



Weathering Market Corrections: Process Over Panic

Market Data & Macros

MARKET SNAPSHOT

BSE Sensex: 74612 (-1.00 % MoM)
Nifty 50: 22,545 (-1.24 % MoM)
Nifty Bank: 48,744 (-1.41 % MoM)
Nifty Midcap: 49,137 (-5.31 % MoM)
Nifty Small-Cap: 15,157 (-7.04 % MoM)
Nifty PE Ratio: 20.04

** MoM" an abbreviation for "Month on Month Performance".
 Data as on 27thst February, 2025.

Brent Crude: 74.04
USD/INR: 87.21
Gold (Rs/10 gms): 85,593
10-year G-sec yield: 6.71 %

Data as on 27thst February, 2025.



February 2025 has seen mixed sentiment in Indian markets, influenced by both domestic factors and global uncertainties. Recent corrections have occurred, but the long-term bullish outlook for India remains intact. Short-term caution is warranted due to sustained Foreign Institutional Investor (FII) outflows and concerns over market valuations. Investors are advised to adopt a defensive approach, focusing on selling into rallies rather than buying dips.

Globally, shifting investment trends are impacting market movements, with some funds redirecting focus to China due to its relatively lower valuations. This is creating competition for capital inflows to emerging markets like India. Despite challenges in the Chinese economy, interest persists in sectors like technology and AI, bolstering its growth potential.

Domestically, India's market continues to benefit from strong domestic institutional flows, especially from mutual funds which are partly absorbing the persistent selling. However, if returns start to decline year-on-year for domestic investors, sentiment may change. A major concern is the pace of private sector capital expenditure (capex), which plays a crucial role in India's growth. Without a significant boost in private sector capex, the country's economic recovery may face challenges.

In commodities, gold has shown strong upward momentum, reaching decade-high levels. Geopolitical factors and a stronger US dollar are driving this increase. Despite short-term risks from geopolitical developments, gold remains a valuable long-term hedge for investors.

As we progress into 2025, maintaining a diversified approach across asset classes is vital. Focusing on quality, liquidity, and a balanced portfolio will help investors navigate the current market conditions. Monitoring both domestic and global macroeconomic developments will be crucial for making informed investment decisions.



In The News:

1. India's GDP growth for Q3 FY25 was 6.3%, slightly below projections, reflecting slower growth.
2. PMI & GST numbers – Available on 1st March.
3. India's new EV policy is expected to decrease import duties on EVs, slashing rates from the current 110% to just 15%.
4. European carmaker shares declined following U.S. President Trump's announcement of potential 25% tariffs on EU imports, raising concerns about economic repercussions.
5. China io inject \$ 55 Bn into banks amid economic slowdown.



From Director's Desk

Focus on Strategy,
Not Swings – Especially Now

Dear Investors,

The recent market correction has understandably caused anxiety for many investors. After a strong run-up over the past year, the sharp pullback across equities—especially in small and mid-caps—has raised questions about whether the investment journey ahead will be as smooth. First, let me acknowledge this: market volatility is unsettling, even for seasoned investors. It's completely normal to feel concerned when you see your portfolio's value fluctuate significantly in a short span of time.

However, this is precisely the moment when process matters more than ever. Short-term swings—whether driven by global uncertainty, domestic political noise, or sector-specific developments—are an inevitable part of investing. The important thing is not to let these temporary movements dictate long-term decisions.

This isn't the first correction, and it won't be the last. In fact, if we look back at data over the past 20 years, markets have experienced a 5-10% correction nearly every year—yet the long-term trend has remained upward. Investors who stayed the course through these phases were ultimately rewarded.

One of my clients, Rohan, went through this learning curve a few years ago. In his early investment journey, every dip led to panic selling and frequent portfolio churn. This caused unnecessary stress and diluted returns. After we sat down for a goal-mapping session, we realigned his investments with a clear, process-driven strategy. Today, even amidst market noise, he remains calm, because his focus is firmly on why he is investing, not just how his portfolio performed last week.

Process Over Panic

The essence of wealth creation lies in a simple truth: markets work for those who give them time. A disciplined approach—where investments are tied to your personal goals, risk appetite, and time horizon—ensures that short-term volatility doesn't derail long-term compounding.

Asset Allocation – Your First Line of Defense

While equity grabs headlines, a robust asset allocation framework is the real hero of wealth creation. Asset allocation ensures that when equities face headwinds, the stability from debt or alternatives cushions your portfolio.

This process involves:

- ✓ Setting clear financial objectives (retirement, education, wealth transfer)
- ✓ A thoughtful asset allocation—balancing equity, debt, and alternatives
- ✓ Periodic review, but not reactive reshuffling
- ✓ Embracing diversification to cushion against unexpected shocks

Reassurance with Perspective

If history is any guide, corrections like these have always been buying opportunities for investors with long horizons and surplus liquidity. Instead of fearing volatility, use it to reassess and strengthen your portfolio.

- Valuations are becoming more reasonable, slowly creating opportunities for quality stocks at better prices.
- India's long-term growth story remains intact, supported by structural drivers like digital transformation, manufacturing shifts, and rising domestic consumption.

Stay Focused—This Too Shall Pass

As your advisor, my job is not just to manage your money, but to help you manage your emotions through the journey. Remember, the goal isn't to avoid corrections—it's to navigate through them with clarity and confidence.

Stay disciplined. Stay invested. The results will follow.

As always, we are here to guide you through every phase—up or down.

Event	Drawdown	Time to Recover
2008 GFC	-60%	18 months
2013 Taper Tantrum	-11%	5 months
2020 COVID Crash	-38%	9 months

Latest Updates from Experts



Negative SIP Returns? Here's What You Should Do!

This CNBC-TV18 interview with Tarun Birani explores why SIPs show negative returns, common investor mistakes, and strategies like step-up SIPs and portfolio rebalancing. Learn how to navigate market downturns and make informed decisions for long-term wealth creation.



Masterclass: Managing Portfolio Risks Amid Macro Uncertainties

Join Tarun Birani and Aashish P Sommaiya in this masterclass on portfolio resilience, investor behavior, and market cycles. Learn why true risk lies in your portfolio, not the market, and discover strategies to avoid herd mentality while building long-term wealth.

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