

### Macro-Economic Update and Key Events

#### Event Update

##### India's GDP grew 13.5% in Jun quarter of 2022

India's gross domestic product (GDP) grew 13.5% on a yearly basis for the quarter ended Jun 30, 2022 as compared to a growth of 20.1% in the same period of the previous year. During Jun 2022 quarter, Gross Value Added (GVA) agriculture grew at 4.5% while manufacturing grew 4.8%. Public administration, defence and other services, which represent government expenditure, grew 26.3% during the Jun quarter, boosting overall economic growth. Among other sectors, mining and quarrying and construction grew 6.5% and 16.8%, respectively.

##### Consumer inflation eased for the third straight month

Consumer Price Index based inflation eased for the third consecutive month to 6.71% in Jul 2022 from 7.01% in the previous month. Inflation for Jul 2021 was at 5.59%. The Consumer Food Price Index also slowed to 6.75% in Jul 2022 from 7.75% in the previous month but remained higher than 3.96% in the same month of the previous year.

##### Industrial output grew 12.3% YoY in Jun 2022

India's Index of industrial output (IIP) grew 12.3% YoY in Jun 2022 slower than 13.8% rise in June 2021. As per the sectoral classification, manufacturing sector growth rose 12.5% YoY from 13.2% in the year ago period. Mining sector growth eased to 7.5% from 23.1% a year ago while growth of the electricity sector surged to 16.4% from 8.3% in the same period of the previous year.

##### Wholesale inflation rose 13.93% YoY in Jul 2022

India's Wholesale price index-based inflation (WPI) rose 13.93% YoY in Jul 2022 as against 15.18% rise in Jun 2022. WPI based rate of inflation in the same period of the previous year stood at 11.57%. The growth of WPI Food index stood at 9.41% in Jul 2022 as against 12.41% in Jun 2022 and 10.58% in May 2022.

##### Trade deficit almost tripled to \$30.00 billion in Jul 2022

India's merchandise exports rose 2.14% YoY to \$36.27 billion in Jul 2022. Similarly, imports jumped 43.61% YoY to \$66.27 billion in Jul 2022. Thus, trade deficit almost tripled to \$30.00 billion in Jul 2022 as against trade deficit of \$10.63 billion in Jul 2021. Cumulative trade deficit during Apr to Jul of 2022 stood at \$98.99 billion as against \$42.07 billion during the corresponding period in the previous year.

##### India's Manufacturing PMI fell to 56.2 in Aug 2022

According to S&P Global, India's Manufacturing Purchasing Managers' Index fell to 56.2 in Aug 2022 from 56.4 in Jul 2022. India's manufacturing sector continued to grow in Aug, with new orders and production reaching their highest levels since Nov 2021. In Aug, new orders were boosted by demand, driving output growth to a nine-month high. Additionally, a surge in exports and optimistic predictions for the upcoming year helped to support production numbers.

##### India Services PMI rose to 57.2 in Aug 2022

S&P Global India Services Purchasing Managers' Index rose to 57.2 in Aug 2022 from 55.5 in Jul 2022. India's services sector accelerated in Aug 2022 on the strength of significant growth in new orders and an uptick in business activity. Stronger growth in new business, continued increases in demand, job creation, and overtime labour were the causes of the recovery in growth.

##### Core output growth slowed in Jul 2022

The combined index of eight core industries grew 4.5% in Jul 2022 as compared to a growth of 13.2% in Jun 2022 and a growth of 9.9% in Jul 2021. All sectors witnessed growth except crude oil and natural gas sector. Crude oil sector growth fell 3.8% in Jul 2022 and growth in natural gas sector fell 0.3% in Jul 2022.

Key Indicator	Frequency	Period	Current	Previous
CPI	Monthly	Jul-22	6.71%	7.01%
WPI	Monthly	Jul-22	13.93%	15.18%
IIP	Monthly	Jun-22	12.30%	19.60%
GDP	Quarterly	Jun-22	13.50%	4.10%
Credit Growth	Fortnightly	Aug-22	15.30%	14.50%
Deposit Growth	Fortnightly	Aug-22	8.80%	9.10%
Export Growth (YoY)	Monthly	Jul-22	2.14%	23.63%
Import Growth (YoY)	Monthly	Jul-22	43.61%	58.41%
Trade Balance (Billion)	Monthly	Jul-22	-\$30.00	-\$26.18

Source: RBI, MOSPI CPI- Consumer Price Index, WPI- Wholesale Price Index IIP- Index of Industrial Production, GDP- Gross Domestic Product, Trade deficit- in Billion, All above indicators are in percentage change on Y-o-Y (Year-on-Year) basis, except Trade Deficit. For Credit and Deposit growth, previous means last fortnight of the previous month. Latest available data as on 31-Aug-2022.

#### Institutional Flows (Equity)

Net Flow (INR Crore)	Current Month	Previous Month	Year to Date
FII Flows	51,204	4,989	-161,165
DII Flows	-7,424	10,546	235,089
MF Flows*	-1,642	4,712	143,794

Source: CDSL & SEBI; \*As on 26-Aug-2022

#### Institutional Flows (Debt)

Net Flow (INR Crore)	Current Month	Previous Month	Year to Date
FII Flows	3,845	-2,056	-13,081
MF Flows**	4,642	4,460	-3,144

Source: CDSL & SEBI; \*\*As on 26-Aug-2022

#### Exchange Rate Movement

Exchange Rate	Aug-22	1 Month Ago	3 Months Ago	6 Months Ago	Year Ago
₹/ Euro	79.71	81.17	83.41	84.26	86.53
₹/ Pound	93.35	96.90	97.87	100.92	100.95
₹/ 100 Yen	57.54	59.73	60.73	65.34	66.60
₹/ Dollar	79.72	79.42	77.66	75.49	73.15

Source: Refinitiv

#### Performance of Various Commodities

Commodities	Aug-22	Returns			
		1 Week	1 Month	6 Month	1 Year
Crude Brent (\$/Barrel)	101.13	-1.61%	-13.67%	-2.64%	35.80%
Gold (\$/Oz)	1,710.71	-2.30%	-3.09%	-10.34%	-5.66%
Gold (₹/10 gm)	51,087.00	-0.61%	-0.42%	1.20%	8.45%
Silver (\$/Oz)	17.97	-6.21%	-11.56%	-26.41%	-24.76%
Silver (₹/Kg)	54,166.00	-1.60%	-5.77%	-16.75%	-14.89%

Source: Refinitiv

#### Key Events Calendar

Event	Date	Current	Previous
China Consumer Price Index (YoY)(Jul)	10-Aug	2.70%	2.50%
U.K. Gross Domestic Product (YoY)(Q2) P	12-Aug	2.90%	8.70%
Japan Gross Domestic Product (QoQ)(Q2) P	15-Aug	0.50%	0.00%
People's Bank of China Interest Rate Decision	22-Aug	3.65%	3.70%
U.S. Gross Domestic Product Annualized(Q2) P	25-Aug	-0.60%	-0.90%

Source: Refinitiv

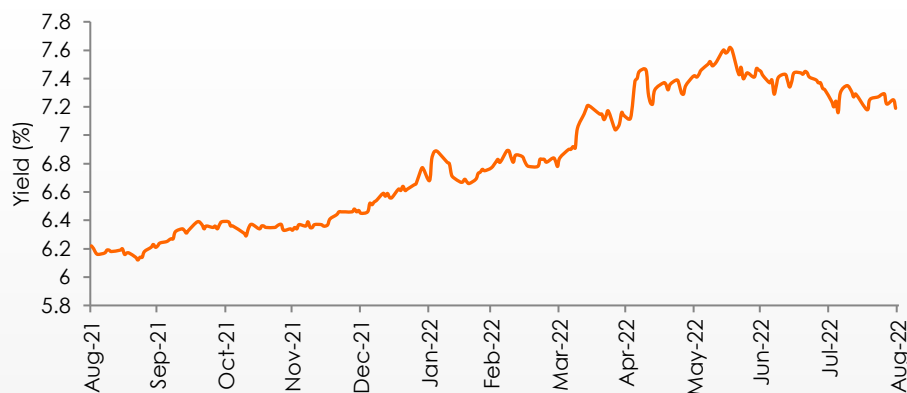
## Indian Debt Market Update

### Key Policy Rates (%)

	Aug-22	3 Months Ago	6 Months Ago	Year Ago	2 Years Ago
Repo	5.40	4.40	4.00	4.00	4.00
Reverse Repo	3.35	3.35	3.35	3.35	3.35
Bank Rate	5.65	4.65	4.25	4.25	4.25
CRR	4.50	4.50	4.00	4.00	3.00
SLR	18.00	18.00	18.00	18.00	18.00
SDF	5.15	4.15	NA	NA	NA

Source: RBI

### 10 Year Benchmark Bond



Source: Refinitiv

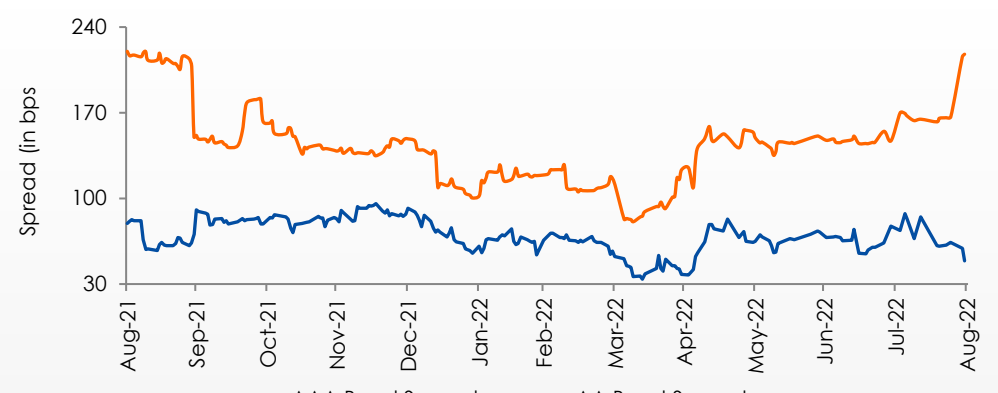
Bond yields fell majorly tracking fall in global oil prices, which raised hopes that domestic inflationary pressures will ease. Yields fell further on media reports that development had been made in discussions to include India's sovereign debt in the JP Morgan bond index.

### Money Market Rates (%)

	Aug-22	1 Month Ago	3 Months Ago	6 Months Ago	Year Ago
Call	5.21	5.00	4.09	3.28	3.18
TREP	5.43	5.00	4.15	3.23	3.10
FBIL 1 Month Term Mibor	5.59	5.21	4.58	4.05	3.64
91 Days T-Bills	5.63	5.56	4.94	3.70	3.27
3 Month CP	5.95	6.10	5.30	4.25	3.53
6 Month CP	6.35	6.55	5.85	4.75	3.95

Source: Refinitiv

### 10 Year Corporate Bond Spread (for AAA & AA bonds)

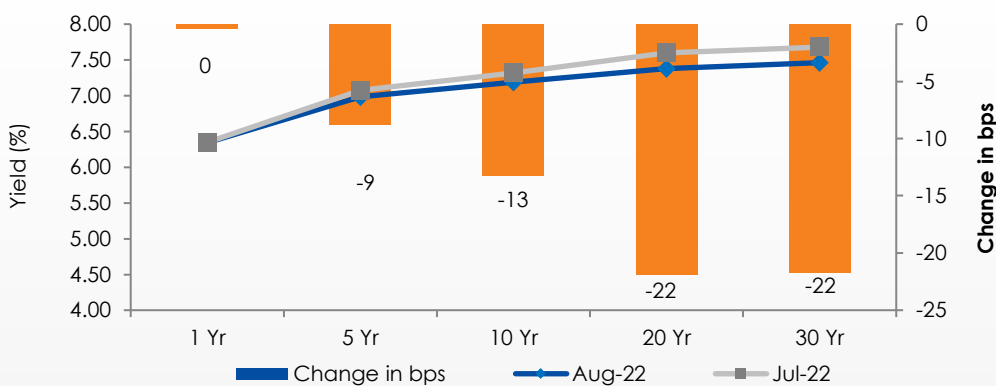


Source: Refinitiv

— AAA Bond Spread — AA Bond Spread

Yield on corporate bonds fell in the range of 5 to 54 bps across the curve, except on 2 & 3 year papers that rose 9 & 1 bps, respectively while 1 year paper was unchanged. Yield fell the most on 15 year paper.

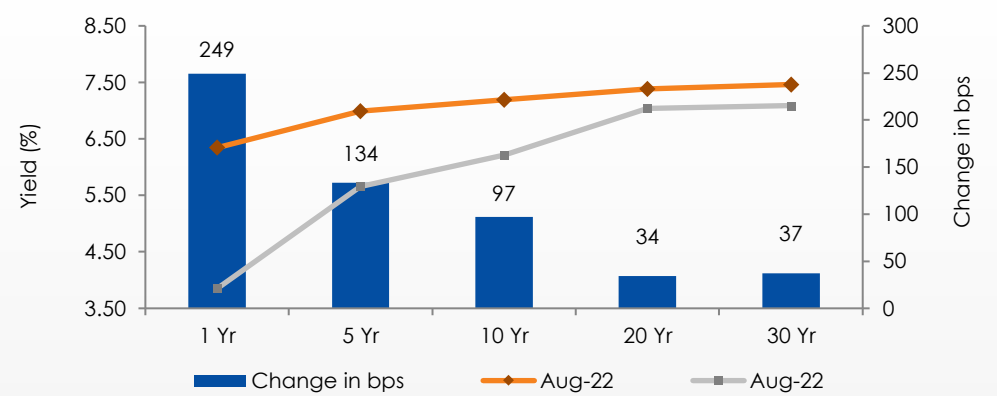
### India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

Yield on gilt securities fell in the range of 3 to 23 bps across maturities, except 2 & 3 year papers that rose 19 & 13 bps, respectively while 1 year was steady. Yield fell the most on 19 & 30 year. Difference in spread between corporate bond and gilt securities contracted in the range of 2 to 35 bps across segments, except 1 year that was unchanged.

### India Yield Curve Shift (Year-on-Year)



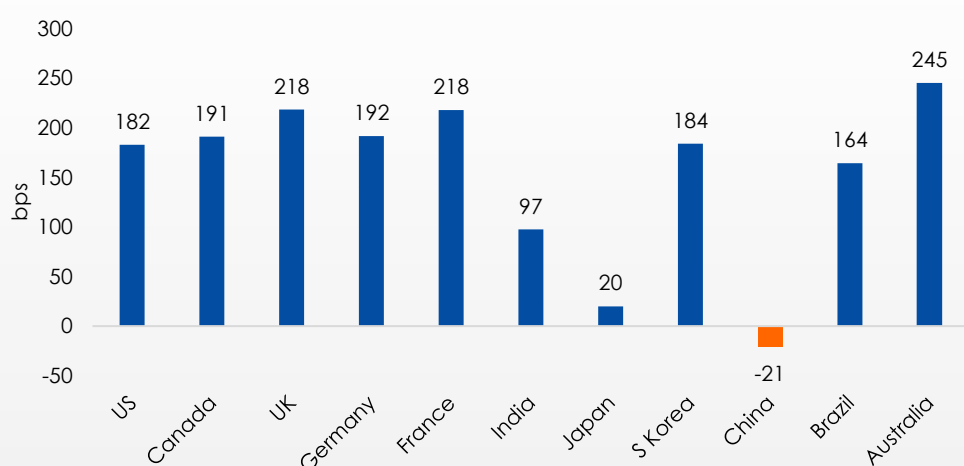
Source: Refinitiv

Year on year, yield on gilt securities rose in the range of 36 to 256 bps across the maturities. Yield rose the most on 1 year paper and the least on 19-year paper. Yield on corporate bonds increased in the range of 19 to 241 bps across the curve. Yield went up the most on 2-year paper and the least on 15-year paper.

## Global Debt Market Update

### Australia saw the highest rise in yields while least increase was in Japan

#### Change in 10 Year Sovereign Bond Yield: Aug-22 v/s Aug-21 (bps)



Source: Refinitiv

### Yield of 10 Year Government Bonds (%)

	Jul-22	Aug-22	Range:Aug-2022	Real Yields: Aug-22
Brazil	13.0	12.2	12.9 - 11.87	2.1
<b>India</b>	<b>7.3</b>	<b>7.2</b>	<b>7.35 - 7.16</b>	<b>0.5</b>
China	2.8	2.6	2.75 - 2.62	-0.1
S Korea	3.1	3.7	3.75 - 3.1	-2.0
Australia	3.1	3.6	3.72 - 2.99	-2.5
Japan	0.2	0.2	0.24 - 0.17	-2.7
France	1.4	2.2	2.15 - 1.35	-4.0
Canada	2.6	3.1	3.12 - 2.68	-4.5
US	2.6	3.1	3.13 - 2.61	-5.4
Germany	0.8	1.5	1.54 - 0.76	-6.0
UK	1.9	2.8	2.8 - 1.81	-7.3

Source: Refinitiv

# Monthly Market Update

September 2022



Haq, ek behtar zindagi ka.

## Indian Equity Market Update



Domestic equity markets rose during the month under review on the back of continued buying by foreign institutional investors. Robust macroeconomic data and upbeat corporate earning numbers for the quarter ended Jun 2022 too contributed to the upside. Fall in global crude oil prices also aided market sentiment. However, gains were capped on expectations that the U.S. Federal Reserve chief will continue to raise interest rates to fight inflation.

Source: NSE; Returns are on the basis of TRI index

## Rolling Returns – Monthly Performance

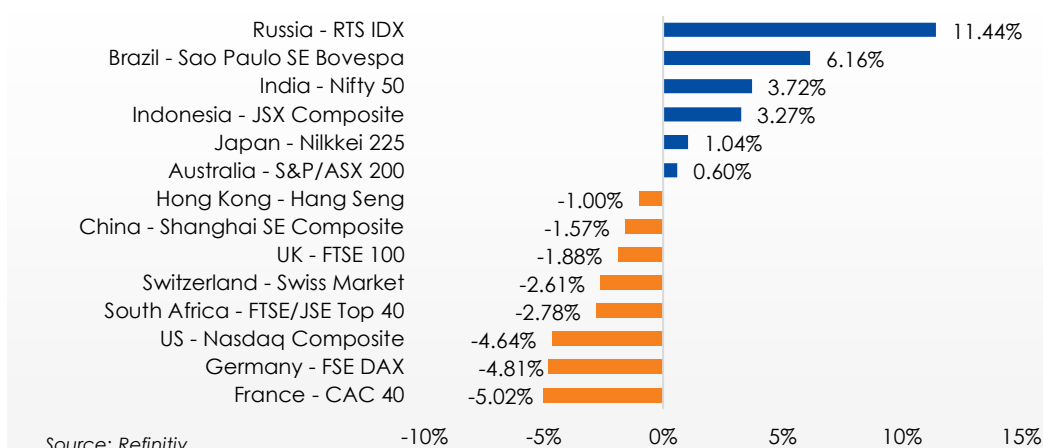
Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
Nifty Media 34.12%	Nifty Auto 6.60%	Nifty IT 1.95%	Nifty IT 10.44%	Nifty Energy 10.39%	Nifty Metal 8.21%	Nifty Media 18.49%	Nifty Energy 10.74%	Nifty Auto 4.59%	Nifty Auto 1.34%	Nifty Metal 18.41%	Nifty Energy 8.88%
Nifty Realty 32.90%	Nifty Media 5.04%	Nifty Energy -1.17%	Nifty Metal 6.59%	Nifty Bank 7.03%	Nifty Pharma -1.68%	Nifty Metal 9.41%	Nifty FMCG 5.32%	Nifty FMCG 2.07%	Nifty Energy -2.03%	Nifty Realty 17.12%	Nifty Metal 8.35%
Nifty Energy 13.32%	Nifty Bank 4.52%	Nifty Infra -1.43%	Nifty Pharma 4.10%	Nifty Auto 7.01%	Nifty FMCG -1.93%	Nifty IT 7.30%	Nifty Auto 4.98%	Nifty Financial Services -0.40%	Nifty FMCG -2.35%	Nifty FMCG 12.83%	Nifty Bank 5.66%
Nifty Infra 6.93%	Nifty Financial Services 2.68%	Nifty Pharma -1.53%	Nifty Auto 3.14%	Nifty Financial Services 2.92%	Nifty Energy -2.20%	Nifty Energy 6.80%	Nifty Infra 2.21%	Nifty Bank -1.18%	Nifty Pharma -3.47%	Nifty Financial Services 12.74%	Nifty Auto 5.57%
Nifty Auto 5.62%	Nifty Energy 1.65%	Nifty FMCG -2.09%	Nifty Media 2.20%	Nifty Infra 2.16%	Nifty IT -2.80%	Nifty Realty 6.22%	Nifty Bank -0.78%	Nifty Media -4.52%	Nifty Infra -5.26%	Nifty Bank 12.22%	Nifty Infra 5.38%
Nifty Bank 2.75%	Nifty Infra 0.39%	Nifty Realty -2.22%	Nifty FMCG 0.52%	Nifty Media 0.80%	Nifty Bank -4.66%	Nifty Pharma 5.08%	Nifty Pharma -0.89%	Nifty Infra -4.89%	Nifty Bank -5.75%	Nifty Media 9.56%	Nifty Financial Services 4.70%
Nifty FMCG 2.27%	Nifty Metal -0.85%	Nifty Media -3.28%	Nifty Infra 0.01%	Nifty Realty -0.80%	Nifty Infra -4.74%	Nifty Infra 4.67%	Nifty Metal -1.50%	Nifty IT -5.68%	Nifty Financial Services -6.04%	Nifty Auto 7.58%	Nifty FMCG 3.16%
Nifty IT 1.45%	Nifty IT -1.39%	Nifty Auto -6.12%	Nifty Energy -0.31%	Nifty Metal -0.88%	Nifty Financial Services -5.00%	Nifty FMCG 2.17%	Nifty Financial Services -2.97%	Nifty Pharma -6.37%	Nifty IT -6.15%	Nifty Infra 6.11%	Nifty Realty 2.93%
Nifty Financial Services 1.30%	Nifty Realty -2.94%	Nifty Metal -6.34%	Nifty Bank -0.60%	Nifty FMCG -2.96%	Nifty Auto -7.36%	Nifty Financial Services 1.26%	Nifty Realty -4.27%	Nifty Realty -7.22%	Nifty Realty -6.42%	Nifty IT 5.32%	Nifty Pharma -0.30%
Nifty Pharma 0.85%	Nifty Pharma -4.06%	Nifty Financial Services -6.67%	Nifty Realty -0.70%	Nifty Pharma -7.33%	Nifty Realty -9.13%	Nifty Bank 0.46%	Nifty Media -9.66%	Nifty Energy -10.33%	Nifty Media -7.55%	Nifty Pharma 5.21%	Nifty Media -0.36%
Nifty Metal -1.55%	Nifty FMCG -5.25%	Nifty Bank -8.74%	Nifty Financial Services -1.16%	Nifty IT -9.89%	Nifty Media -10.00%	Nifty Auto -2.46%	Nifty IT -12.74%	Nifty Metal -15.72%	Nifty Metal -11.57%	Nifty Energy 3.62%	Nifty IT -2.54%

In August 2022, most of the above sectors surged with energy and metal showed the steepest rise while slowest increase was witnessed on realty and FMCG. Auto sector has been one of the best performance among top 5 sectors in four out of five months.

Source: NSE; Returns are on the basis of TRI index

## Global Equity Market Update

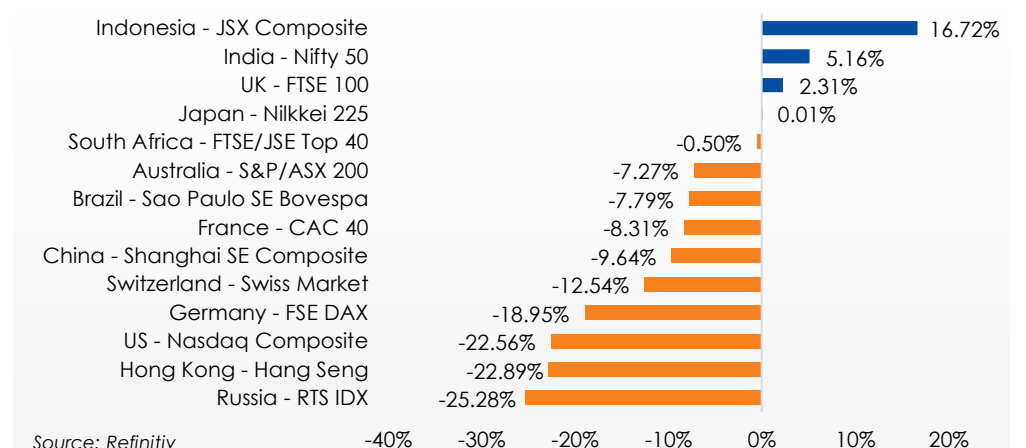
### 1 Month Performance



Source: Refinitiv

Global markets remained mixed in August 2022 with Russia, Brazil and India showed highest gains while France, Germany and US witnessed steepest fall.

### 1 Year Performance



Source: Refinitiv

In the last one year, Russia, Hong Kong and the US saw the steepest fall. However, Indonesia, India and UK saw the steepest rise.

## News Summary & Knowledge Corner

### News Summary

#### 1. Domestic

- The RBI Governor believes that cryptocurrencies could cause developing nations like India to become more reliant on the US dollar, since the prices of crypto tokens are typically expressed in dollars. He claimed that as a result, the nation will experience severe financial instability.
- Sebi amended the regulations governing portfolio managers, prohibiting them from investing clients' money in unrated securities of their related parties or associates.
- The Reserve bank of India (RBI) has proposed to enable Bharat Bill Payment System (BBPS) to accept cross-border inward payments. BBPS will soon enable non-resident Indians to pay their families' utility, educational, and other bills in India.
- Reserve Bank's most recent survey on consumer inflation expectations shows that on Jul 22, households' median inflation perception moderated by 80 basis points to 9.3. Significantly, both on a sequential and YoY basis, inflation expectations declined.
- Union Cabinet agreed an interest subvention of 1.5% on short-term agriculture loans up to Rs. 3 lakh for all banking institutions to ensure enough credit flow in the farm sector. The rise in interest subvention will safeguard the lending institutions' financial stability and viability as well as the sustainability of loan flow in the agricultural sector.
- Sebi's new rules released for Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) for investing abroad waive the need that investee companies have ties to India.
- RBI published a discussion paper on all charges levied on different payment systems, including RTGS, NEFT, UPI, IMPS, credit and debit cards among others. The regulator has requested views from all parties involved in the payment system on whether UPI costs should be implemented or left up to the market, as well as suggestions for rules governing interchange fees for debit and credit cards.

#### 2. International

- The U.S. Federal Reserve (Fed) Chairman in highly anticipated remarks at the Jackson Hole economic symposium admitted that the central bank's measures to combat inflation will cause "some pain," but cautioned that a failure to restore price stability would bring "far more pain."
- The Bank of England increased its benchmark rate by 50 basis points due to the tight labour market and more persistent inflationary pressures. The increase in wholesale gas prices since May, brought on by Russia's restriction of gas supply to Europe, was a major factor in the central bank raising its inflation outlook.
- The People's Bank of China lowered its five-year loan prime rate by 15 basis points to 4.30% from 4.45%. The one-year loan prime rate was reduced by 5 basis points to 3.65% from 3.70%. The bank lowered its benchmark lending rates to lessen the cost of interest on current loans and so relieve pressure on the property market and the struggling economy.
- The Bank of Indonesia increased the seven-day reverse repo rate by 25 bps to 3.75%. This was the first rate hike since 2018.
- U.K. consumer price inflation rose 10.1% in Jul 2022 as against 9.4% rise in Jun 2022. The rise came amid surging food and fuel prices.
- U.S. non-farm payroll employment rose 528,000 jobs in Jul 2022 after surging by an upwardly revised 398,000 jobs in Jun 2022. The unemployment rate unexpectedly edged down to 3.5% in Jul from 3.6% in Jun.

### Knowledge Corner

#### Want to meet different financial goals? Say hello to goal-based investing!

Much like life, your investments should have a purpose and be driven by an aim. Simply put, you must adopt goal-based investing.

#### What is goal-based investing?

Goal-based investing refers to investing carefully for specific goals. From buying your dream house to taking a world tour, from starting your business to funding your wedding, you may have different dreams. Goal-based investing gives you a direction and a roadmap for achieving your dreams.

#### Why should you adopt goal-based investing?

- Through goal-based investing, you can plan in advance and attain financial security for your future.
- Each goal may have different time frames and target values. For example, you may need the money earlier for meeting your child's higher education costs and later for your retirement. Aligning your investments with the goals puts your financial plan on the right track without compromising on any of your goals.
- Having a separate investment for each goal may help you track your progress and manage the goal well.

#### How to go about goal-based investing through Systematic Investment Plans (SIPs)?

- List down your goals. They must be SMART – Specific, measurable, achievable, relevant and time-bound.
- Classify them into short-term goals that need to be met in 1 to 3 years, medium-term goals that are 3 to 5 years away, and long-term goals that are more than 5 years away.
- Quantify each goal's future value and while you are at it, don't forget to add inflation. Once you know your target amount, set a tenure by ascertaining how much time you have to meet the goal. Once all this is done, proceed to invest.
- Mutual Funds can help you with goal-based investing, thanks to SIPs. You can start a SIP for each financial goal. For example, say you want Rs 1.2 Crores\* for your retirement after 25 years. Assuming an interest rate of 10%, you will be able to achieve this goal with a monthly SIP of Rs 10,000.  
You can choose to invest in a scheme as per your goal, tenure and risk appetite. \*Above is for illustrative purposes only and is not an indication or guarantee of returns.
- To meet your goal faster, increase your SIP amount (SIP step-up) with an increase in your income. Adding to the amount can also help you meet bigger or multiple goals.

#### To sum it up

You have the right to dream. And moving towards your dreams become easier with goal-based investing.

#### Upcoming Key Events

Event	Date
Euro Zone ECB Refinancing Rate Sep 2022	08-Sep
China CPI YY Aug 2022	09-Sep
U.S. CPI YY, NSA Aug 2022	13-Sep
Euro Zone Markit Mfg Flash PMI Sep 2022	23-Sep
U.S. Markit Mfg PMI Flash Sep 2022	23-Sep

Source: Refinitiv

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