

2022 was a year of significant happenings
for Asset Classes in India.



Equities



- ❖ Equities which is the major contributor for wealth creation as an asset class saw a roller coaster ride in 2022. The prime reason for this was the Russia-Ukraine war which started in the month of February, which impacted markets globally.
- ❖ However, as evident clearly, India was highly immune in relative terms to other major markets and stood out strong.
- ❖ The number of Demat accounts in India crossed the 10 Crs mark in the year
- ❖ The broader index, Nifty delivered 2.1% in the year 2022, the Nifty Midcap 100 delivered 2.34% and the Nifty Smallcap 100 saw negative returns delivering -14.77%.

Mutual Funds



- ❖ Mutual Funds continue to see encouraging response from investors with the AUM of Mutual Fund Industry growing up by 7.3% in the year upto November growing from 37.72 lakh crores in the end of December 2021 to 40.49 lakh crores in November
- ❖ Systematic Investment Plan(SIP) saw its popularity growing with the mobilisation through SIP increasing from Rs.11,305 Crores in December 2021 to Rs.13,307 Crs in November 2022.
- ❖ On the equity side it was a year of value funds and among equity fund categories, PSU Bank Funds and Infrastructure funds lead the pack in returns .
- ❖ The volatility in equity markets lead to investors flocking to hybrid funds more specifically the Dynamic Asset Allocation funds. The debt fund categories started delivering better yield this quarter and with the interest rates peaking, inflows into the debt fund categories are improving.

Gold



- ❖ The glittering metal went bright and dim in rate during the year and ultimately ended the year giving a shining double digit return of 10.79% in the year in INR terms.
- ❖ This resulted in Sovereign Gold Bonds(SGBs) trading at a discount, leading to the yield in the secondary market going up to above 4% vs the coupon of 2.5%.

Real Estate



- ❖ 2022 was a year of big hope for the Real Estate sector which was going through a sluggish phase for few years due to tepid sales.
- ❖ This was evident by the fact that despite interest rates soaring up, leading to high rate on home loans, housing sales showed great resilience with the year ending with a 54% increase in sales in the year to 3.65 lakh units as reported by leading Real Estate consultant Anarock , which is an all time record surpassing the previous high of 2014.

Cryptocurrency



- ❖ Though the Union budget gave clarity on the taxation of gains from Cryptocurrency , rest of the areas of Cryptocurrency remain untouched with regards to regulation. This coupled with the sharp fall in cryptocurrency values in the year saw investors retreating from this avenue as an investment option, unmindful of the meteoric rise in values they say in the past couple of years.
- ❖ **Bitcoin**, the most valuable cryptocurrency by market capitalization, which was trading at \$47,686.81 in the beginning of the year dropped a massive 65% in value to \$16,602.59 at the end of the year.



Wishing all investors a great year of savings and wealth creation in 2023. Dhanavruksha assures uncompromised commitment in ensuring the same with its expertise and customer-centric approach.

Happy New Year  *2023!*

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