

SENSEX	NIFTY	USD	GOLD (10 grams)	CRUDE
53424.09	16013.45	76.90	53595.00	9446.00

## Geopolitical developments, state elections results, global and domestic data to decide market moves: Experts

In the coming week, the focus would remain on the Russia-Ukraine crisis and its impact on crude. Besides, on the domestic front, participants will be closely eyeing the state elections results of 5 states-UP, Uttarakhand, Goa, Punjab and Manipur on March 10. On the macroeconomic front, we have IIP data scheduled for March 11.

Indian equity markets continued to witness selling pressure in the fourth straight week ended on March 4 amid high volatility triggered by the escalating war between Russia and Ukraine. In the last week, the BSE Sensex fell 1,524.71 points (2.72 percent) to end at 54,333.81, while the Nifty50 shed 413 points (2.47 percent) to end at 16,245.4 levels.

The street will keenly watch on how RBI tackles with a backdrop of higher oil and commodity prices, and most importantly, growth-supporting fiscal policies. Nifty's long-term charts are still painting a bearish picture with immediate targets at 15,901 mark. Confirmation of strength only above Nifty at 16,807 mark.

The market's direction would be heavily influenced by the ongoing geopolitical tensions. On the macroeconomic front, investors will be keeping a careful eye on China's and the United States' inflation numbers. As commodities and crude oil prices skyrocket amid the war, inflation data becomes a critical indicator to determine the Fed's next course of action. Back home, the outcome of the state elections, which is scheduled next week, will also impact the investor sentiment. Considering these events, the market's range-bound movement is expected to continue, and investors can look for selective buying while maintaining an overall cautious outlook.

With earnings season behind us and given the overall sentiments, markets are expected to move in sync with global peers in the coming week. A close eye will be kept on the developments concerning the Russia - Ukraine crisis and considering the inflation overhang, market participants will also observe movements in energy prices.

The news flows from the global geopolitical developments are likely to drive the near term moves in the market but until any reversals are seen, short term traders should avoid bottom fishing and stay light on positions. The India VIX is still high around 28 which needs to cool-off below 24 again for some stability. The immediate resistances for the Nifty are now seen around 16500 and 16800 which needs to be taken out with broader market participation for a reversal of the trend. On the flipside, the immediate downside levels are seen around 16000 and 15800.

### Glossary

#### Benchmark

It is the platform or the parameter with which a scheme can be compared. For example, the performance of an index fund can be benchmarked against the appropriate index specified by it.

## 22% women invest via mutual funds, followed by gold and stocks

Around 1 in 5 women started investing for the first time, amidst the pandemic, says a survey conducted by Scripbox, a digital wealth management company. The survey highlights a growing trend of women taking greater control of their money, accelerated by the economic impact of the pandemic.

The survey also points to the instruments these new women investors fancy. According to the survey, mutual funds is the most preferred investment instrument and is the choice of 22% of women surveyed, followed by shares and gold. Around 34% of women prefer to put their money in a mix of traditional investment options like fixed deposits, recurring deposits, PPF and savings accounts. Around 30% of them rely on digital investment platforms for information on financial planning and investing, 20% depend on friends and family and 15% refer to articles on personal finance.

The survey also reveals that 70% of women (60% in 2021) have said that they are either independently managing their own money (32%) or are actively involved in financial decision-making with their spouse (38%). Compared to last year's survey, there is an 11% uptick in the number of women who are independently managing their expenses today.

Long term life goals continue to be a priority for the women investors. Saving for retirement (20%) and for children's education (20%) emerged as the most important financial goals for women across India. While women under 35 years wish to make more money as their next financial goal, women over 35 years have said that they would prefer to create an emergency fund.

"The survey highlights a progressive reduction in gender role gaps and an increased independence in women with wealth management. With an increase in awareness and interest in financial planning and wealth creation, we are witnessing a positive shift in investment preferences, goals, behaviours and mindsets. Women are motivated to save and invest and take control of their financial journey now more than ever. As a digital wealth manager, our aim is to help investors make these informed decisions that allow them to achieve their life goals," said Atul Shinghal, Founder and CEO at Scripbox.

## SBI Mutual Fund collects Rs 8,095 crore through multicap fund NFO

SBI Mutual Fund on Thursday announced that investors have put Rs 8,095 crore into a new fund offer for a multicap offering, giving it a 15 per cent share of the recently categorised market.

Almost the entire sum has been raised from retail investors, and subscriptions came from 82 per cent of the PIN codes in the country, its chief business officer D P Singh said. The average ticket size also came down to over Rs 2 lakh from Rs 5 lakh earlier. Market regulator Sebi had last year redefined the multicap category, and SBI MF had launched its offering in line with the new norms, Singh said, expressing satisfaction with the investor response.

## Mutual funds to look at during this market correction

Russia-Ukraine conflict continued to dominate Indian markets on Monday as domestic equities slumped more than 2% and the rupee hit a lifetime low, reacting to the surge in crude oil prices.

It is all about market timing when it comes to buying mutual funds. Usually, mutual fund investors go into overdrive when they see market crashing. We look at the funds that may perform better in a market correction.

Despite the deep correction, experts are of the opinion that investors shouldn't dive headfirst and should largely stay with safe large-cap bets.

"We continue to be more on the large-cap-oriented strategy. So, large, large- and mid-cap and flexi cap funds would be a better strategy at this point," said Harshad Chetan Wala, a Sebi-registered investment adviser and co-founder of MyWealthGrowth.

The expert suggests a mix of active and passive strategies, where 20-25% allocation goes into passive funds and the rest to active funds. "In the current market condition where stocks can correct a bit, active fund managers can give better opportunities to invest. When we talk about passive, it is purely Nifty or Sensex index,"

Thanks to the recent uncertainty due to the Russia-Ukraine crisis, and likely interest rate hikes by the US Federal Reserve, equities have taken a major beating over the past months.

Gold has been a major beneficiary as data available with ValueResearchOnline shows that bullion funds have delivered more than 15% return on an average compared with 9% return delivered by the large-cap category on a one-year basis.

## There are 399 mutual fund managers in India, but only 8% of them are women

While women are taking charge in all walks of life, the mutual fund industry has a lot of work to do. A Morningstar India study shows that there are only 32 women fund managers in India. There are 399 fund managers in the Indian mutual fund industry. These 32 women fund managers are managing funds either as primary / secondary managers or have oversight as heads of equity / debt. Last year, this count was 30.

Interestingly, the total number of fund managers saw a healthy increase this year. The head count was 376 in the last year. With a meagre 8% representation, women still remain under-represented among the ranks of mutual fund managers. That said, the representation in percentage terms has been on the rise over the last two years, albeit marginally.

In 2017, there were only 18 women fund managers in the industry. This increased to 24 in 2018, 29 in 2019, then reduced to 28 in 2020 and again increased to 30 in 2021, followed by 32 in 2022.

## Equities slip to 7-month low as oil hits new high

Indian equities sank over 2% to their lowest in seven months and the rupee tumbled to a record on Monday after crude oil prices hit the highest level since 2008, intensifying worries that rising inflation might derail economic recovery. The Nifty fell below 16,000 for the first time in seven months, opening up the likelihood of the index declining another 3% in the near term.

Oil prices are already up more than 60% this year and a further surge could threaten recovery in India, which relies on imports for over 80% of its crude requirement.

Manic Monday saw the Sensex ending below the 53,000 mark and the Nifty falling below a strong support of 15,800 as oil prices soared over 10% on the risk of a US and European ban on Russian oil supplies as well as delays in talks on the Iranian nuclear accord. Investors also preferred to remain on the side-lines ahead of exit polls in five states, including the most populous one, Uttar Pradesh.



Country [Index]	% Change Vs Prev. Close	Yr To Date % Chg	% Chg From 52-Wk Highs
Hong Kong [HSI]	-3.87	-10.00	-28.85
Taiwan [TWSE]	-3.15	-5.71	-7.74
Japan [Nikkei]	-2.94	-12.40	-18.10
India [Sensex]	-2.74	-9.29	-15.11
India [Nifty]	-2.35	-8.59	-14.73
Korea [Kospi]	-2.29	-10.96	-20.05
China [Shcomp]	-2.17	-7.33	-9.43
Singapore [STI]	-1.21	2.05	-8.03
South Africa [Jalsh]	-0.76	0.62	-5.27
Philippines [Pcomp]	-0.73	2.32	-3.50

Source: Bloomberg, compiled by ETIG

### FPIs Sell Shares worth ₹7,482 cr

All this happened in the midst of intermittent price update issues in the early part of the day at India's biggest stock exchange, the NSE, which were resolved later. Votes in the state elections will be counted on March 10.

Foreign portfolio investors offloaded Indian shares worth Rs 7,482.08 crore on Monday while domestic institutional investors bought shares worth Rs 5,331.03 crore.

### Glossary

#### Arbitrage

Arbitrage funds aim to generate income by using arbitrage opportunities between the cash market and the futures (or derivatives) market. The arbitrage opportunity mainly arrives when there is more volatility in the markets because heavy volatility leads to more mispricing in cash and futures market.

## What mutual fund investors can do to protect their wealth

New mutual fund investors are getting a taste of the market. Many of them confess that they are feeling anxious about their regular investments. This is how a not-so-new investor put it: “when I see that the entire equity fund category is bleeding I know my investments are doing badly. Then I read the reports with worse predictions. I feel like running away from the market.”s

Almost all equity mutual fund categories are making losses in the short term. According to Value Research, all major equity mutual fund categories are making losses in the three months. Luckily, the carnage hasn't impacted long-term returns yet. Apart from banking sector funds that have lost 6% in the last year, all other equity categories are still in profits.

If that is making you nervous, you may be up for sermons from us. Sorry, even at risk of sounding like a stuck record, we need to reiterate certain points so that it would reassure you about your investment plans.

The most important thing for you to do now is not doing anything. Remember, the situation is developing. Sure, you can't help weighing various outcomes. However, you may know that they are possibilities. Even if one of your assumptions comes true, the outcomes may not be predictable. The point is making changes to your investment plan based on the current situation is very challenging. The outcomes may not be what you imagined them to be.

What can you do in the current situation? One, you can accept the current situation and tell yourself that the entire market is down. For example, the key index - S&P BSE Sensex- came down to 53xxxx from 62,xxx points it scaled in xxx. It clearly tells you that most of your investments will also be hit by the fall in the market.

You can also tell yourself that you cannot avoid such bad phases when you are investing for a very long time in stocks. You can also tell yourself that such phases won't look so bad when you look back after a decade or two. In fact, that is what helps many seasoned investors to ignore short term volatility and stick to their investments.

You can also use the current fall in the market to reassess your investments. Have you made any investments which you are not so sure about now? Or you think you assumed that you have a very high risk tolerance which may not be true. Such assessment is a very important learning. You may not do anything to your investment plan. Or you may scale down your investment in risky options and allocate more to safer investments. However, you should not ignore these learning's. Otherwise, you risk repeating the same mistakes in future.

Always remember that your behaviour during a crisis situation like the current market scenario may be forcing you to make mistakes that may deny you the opportunity to make wealth. Unless you identify your mistakes and learn from them, you would make the same mistakes again.

## New Fund Offer(NFO)

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**NFO**

Opens: 4<sup>th</sup> March, 2022

Closes: 16<sup>th</sup> March, 2022

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ASSET MANAGEMENT

(Source: - AMFIindia, Moneycontrol, Economicstimes, Livemint, Cafemutual, IBJARates, etc.)