

Volume 18, Issue 12

invest care

In unit linked policies, the investment risk in investment portfolio is borne by the policyholder

 **SBI Life**
Apne liye. Apno ke liye.

March, 2026



UNIT LINKED PRODUCTS FROM SBI LIFE INSURANCE CO. LTD.

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INVESTMENT OBJECTIVES AND VISION

(A) Investment Objectives:

The investment objectives of the Company are to maximize the risk adjusted returns and ensure reasonable liquidity at all times. Management of the investment portfolio is a crucial function as investment risk and returns, inter alia, determine the ability of the Company to competitively price its products, ensure solvency at all times and earn the expected profitability. The investment policy outlined in this document seeks to set the direction and philosophy for the Company's investment operations. The Policy outlined below conforms to the IRDAI Investment Regulations and the Insurance Act. The Policy covers investment parameters, exposure norms and other relevant factors that will assist in taking prudent investment decisions. The Policy framework also takes into account asset liability management, market risks, portfolio duration, liquidity considerations, and credit risk. To summarize the investment policy aims to achieve the following Investment Objectives:

- a. To acquire and maintain quality assets that will meet the liabilities accepted by the Company;
- b. To be able to meet the reasonable expectations of the policyholders taking into account the safety of their funds with optimum Return;
- c. To adhere to all Regulatory provisions;
- d. To conduct all the related activities in a cost effective and efficient manner; and
- e. To achieve performance in line with benchmarks identified for the different investment portfolios.

The Company has also defined the Investment Objectives for each Fund separately, on the basis of aforesaid broader Investment objectives.

(B) Investment Vision:

“To invest the funds on the prudent principles of Safety, Liquidity & Returns, with an overall vision of meeting reasonable expectations of policy holders”.

Source: SBI Life Investment Policy

Major Economic Indicators

Particulars	31-Mar-26	28-Feb-26	Change (%)	31-Mar-25	Change (%)
₹/\$	94.70	91.08	▶ -3.97%	85.46	▶ -10.81%
Forex Res.(Bn- 1 Wk Lag)	\$ 698.35	\$ 723.61	▶ -3.49%	\$ 658.80	▶ 6.00%
Oil Price (\$/Barrel)	\$ 99.43	\$ 73.91	▶ 34.53%	\$ 73.63	▶ 35.04%
FII inflows (Net) - Crs (₹)					
Equity (monthly)	-117775	22615	▶ -620.78%	-3973	▶ 2864.38%
Debt (monthly)	-8469	18791	▶ -145.07%	37789	▶ -122.41%

Indices

Particulars	31-Mar-26	28-Feb-26	Change (%)	31-Mar-25	Change (%)
BSE Sensex	71,947.55	81,287.19	▶ -11.49%	77,414.92	▶ -7.06%
S&P CNX Nifty	22,331.40	25,178.65	▶ -11.31%	23,519.35	▶ -5.05%
Dow Jones Industrial Avg	46,341.51	48,977.92	▶ -5.38%	42,001.76	▶ 10.33%
FTSE 100	10,176.45	10,910.55	▶ -6.73%	8,582.81	▶ 18.57%
Hang Seng Index	24,788.14	26,630.54	▶ -6.92%	23,119.58	▶ 7.22%
Nikkei 225	51,063.72	58,850.27	▶ -13.23%	35,617.56	▶ 43.37%
B S E Metal Index	36,815.93	40,424.48	▶ -8.93%	30,824.72	▶ 19.44%
B S E Power Index	6,672.04	6,967.06	▶ -4.23%	6,588.41	▶ 1.27%
B S E Realty Index	5,046.31	6,067.58	▶ -16.83%	6,601.58	▶ -23.56%
B S E Auto Index	52,613.98	62,236.87	▶ -15.46%	47,704.03	▶ 10.29%
B S E FMCG Index	16,774.27	18,739.32	▶ -10.49%	19,447.48	▶ -13.75%
B S E Bankex	56,580.74	68,139.54	▶ -16.96%	59,542.38	▶ -4.97%
B S E Healthcare Index	41,778.38	43,917.47	▶ -4.87%	41,421.50	▶ 0.86%
B S E Capital Goods Index	64,243.38	70,454.47	▶ -8.82%	62,724.28	▶ 2.42%
B S E Information Technology Index	27,926.32	29,754.94	▶ -6.15%	36,122.71	▶ -22.69%
B S E Oil & Gas Index	25,559.49	29,595.66	▶ -13.64%	25,133.51	▶ 1.69%

Primary Key Rates

Particulars	31-Mar-26	28-Feb-26	Change (%)	31-Mar-25	Change (%)
Repo Rate*	5.25%	5.25%	▶ 0.00%	6.25%	▶ -1.00%
Reverse Repo Rate**	3.35%	3.35%	▶ 0.00%	3.35%	▶ 0.00%
CRR #	3.00%	3.00%	▶ 0.00%	4.00%	▶ -1.00%
SLR *#	18.00%	18.00%	▶ 0.00%	18.00%	▶ 0.00%
Call money rate	4.78%	4.65%	▶ 0.13%	5.80%	▶ -1.02%
Current Inflation Rate (WPI)	2.13%	1.81%	▶ 0.32%	2.38%	▶ -0.25%
Current Inflation Rate (CPI)	3.20%	2.75%	▶ 0.45%	3.61%	▶ -0.41%
IIP (WPI) % Y-O-Y	5.20%	7.80%	▶ -2.60%	5.00%	▶ 0.20%
AAA spread (bps)	65.00	76.00	▶ -14.47%	40.00	▶ 62.50%

Particulars	2021-22	2022-23	2023-24	2024-25	Q2 FY26
Real GDP % (New Growth No. by CSO)	-7.30%	7.20%	7.76%	6.50%	8.20%

Interest Rates (FIMMDA)

Particulars	31-Mar-26	28-Feb-26	Change (%)	31-Mar-25	Change (%)
91 days T - Bill	5.32%	5.30%	▶ 0.02%	6.50%	▶ -1.18%
364 days T - Bill	5.64%	5.59%	▶ 0.05%	6.45%	▶ -0.81%
5 Years G - Sec (Annualized)	6.89%	6.41%	▶ 0.48%	6.45%	▶ 0.44%
10 Years G - Sec (Annualized)	7.24%	6.83%	▶ 0.41%	6.60%	▶ 0.64%
30 Years G - Sec (Annualized)	7.87%	7.51%	▶ 0.36%	6.91%	▶ 0.96%

* w e f Feb 08, 2023

** w e f May 22, 2020

w e f May 21, 2022

*# w e f Apr 09, 2020

CSO (CHIEF STATISTICAL OFFICE)

CPI - Consumer Price Index

WPI - Wholesale Price Index

IIP - Index of Industrial Production

Data Sources

NSE

BSE

RBI

FIMMDA

Bloomberg & Reuters

DEBT MARKET REVIEW AND OUTLOOK

Market Review

March 2026 – The warring days are here

Benchmark 10-year treasury yields were up by 37 bps as it moved from 6.66% to 7.03%. US 10-year yield moved 38 bps higher in March 2026 ending at 4.32%. INR has depreciated by 4.2% in Mar 2026

Global:

The war has started to have an impact on many of the developed economies and not in a good way. Most importantly US inflation expectations have started rising and put the FED on a caution. The chart below shows the way a ceasefire scenario now looks probable only beyond May 2026, and with this kind of persistent pressure yields are headed higher

Concept	Lnk	Value ↓	1D Net	5D Net	L 30D
Go Back to WSL POLITICS<GO>					
*Please contact us if you would like to see additional markets added.					
*MOSP<GO>, Most Active Prediction Market Contracts					
Geopolitics & Conflict					
Iran					
Most Active					
▼ Trump announces end of military operations against Iran by ...?					
June 30, 2026		82.0%	+2.0	+8.0	57%
April 30, 2026		59.0%	+1.0	+12.0	33%
March 31, 2026		0.4%	+0.3	-3.0	0%
March 15, 2026		0.1%	+0.0	+0.0	0%
▼ US x Iran ceasefire by...?					
June 30, 2026		66.0%	+3.0	+4.0	49%
May 31, 2026		53.0%	+0.0	+0.0	39%
April 30, 2026		35.0%	-1.0	-5.0	26%
April 7, 2026		9.0%	+0.0	-3.0	6%
March 31, 2026		0.1%	+0.0	-3.5	0%
March 15, 2026		0.1%	+0.0	+0.0	0%

The US and EZ borrowing costs have risen without reprieve and the chances for any rate cuts are almost gone now.

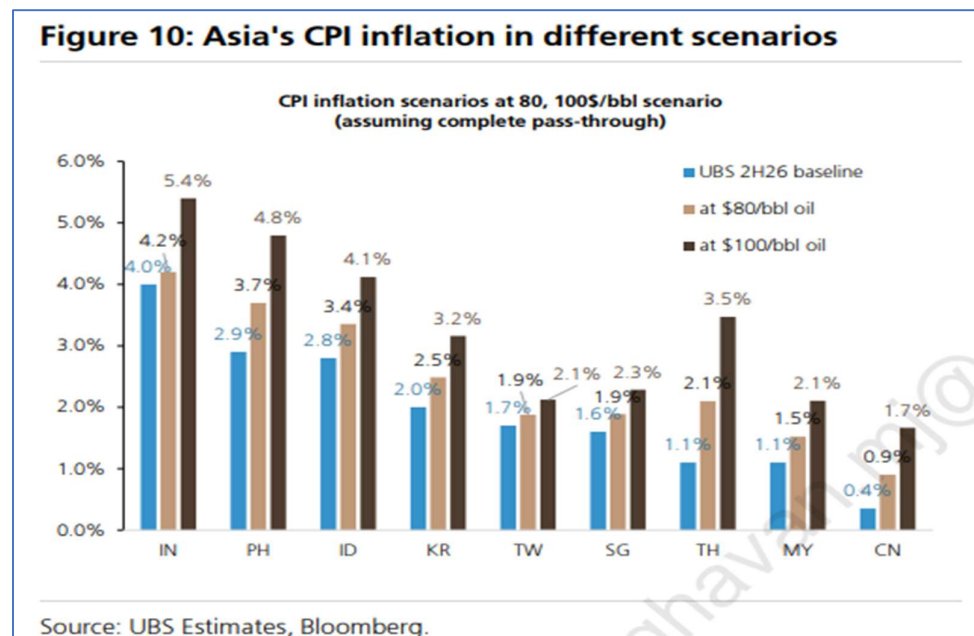




The rising yields and hawkish monetary policy stance in DM will have spill over into the EM world as well. Australia has already raised rates by 50 bps in this cycle

Outlook - Fixed Income:

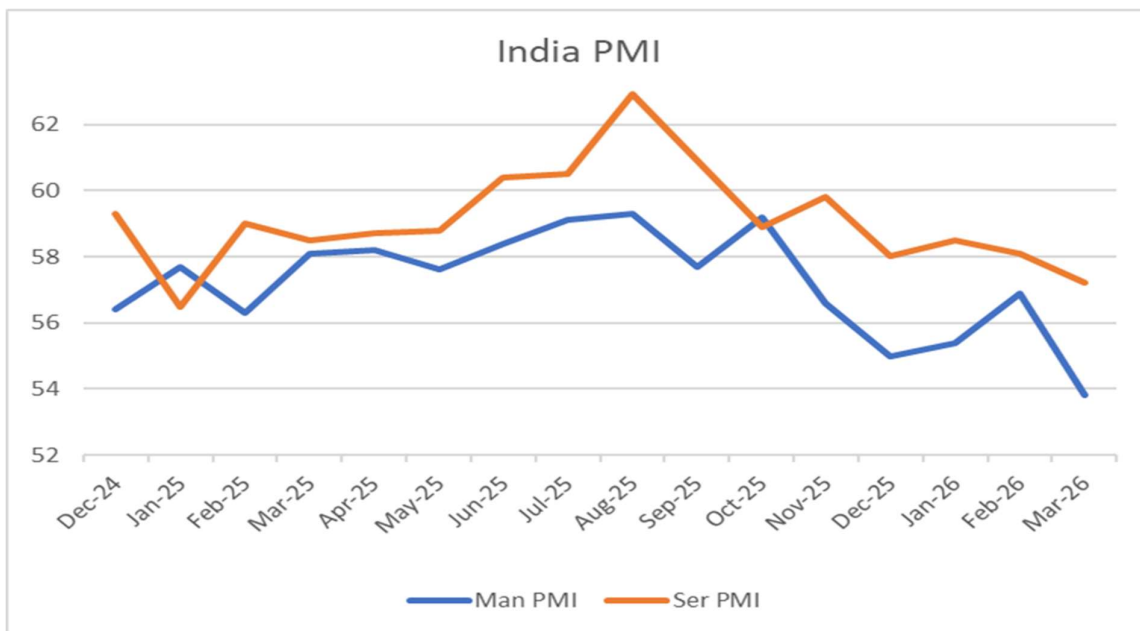
We think 10Y is under pressure to see yields rising for the rest of the year. Yields will remain in 6.85%-7.15% range over the next few months based on growth and macro data. The ongoing conflict between US-Israel and Iran doesn't seem like it will come to an end anytime soon. This will keep Brent crude oil elevate at close to \$100/bbl and thereby push our CPI higher into the 5% handle for FY 27.



Most brokerage houses a 70-80 bps jump in CPI from just the impact of higher global crude. This table below shows how GDP, CPI, CAD all get affected for every 10% rise in oil prices.

	Base case for FY27E	Sensitivity to 10% rise in oil prices
Current account balance (% of GDP)	-1.0%	0.30%
CPI Inflation, YoY%	4.0%	0.68%
WPI Inflation, YoY%	3.5%	0.80%
GDP Growth, YoY%	6.5%	-0.15%
Memo item		Cut of RS 1/ltr of excise duty on petrol and diesel
Oil taxes (% of GDP for F25)	0.8%	-0.06%

We have already started seeing some signs of growth stress, as the PMI charts show below, and this is why RBI will keep interest rates on status quo at 5.25% despite upward pressure on CPI. If and when the war de-escalates and even reaches a ceasefire agreement, we could start seeing return to growth, but the second-round effects of CPI could take time to fade away. This is why many economists also expect rate hikes to begin in FY 27, maybe the last quarter



Yields have been rising since the war began and with the new financial year to start seeing G-sec + SDL supply soon, we will have upward pressure not only from inflation but also from a fiscal standpoint. The table below shows the potential revenue loss to the centre after the announced excise duty cuts.

Fig. 5: Fiscal impact of fuel tax cut

Index	Category	Amount	Unit
A Estimated quantity consumed in FY26			
1	Petrol	56	bn litres
2	Diesel	108	bn litres
B Baseline tax assumption			
1	Centre - Petrol	19.9	INR/lt
2	Centre - Diesel	17.8	INR/lt
3	State VAT	20.0	%
C Tax change assumptions			
1	Centre - Petrol	-10	INR/lt
2	Centre - Diesel	-10	INR/lt
3	State VAT	0	pp
D = C(1/2) * A(1/2) Hit to central finances			
1	Centre - Petrol	-565	INR bn
2	Centre - Diesel	-1084	INR bn
3=1+2 Total loss of revenue for Centre		-1649	INR bn
		-0.48	% of GDP

Source: PPAC, CEIC and Nomura Global Economics

The H1 FY 27 G-sec borrowing calendar has been announced and although it is only 51% of the total annual borrowing (much lesser than the 56-58% avg. seen over the last few years), the negative sentiments will continue to push yields up, especially in the short end and 10 Y part of the curve where supply has been marked up considerably in comparison with last few years. The last column in the table below shows that below 10 y supply was as low as 23%, but this year it will 32% share of total.

Exhibit 3: Share of long-term borrowings has fallen substantially

	1HY23	1HFY24	1HY25	1HFY26	1HFY27
Below 10	36.9	28.3	23.2	25.1	32.0
10 and above	63.1	71.7	76.8	74.9	68.0

Source: RBI, Nirmal Bang Institutional Equities

Supply in the far end of the curve remains lower in 1HFY27 as compared to FY2026

Exhibit 3: Tenor-wise distribution of G-Sec supply (Rs bn)

	Total	3 years	5 years	7 years	10 years	15 years	30 years	40 years	50 years
Total in 1HFY26	7,950	420	900	660	2,100	1,120	790	1,120	840
Total in 2HFY26	6,660	450	900	440	1,920	960	620	750	620
Total in FY2026	14,610	870	1,800	1,100	4,020	2,080	1,410	1,870	1,460
Total in 1HFY27 indicated	8,200	660	1,260	660	2,380	1,190	600	660	790
		3 years	5 years	7 years	10 years	15 years	30 years	40 years	50 years
% in total in 1HFY26		5.3	11.3	8.3	26.4	14.1	9.9	14.1	10.6
% in total in 2HFY26		6.8	13.5	6.6	28.8	14.4	9.3	11.3	9.3
% in total in FY2026		6.0	12.3	7.5	27.5	14.2	9.7	12.8	10.0
% in total in 1HFY27		8.0	15.4	8.0	29.0	14.5	7.3	8.0	9.6

Source: RBI, Kotak Economics Research

Our strategy given the above will be to add spread assets that offer better yield and carry in Non ULIP funds, while maintaining duration. We intend to keep cash levels at around 5-7%. In ULIP we aim to keep modified duration at around 5 in larger funds in debt against a benchmark duration of 5.2 expecting interest rates to rise further in FY 27.

Equity Outlook

Equity Market Outlook for the Month of April 2026

Nifty and Sensex ended at 22,311 and 71,948 respectively, down 11.5% and 11.3% respectively during March 2026, as the US-Israel war with Iran escalated into a global economic crunch. Mixed commentary from warring leaders and historic volatility in crude oil and natural gas prices kept markets on the edge, resulting in a ping-pong game of escalation concerns and de-escalation relief.

Broader markets in India posted similar losses in March, with the NSE Mid-cap 100 index down 10.9% and NSE Small-cap 100 index down 10.2%. Indian equities underperformed US equities, with the US S&P 500 down 6.3% in March. In India, all sectors were in the red, with the power sector falling the least, and banking falling the most. The fall in banking stocks was only worsened by a selloff in HDFC Bank following the sudden resignation of its chairman citing personal and ethical differences.

Fig 1. Metals outperformed and Realty underperformed in January

	1M		3M		6M		9M		12M	
	Returns	Rank	Returns	Rank	Returns	Rank	Returns	Rank	Returns	Rank
Auto	-15.5%	9	-15.9%	8	-11.2%	9	-1.6%	2	10.3%	2
Banking	-17.0%	12	-15.2%	7	-8.0%	7	-11.8%	8	-5.0%	9
Cap. Goods	-8.8%	4	-4.3%	3	-5.9%	6	-11.2%	7	2.4%	4
FMCG	-10.5%	6	-17.6%	10	-16.6%	11	-17.1%	10	-13.7%	10
Healthcare	-4.9%	2	-4.6%	5	-3.0%	4	-5.6%	5	0.9%	7
IT	-6.1%	3	-24.0%	11	-15.8%	10	-26.7%	11	-22.7%	11
Metal	-8.9%	5	0.0%	2	10.7%	1	16.2%	1	19.4%	1
Oil & Gas	-13.6%	8	-11.0%	6	-5.0%	5	-8.3%	6	1.7%	5
Power	-4.2%	1	2.6%	1	-0.6%	3	-3.8%	4	1.3%	6
Realty	-16.8%	11	-25.9%	12	-25.1%	12	-33.8%	12	-23.3%	12
Financials	-15.6%	10	-16.4%	9	-10.9%	8	-14.7%	9	-4.8%	8
PSU	-12.3%	7	-4.5%	4	-0.5%	2	-1.9%	3	8.3%	3

FII sold USD 12.7 Bn of Indian equities during March, with secondary market selling of USD 13.2 Bn, up to 27th March. DII softened the blow with equity inflows of USD 13.9 Bn during March. Net FII flows into India's equity markets (both primary and secondary) in FY26 stand at -18.95 Bn USD. Mutual fund inflows into equity-oriented funds in February rose from January levels, standing at INR 259 Bn, while SIP inflows in February remained steady at INR 298 Bn.

Fig 2. FPI outflows from EMs shot up in March, reflecting the grim economic implications of the war

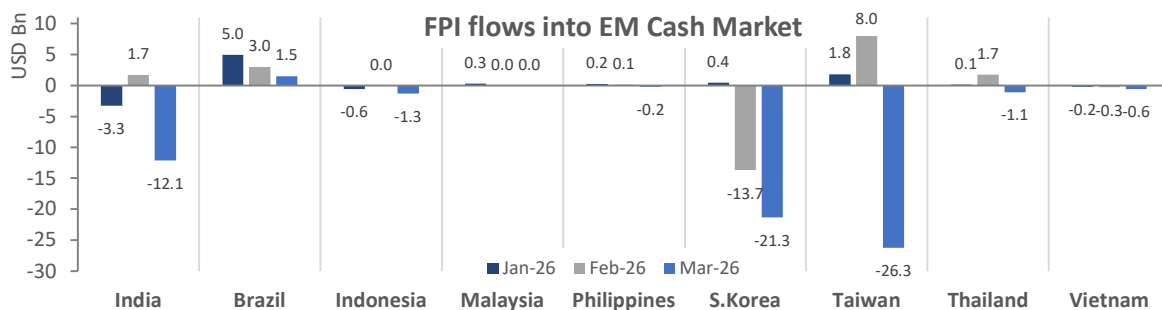
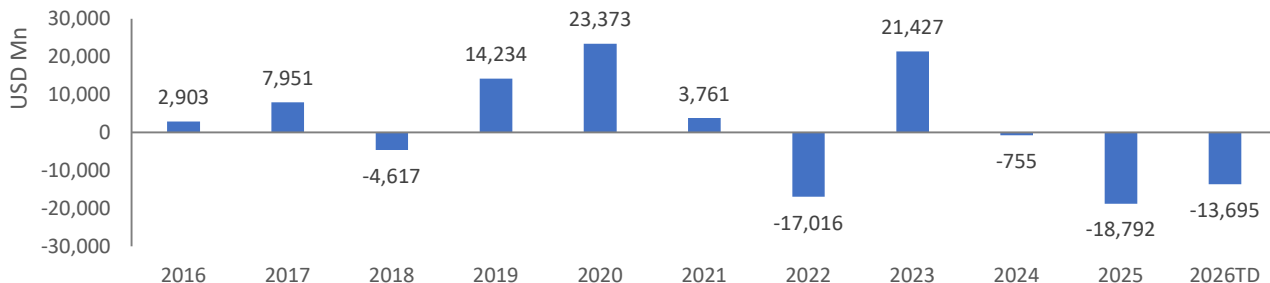


Fig 3. FII Net outflows so far in CY26 are already among the highest in the last decade



India's CPI inflation increased to 3.2% in February 2026, from 2.7% in January while WPI inflation was 2.1% for February, compared to 1.8% in January. Food inflation continued to heat, rising to 3.47% in February. Gross GST collections for February 2026 rose 8.2% Year on Year.

OECD Economists have revised FY27 Inflation projections for India up by 170 bps to 5.1% and growth projections down by 10 bps to 6.1%.

Brent Crude ended March at USD 118.35/bbl, shooting up 62% from the end of February. The first day of US-Israel attack saw the highest intraday volatility in crude oil futures, with an intraday high of up to USD 120, before falling back below USD 100. It has since fluctuated its way to the range of 105-115, as contradictory and confusing messages from the US President led to gyrating movements that have left global markets in a bind. Metal prices have broadly fallen due to the dampening demand scenario, which suddenly followed the blazing rally in early 2026. The notable exception here is Aluminium, which is up 10.2% in March - UAE, Bahrain and Qatar are significant exporters of the metal and have seen damage to their facilities. Asian markets, which have the highest exposure to supply shocks in the Middle-East, have seen uniform, constant FPI outflows leaving their currencies in a battered state. The Indian Rupee hit a lifetime low of 95.22 intraday on 30th March, and has fallen 11% in FY26.

Fig 4. DII and FII flows from Apr '25 to Mar '26

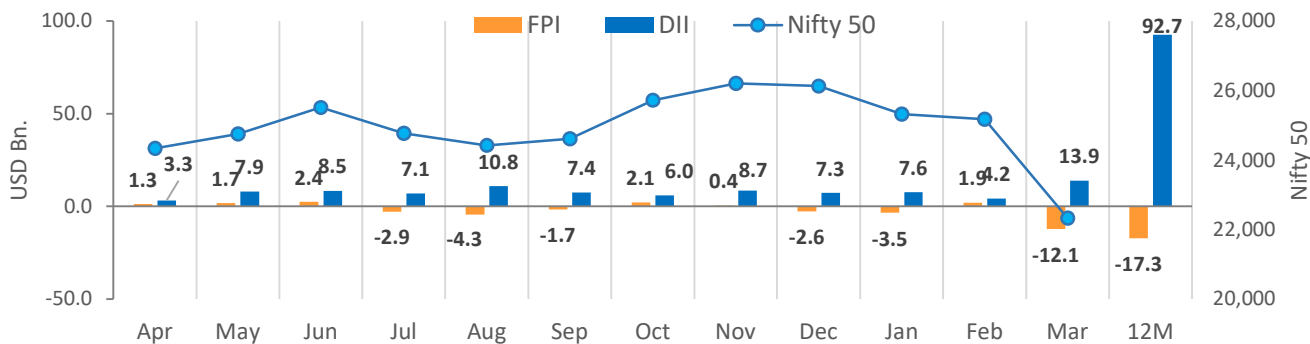
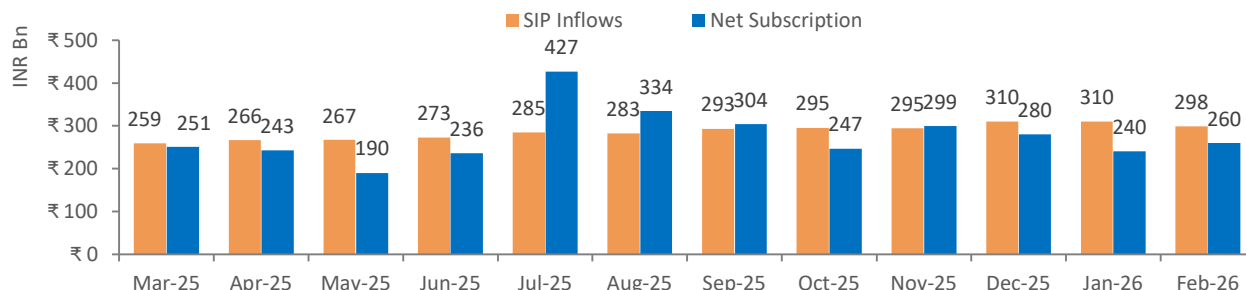


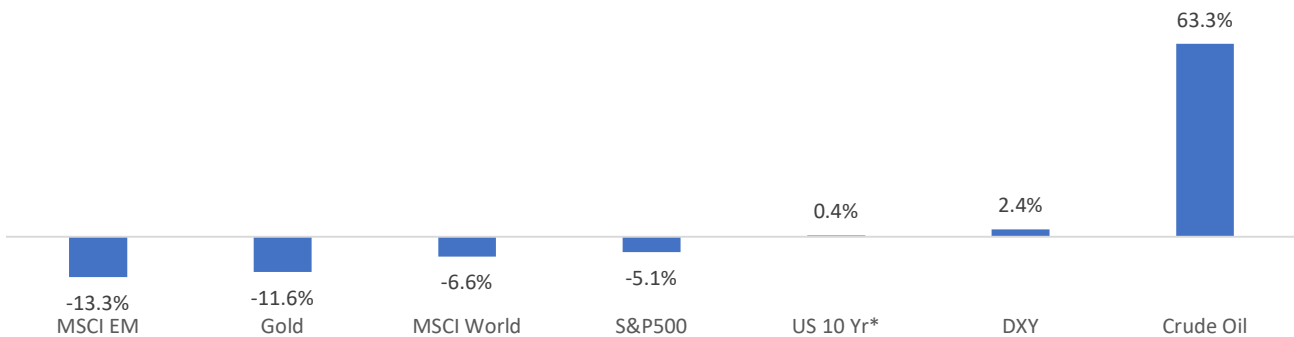
Fig 5. Total Net subscription to domestic equity-oriented mutual funds and monthly SIP flows



The RBI kept rates unchanged in their February meeting. Inflation expectations are rising with the Strait of Hormuz closed for a month so far, leading to a loss of global supply of crude oil, LPG, petroleum products, aluminium and other goods that would have flown through the Strait. Retail prices for fuel have already hit historic highs in many countries, including net crude oil exporters such as the USA. In this environment, the economic outlook has turned uncertain and hawkish behaviour can be expected from Central Banks worldwide, with a wait-and-watch approach in the near term. The Reserve Bank of Australia has already announced a rate hike, and rate cut expectations in the US for 2026 have fallen from 2-3 cuts to 0. The US Fed kept rates unchanged in their March meeting.

The situation in the Middle-East has parallels with oil shocks faced before – the most recent one being Russia’s invasion of Ukraine in 2022 which left European countries no choice but to sanction the aggressor, leaving them starved of oil and gas imports from Russia. Compromises were quickly made and flows of petroleum were redirected such that supply chains corrected themselves over the course of that year. However, the current closure of the Strait of Hormuz is a shock at a much higher magnitude, and is an outright stoppage of supply, leaving no way around the creeping shortage of essential fuels and products. Another historic parallel is the Iraqi invasion of Kuwait in 1990, which took the oil supplies of both countries off the market. That conflict continued for a period of seven months and ended with a US-led coalition ending Iraqi aggression in a stunning display of military might. This time, however, US military might has not succeeded in bringing about the capitulation of Iran – rather, the Islamic Republic seems to have gained new geopolitical levers and showcased its ability to resist overwhelming military force despite facing grave losses and facing near collapse. With other international powers refusing so far to participate in bringing Iran to heel, it seems diplomacy is the best way out in lieu of a ground assault. As of the beginning of April, there are purported negotiations between US and Iran via intermediaries, which seem to be credible enough to calm markets a bit, although doubts remain.

Fig 6. March 2026 Returns across global asset classes – no places to hide

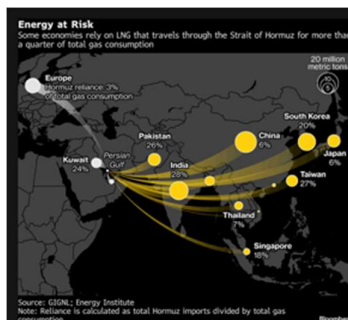


* US 10-year shown as change in YTM since Feb-end, rise in YTM reflects a fall in bond prices

In the last month, there have been few safe havens in the financial markets. Gold and fixed income – the traditional safe havens during equity market weakness, have also fallen in tandem in the expectations of eventual rate hikes. The only assets which have emerged as clear winners are the US Dollar and Crude Oil.

Global Uncertainties / Risk has moved up suddenly. EMs are more susceptible. Markets discount things likely to emerge. Right now, because the vulnerability of LPG was exposed immediately here, it reacted fast.

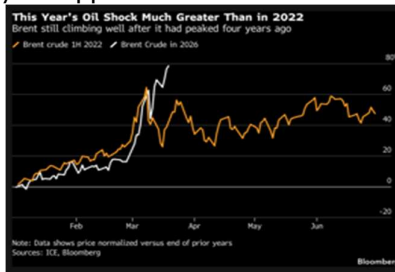
World’s dependency on Strait of Hormuz as exposed. 20% of Oil requirements comes from this strait. As our country’s energy requirement is imported to the extent of 80%, one fourth of this coming from Strait of Hormuz. We are also hit badly further due to dependency of Gas.



Therefore, recovery depends on how long the Strait is disturbed in terms of smooth flow of ships carrying Oil. Although partial availability of Oil is made for few countries including India, markets will need uninterrupted flow to come back to normalcy which as of now is not in sight. The moment this comes up, markets tend to react very fast, and it looks like fear has now overtaken greed.

Though results will be showing less impact on the gone by quarter. All management commentary will be depending on situation in middle east. Therefore, good results may not play an important role in market direction for the time being. We will have to brace for higher input costs and margin squeeze.

Having said this, most of the money is made by investing in these kinds of uncertain situations. Asset prices bounced back fast though Russia's attack on Ukraine has not yet stopped.



Going by the above our conviction on sustainable business models doing well continues. Uncertain times will come and go. It's the business that fights back will succeed. Our conviction in Equity as a class of asset within the permissible avenues is the cheapest now is convincing. One with 3-year view should continue to keep the faith in Large & Mid-Caps both.

Fig 7. Forward P/E levels across Large-Caps, Mid-Caps and Small-Caps

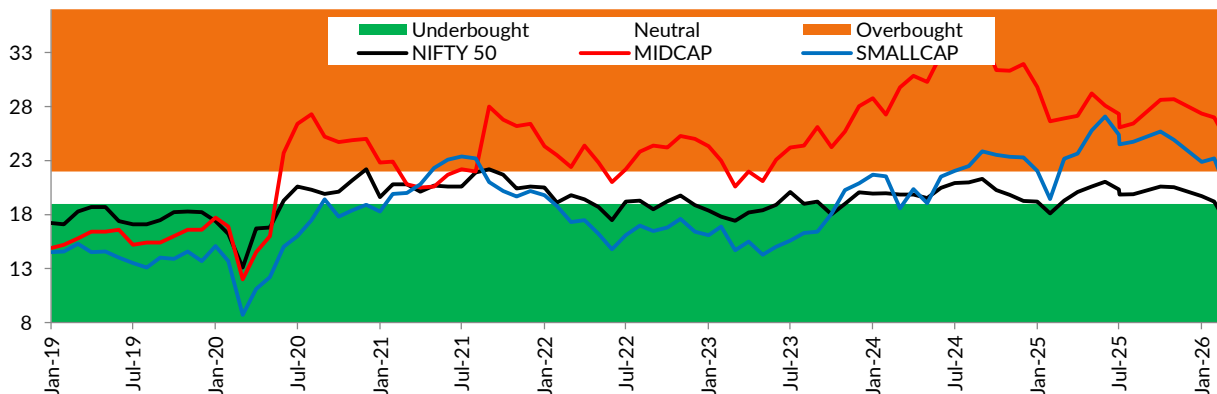


Fig 8. Major events and Nifty50 movements during March 2026

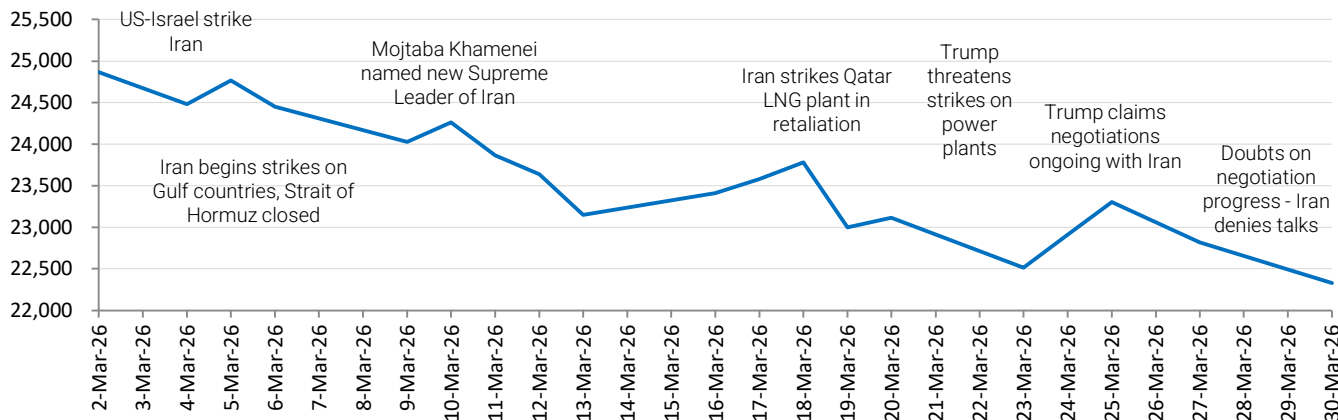
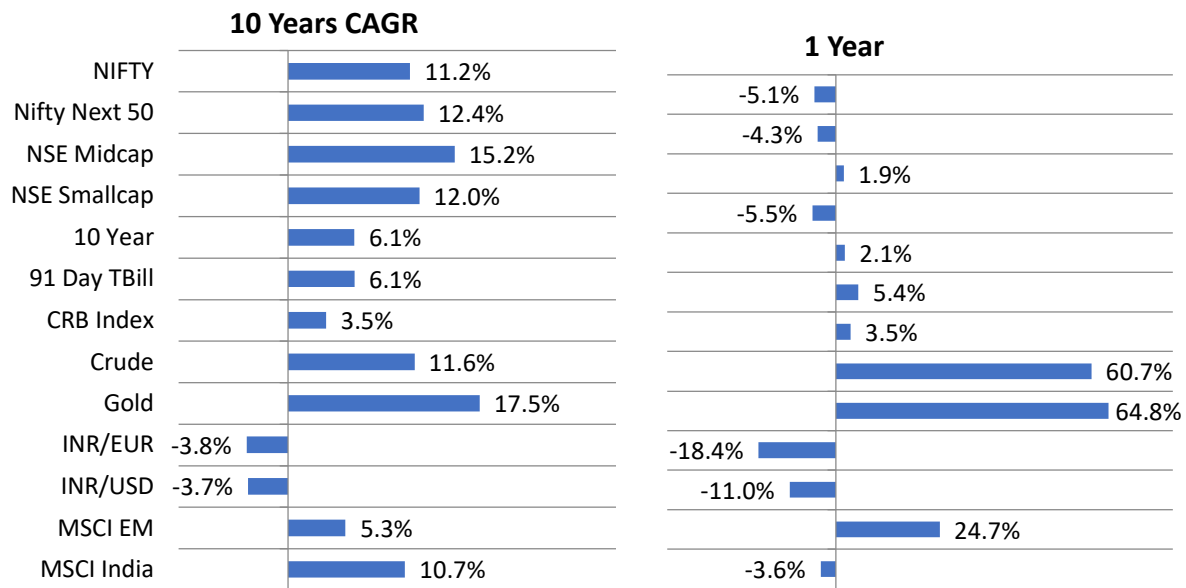


Fig 9. Fund Returns – AUM Mix and Performance (CAGR)

	Equity % in Fund	1M	1Y	3Y	5Y
Midcap Fund	95%	-10.76 %	0.61 %	19.79 %	16.32 %
<i>Benchmark</i>		-10.94 %	1.89 %	20.92 %	17.40 %
Bond Fund	0%	-0.81 %	3.00 %	6.47 %	5.30 %
<i>Benchmark</i>		-0.60 %	3.58 %	6.84 %	5.75 %
Equity Fund	99%	-11.62 %	-7.71 %	9.75 %	8.53 %
<i>Benchmark</i>		-11.31 %	-5.05 %	9.35 %	8.51 %
Balance Fund	51%	-6.93 %	-1.58 %	7.93 %	6.98 %
<i>Benchmark</i>		-6.41 %	-0.61 %	8.29 %	7.37 %

Fig 10. Major Index and Asset Class Returns



Dependency on Gold

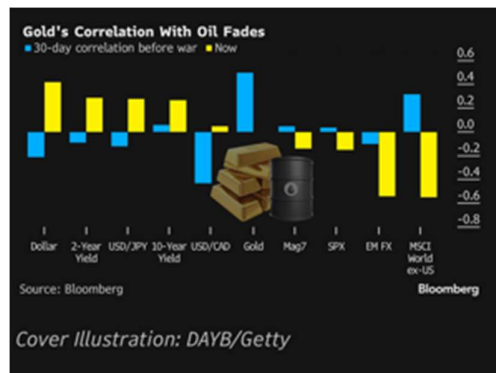
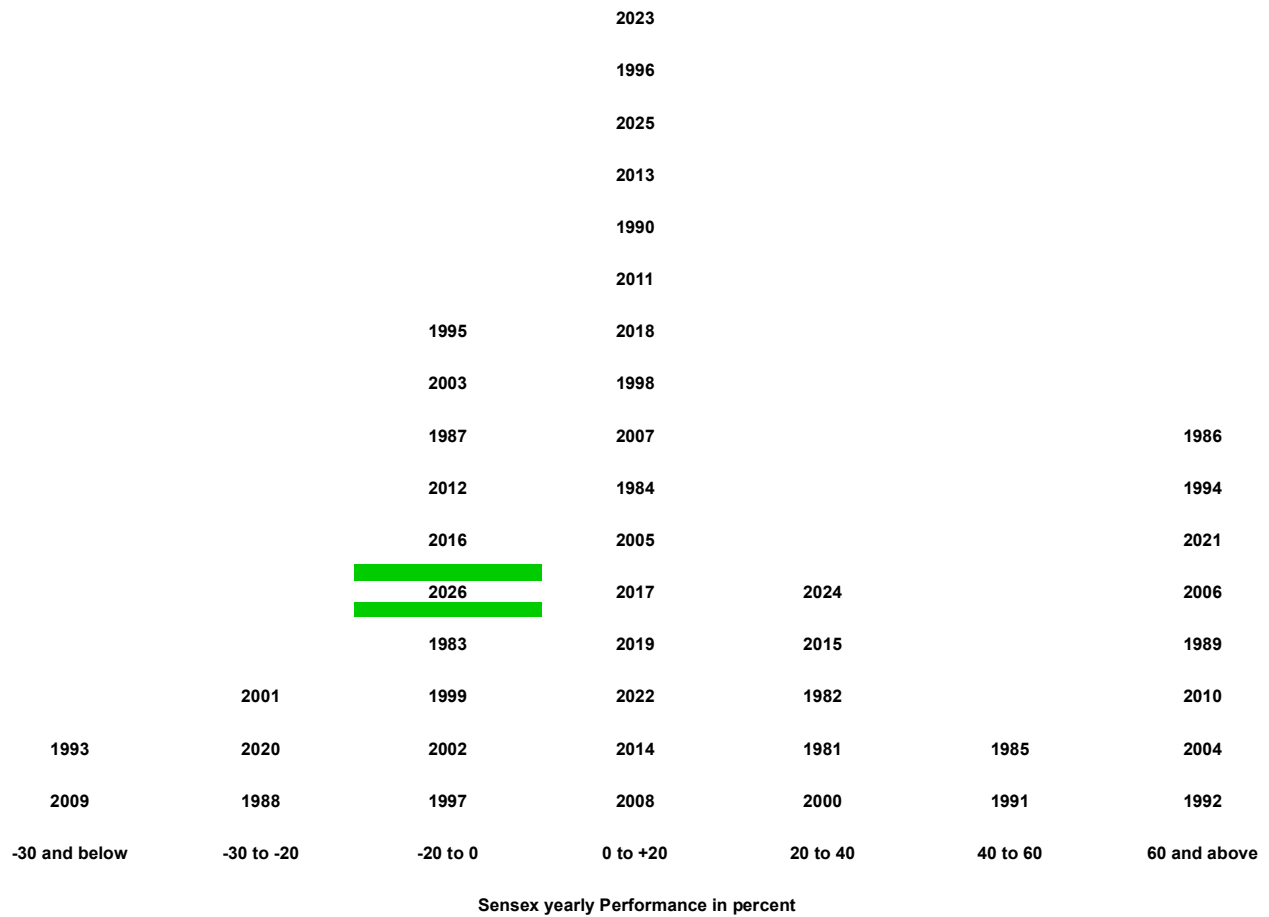


Fig 11. Sensex yearly Performance in March (percent)



RISK MANAGEMENT PRACTICE FOR UNIT LINKED PORTFOLIOS

Company's investment exposure to any sector is as per limits prescribed by IRDAI under Investment Regulations and the same is monitored on a daily basis. In addition, the company also follows stringent asset allocation metrics as per policy features communicated to the policy holder and the same is adhered to while making investment decisions. In case of guaranteed products, investments are made in suitable asset classes taking into account market and credit risk, and liquidity of the investment to ensure fulfilment of guarantee promised. There is an efficient stop loss policy in place, which is triggered every time the stock price breaches a specific threshold level. This warrants review of investment decision and establishes the rationale for continuance or discontinuance of the specific investment thus preventing sharp fall in value of our holdings and prolonged underperformance of the portfolio. Significant importance is given to asset liability management and accordingly, portfolios are reviewed on a monthly basis to ensure adherence.



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