

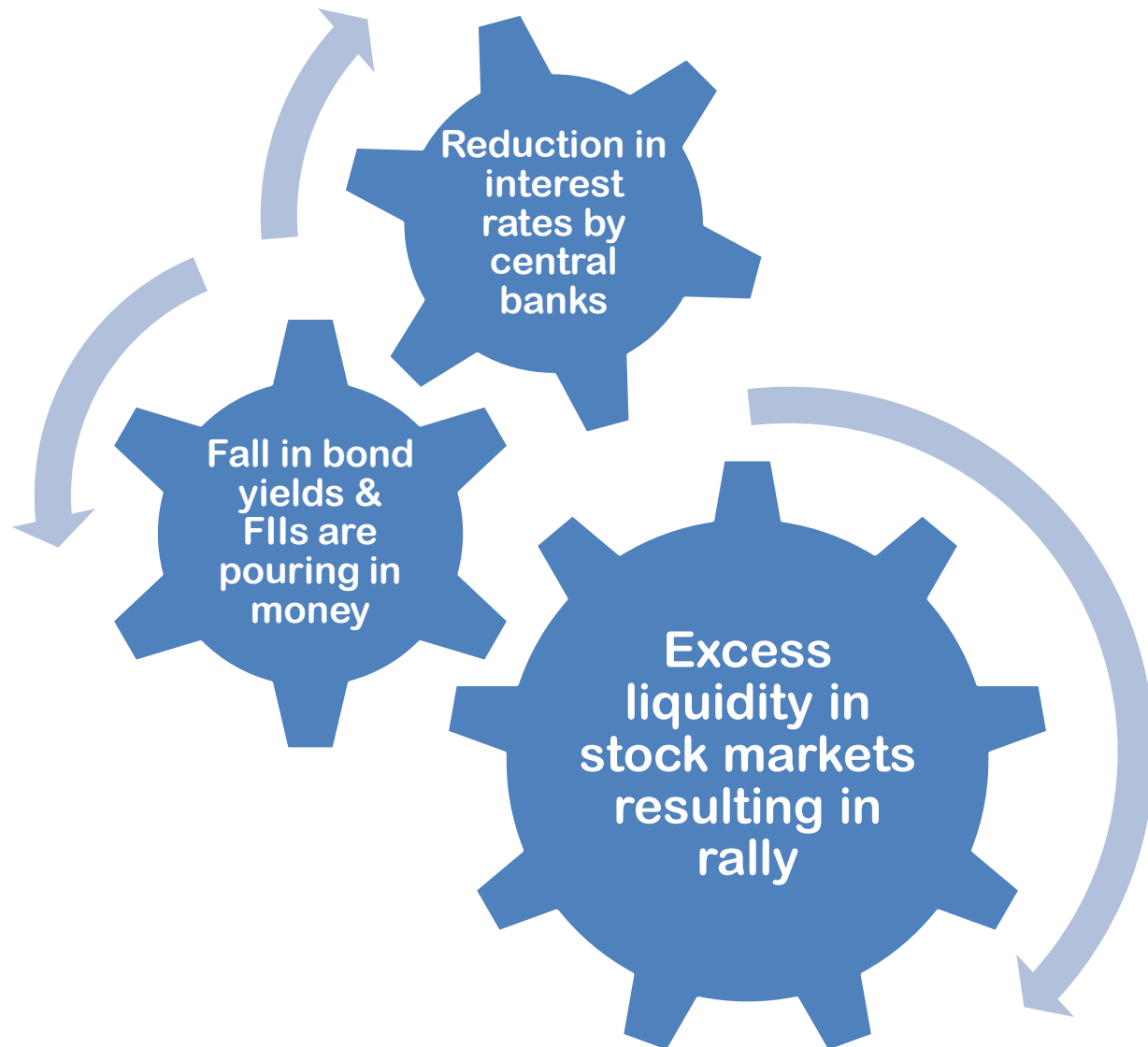
Market Outlook



**A venture by IIT Bombay
alumnus**

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Rally in the stock market



Rising tide lifts all the boats

- Now-a-days, any Tom Dick Harry comes and suggests a scrip and the scrip goes up.
- The same guy comes after 4-5 days and claims that his suggestion worked.
- But the question arises – is this sustainable?

It's time to be cautious

- Please avoid
 - F&O
 - Day trading practices
 - Penny stocks



- Focus on
 - quality stocks
 - long term goals



Bulls and Bears

- Market has seen many such bull runs in the past
- There were severe crashes as well
- A paltry reason is sufficient for market to crash



Bull market is the only place where you can sell your mistakes at profit.



Bear market is the place where you can buy your regrets at cheaper price.

One of the best ways to make money in the market is

To sell

To buy



When the market
is rising

When the market
is falling

Highly unpredictable market

- In March 2020, Morgan Stanley had cut Sensex target to 32000 for year end.
- In November 2020, the same Morgan Stanley is overweight on India and sees Sensex at 50000 by December 2021.

Buffet Indicator

- Market cap to GDP ratio also known as Buffet Indicator is used to assess valuations of stock market.
- It has an average of 75-79%.
- Currently, it is hovering around 91% which indicates that the market is overvalued.
- There are other parameters like PE, PB as well but they are a little skewed due to COVID pandemic.

In a nutshell...

- Time to be neutral weight on equity
- Valuation-wise market is high but momentum is very strong
- Lumpsum investment in equity is not advised
- STP route for 1 year in equity or long term SIP in equity should be the current strategy
- Lumpsum investment in BAF or debt funds with high carry is suggested

Get in touch with us to know more

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