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COMMUNIQUÉ

MARCH  
2022





## MONTHLY NEWSLETTER – MARCH 2022

<b>Sensex : Down 3.0%</b> <b>Nifty : Down 3.1%</b>	
Best performing sector: Metal (9.5%)	Worst performing sector: PSU Bank (-10.6%)
Best performing Global index: KLSE Composite (6.3%)	Worst performing Global index: RTS Index (-48.2%)
Indian Rupee: -1%	Gold (International): 5.8%

On 24<sup>th</sup> February Russian President Vladimir Putin authorized military operations in Ukraine. This was despite the sanctions imposed by the United States and its allies on Russia in response to the imminent invasion of Ukraine. The war waged by Russia led to a crash in global stock markets. Brent crude oil prices rose above \$100 per barrel for the first time since 2014. The total rise in Brent Crude oil price in February was upwards of 13%. Russia is a key oil supplier to European nations.

While Sensex and Nifty fell by around 3%, the S&P BSE Mid Cap and Small Cap indices fell by 5% and 9% respectively. The 10-year government bond yield rose from 6.68% to 6.77%.

Foreign institutional investors (FIIs) pulled out a net amount of Rs. 35,591.9 crore from stocks and Rs. 3,072.9 crore from bond markets.

India's GDP expanded by 5.4% in the October-December quarter. The growth in the previous quarter was 8.5% owing to a low base effect. There was a pick up in private consumption. Manufacturing slowed to 0.2% from 5.6% in the previous quarter.

Industrial output measured by the Index of Industrial Production (IIP) fell to a 10-month low growth rate of 0.4% in December'21. The IIP number in the previous month was 1.3%.

Moody's Investor Services expects a GDP growth rate of 9.5% in calendar year 2022 for India. This translates into a growth rate of 8.4% for FY23 and 6.5% for FY24. India Ratings revised downwards the GDP forecast for FY22 to 8.6% from 9.2% predicted earlier. RBI projected the GDP growth rate for FY23 to be 7.8%.

The third Covid-19 wave in India was on a declining trend. As per data from Centre for Monitoring Indian Economy (CMIE) the index for consumer sentiments improved in the first three weeks of February. The index figure was higher than the pre-Covid period data. According to RBI data, aggregate sales of 1,701 listed manufacturing companies recorded a growth of 27.3% in the third quarter of 2021-22. India's unemployment rate showed a significant improvement by falling to 6.57% from 7.91% in December'21. This is the lowest level since March, 2021.



In its monetary policy review the RBI kept the policy rate unchanged while continuing to maintain an accommodative stance. The monetary policy committee decided to support growth till there is a durable recovery in sight. India's retail inflation rate measured by the Consumer Price Index (CPI) increased to 6.01% in January'22 from 5.66% (revised) in December'21. The wholesale inflation softened a bit to 12.96% in January'22 from 13.56% in the previous month.

The Manufacturing Purchasing Managers' Index (PMI) for India improved marginally from 54 in January'22 to 54.9 in February'22. The Services PMI increased remained steady in February'22 at 51.8 compared to 51.5 in January'22. A figure above 50 indicates expansion.

#### Reforms

- Securities and Exchange Board of India (SEBI) proposed permitting registered foreign portfolio investors (FPIs) to participate in exchange-traded commodity derivatives (ETCDs) in recognized stock exchanges.
- The central government intends to sell 5% stake in Life Insurance Corporation of India (LIC) to raise close to Rs. 75,000 crore in India's biggest initial public offering (IPO).
- Earlier SEBI had mandated that companies should separate the role of Chairperson and MD/CEO of listed companies starting from 1 April, 2022.

Now it has made this voluntary for top 500 listed companies.

- The government plans to hold discussions with state governments on the issues which are obstructing affordable housing projects.
- As per a recent SEBI discussion paper, the new age technology companies will have to justify the pricing of their IPO for greater transparency.
- A review across all central government departments will be conducted by the Quality Council of India (QCI) in order to review the progress on 'efficiency in decision making'.
- The Centre started state-level consultations on its proposal to promote ease of living as well as ease of doing business. It suggested 94 parameters to judge the performance of states on.
- The Insurance Regulatory and Development Authority of India (IRDAI) proposed making insurance companies responsible for gathering claims information of a policyholder from existing insurer while porting a policy. This will make the policyholder less accountable while porting the policy.
- SEBI asked asset management companies (AMCs) to form an audit committee from 1 August. This committee will be responsible for oversight of financial reporting process, audit process, internal controls systems, compliance to laws and regulations etc.

## HOW TO CALCULATE YOUR NET WORTH?

It is a myth that only ultra-rich people and businesses need to know their net worth. Everyone with some assets of their own must have an idea about their net worth. It is a good measure of one's financial standing and helps us get a sense of direction when we plan our future financial goals. It can also give us a sense of financial progress if we review this number every year.



Net Worth basically is the total value of all your assets minus the value of all your liabilities. In other words, it is what you own minus what you owe. You can start by adding up the value of all your assets such as your house, car, jewelry, cash, major investments etc. A business owner can also include the market value of the business.

Secondly, calculate the total value of liabilities like home loan, car loan, personal loan or any other debt taken.

Net Worth = Total Assets – Total Liabilities

What steps can be done to improve your net worth?

- i. **Budgeting & Saving:** Keeping a track of expenses will ensure you get a sense of which expenses can be curtailed without compromising the overall life quality. A healthy saving rate will ensure you have enough money to invest to improve your net worth.
- ii. **Debt reduction:** As and when it seems financially logical, try to reduce your debts. Personal loans can be expensive and perhaps can be avoided for unnecessary consumption expenses. You can do a balance transfer if more favourable debt terms are available with another lender.
- iii. **Smart Asset Allocation:** Make an optimal portfolio mix considering your goals, risk profile and time horizon. This will ensure a reasonable growth in the value of your investments. A financial advisor can help with this.

## Did you know?

The circulatory system is more than 60,000 miles long!

## Cartoon of the Month





## Top Personal Finance News – February 2022

- 1) Ukraine war, pandemic and things like that: What should equity investors do in a volatile market?: [Click here](#)
- 2) People cite many reasons for not buying term life insurance cover. Find out why they are mistaken: [Click here](#)
- 3) How cost of flat acquisition is calculated: [Click here](#)
- 4) How to save income tax with zero investment: [Click here](#)
- 5) Mutual funds vs real estate: Which is better for long term investors?: [Click here](#)
- 6) Dear lady, be aware of your legal inheritance rights: [Click here](#)
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- 8) LIC policyholders to get discount in mega IPO: Who can apply and who can't: [Click here](#)
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- 12) What is better way to buy term insurance, offline or online?: [Click here](#)
- 13) SIP in NPS: How to set up SIP for same-day NAV for your investment: [Click here](#)
- 14) Union Budget 2022: Make life less taxing with these tips: [Click here](#)
- 15) How to prepare financially for your child's abroad education?: [Click here](#)
- 16) All about COVID waiting period in health insurance policies: [Click here](#)
- 17) Zero-cost EMI may sound attractive but it actually comes at a price: [Click here](#)
- 18) Want a slice of real estate at affordable costs? Invest in REITs: [Click here](#)
- 19) Can OCI cardholder hold property in India: [Click here](#)
- 20) All you need to know about cancer cover in health insurance: [Click here](#)