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Covid-19 Investment Strategy: FAQs and answers to embrace an opportunity in crisis

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The Covid-19 crisis has pushed global leaders into re-thinking new realities and there is a need for all investors too in re-strategizing priorities, investment plans and optimizing resources. This is quite akin to the saying - *when the going gets tough, the tough gets going.*

The Covid-19 pandemic is as much of an opportunity for investors as it is a crisis moment. For India, the government has announced a slew of measures totaling just over Rs 20 trillions. The Reserve Bank has also pitched in with several measures such as

reducing reverse repo-rate, reducing long term repo operations to benefit NBFCs and microfinance institutions along with easing pressure on public sector financing. As we all know India currently being the world's sixth-largest economy and One of the world's fastest-growing economies with skilled local labor pool, Massive Local Market, rising global competitiveness, rising economic influence and friendly Government policies as some features to add up.



Vi skal trene sammen i Florida

Ønsker du å kjenne treningsglede, bli motivert og få hjelp til å nå målene...

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For Indian equity markets, the virus outbreak certainly is disruptive. There has been a toll on economic activity and associated damage in market valuations. Covid-induced corrections have seen the NSE Nifty50 slip and the Sensex drop from highs of 42,,273 to levels of 36,000 (as on July 3).

The daily market movement can give the average investor jitters, but it's advisable to ignore such movements and instead focus on long term goals. With that in mind, here's a look at the long-term goals and advice for investors.

Q: Should an investor remain invested or call it quits?

Answer: Well its always advisable and a healthy thought to stay invested as redemption can turn the virtual and notional losses into real losses while staying invested will motivate them to participate and compete in the stock market rally, as the recovery curve is going upwards. A personal advice for investors is keep an eye on long term goals - the

original reason for the investment and close eyes on daily market fluctuations.

Should investors re-allocate portfolios?

Most of the investments that happen in India revolve around equity, and other asset classes fixed income (bonds), cash equivalent or money market instruments and derivatives have taken a back seat. However, we all know diversification across different asset classes shall always give a blow to the portfolio. Accordingly, here are some questions based on portfolio allocation.

Impact of Covid- 19 on Investor's behaviour & what others should do:

- **Markets turning pessimistic: Stay positive on the long-term growth outlook**
- **Keeping a close watch on recent negative performance of the investments and allocate a higher proportion to the investments that have performed well recently: DIVERSIFY**
- **Debt and Gold are doing well, should one re-allocate their portfolios here?:** An Investor should clearly define the purpose before accumulating investments in his portfolio, so he knows where every rupee invested
- **Should we redeem investments into other sectors?:** To invest into the companies with fundamentally strong balance sheets, who are likely to combat corona virus storm and may lead the market.
- **How to select companies for investing:** Investor should choose a basket of strong, influential market leaders. Opt for Passive Investment Strategy to Attenuate Unsystematic Risk.
- **Lessons for investors:** Irregular cash flows, Delayed Salary Payments, Low Salary Hikes, Deferred Bonuses interrupt Investment Management. Investors should take such uncertainties as lessons, and raise an alarm for others too to invest for the unprecedented times

•**Should I hit the pause button?:** Rebooting Investment Strategies in several instances can help re-create financial goals.

When situation normalizes and COVID-19 goes away from our lives, investors will turn their attention to their portfolios, strategies, activities and plans to diligently invest with all the fundamental and basic investing principles aiming to safeguard their assets and financial goals. Investors trust will certainly be restored; this pandemic will certainly turn their attention back to the Active versus Passive Investment Debate, ensuring all investors shall keep the below 2 things in mind:

- Ignore short term volatile risks
- Look towards an innovative future with an enhanced Investment Management

Let's not forget that Time is a thief and Hope is on the Horizon...



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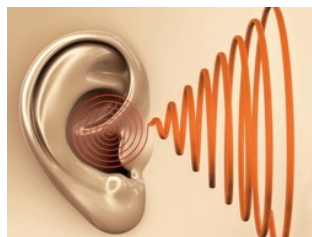
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