



NEWSLETTER

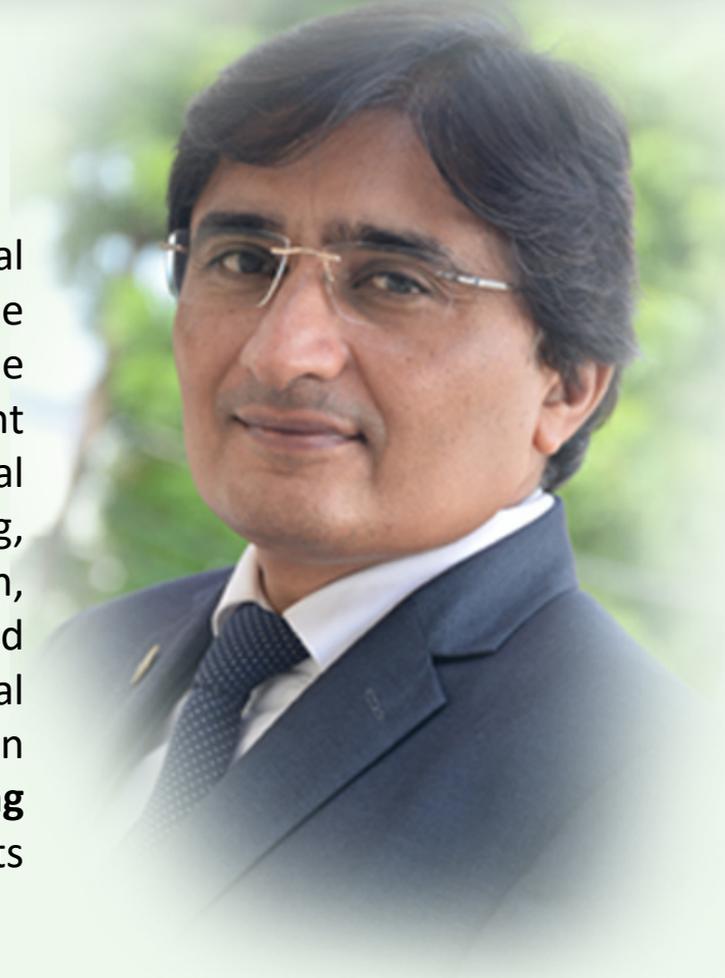
MARCH 2022



The Chairman's Message

Dear Readers,
Greetings from Capital Sprout.

When I came up with the idea of Capital Sprout in 2018, it was solely based on one objective. That is to provide comprehensive Wealth Management services. Fast forward to 2022, Capital Sprout now also focuses on Creating, Growing and Protecting Wealth, accompanied with Research Based Analysis. In addition to this, Capital Sprout aims to bridge the gap between **savings/investment and creating long term sustainable wealth** for clients through range of investment solutions.



Since this endeavour of mine has bloomed, I sense that is our duty at Capital Sprout to update our clients about recent major and relevant changes around the Globe.

With this cogitation, I am truly excited of my latest venture to bring our clients our very 1st edition of Wealth Bulletin. It will be our dedicated and intermittent approach to bring you Economic, Financial and Commercial updates from around the world.

CA DR Rajesh Khandol

Global Scenario in the face of Covid-19 and War

To What these 2 years of Pandemic have taught us is that, even in face of such uncertainty and despair, the world shall eventually recover. Despite battling such crisis, financial markets have recovered and are seeking new heights.

While we might have gotten back on our feet, the “Russia-Ukraine War” seems to be another blow we could not have anticipated. War not only affects the 2 countries in a rift, but it acts as catalyst of multiple effects globally.

While Russia’s economy is ranked 11th globally, which is 1/20th of the U.S economy and 1/15th of China. It is also one of the biggest petroleum industry, the source of 10% of the World’s energy and nearly 50% of the energy consumed in Europe. Now this goes without saying that energy prices will observe significant rise and financial markets will be volatile.

These types of crises tend to only have a short-term effect on global financial markets. Russia-Ukraine war has sent commodity like Gold, fertilizer & Fuel energy prices soaring. Fortunately, history shows that while geopolitical crises such as the one between Russia and Ukraine can temporarily turmoil markets, they don't typically have long-term consequences for investors.

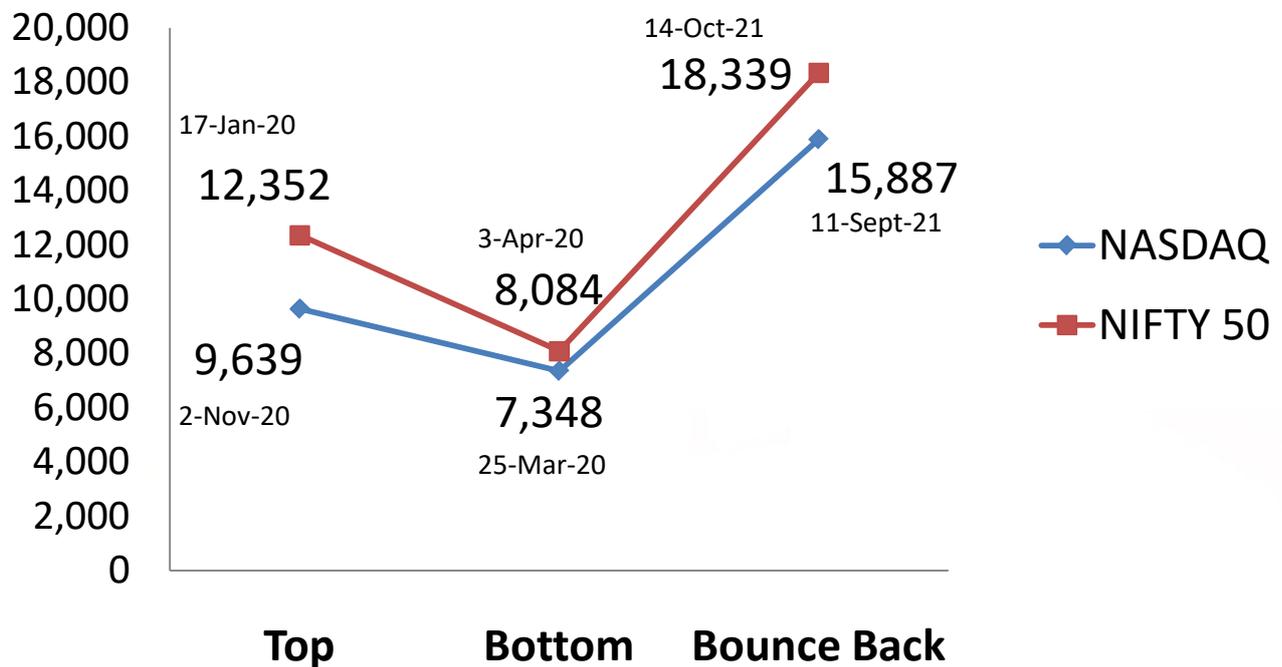
While the world’s financial market has been on a roller coaster ride, facing downs of 30-50%, but then every market has rallied like no one anticipated. Even in this “Russia-Ukraine” turmoil, U.S and India have started to recover gradually.

Below are some Statistics depicting pre & post Pandemic and War Effects:

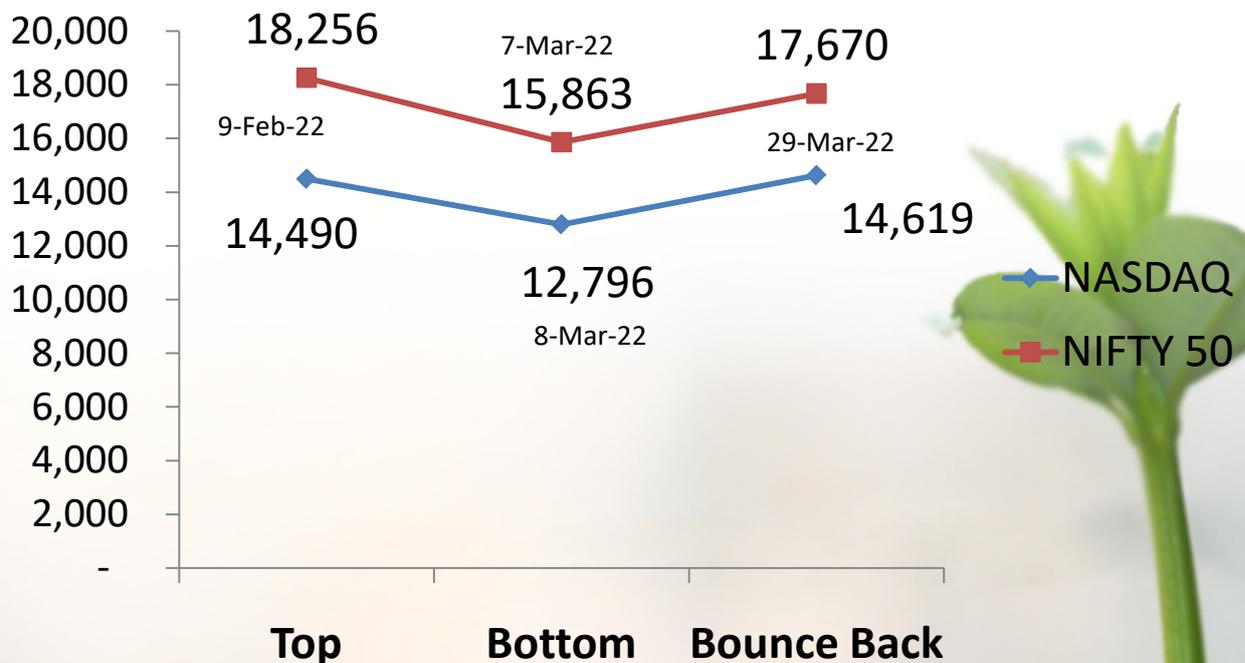


Pre & Post Pandemic and War Effects

CORONA PERIOD



RUSSIA-UKRAINE WAR PERIOD



FII (Foreign Institutional Investor) & DII (Domestic Institutional Investor) Inflow/Outflow

Indices Summary in March-22

Index	01 st MARCH 2022	31 ST MARCH 2022	HIGH	LOW
BSE S&P SENSEX	56,247	58,568	58,568	52,842
NIFTY 50	16,793	17,464	17,464	15,863

FII's are continuously selling every month since October, 2021. Since October 2021, FII's net Outflow in Cash segment is **Rs. 2.31 Lakh crore**. At the same time, DII's shows bullish trend in similar period. DII's Net Inflow in Cash segment during Oct-21 to Mar-22 is approx **Rs. 1.70 Lakh crore** which shows the positive impact in Mutual fund industry.

FII (Foreign Institutional Investor) & DII (Domestic Institutional Investor) Inflow/Outflow position in the month of March-2022 (Rupees in crore)

For The Month Of March	Gross Purchase	Gross Sale	Net
FII	2.04 Lakh	2.47 Lakh	0.43 Lakh
DII	1.72 Lakh	1.32 Lakh	0.40 Lakh



Mutual Fund Industry

Mutual fund industry in India is still at his Adolescence stage. It has yet to taste Growth path.

For The Month Of March	AUM (Rs. In Lakh Crore)			
	Feb-19	Feb-20	Feb-21	Feb-22
Total AUM of all mutual funds scheme	23.16	27.22	31.64	37.56
Annual Growth Rate	-	18%	16%	19%

Data above shows Mutual fund industry is growing at an average rate of 17%-20%. This growth rate will surely increase in future due to various factors viz. Reducing interest rates of Bank FDR, low interest rate in Government small saving schemes, Customer Service issue, transparency issue, lower flexibility in Fixed income investment avenues, bright future of Indian stock market etc.

Source: Association of Mutual Fund of India (AMFI)

AUM Data of Mutual Fund For The Month of Feb-2022

(Rs. In Lakh Crore)

For The Month Of March	AUM As On 31-01-2022	Fresh Fund Mobilize During Feb-22	Redemption During Feb-22	AUM As On 28-02-2022
Total AUM of all mutual funds scheme	37.25	7.66	7.34	37.57
AUM of equity oriented (growth) schemes	12.74	0.33	0.14	12.95

