IS IT THE RIGHT TIME TO INVEST IN FD?

India has traditionally been a fixed deposit market and the trend continues. Indians prefer to park their savings mostly in fixed return instruments, largely in fixed deposits.

The year 2022 saw a huge variation in interest rates. From the lows of 5% for 1 year FDs, they currently stand at around 7-8%, almost 200 to 300 basis points higher. This is mostly attributed to US markets which have seen unprecedented rise in interest rates resulting in rate hikes across the world.

Given below is a chart of historical Bank FD rates in India.

Year	Avg FD Interest Rate (%)
1975 - 1976	8.00 - 10.00
1976 - 1977	8.00 - 10.00
1977 - 1978	6.00 - 9.00
1978 - 1979	6.00 - 9.00
1979 - 1980	7.00 - 10.00
1980 - 1981	7.50 - 10.00
1981 - 1982	8.00 -10.00
1982 - 1983	8.00 -11.00
1983 - 1984	8.00 -11.00
1984 - 1985	8.00 -11.00
1985 - 1986	8.50 -11.00
1986 - 1987	8.50 -11.00
1987 - 1988	9.00 - 10.00
1988 - 1989	9.00 - 10.00
1989 - 1990	9.00 - 10.00
1990 - 1991	9.00 - 11.00
1991 - 1992	12.00 - 13.00
1992 - 1993	11.00 - 11.00
1993 - 1994	10.00 - 10.00
1994 - 1995	11.00 - 11.00
1995 - 1996	12.00 - 13.00
1996 - 1997	11.00 - 13.00
1997 - 1998	10.50 -12.00
1998 - 1999	9.00 -11.50

Year	Avg FD Interest Rate (%)
1999 - 2000	9.00 - 11.50
2000 - 2001	8.50 - 10.00
2001 - 2002	7.50 - 8.50
2002 -2003	4.25 - 6.25
2003 - 2004	4.00 - 5.50
2004 - 2005	5.25 - 6.25
2005 - 2006	6.00 - 7.00
2006 - 2007	7.50 - 9.00
2007 - 2008	8.25 - 9.00
2008 - 2009	8.00 - 8.50
2009 - 2010	6.00 - 7.50
2010 - 2011	6.75 - 7.75
2011 - 2012	7.00 - 9.50
2012 - 2013	7.50 - 9.25
2013 - 2014	8.75 - 9.10
2014 - 2015	8.50 - 8.75
2015 - 2016	7.00 - 7.50
2016 - 2017	6.50 - 6.90
2017- 2018	6.25 - 6.70
2018 - 2019	6.25 - 7.25
2019 - 2020	5.70 - 6.40
2020 - 2021	5.25 - 5.35
2021 - 2022	5.05 - 5.35

* Rate range is 1 year to 5 years and above
* Source: RBI

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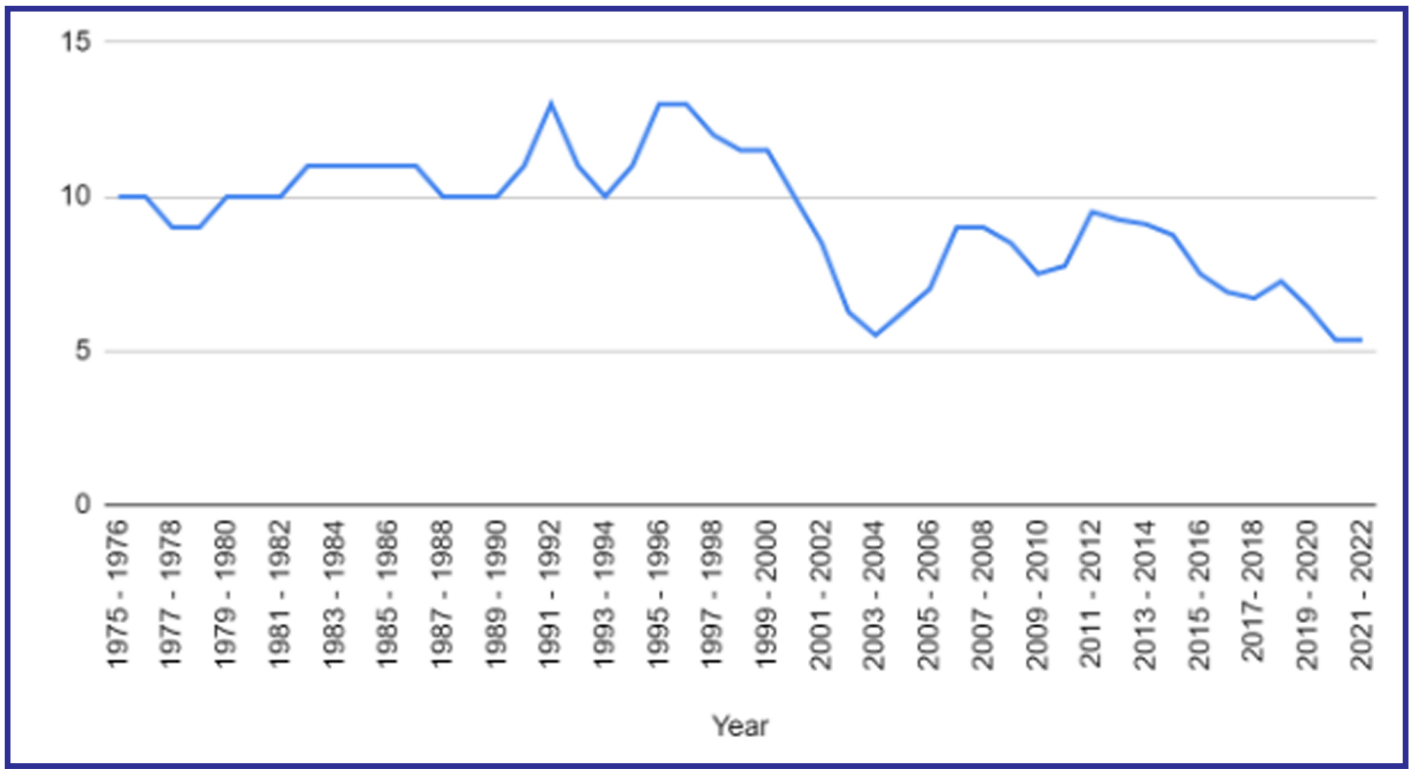
Average Fixed Deposit Interest Rate (%)



Note: The graph depicts average of 1 year and 5 year average FD rates

It seems that the interest rates have peaked out in India and it could be a good time to lock your investments at current rates.

Given below are some Corporate Fixed Deposit Schemes that might interest you

Company	Rating	FD Rates (Per Annum)
HDFC Ltd.	CRISIL - AAA ICRA - AAA	6.40 - 7.50%
Bajaj Finance	CRISIL - AAA ICRA - AAA	6.55 - 7.50%
Mahindra Finance	IND AAA / Stable	6.30 - 7.75%

If you are interested to park your funds in corporate fixed deposit schemes, please let us know.

Disclaimer: The interest rates have been sourced directly from the companies website and may change anytime at the respective company's discretion. The above list is not exhaustive. Interest rate varies on tenure and amount of investment. Investors are advised to conduct their own due diligence before investing. Report as on 10/02/2023.

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