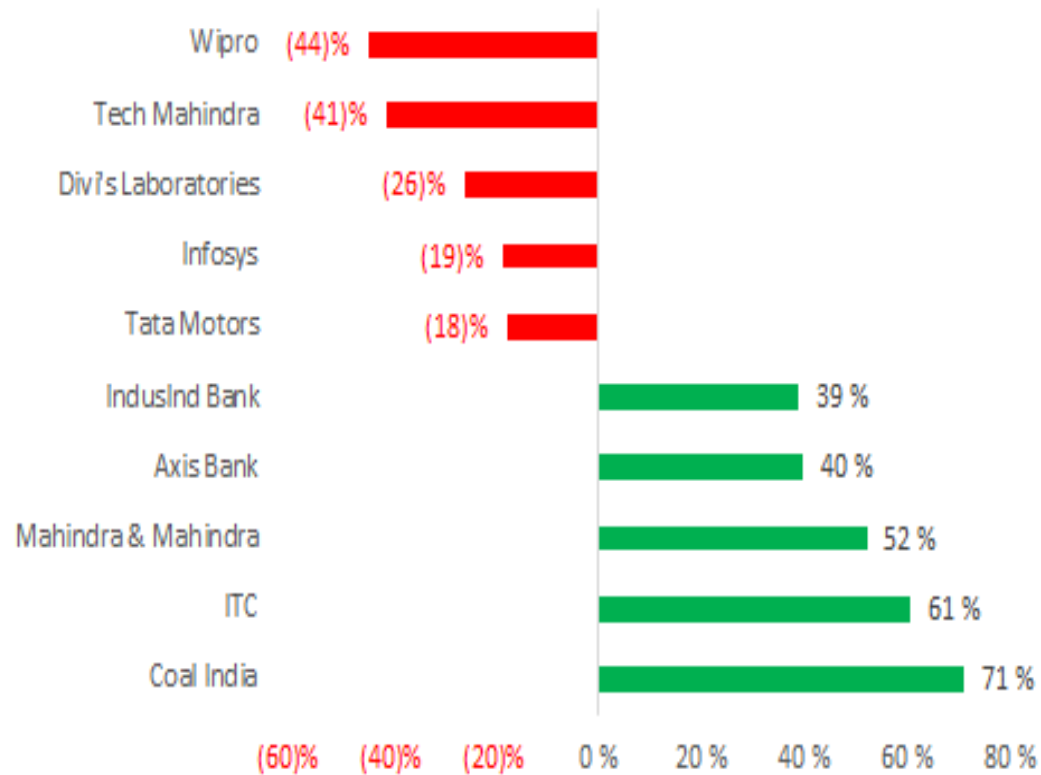
# PSU, banking & FMCG were the top performing sectors in CY22 & IT, pharma and broader markets underperformed

## Domestic Indices – 1 Yr Return in % (ended Dec 2022)

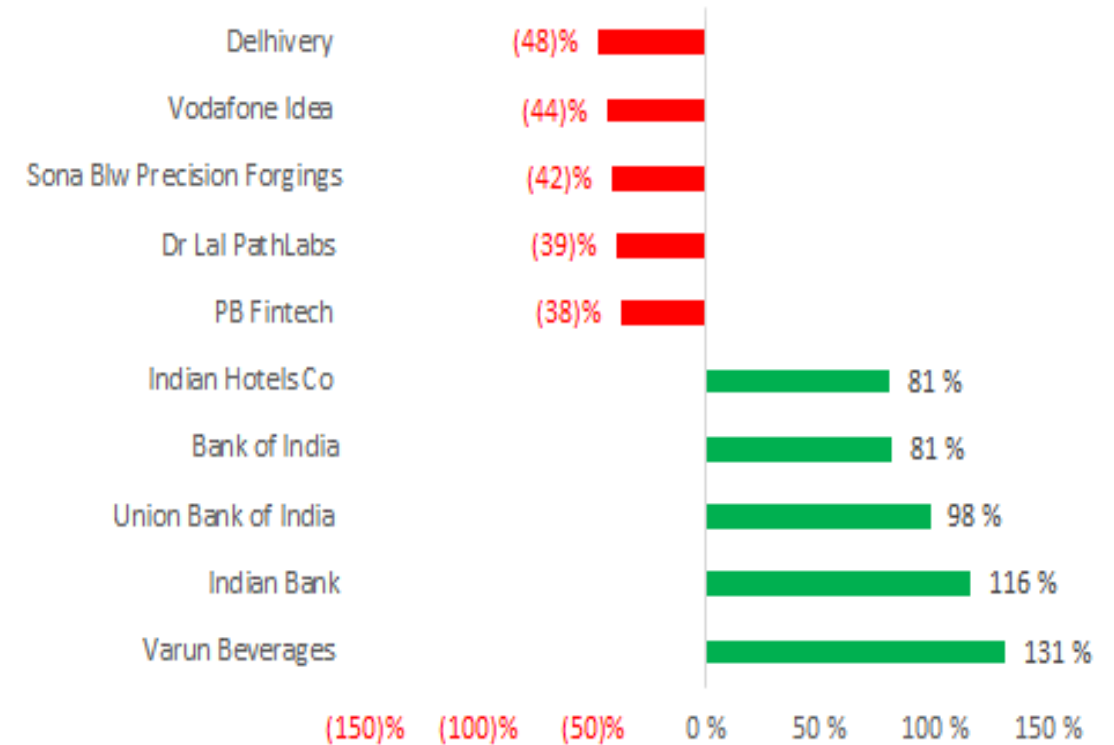


# Top & Bottom Five Performing Stocks in CY22 - Nifty 50 index & Nifty Midcap 100 Index

**Nifty 50 Index – Top & Bottom 5 Performing Stocks in CY22**



**Nifty Midcap 100 Index – Top & Bottom 5 Performing Stocks in CY22**



# India Market Performance over past year has been quite narrow

## Nifty 500 Index Analysis

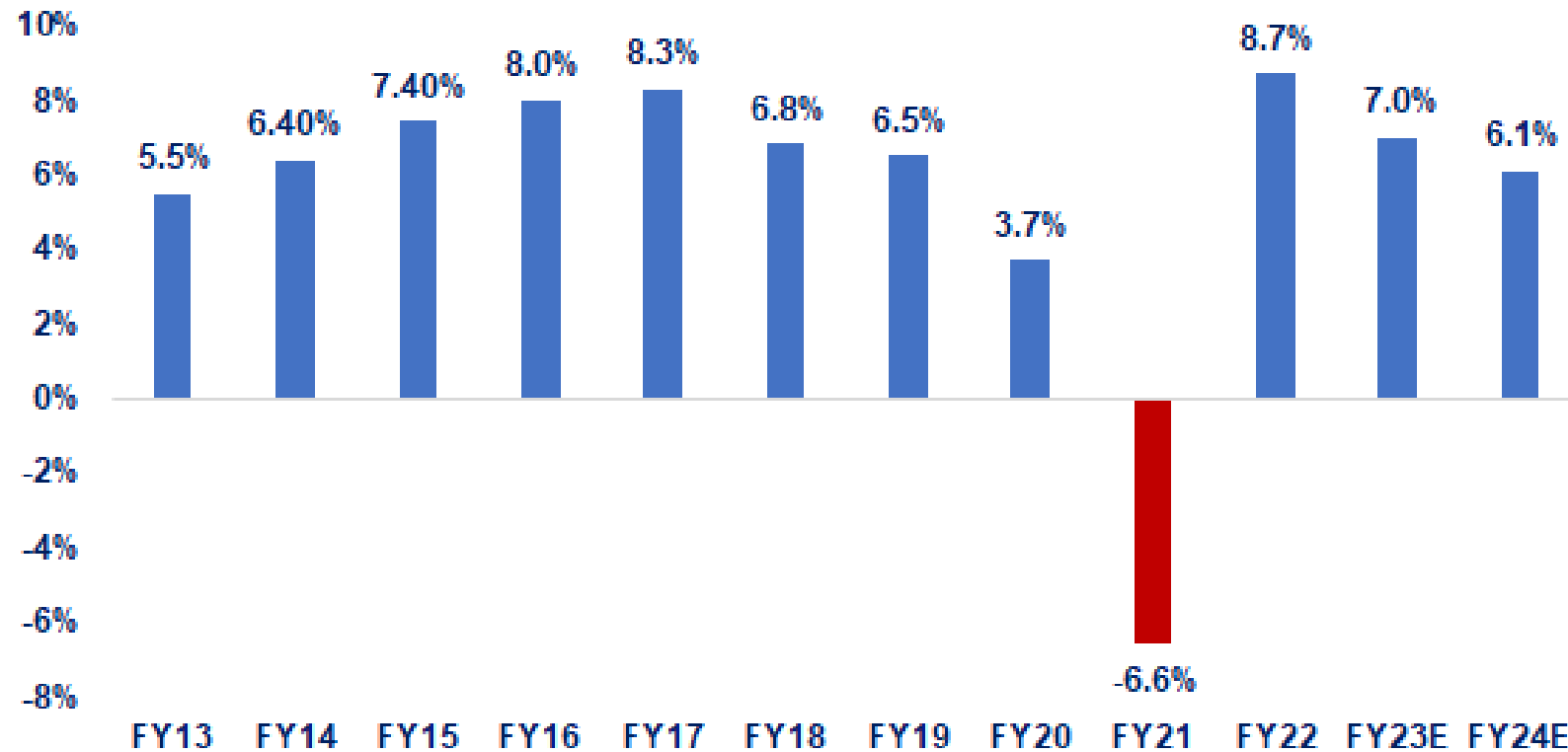
Nifty 500 Index contribution analysis over 1 Yr (ended Dec-2022)		
Name	% Chg	Index Points Contribution
ITC Ltd	60.7%	143
ICICI Bank Ltd	21.8%	143
HDFC Bank Ltd	12.7%	102
Axis Bank Ltd	39.8%	90
Reliance Industries Ltd	8.3%	88
State Bank of India	38.0%	83
Adani Enterprises Ltd	127.5%	76
Adani Total Gas Ltd	119.5%	72
Mahindra & Mahindra Ltd	52.2%	53
Bharti Airtel Ltd	19.2%	40
Top 10 contributing stocks		890
Remaining 490 index stocks		-438
Nifty 500 index	3.0%	453
Source: Bloomberg		

% Down From 52 Week High	% of Nifty 500 Index Stocks
more than 5% down	97%
more than 10% down	79%
more than 15% down	64%
more than 20% down	49%
more than 25% down	36%

- Despite the Nifty 500 index returning 3% over past year, around half of the index stocks have fallen more than 20% from their 52-week high.

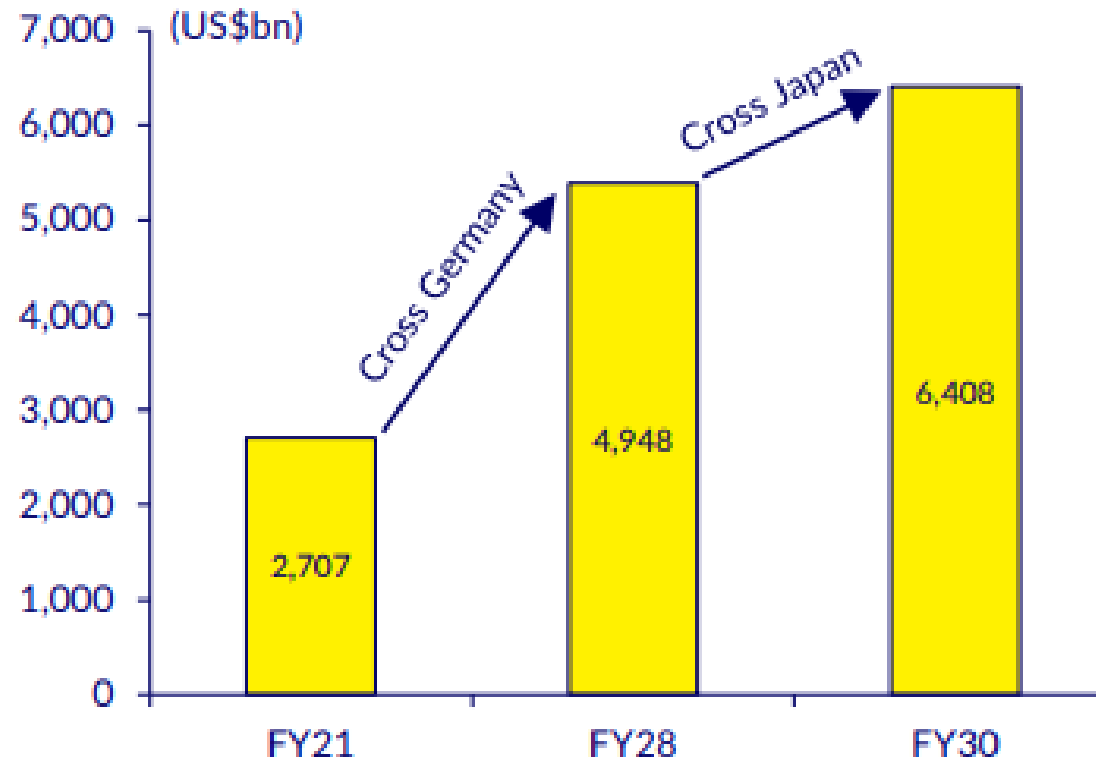
# India - GDP growth still relatively healthy at 7.0% in FY23 & 6.1% in FY24

India Fiscal Year-Wise GDP Growth (% YoY)



# Indian Economy expected to cross Japan & become third largest by 2030

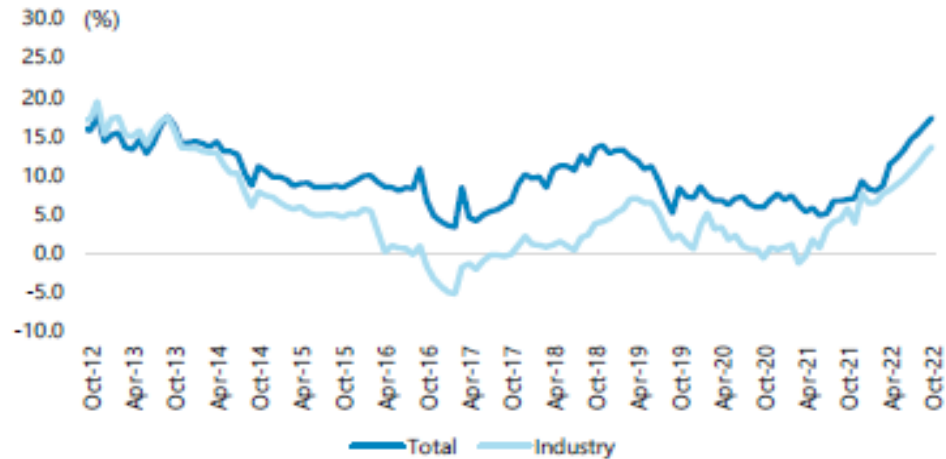
India Nominal GDP Forecast Trend (US\$ in Bln)



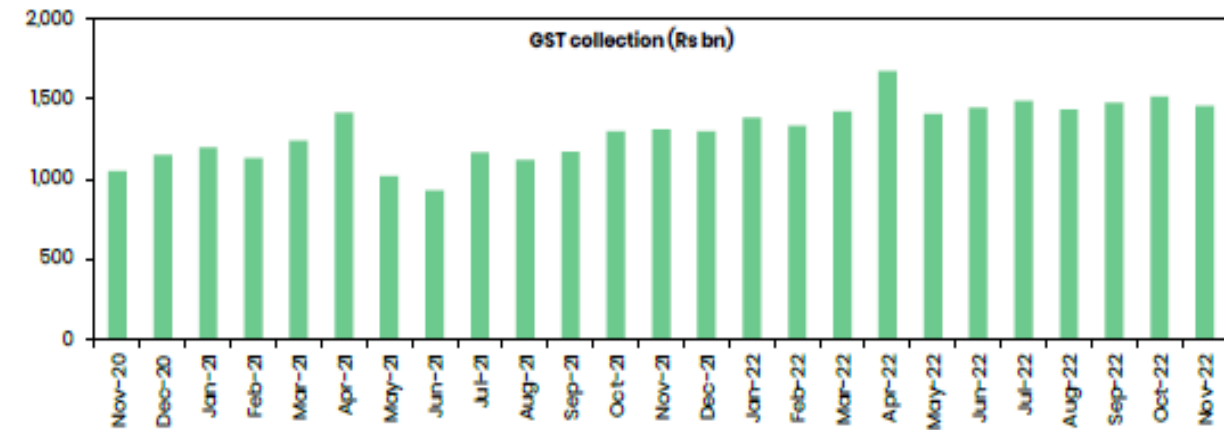


# Economic Indicators well placed for India

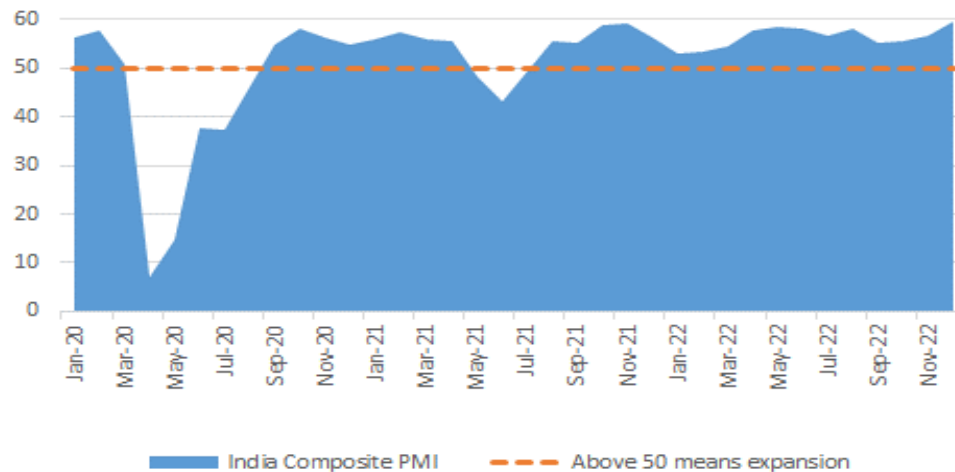
## Bank credit growth see strong pick-up



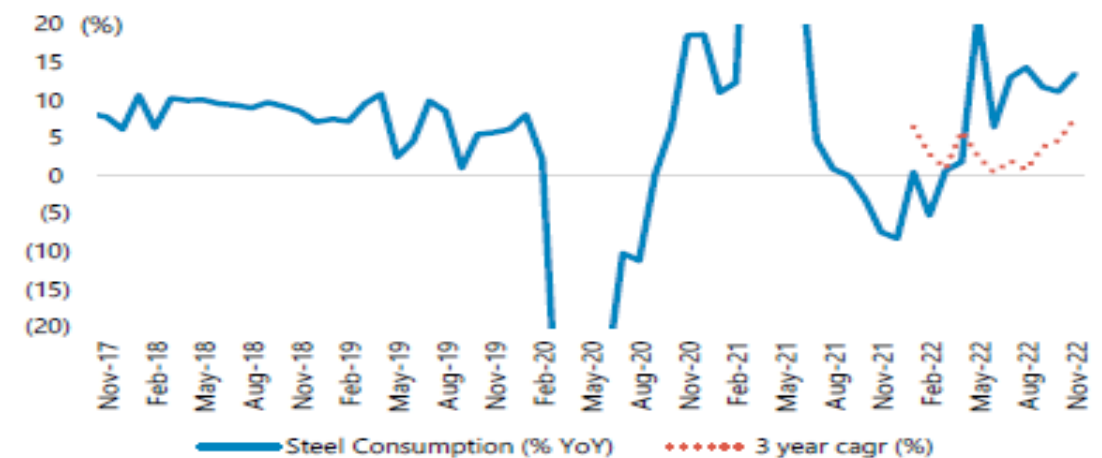
## GST collections remain strong & near Rs 1.5 trln mark



## India Composite PMI data picks-up

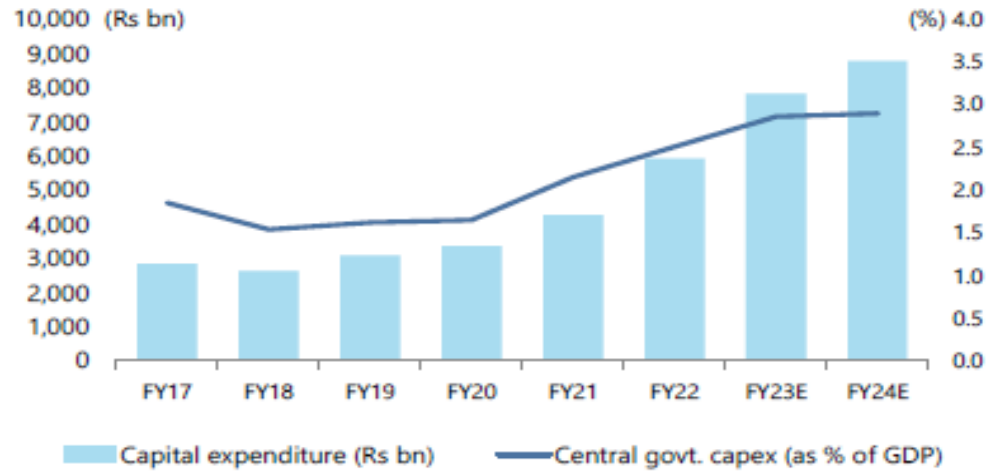


## India steel consumption sees healthy growth

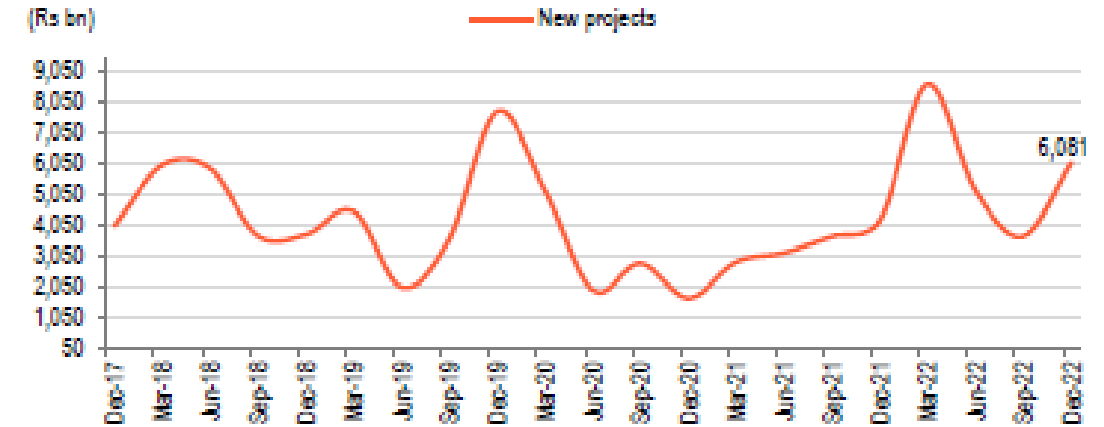


# Government providing a thrust to Capex; there could be more announcements in upcoming Budget

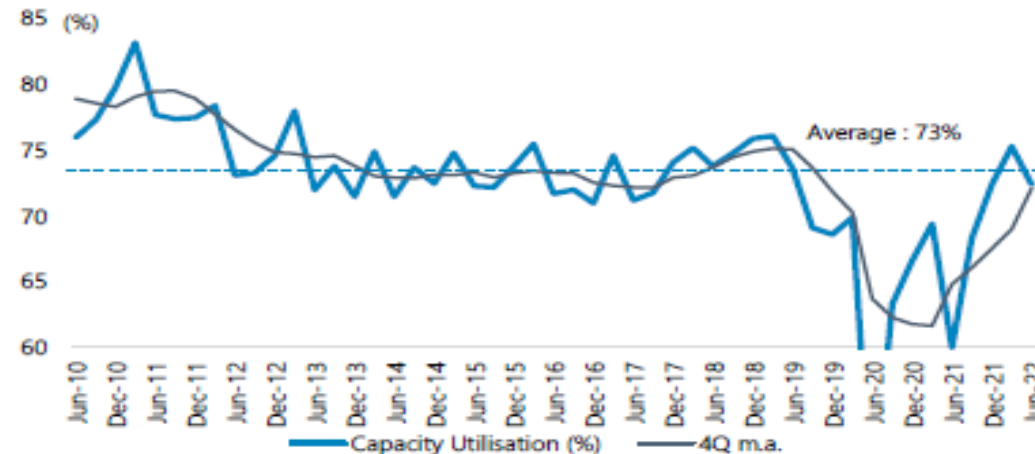
## Central Govt. Capex has seen healthy growth



## New Project Announcements have picked up lately

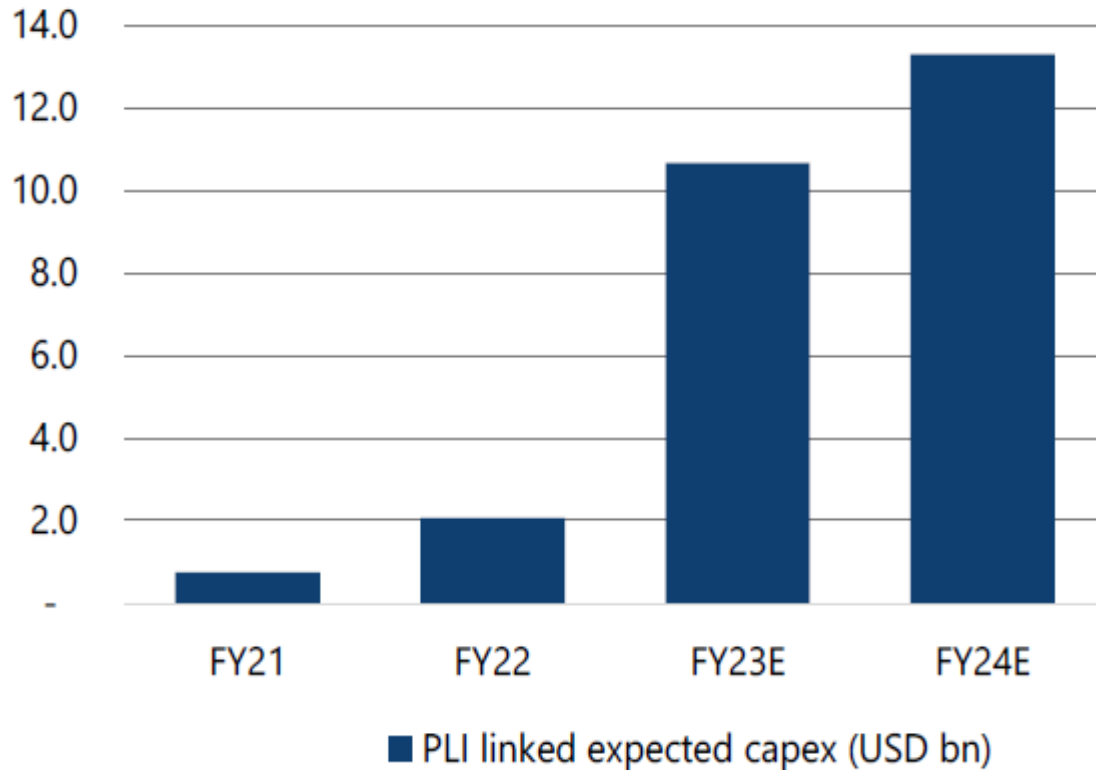


## Capacity Utilization has picked up, indicating that private capex could also recover

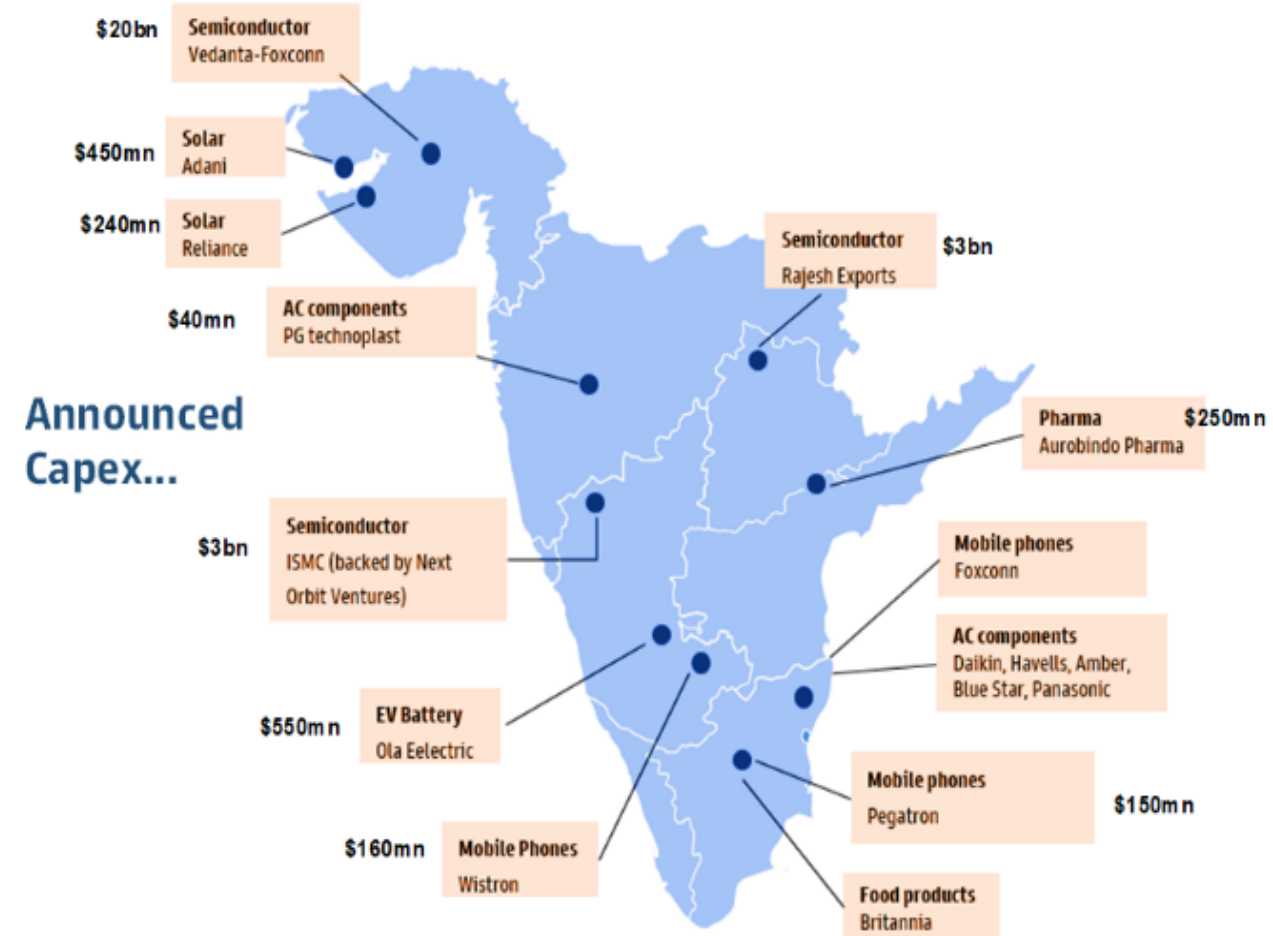


# PLI scheme in India expanding and expected to provide a boost to manufacturing

## PLI-Linked Capex on an Uptrend

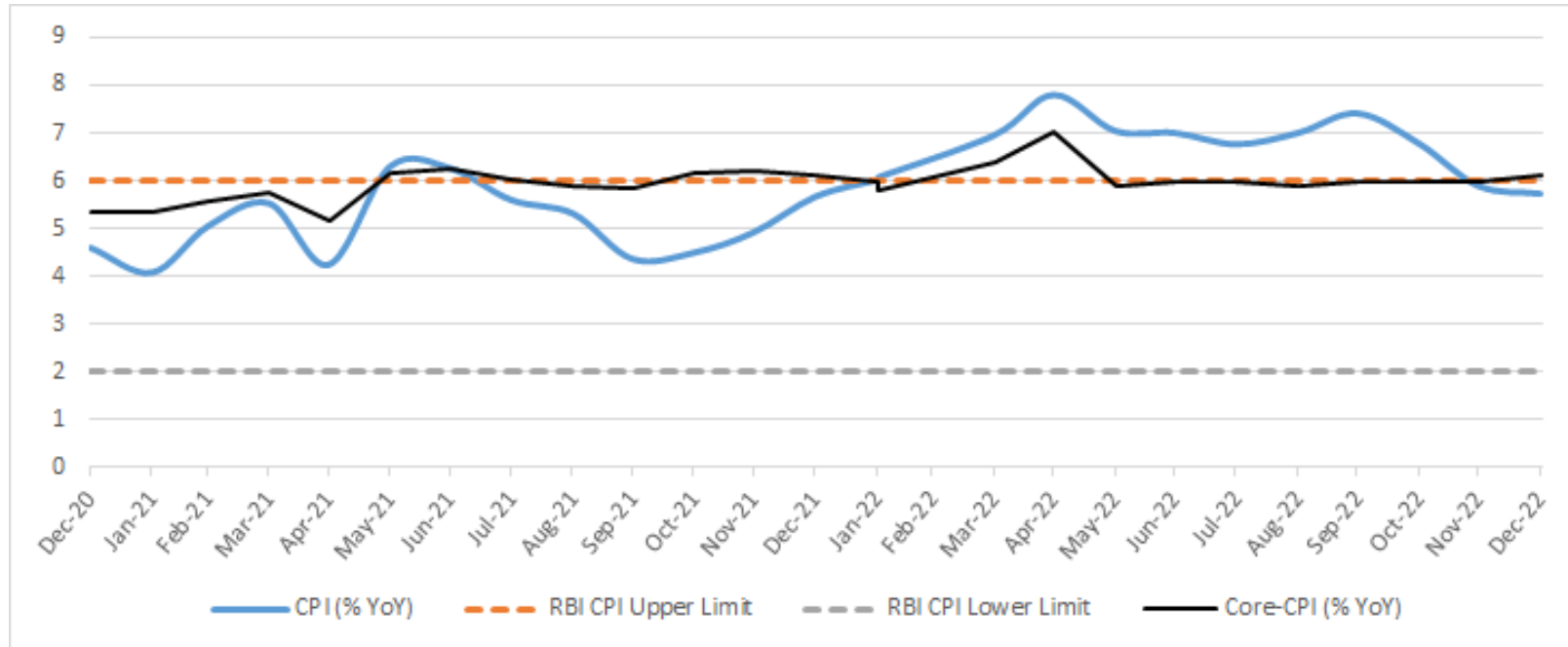


## Key PLI Capex Projects Announced



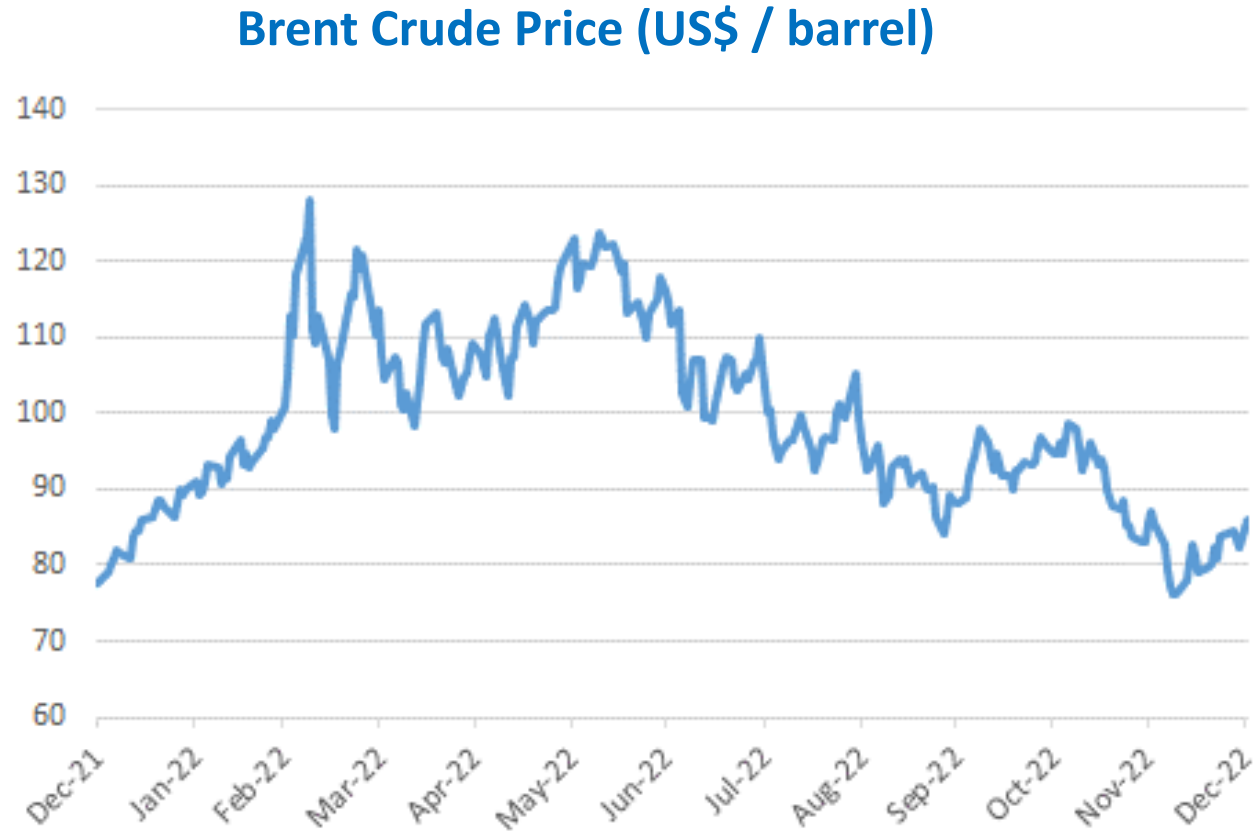
# India Inflation - CPI appears manageable and started to moderate

## India Headline Consumer Inflation Trend (% YoY)



- In India, headline consumer inflation has moderated from a high of 7.8% in April 2022 to 5.7% in Dec 2022.
- Core inflation (ex food & fuel) remains elevated at 6%. RBI's focus seems to be on core inflation nowadays.
- In its latest Dec 2022 monetary policy meeting, RBI kept CPI inflation forecast unchanged at 6.7% for FY23.

# Correction in crude oil prices has helped India, which is a major oil importer



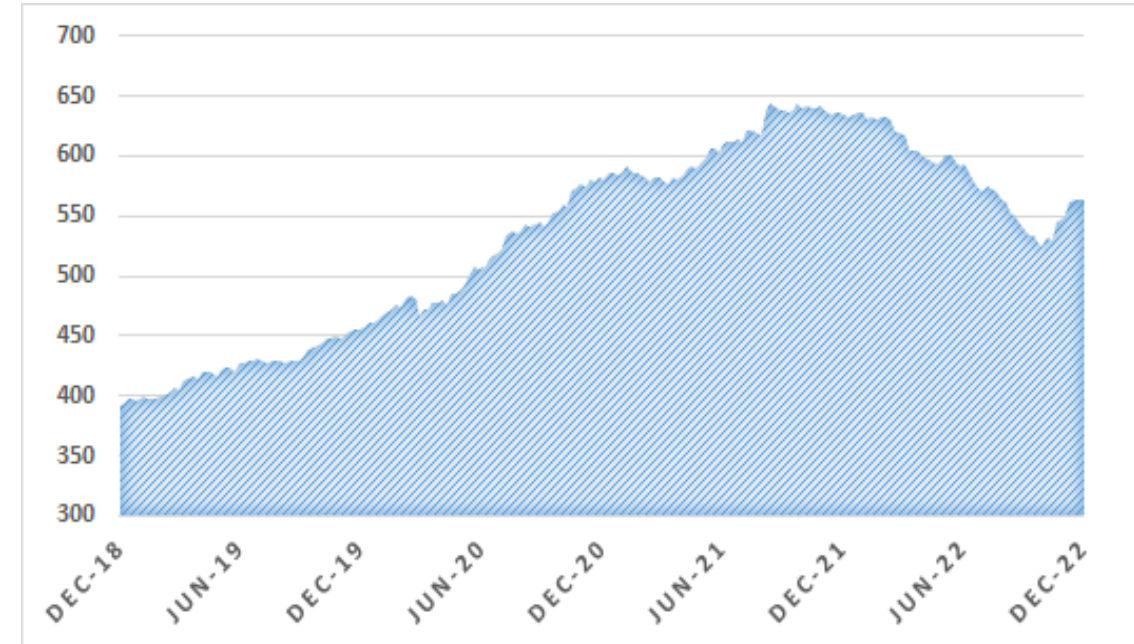
# With crude price moderating--CAD & trade deficit to be in check; BOP to turn negative

India Current Account Balance & Balance of Payment Trends (\$ in billion)				
			FY23E	FY24E
	FY21	FY22	Oil @ 95/bbl	Oil @ 90/bbl
Current Account Balance (CA)	23.9	-38.8	-96.8	-86.2
CA as % of GDP	0.9%	-1.2%	-2.9%	-2.3%
Trade Balance	-102	-189	-292	-265
Exports	296	429	425	381
Imports	398	619	717	646
Capital Account	64	86	69	67
FDI (Foreign Direct Inv)	44	39	36	36
FPI (Foreign Portfolio Inv)	36	-17	--	10
Balance of Payments (BOP)	87.3	47.5	-27.8	-19.2

Source: RBI, Kotak Institutional Equities

- With crude prices moderating CAD now expected at ~3% in FY24 and 2.3% in FY24
- Balance of Payments (BoP) expected to turn significantly negative after being in surplus.
- India forex reserves have come down from peak but will still help to provide cushion (presently at ~8 months import cover).

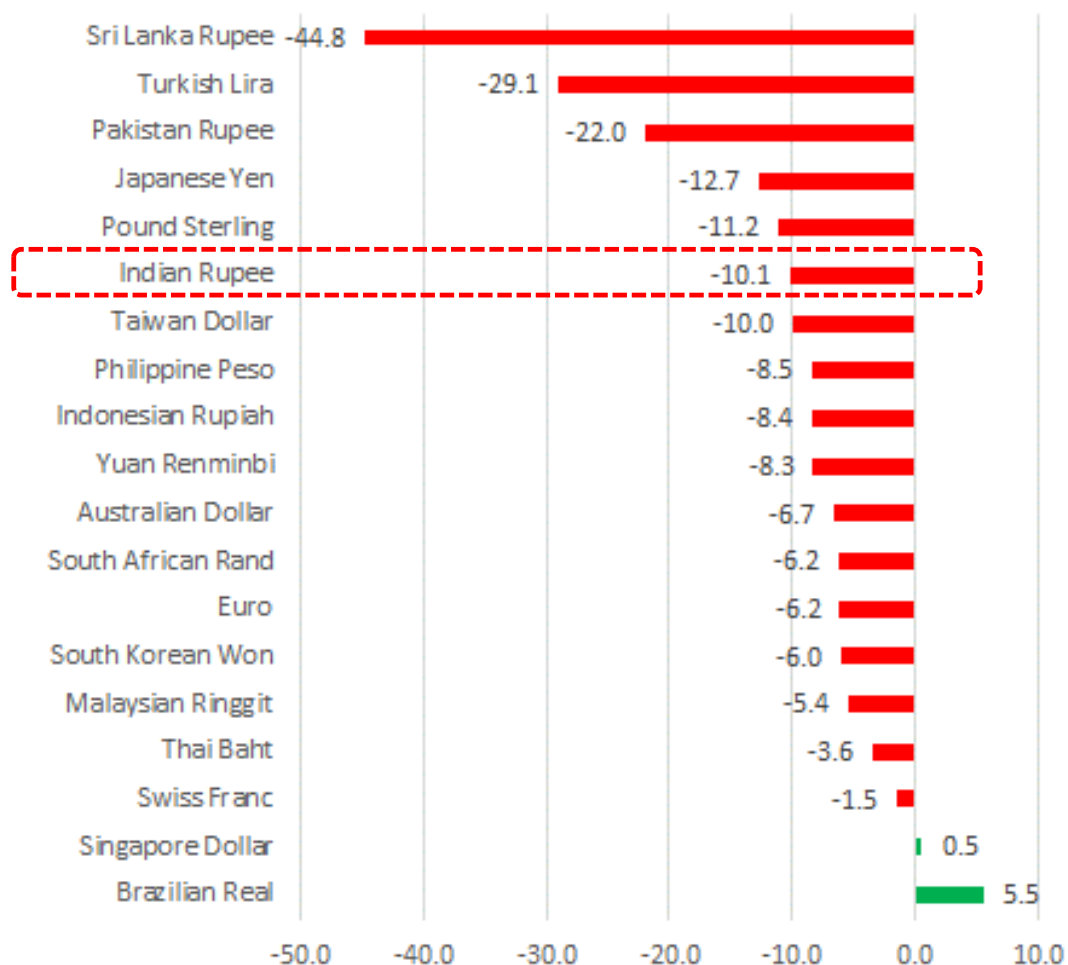
India Forex Reserves (\$ in billion)



Source: Bloomberg

# Indian rupee relatively underperformed in CY22

## 1 Year Performance of Currencies (Vs USD) – in %



Source: Morningstar. Data sorted in descending order and ended Dec 2022.

- The dollar index touched a 20-yr high but depreciated in late 2022.
- Indian rupee had initially fared relatively well to peers, but underperformed in late 2022 (last calendar quarter), causing it to close the year down ~10% against the US dollar.

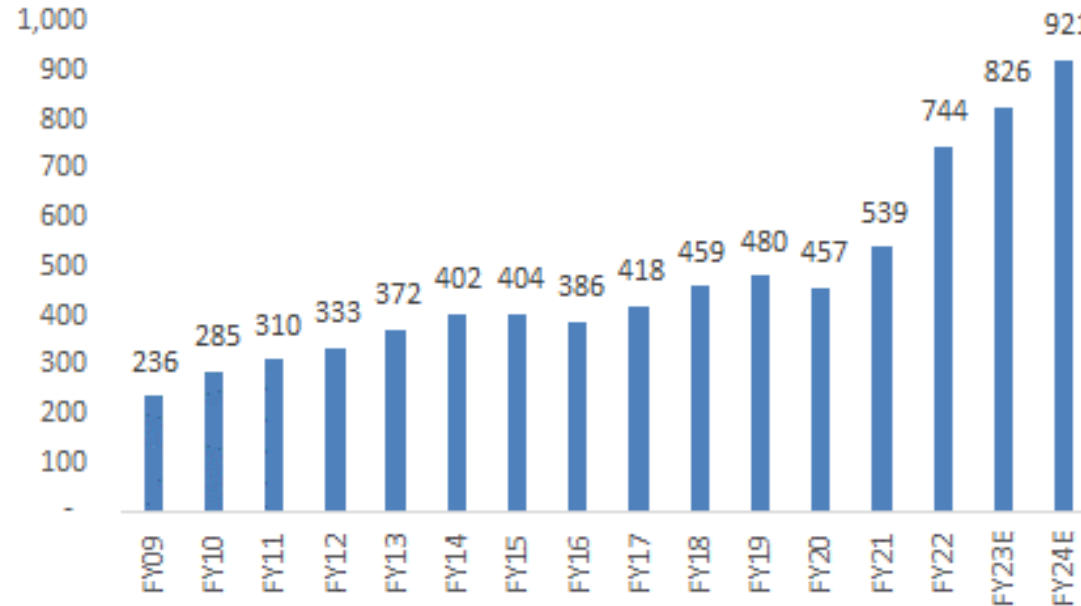
## US Dollar Index





# Corporate earnings growth in India expected at ~11% in both FY23 & FY24

Nifty EPS Trend



Source: Bajaj Allianz Life Research Estimates

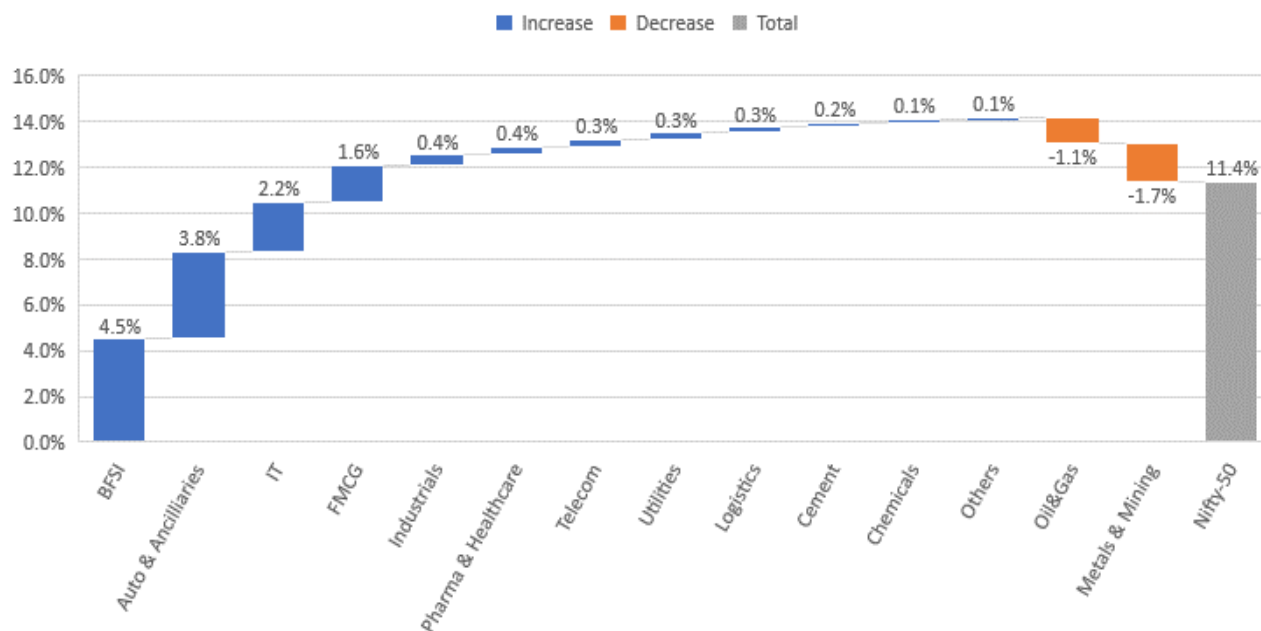
- Nifty aggregate Profit After Tax (PAT) has almost doubled from Rs. 3.4 trillion in FY20 to Rs. 6.3 trillion in FY23 (expected).
- Positive corporate earnings surprise (which had helped Indian markets to outperform earlier) may be behind us now.
- After a robust Nifty earnings growth of ~38% in FY22, Nifty EPS growth is expected at ~11% in both FY23 & FY24.



# Financials sector to continue to be the key contributor to Nifty earnings in FY24

## Nifty FY24 sectoral earnings growth build-up

Nifty-50 (FY24 over FY23) Earnings buildup

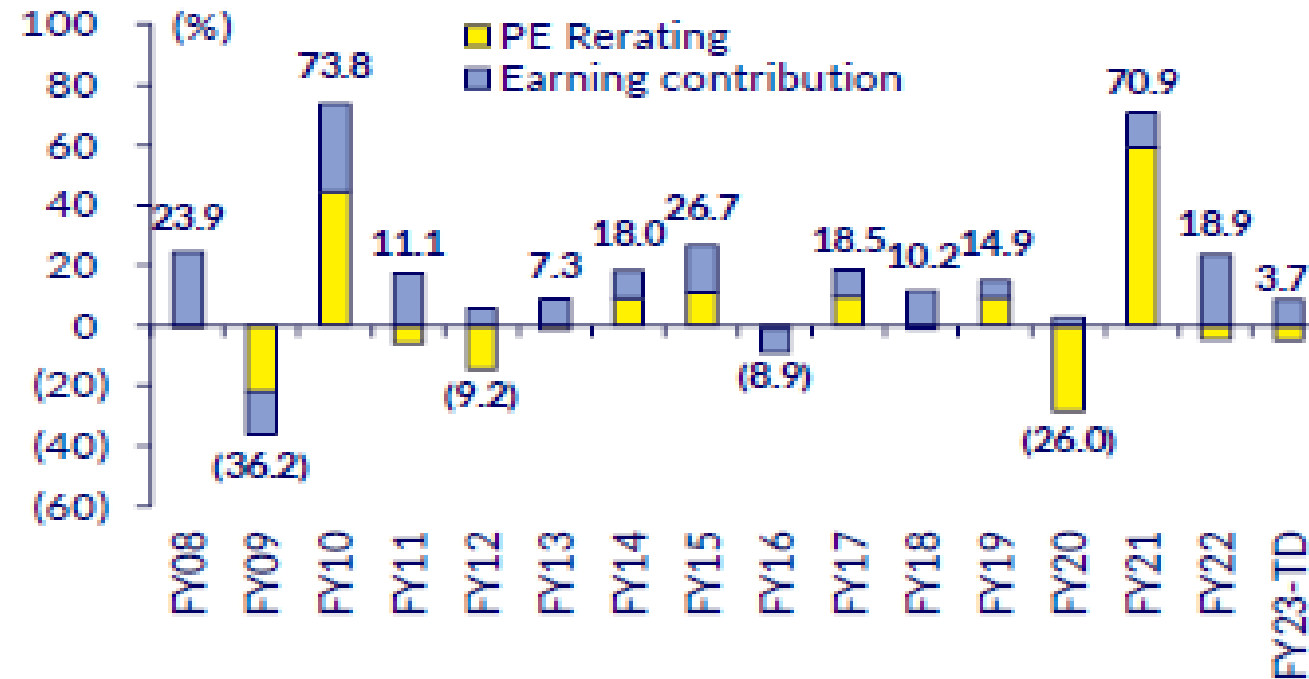


Nifty Index Sectoral Profit After Tax (PAT) Trend					
Sector	INR in Mln			YoY growth	
	FY22	FY23E	FY24E	FY23	FY24
Auto & Ancillaries	63,940	2,25,192	4,63,302	252%	106%
Banks & Financial	14,64,822	19,23,882	22,05,613	31%	15%
Others	7,744	23,734	30,326	206%	28%
Cement	83,651	83,490	97,768	0%	17%
Electric	2,97,241	2,99,265	3,15,743	1%	6%
Engg, Industrial & Cap Goods	84,755	1,07,218	1,33,768	27%	25%
FMCG	4,22,625	5,18,173	6,20,738	23%	20%
Metals & Mining	9,09,330	5,07,733	3,99,297	-44%	-21%
Oil&Gas	10,97,995	12,12,307	11,42,663	10%	-6%
Pharmaceuticals	1,72,404	1,85,142	2,07,650	7%	12%
Technology	9,16,184	9,78,467	11,14,708	7%	14%
Telecommunications	30,104	78,087	99,234	159%	27%
Logistics	45,709	71,293	87,072	56%	22%
Chemicals	36,260	50,489	58,093	39%	15%
<b>Nifty Aggregate PAT</b>	<b>56,32,763</b>	<b>62,64,473</b>	<b>69,75,974</b>		
<b>Nifty PAT YoY growth</b>	<b>37%</b>	<b>11%</b>	<b>11%</b>		

- Auto sector to be a strong contributor in FY24, primarily due to an auto major (loss in FY23 to profit in FY24).
- IT sector expected to be a healthy contributor to Nifty earnings growth in FY24, after a fall in contribution in FY23. Industrials & FMCG to see healthy PAT growth in FY24
- Metals and Oil & Gas sectors expected to register negative contribution & PAT growth in FY24.

# Nifty returns in past 2 years were primarily helped by corporate earnings growth

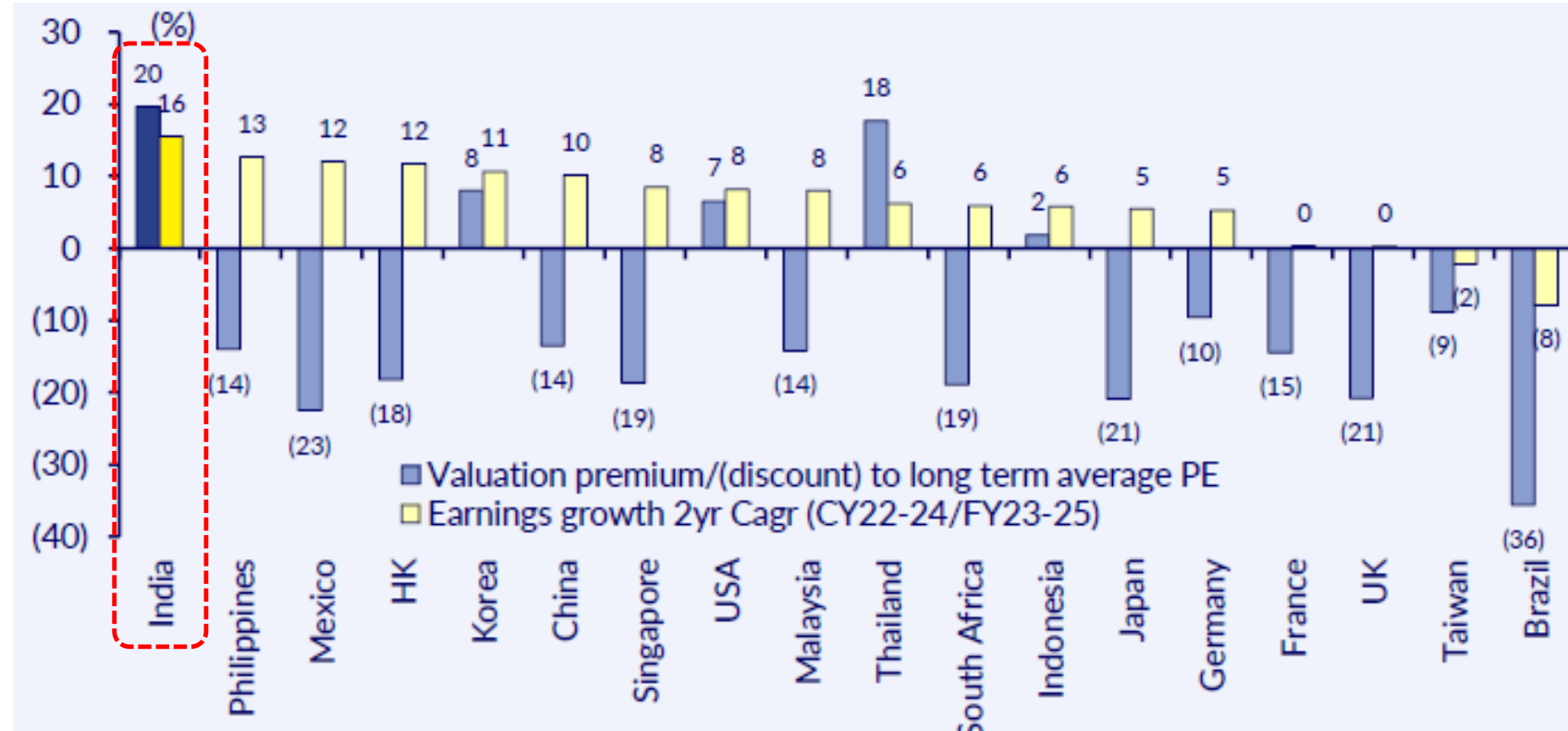
## Nifty Index Returns Composition: Earnings Contribution & P/E Re-rating



- Nifty returns in FY22 (especially) was primarily helped by corporate earnings growth. Returns in FY23 (so far) have been more subdued due to moderation in corporate earnings growth, and some minor P/E de-rating
- We believe that going forward in 2023, the potential of PE expansion in India is limited and therefore returns will be more guided by corporate earnings growth.

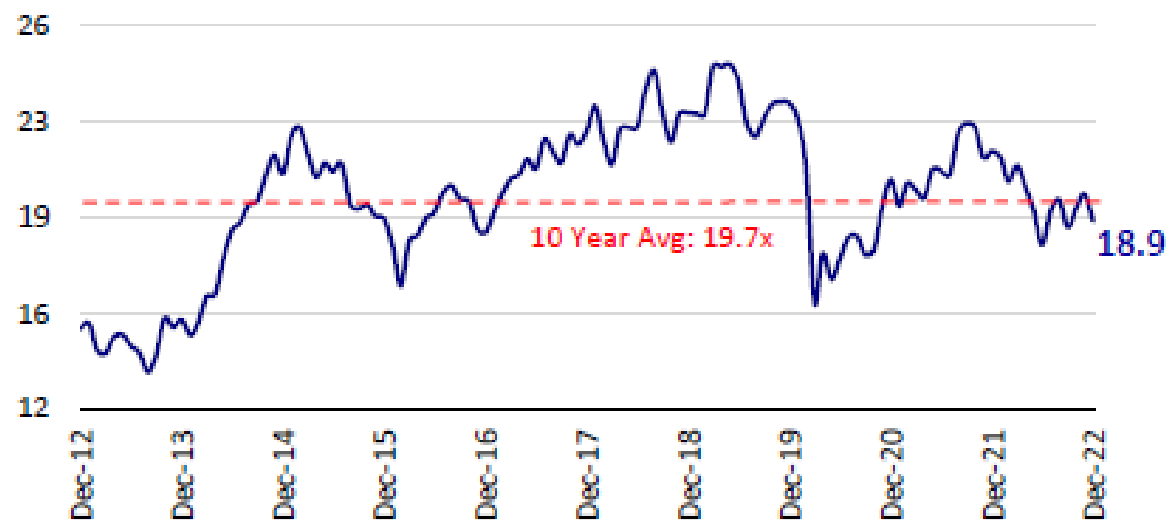
# India corporate earnings growth potential is still healthy, but market valuations presently at a premium compared to peers & long-term average

Earnings growth trend & P/E Premium of Various Countries

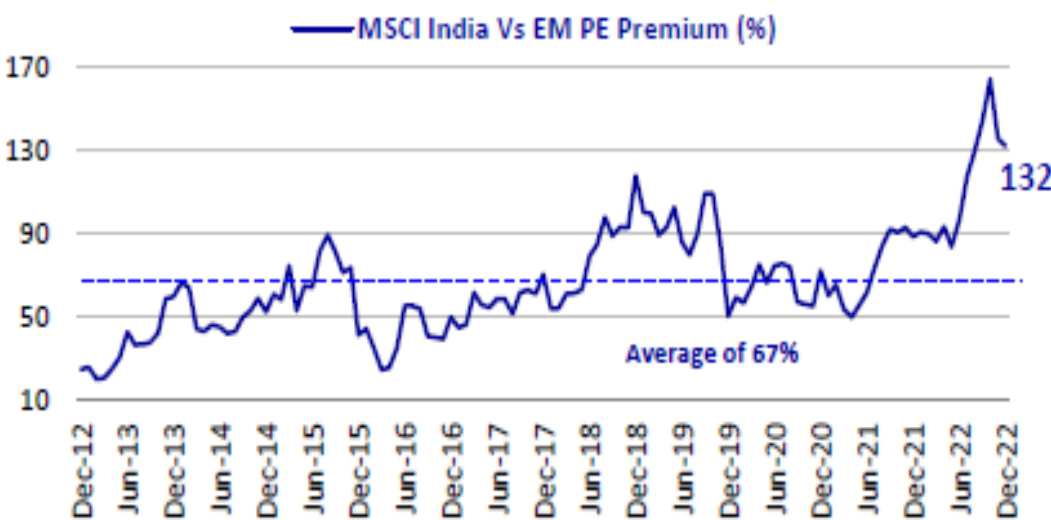


# India market valuation has moderated from highs; but at a significant premium to EM

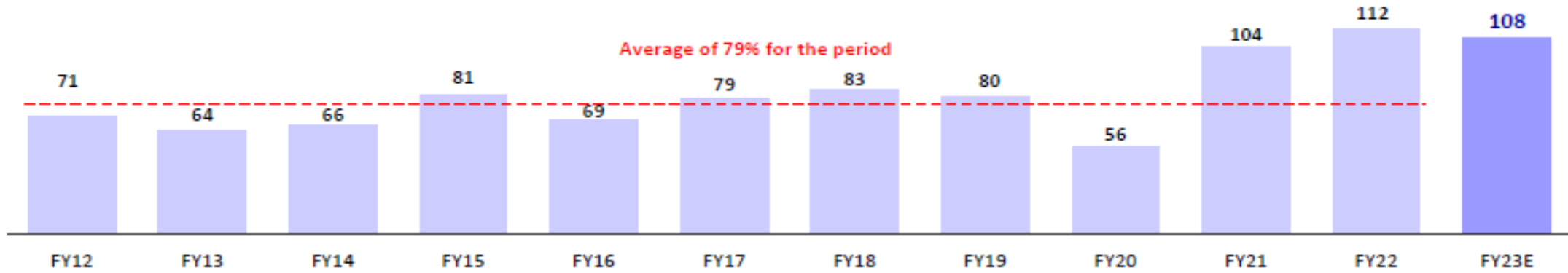
### Nifty 1 Year Fwd Consensus P/E Ratio



### India P/E Premium to EM

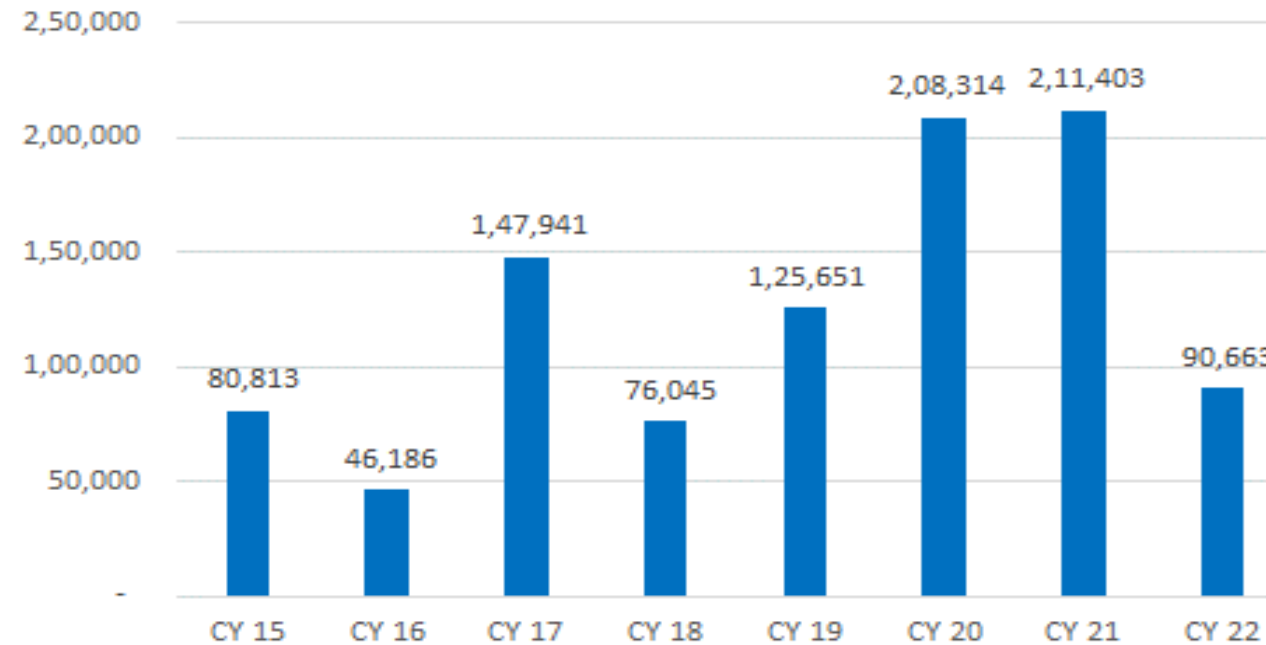


### India Market Cap to GDP Trend (in %)



# Equity issuances & IPO market in India was subdued in CY22 v/s previous 2 years

India – Calendar Year-wise Equity Issuances (Rs . In Crore)



- Total equity issuances in India were relatively subdued in India during CY22, on account on market volatility.
- IPO collections stood at ~Rs 59,000 crore in CY22 v/s a record high of ~Rs 1.2 lakh core in CY21. New-age company IPOs witnessed capitulation in share prices during the year.

# FPI outflows being countered by DII inflows; recently FPI flows see some recovery

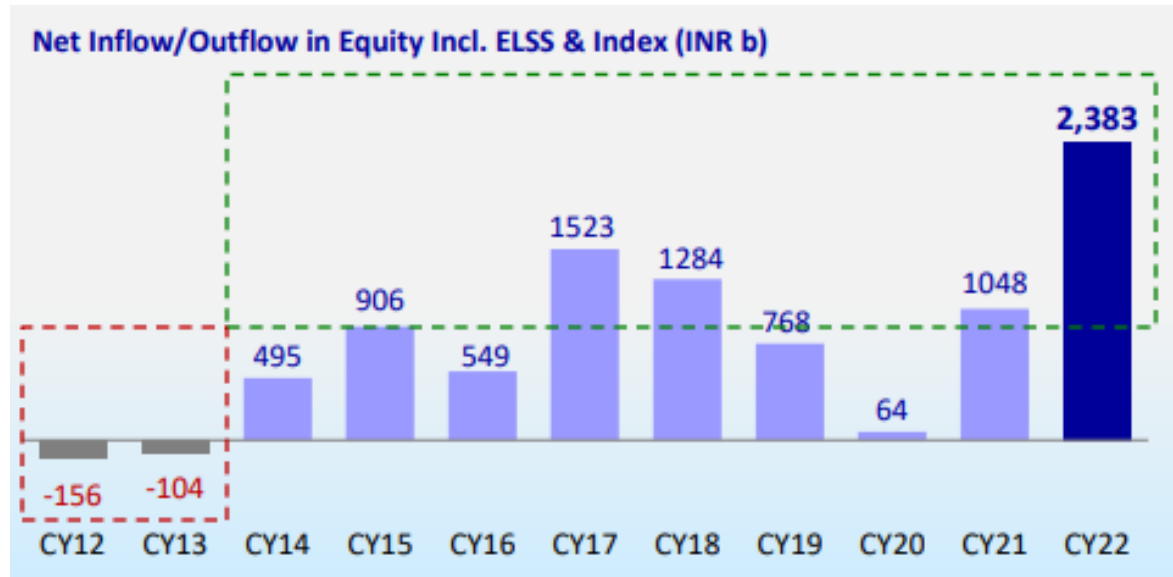
Source: NSDL, Axis Capital		Rs in Crore	
Year		FPIs	DIIs
FY2008		52,572	47,794
FY2009		-48,250	60,040
FY2010		1,10,752	24,211
FY2011		1,10,121	-18,709
FY2012		43,738	-5,347
FY2013		1,40,032	-69,069
FY2014		79,709	-54,161
FY2015		1,11,445	-21,446
FY2016		-14,171	80,416
FY2017		60,196	30,787
FY2018		21,074	1,13,258
FY2019		-90	72,115
FY2020		6,151	1,29,301
FY2021		2,74,897	-1,34,056
FY2022		-1,39,434	2,21,389
FYTD2023 (Upto Dec 22)		-14,983	1,72,928

Source: NSDL, Axis Capital		Rs in Crore	
Month-end		FPIs	DIIs
31 December 2021		-13,150	31,231
31 January 2022		-35,975	21,928
28 February 2022		-37,689	42,084
31 March 2022		-36,989	39,677
30 April 2022		-20,468	30,842
31 May 2022		-37,663	50,836
30 June 2022		-49,469	46,599
31 July 2022		6,720	10,546
31 Aug 2022		53,994	-7,069
30 September 2022		-13,406	14,120
31 October 2022		8,431	9,197
30 November 2022		38,234	-6,302
31 December 2022		-1,356	24,159

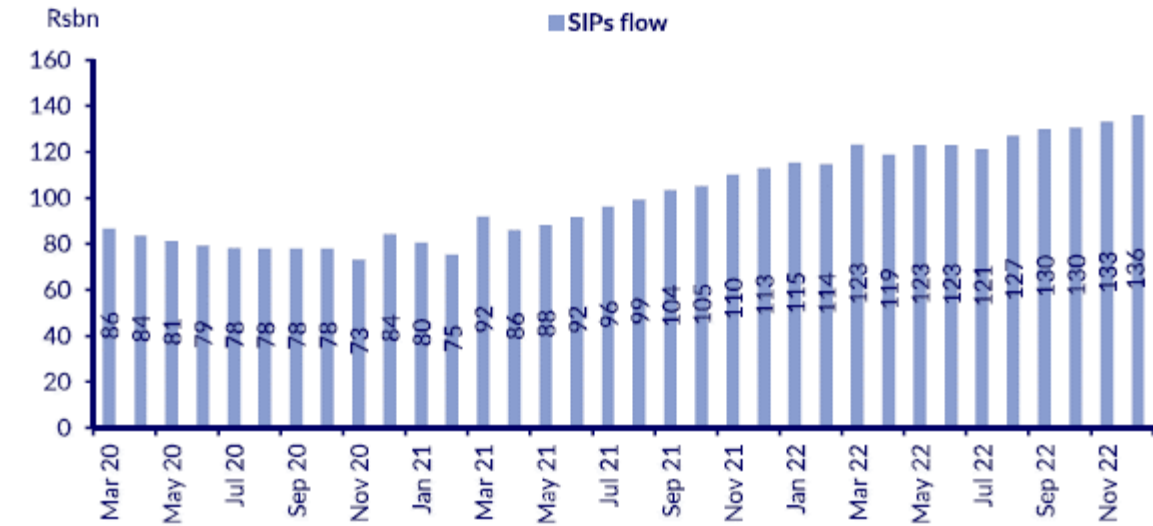
- After seeing significant FPI equity outflows over the past fiscal year, FPI flows are showing some signs of recovery in past few months.
- Meanwhile, DII equity flows continue to be strong, after a record inflow in FY22. DII inflows have helped to counter FPI outflows, thereby leading to relatively less fall in Indian equity markets, compared to peers.

# Domestic Mutual Funds witnessing robust inflows

## Mutual Funds – Equity Flows (INR billion)



## Mutual Funds – Monthly SIP trend (INR billion)



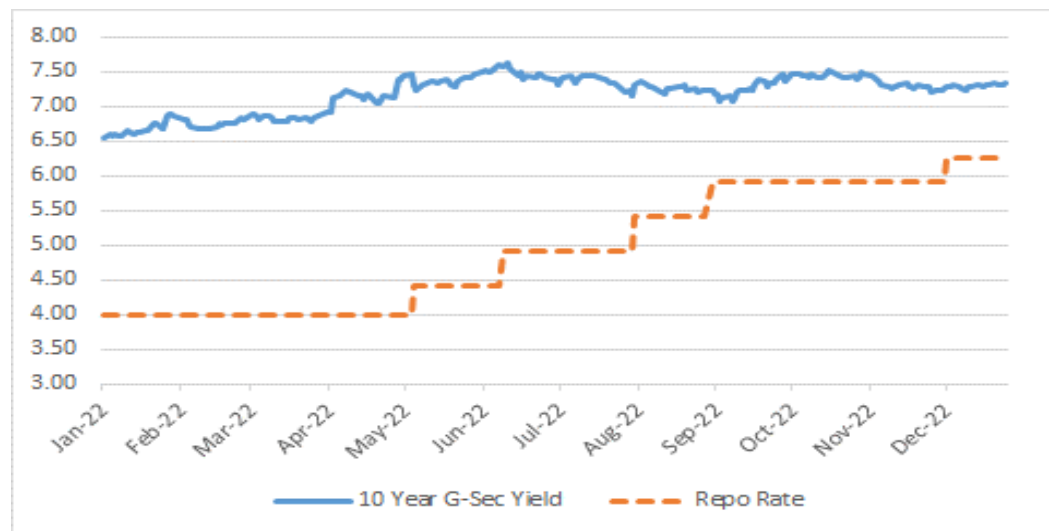
Source: AMFI, Motilal Oswal, CLSA

- Domestic equity mutual funds have been witnessing robust inflows and CY2022 flows at record high.
- In addition, money is also coming in via the Index Funds / ETFs.
- Monthly run-rate of SIP investments now stands at a record high of Rs. 13,600 crore.



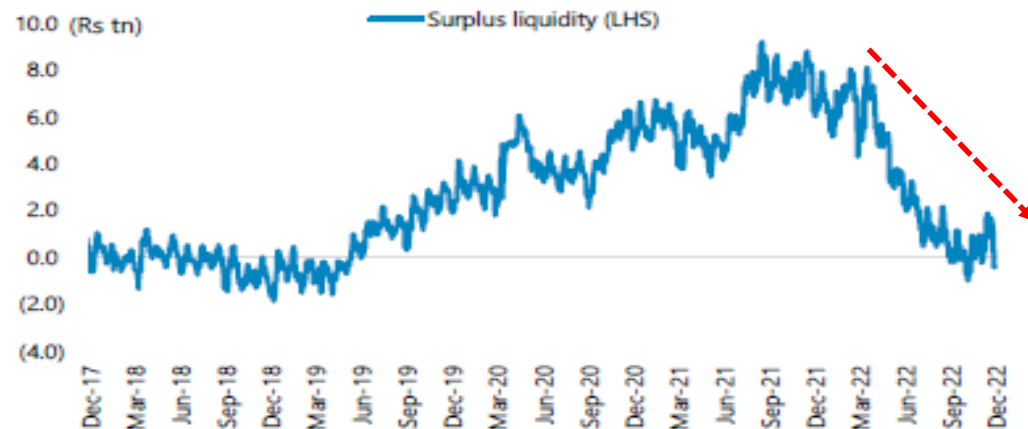
# RBI - hiking rates and normalizing liquidity

## India 10 Yr Yield Vs Repo Rate



- RBI has hiked the repo rate 4 times in CY22 to 6.25%, bringing the cumulative repo rate hike to 225 bps so far this year.
- RBI focusing on withdrawal of accommodation. Liquidity in the banking system has come down, as a result of which short term rates have risen more in CY22.
- We feel that large part of the rate hike cycle in India maybe behind us now. We expect terminal repo rate at 6.5-6.75%.
- Future rate hikes will have more to do with supporting the Indian rupee & to some extent the inflation trajectory.

## India Banking System Liquidity



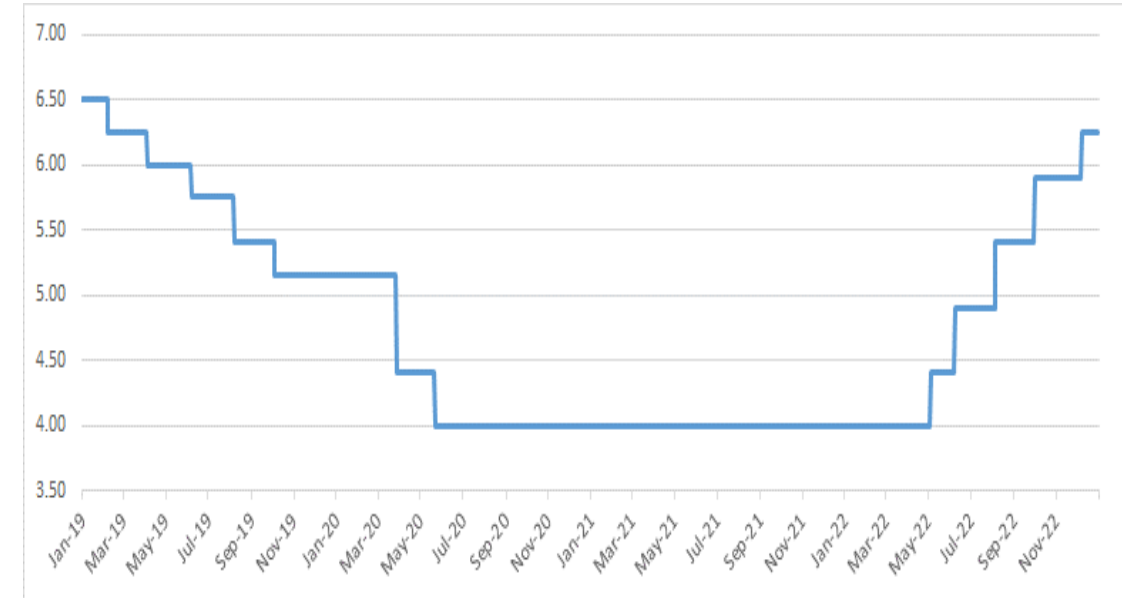


# India 10 Yr Yield & Repo rate above pre-pandemic level; good level to lock-in at

## India 10 Year G-Sec Yield Trend %



## Historical Repo Rate



- India 10 Yr G-Sec yield has risen to ~7.3% from below 6% during pandemic.
- Historically, bond yields of ~7.4 to 8% have typically been attractive level for investors with a slightly long-term horizon-- to lock into.

# Outlook for 2023

- India is more favourably positioned from a macro-perspective (compared to peers) amidst the global growth slowdown, and the economy is more domestic focused.
- Equities remain the preferred asset class for long term wealth creation. Long term India growth story is intact.
- However, near term return expectations from the Indian equity markets expected to be modest, given-- rising interest rates (which will be elevated for some time), global uncertainties and current valuation premium.
- **Sectoral Preferences:**
  - **Private Banks** – Credit growth picking up, margins are stable and asset quality outlook is benign. Most banks are well capitalized.
  - **Domestic plays** – Like companies exposed to domestic growth in sectors like Industrials, Cap Goods etc.
  - **IT** – Sector has underperformed due to global recession fears, valuations are approaching attractive zone.
  - **Pharma** – Lacks near term triggers, however, valuations are attractive on selective basis.
  - **Metals** – Earnings outlook appears weak; however, China reopening may drive demand recovery.
  - **Emerging Themes** – QSR & Hotels, Electric Vehicles, Diagnostics & Hospitals.

## Fixed Income

- Large part of the interest rate hike cycle in India maybe behind us now. We expect terminal repo rate at 6.5-6.75%
- Currently our preference is towards medium term duration and we have positioned our portfolio accordingly.

# THANK YOU

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