

## **Small saving rates cut a bold political move, says Deutsche**

[http://www.moneycontrol.com/news/fii-view/small-saving-rates-cutbold-political-move-says-deutsche\\_5973081.html](http://www.moneycontrol.com/news/fii-view/small-saving-rates-cutbold-political-move-says-deutsche_5973081.html)

Abhay Laijawala of Deutsche Bank says in a bold political move, the Government of India has slashed interest rates on politically-sensitive small savings schemes with effect from April 1, 2016. This is a significant policy reform, which will pave the way for a market-linked interest rate structure and enable faster monetary transmission, he feels. According to him, these announcements will benefit consumer discretionary, housing finance and highly levered companies. Laijawala reiterates his overweight on financials and consumer discretionary. Key beneficiaries include HDFC, Shriram Transport Finance, Hero Motocorp, M&M and Whirlpool, he says.